Good morning, Madam Chairperson and members of the Commission. My name is Melinda Haley, and I am the Special Legal Advisor to Commissioner Gary Lanigan, on whose behalf I appear today. Seated with me is Assistant Commissioner for Administration, Carmella Elmer, Director of Operations; Bruce Hauck; and various NJDOC personnel from the Administration Capital Construction Units.

**DEPARTMENT OVERVIEW**

The mission of the New Jersey Department of Corrections is to protect the public by operating safe, secure, and humane correctional facilities. The mission is realized through effective supervision, proper classification, appropriate treatment of offenders, and by providing services that promote successful reentry into society.
To deliver this, mission the department operates and maintains 12 major institutions. Seven facilities provide custody for adult men, one for women, three for youth offenders and a central reception/intake unit. In addition to the major institutions, we operate annex facilities, minimum-security units and special treatment units.

**Adult Institutions (Prison Complex)**

Located throughout the state are 7 adult male correctional institutions, including South Woods, New Jersey, East Jersey, Bayside and Northern State Prisons, Southern State Correctional Facilities, the Central Reception and Assignment Facility and its annex facility Mid-State. The Edna Mahan Correctional Facility for Women is the only facility for adult females. In addition, minimum-security inmates are housed in units at Ancora, a satellite of Bayside State Prison; and Jones Farm, a satellite of the Central Reception and Assignment Facility.

Inmates sentenced under the Sex Offender Act (N.J.S.A. 2A:164 and 2C:47) are housed at the Adult Diagnostic and Treatment Center in Woodbridge
Township. Also administered by this institution are two annex facilities operated jointly by the Department of Corrections and Department of Human Services, which provide secure care and treatment of civilly committed sex offenders who have completed their custodial terms as state prisoners.

**Youth Correctional Institutions (Youth Complex)**

The three youth correctional facilities, Garden State, Mountainview, and Albert C. Wagner Youth Correctional Facilities, provide for the custody, care and rehabilitation of younger adult males.

Far removed from being a "wish list," I would characterize our projects as "must haves." Commissioner Lanigan, who spent decades managing the fiscal affairs of three sprawling agencies, would like to emphasize that while we are cognizant of the fact that funding is limited, we have grave concerns about the crumbling infrastructure of several of our most secure prisons. The combination of an aging prison filled with a critical mass of inmates and a dearth of capital investment provides a true recipe for disaster. Truthfully, we cannot continue to survive without capital investment. As such, we have

\[ \text{\textcopyright 2023} \]
attempted to prioritize our needs, and while it may not be possible to address all of these issues, we feel that capital investment, now, will ultimately save monies while protecting the public, our most vital concern. Unmet capital improvements year after year have not only caused a serious deterioration of our physical plants throughout the department, they have compromised basic services—and potentially, the safety of staff and the public.

Let me begin with the most pressing capital needs within the department. New Jersey State Prison’s West Compound, constructed in 1871, is in dire need of a total renovation. The department is requesting $213,599,000 to accomplish this. Currently, there are approximately 1,070 inmates housed in this wing. Major repairs are urgently needed in order to maintain this part of the facility, which includes replacement of water main and sewer lines, cells, toilets, sinks, and fixtures. Recently cited by the Department of Health for issues concerning this part of the facility, the NJDOC recognizes its responsibility to the staff that work in the West Compound as well as the inmates who are housed there. Consider that the “worst of the worst”
inmates are housed at New Jersey State Prison. Not only is this a health issue, but failure to address the infrastructure issues proffered here constitutes a true public safety concern.

This year, as in prior years, the department is also requesting funding for backup generators and electrical upgrades. Consider the implications if the power fails at any one of the facilities. A life-threatening situation could ensue, as the generators are necessary to maintain all of the systems in each prison. The facility would be in the dark, and many of the locking system for cells and gates either would not open or would need to be locked by hand. The ramifications of such a scenario are frightening. The price tag for this most necessary capital budget request is $168,089,000.

Yet another significant issue facing the Department of Corrections is our compliance with the New Jersey Uniform Fire Safety Code. Significant upgrades and improvements must be made to all facilities to meet new building and fire codes. Funding is vital in order to ensure the safest
conditions to guard against potential loss of life due to a fire at any one of
the facilities. At this time, the department is forced to remain non-compliant
with the New Jersey Fire Safety Code until—and unless—we obtain the
funds. Non-compliance with the fire code can lead to substantial fines
issued by the Department of Community Affairs of up to $5,000 per
violation, per day, per institution. The department has been cited by the
DCA on numerous occasions for its violations, and requests for this funding
date as far back as 1983. The continuous failure to fund this project
endangers the lives of staff, inmates and the public.. The DOC is forced on
an ongoing basis to relieve officers from regular duty assignments in order
to conduct a 24-hour watch as a temporary measure to ensure safety instead
of installing the alarms, suppression systems and fire escapes, as required.
For example, a fire escape needs to be built in order to provide a second exit
at the Adult Diagnostic Treatment Center so all the inmates and staff may be
evacuated safely in the event of major fire. Other facilities need a fire alarm
detection system throughout the entire edifice. We need $105,906,000 to
bring our prisons into fire safety code compliance.
It is imperative that we replace and renovate roofs. Deterioration due to water leakage creates not only structural damage, but presents public safety concerns. There is also a potential for health and safety hazards for staff and inmates. The department is requesting funding for these projects in order to reduce hours spent on repairing the damage. For instance, the roof of East Jersey State Prison, home to some 1,500 inmates, has been in need of repair for more than a decade. While some minor repairs have been effected, at present there is scaffolding under the dome to literally prevent the ceiling from collapsing. This is the direct result of a lack of funding to completely repair this roof.

These are the department’s most pressing needs. Again, I want to assure the committee that we are painfully aware that funds are limited, and we appreciate the fact that many state agencies are experiencing infrastructure issues. However, we respectfully ask you to consider that public safety is
unquestionably at risk, and without capital investment, we may not be able to fulfill our mission.

CORRECTIONAL FACILITY POLICY AND PLANNING-MAJOR

FACILITY ISSUES

Major capital challenges:

The department faces the following challenges on a daily basis: increased demands on aging physical plants across all facilities; ongoing use of trailer units well beyond their useful life; and maintenance of deteriorating and sometimes obsolete infrastructure. Security as well as health and safety code compliance is given the highest priority in the department’s capital plan. However, the reality is that due to the limited amount of capital funds available to the department in recent years and the size and scope of numerous ongoing emergency repairs, the department is unable to address its multiple--and increasing--capital improvement needs. Repairs, temporary housing situations and potential lawsuits are an inefficient use of public money and prevent us from providing the level of service that is required of this department and the state.
Maintenance of Physical Plant

There are other authorities regarding compliance with federal and state fire, environment, and health and building codes that govern our department. Compliance with these laws assists in ensuring safety and security. Failure to comply will lead to fines and more emergency repairs, which are not efficient uses of taxpayer dollars. In order to ensure that inmates are secure and the public is safe, this department must be able to take preventative measures to fix the many outstanding issues plaguing our facilities.

Continuing Infrastructure Problems

A primary capital challenge facing the DOC is the continued maintenance of the existing physical plant and infrastructure. As stated earlier, the West Compound at New Jersey State Prison must be renovated in order to continue to protect the public and deliver the services this department is expected to provide.
The department has also been cited for violations by Public Employee Occupational Safety and Health Department of Environmental Protection for health and environmental hazards on several occasions. Asbestos cleanup is essential to the department’s compliance with DEP and PEOSH regulations. This funding will be used to have an engineering firm conduct a study to determine the potential hazard of suspected asbestos-contaminated materials, often caused by toxic materials spills at older facilities throughout the state. Asbestos cleanup is vital to ensure the safety and health of the department’s staff as well as the offender population.

There are locking systems, camera and surveillance systems and towers that need to be replaced and/or upgraded to maintain public safety. Multiple doors have failed to open in a group of cells at one of the facilities due to the need to replace parts of the aging system. For example, at the Central Reception and Assignment Facility, the parts for the locking system are no longer manufactured. The department is forced to spend avoidable funding on overtime due to the locking issues at this facility. Surveillance is also critical. Many of the department’s facilities are in need of either a public
address or video surveillance system. Without the proper equipment, additional custody overtime in the form of increased patrol posts has to be utilized. The department is consistently concerned with perimeter security breaches. Note that we are requesting funding for eight out of the department’s 12 facilities. We understand that this is substantial. However, we firmly believe taxpayer dollars must be spent on prevention and a permanent solution to these issues. To continue to “patch” major structural flaws is truly the proverbial “throwing good money after bad.”

Although prior year capital budgets included recommendations to fund some of the department’s projects, funds were not appropriated to the department for said projects. The cumulative effects of the constant use of aging facilities and trailers around the clock by staff and inmates, and the inability to sufficiently maintain these buildings and infrastructure, underscores the need for funding to support the department’s capital budget request. For example, at Southern State Correctional Facility and Bayside State Prison, the trailers that house the inmates are 25 years old. The life expectancy of
those units is exhausted. The department implores this commission to recommend funding for the department due to the critical need and imminent public safety concerns.

SUMMARY

The primary objective of the department’s capital program continues to be the maintenance of existing facilities to minimize further deterioration and compliance with the state and federal regulations, as well as, security and safety. Through our capital requests are items that will ensure that our primary objective is met.

The Department of Corrections Fiscal Year 2012 Capital Request addresses all of these objectives. The complete Fiscal Year 2012 Capital Request consists of 28 projects with a total cost of $551,396,000. The major projects in this year’s request can be categorized in several major areas. They include: West Compound ($213,599,000) Infrastructure Electric which includes Maintenance and Repair of the Emergency Generators and Control Systems, General (including Roof Repairs), HVAC, and Plumbing ($168,089,000), Fire Safety Code Compliance and Security including
Locking, Camera Surveillance and Perimeter needs ($120,536,000), Environmental and Health Hazards ($42,656,000) and Energy ($6,516,000).

Thank you for this opportunity to present the capital needs of the Department of Corrections. I will now open the microphone to other DOC personnel to adequately respond to your questions.
RAYMOND L. ZAWACKI
DEPUTY COMMISSIONER FOR VETERANS AFFAIRS
FY 2012 CIP (19 NOVEMBER 2010)

GOOD MORNING MADAME CHAIRWOMAN AND
COMMISSION MEMBERS.

IT IS MY PLEASURE TO PRESENT YOU WITH
THE DEPARTMENT OF MILITARY AND VETERANS
AFFAIRS FY2012 CAPITAL IMPROVEMENT PLAN.
THIS PLAN IS IN KEEPING WITH THE ADJUTANT
GENERAL’S VISION OF PROVIDING STATE OF THE
ART FACILITIES TO MEET MISSION REQUIREMENTS
AND TO ENHANCE THE READINESS OF OUR NEW
JERSEY NATIONAL GUARD, WHILE MAINTAINING THE
BEST POSSIBLE SERVICES SO RICHLY DESERVED
BY OUR NEW JERSEY VETERANS.
IT IS IMPERATIVE THAT THE STATE AND THIS DEPARTMENT ARE ALWAYS VIGILANT IN ENSURING THAT THE GUARDSMEN AND VETERANS NEEDS ARE MET.

CURRENTLY, WE HAVE OVER 100 SOLDIERS AND AIRMEN SERVING IN IRAQ, AFGHANISTAN AND THE HORN OF AFRICA. THEY ARE DUE TO RETURN HOME EARLY NEXT YEAR. IN AUGUST OF THIS YEAR, OVER 750 SOLDIERS AND AIRMEN SAFELY RETURNED HOME FROM THEIR YEAR LONG DEPLOYMENT IN IRAQ AND AFGHANISTAN.
SINCE SEPTEMBER 11, 2001 MORE THAN 11,400 SOLDIERS AND AIRMEN WERE DEPLOYED IN SUPPORT OF OVERSEAS CONTINGENCY OPERATIONS ALL ACROSS THE GLOBE.
THIS CAPITAL PLAN IS FOCUSED ON 12 PROJECTS TOTALING $8.0 MIL. THAT ADDRESS OUR MOST IMMEDIATE CONCERNS.

THE FIRST REQUEST OF $747,000 ADDRESSES THE ROOF REPLACEMENT OF BLDGS. ONE & TWO AT THE PARAMUS VETERANS HOME. THESE ROOFS HAVE EXCEEDED THEIR LIFE EXPECTANCY AND NEED TO BE REPLACED. CURRENTLY THERE ARE APPROXIMATELY 10 WATER LEAKS THAT HAVE BEEN ISOLATED THRU THE USE OF TARPS. THE USE OF TARPS HAS HAD A BETTER RESULT THAN THE CONSTAT PATCHING OF THE ROOF, WHICH IN SOME CASES, ONLY DIVERTS THE LEAK TO A DIFFERENT AREA.
TO THIS POINT, DAMAGE TO INTERIOR LIVING AREAS HAS BEEN LIMITED TO FAILED CEILING TILE. CONTINUED WATER INFILTRATION WILL EVENTUALLY CAUSE DAMAGE TO THE ROOF SUBSTRUCTURE AND GENERATE MOLD AND MILDEW GROWTH WHICH VIOLATES VETERANS ADMINISTRATION HEALTHCARE STANDARDS. FAILURE TO REPLACE THE ROOFS WILL ULTIMATELY AFFECT THE ABILITY OF THE FACILITY TO PROVIDE THE NECESSARY RESIDENT CARE AND RESULT IN SHUTTING DOWN THE HOME AND DISPLACING THE RESIDENTS.

THIS PROJECT IS FULLY DESIGNED AND IS AWAITING FUNDING. THE FUNDING REQUEST REPRESENTS THE 35% STATE SHARE OF THE PROJECT.
THE PHOTOS BELOW DEPICT THE DETERIORATING ROOFs.
**Priority Two** requests $875,000 for the replacement of boilers at the Atlantic City, Burlington, Morristown and Westfield armories. The average age of the boilers in question are 30+ years old and not energy efficient. They require constant maintenance and put a strain on our yearly operating budget. Over the last two fiscal years, an average of $275,000 was spent on repairs to the boilers at the four facilities. The replacement boilers will be energy efficient with the potential annual savings of $50,000 in utility costs.
**Priorities**

**Priority Three** requests $960,000 of which $800,000 will be used to cover the cost for engineering, designing and repairing the sinking drill floor at the Cherry Hill armory and $160,000 to reimburse the Department for the engineering and design of the sinking drill floor at the Atlantic City Armory.

ENGINEERING STUDIES WERE PERFORMED AT BOTH FACILITIES WHICH IDENTIFIED POOR SUB-SOIL CONDITIONS CAUSED BY WATER INFILTRATION INTO THE UPPER LEVELS OF THE SUBSTRATE.
CORRECTIVE ACTION WOULD INCLUDE A PILING AND PINNING SYSTEM TO RAISE AND SECURE THE FLOOR SLABS.

THE CHERRY HILL PROJECT IS ELIGIBLE FOR 50% FEDERAL FUNDING.

**PRIORITY FOUR** REQUESTS $675,000 FOR ROOF REPLACEMENTS AT THE CHERRY HILL, NEWARK, AND WESTFIELD ARMORIES.

THESE ROOFS HAVE GREATLY EXCEEDED THEIR ORIGINAL 20 YEAR LIFE CYCLE AND ARE IN A SERIOUS STATE OF DISREPAIR.

THE LEAKING ROOFS DIRECTLY CONTRIBUTE TO UNINHABITABLE SPACE AND STRUCTURAL DAMAGE.
WE HAVE ALSO IDENTIFIED A MULTIYEAR PROGRAM TO REPAIR ROOFS AT 40 FACILITIES. ROOF REPLACEMENTS, WHEREVER FEASIBLE, WILL CONVERT EXISTING FLAT RUBBER ROOFS TO 50 YEAR SLOPED METAL ROOFS. THE COMMISSION HAS SUPPORTED THIS URGENT ROOF REPAIR INITIATIVE IN PREVIOUS BUDGET SUBMITTALS. UNFORTUNATELY, THE ROOFS CONTINUE TO DETERIORATE.

FEDERAL FUNDING WILL PAY FOR 75% OF THE CONSTRUCTION OF A SLOPED METAL ROOF THAT REPLACES AN EXISTING FLAT ROOF AT OUR ARMORIES.
**Priority Five** requests $400,000 which will provide funding for window and HVAC control replacement at the Atlantic City, Westfield and Burlington Armories. These projects will focus on re-establishing building moisture protection and reducing energy costs. These projects are matched with 50% federal funding.

**Priority Six** requests $650,000 to re-establish building moisture protection by re-pointing all exterior mortar joints at the Jersey City, Teaneck and Morristown Armories.
ALL FACILITIES ARE 50+ YEARS OLD AND THE EXTERIOR MORTAR JOINTS ARE STARTING TO DETERIORATE ALLOWING WATER INFILTRATION INTO THE BUILDING. IF ALLOWED TO CONTINUE, MAJOR DAMAGE TO THE FACILITY INFRASTRUCTURE WILL OCCUR, RESULTING IN STRUCTURAL DEGRADATION AND COSTLY REPAIRS.
PRIORITY SEVEN REQUESTS $193,000 TO PROVIDE AN EMERGENCY GENERATOR AT THE VINELAND VETERANS HOME ADMINISTRATION BUILDING. THIS IS THE 35% STATE SHARE OF THE PROJECT.
THE FEDERAL VETERANS ADMINISTRATION WILL PROVIDE THE OTHER 65%.

THE EXISTING ADMINISTRATION BUILDING WAS JOINED TO THE NEW REPLACEMENT HOME AS PART OF THE CONSTRUCTION BUT DID NOT INCLUDE AN EMERGENCY GENERATOR SYSTEM. THE INSTALLATION OF AN EMERGENCY GENERATOR WILL ALLOW FOR UNINTERRUPTED OPERATIONS IN THE EVENT OF A POWER FAILURE. ADDITIONALLY, THE VINELAND HOME IS UNABLE TO FUND THIS REQUIREMENT UNDER THE LINE OF CREDIT PROGRAM.
**Priority Eight** is for $295,000 to fund emergency power generation at the Jersey City and Teaneck Armories. These facilities are strategic operations centers that we need to maintain our ability for continued command and control, along with an operational base during emergencies. This will allow for rapid force deployment to homeland security/terrorism and natural disasters. This $295,000 represents 25% of the state share to complete this project.
I HAVE IDENTIFIED EIGHT OF OUR DEPARTMENT’S TEN PRIORITIES TO YOU TODAY. I WOULD LIKE YOU TO ALSO CONSIDER THE REMAINING FOUR PROJECTS AS WELL, BUT IN THE INTEREST OF TIME, I AM SUBMITTING THOSE AS WRITTEN TESTIMONY ONLY.

WITH YOUR SUPPORT, THE DEPARTMENT OF MILITARY & VETERANS AFFAIRS WILL CONTINUE TO ENSURE THE SECURITY OF NEW JERSEY’S CITIZENS AND PROVIDED SERVICES TO OUR DESERVING VETERANS.

I THANK YOU FOR THE OPPORTUNITY TO MAKE THIS PRESENTATION. MY STAFF AND I ARE PREPARED TO ANSWER ANY QUESTIONS YOU MAY HAVE.
**PRIORITY NINE** REQUESTS $189,000 FOR SECURITY ENHANCEMENTS AT THE VETERANS HAVEN FACILITY IN ANCORA AND THE MENLO PARK VETERANS HOME.

SPECIFICALLY, WE ARE PLANNING TO INSTALL A SECURITY SYSTEM AT THE VETS HAVEN FACILITY TO PROTECT THE 55 RESIDENTS AND RELATED STATE PROPERTY AT THE FACILITY.
AT MENLO PARK, WE ARE PLANNING TO REPLACE APPROX. 3,600 LF. OF FENCE-LINE THAT IS IN A SERIOUS STATE OF DIS-REPAIR. ROTTED FENCING PARTS HAVE CAUSED GATES TO BE NON-FUNCTIONAL AND SECTIONS OF THE PERIMETER FENCE TO COLLAPSE ALLOWING UNAUTHORIZED ENTRY TO THE CAMPUS.

**PRIORITY TEN** REQUESTS $353,000 FOR THE INSTALLATION OF AN ENERGY MONITORING AND CONTROL SYSTEM AT THE PARAMUS HOME AND THE UPGRADING OF HVAC CONTROLS AT THE VINELAND HOME ADMINISTRATION AND MAINT. BLDG.
THE INSTALLATION OF THESE SYSTEMS WILL IMPROVE THE EFFICIENCY OF ALL MECHANICAL SYSTEMS AND BE IN CONCERT WITH MY ENERGY CONSERVATION PROGRAM WHICH REQUIRES ALL FACILITIES TO REDUCE ENERGY CONSUMPTION BY AT LEAST TEN PERCENT.

**PRIORITY ELEVEN** REQUESTS $2.1 MIL. WHICH WOULD ALLOW FOR MUCH NEEDED PAVING REPAIRS AT 26 FACILITIES STATEWIDE, TO INCLUDE THE BG WILLIAM C. DOYLE CEMETERY. THE NJDOT COMPLETED A DETAILED SURVEY OF ALL OUR FACILITIES WITH A RECOMMENDED CORRECTIVE ACTION PLAN. THIS ALSO REQUIRES MULTI-YEAR FUNDING SUPPORT.
THE FEDERAL GOVERNMENT WOULD CONTRIBUTE TO 50% OF THE COST.

**PRIORITY TWELVE**, FOR $500,000, IS THE 50% STATE SHARE TO REPAIR DRILL FLOORS, REST ROOMS AND KITCHENS AT 11 OF OUR UNIT ARMORIES.
New Jersey Department of Military & Veterans Affairs
FY2012 Capital Improvement Plan Discussion Point Response

Priority 1: Roof Replacements – Paramus Memorial Home Bldg 1 & 2 - $747,000

Project Description: The roofs at the Paramus Memorial Home are 20+ years old and are at the end of their normal life cycle.

Agency Justification: Replacement is needed prior to the occurrence of major leaks that would cause damage to interior living area and potentially violating Veterans Administration healthcare standards. The roof replacement projects total $2.135 million and are 65% federally funded at $1.388 million.

Operating Impact: None stated.

Discussion Points: What has been average amount of annual maintenance cost on these roofs at Paramus for the past three fiscal years? Has this project already been designed? What is the estimated time to complete this project? Are there active roof leaks at this facility and if so, what has been the extent of damage?

DMAVA Response:

The average maint. costs for roof repairs thru FY08 and FY09 were $32,000. Seeing no funding being made available in FY10, the Home has foregone trying to repair the 12 actual roof leaks and has put tarps on the roof to minimize the leaks. They found that by trying to patch an individual leak, it would only divert them to another area and they would have to start the process all over. The tarps have isolated the leaks inside the facility and they have been able to block off the areas from resident access. The Home is currently spending approximately $2,000 to $3,000 a year on failed ceiling tile. The project is 100% designed and the estimated completion time is 3-4 months.

Priority 2: Armories - Various Boiler Replacements - $875,000
**Project Description:** Projects would consist of replacing the heating plant systems at the following four armories: (1) Westfield ($500,000); (2) Morristown ($650,000); (3) Atlantic City ($300,000); and (4) Burlington ($300,000).

**Agency Justification:** Current maintenance costs exceeded $275,000 for the facilities in question. The systems are original to the facility and are not energy efficient. The boiler replacement projects total $1.750 million and are 50% federally funded.

**Operating Impact:** Decrease - $275,000.

**Discussion Points:** The department stated that total current maintenance costs for these boilers exceed $275,000. What are the approximate annual operational savings per facility? Has the department contacted the Office of Energy Savings concerning these projects? Will the Atlantic City Armory boiler be replaced as part of the Memorandum of Agreement between DMAVA and the Division of State Police to fund renovations and community crime prevention programs at this facility?

**DMAVA Response:**

*With the average age of these boilers at 30 years plus, their replacement with 90% energy efficient systems would reduce both the operational and utility savings by at least $10 to $12 thousand dollars per facility per year. The Atlantic City boiler replacement is not part of the MOA between DMAVA and the Division and State Police to fund renovations and community crime prevention programs project.*

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**Priority 3: National Guard-Repair Sinking Drill Floor - $960,000**

**Project Description:** Requested funding will be used to repair sinking drill floors at the Atlantic City and Cherry Hill armories.

**Agency Justification:** An Engineering study was performed and identifies poor sub-soil conditions caused by water infiltration into the upper levels of the substrate. Corrective action would include a piling and pinning system to raise and secure the floor slab. The drill floor repair projects total $1.920 million and are 50% federally funded.

**Operating Impact:** None stated.

**Discussion Points:** Will the Atlantic City Armory drill floor be repaired as part of the Memorandum of Agreement between DMAVA and the Division of State Police to fund renovations and community crime prevention programs at this facility? If so, please explain. Would repairing the drill floor at the Cherry Hill armory fully resolve the structural integrity problems associated with that facility? Has either of these projects been designed and ready for bid?

**DMAVA Response:**
The Atlantic City drill floor is part of the MOA. The department is requesting funds in the amount of $160,000 to recoup the cost of the engineering and design services. The Department requested $800,000 for the repair of the Cherry Hill drill floor. The project would stabilize the existing condition and prevent further settlement issues. It is not feasible to remove the underlying organic soils which are being compacted over time without a removal of the entire sub-base of the foundation. The flood plain of the river is also a contributing factor. This project has not been designed.

Priority 4: Various Roof Replacements - $675,000
Project Description: The scope of these projects is to re-establish building moisture protection.
Agency Justification: Major maintenance and repair projects for these facilities continue to increase with various type projects required to ensure the integrity of the facilities and their systems. Projects in priority order are roof replacements at the following locations: (1) Cherry Hill; (2) Newark; (3) Westfield; (4) Sea Girt Bldgs.7, 35, 55, 68; (5) Lawrenceville Maintenance Bldg. and (6) Brigadier General Doyle Cemetery Chapel. Priorities 1 through 5 are matched with an additional 50-75% matching federal funding. Priority 6 is 100% State funded.
Operating Impact: Decrease $15,000.
Discussion Points: Please itemize the cost by project.

DMAVA Response:

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<td>PROJECT PRIORITIZATION FY 2012</td>
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Priority 5: Replacement Windows / HVAC Controls Various Facilities - $400,000
**Project Description:** This project request is to replace windows and HVAC controls at three armories.

**Agency Justification:** This request will provide funding to replace windows and HVAC controls at the following armories: (1) Atlantic City ($300,000); (2) Westfield ($300,000); and (3) Burlington ($200,000). The replacement projects total $800,000 and are 50% federally funded.

**Operating Impact:** None stated.

**Discussion Points:** Are there any operational or utility savings with these projects? Will the Atlantic City Armory windows and HVAC controls be replaced as part of the Memorandum of Agreement between DMAVA and the Division of State Police to fund renovations and community crime prevention programs at this facility? Have these projects been designed?

**DMAVA Response:**

The armories listed above average approximately 60 years in age. Most facilities are constructed to support significantly larger part time forces and are not fully occupied during the week. Although the size of the facility becomes important when training, it is unnecessary to heat the entire space all week long. Installing zones in the antiquated heating system will allow us to isolate the areas being used on a daily basis and reduce the cost of heating space underutilized during the week. These improvements could save an additional 30% in fuels. The Atlantic City project is not included in the MOA, and none of the projects are under design.

**Priority 6: Various Masonry Re-Pointing - $650,000**

**Project Description:** This project will consist of re-pointing all masonry at the following three armories: (1) Jersey City ($700,000); (2) Teaneck ($300,000) and (3) Morristown ($300,000).

**Agency Justification:** All facilities are 50+ years old and the mortar joints are starting to disintegrate which will allow water infiltration and further damage to facility infrastructure. If allowed to continue, more costly repairs will be needed to correct problem. The re-pointing projects total $1.3 million and are 50% federally funded.

**Operating Impact:** None stated.

**Discussion Points:** Have these projects been designed and if so, are they ready to bid upon funding? Was re-pointing part of the roof replacement project at the Teaneck armory?

**DMAVA Response:**

Jersey City is showing signs of deterioration inside the walls of the drill floor. Water seeps through in hard rains and pools on the finished wood floor. If improvements are not made in the above facilities it will impact the structural integrity of the building and require more extensive and expensive repairs.

Limited re-pointing was part of the roof replacement at Teaneck for the parapet and towers. The additional work would address water infiltration from the building façade areas.

**Priority 7: Vineland Veteran’s Memorial Home- Emergency Generator - $193,000**
Project Description: Request is to purchase an emergency generator for the administration building.

Agency Justification: The existing administration building has the capability of using a generator but lost it when the central powerhouse was demolished. The administration building serves as their command center during emergencies and is the hub of the communications network. The generator purchase totals $550,000 and is 65% federally funded at $357,000.

Operating Impact: None.

Discussion Points: Would the residents’ home remain operational during a power outage to the administration building and if so, for how long? Should the generator have been included as part of the recently completed construction of this replacement facility?

DMAVA Response:

The Veterans Administration grant in FY03 did not have sufficient funding to replace the administration bldg. generator. A generator was provided in the new home construction for supporting the direct care requirements. The residents’ home would remain operational during a power outage as long as fuel supply is not interrupted. A separate project for the administrative bldg. was identified and programmed to provide the capability for emergency power to support administrative functions. The project is 100% designed. The Home does not have the financial ability to utilize the “line of credit” program to acquire the generator.

Priority 8: Emergency Generators - $295,000

Project Description: This request will provide the necessary funding for the installation of emergency generators in priority order at the following locations: (1) Jersey City; (2) Teaneck; (3) Riverdale (4) Woodbury (5) Morristown (6) Hammonton (7) Washington (8) Flemington; (9) Vineland and (10) Sea Girt.

Agency Justification: These facilities have been designated as command and control centers during emergency operations and would need an un-interruptible power supply to conduct operations. The emergency generator projects total $1.085 million and are 75% federally funded at $790,000.

Operating Impact: None.

Discussion Points: What if any failures have occurred? Have operations been adversely impacted and in what way? How do the designations of these armories as command and control centers differ from the department’s Lawrenceville site and the State’s Emergency Operations Center in West Trenton?

DMAVA Response:

There have been no appreciable power losses or operational deficiencies at any of the designated strategic operations centers. All the facilities listed are in the Department’s and the State EOC Emergency Operations Plan.

Summary of Major Capital Construction Requests by Armory:
The following sums the value of the department’s top eight capital requests for which a specific dollar estimate was provided, by armory.

<table>
<thead>
<tr>
<th>Location</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Westfield</td>
<td>$800,000</td>
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<tr>
<td>Morristown</td>
<td>$950,000</td>
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<tr>
<td>Atlantic City</td>
<td>$1,080,000</td>
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<tr>
<td>Cherry Hill</td>
<td>$480,000</td>
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<tr>
<td>Burlington</td>
<td>$500,000</td>
</tr>
<tr>
<td>Jersey City</td>
<td>$700,000</td>
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<tr>
<td>Teaneck</td>
<td>$300,000</td>
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</table>

In addition to these eight priority projects, the Department is requesting $3.2 million for fiscal 2011. These funds will be used for security improvements at Veterans Haven and Menlo Park; energy improvements at the Paramus Veterans’ Memorial Home and the Vineland Veterans’ Memorial Home; infrastructure and road repairs and various armory renovations.
New Jersey Department of Environmental Protection

Fiscal Year 2012 Capital Budget Request

Statement of E. David Barth, Director of Budget and Finance

Before the

Commission on Capital Budgeting and Planning

November 19, 2010
Good Morning. On behalf of the Department of Environmental Protection, I would like to thank the Commission for the opportunity to present DEP’s capital needs request for Fiscal Year 2012.

First by way of recap I would like to summarize for you the Department’s Fiscal Year 2012 capital request.

The Department’s request totals $1.1 billion with $180.5 million in federal funding support, approximately $301 million from the Environmental Infrastructure Trust and $90.4 million in anticipated dedicated funding. The balance of our need ($493.6 million) is allocated as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Municipal Wastewater Assistance</td>
<td>$148,000,000</td>
</tr>
<tr>
<td>Parks &amp; Forestry – Non CBT Eligible</td>
<td>$550,000</td>
</tr>
<tr>
<td>Parks &amp; Forestry – CBT Eligible</td>
<td>$75,896,000</td>
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<tr>
<td>Fish &amp; Wildlife – CBT Eligible</td>
<td>$17,394,000</td>
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<tr>
<td>Engineering &amp; Construction</td>
<td>$20,843,000</td>
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<tr>
<td>Palisades Interstate Park – CBT Eligible</td>
<td>$4,935,000</td>
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<tr>
<td>Mosquito Control</td>
<td>$1,068,000</td>
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<tr>
<td>Green Acres</td>
<td>$200,000,000</td>
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<tr>
<td>Brownfields and UST Remediation - EDA</td>
<td>$25,000,000</td>
</tr>
<tr>
<td></td>
<td>$493,686,000</td>
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</tbody>
</table>

This $493.7 million in capital needs represent approximately 47.0% of our entire capital budget request. Supporting these needs address the Department’s environmental infrastructure financing of wastewater treatment facilities and water supply systems, flood control efforts, including the match to federal HR6 funding, open space acquisition and requests for the Palisades Interstate Park Commission and the State Mosquito Control Commission. As noted some of the above identified needs are recognized as beyond the available resources from dedicated funding sources. Without additional funding these project needs will be deferred until future years.

The remainder of our capital request is supported by dedicated resources that sustain shore protection, recreational development in parks, forests and wildlife management areas, and site remediation.

**Flood Control**

Providing the necessary match to federal HR6 funding remains the Department’s top priority.

Specifically, $11.3 million in state funds will leverage $29.8 million in federal funds. Major projects to be continued in Fiscal Year 2012 include the continued matching requirements of Green Brook, South River, Saddle River and Passaic River at Harrison. It is important to note the federal ARRA monies appropriated to the Corps of Engineers
in February of 2009 is still supporting $20 million in construction costs over the next year. Our match must be available to continue these efforts. Included in our request is funding necessary to support the North Jersey District Water Supply Commission’s management and operation of the first completed federal flood control facility on the Ramapo River, including the floodgate at Oakland, which protects Oakland upstream of the dam.

**Brownfields Redevelopment and Underground Storage Tanks**

For Fiscal Year 2012 the Department is requesting additional funding beyond the allocation of the constitutionally provided CBT dedication.

Over the past two years the Hazardous Discharge Site Remediation Fund (HDSRF) which is capitalized by the CBT dedication to Brownfields, has experienced unprecedented demands due to the economic downturn and the unavailability of private funding. The unmet needs are estimated at $125 million.

For the first time since 2006 the balance of the Petroleum Underground Storage Tank (PUST) Fund will drop below $20 million during FY 2011. Under the constitutional dedication of the CBT funding this will trigger a reduction/reallocation of CBT Brownfields funding of $13.75 million and a corresponding increase in CBT UST funding of $13.75 million for FY 2012.

Accordingly, the Department is requesting an additional $13.75 in capital funds for Brownfields to offset this reduction along with $11.25 million in capital funds for UST. Thus for both programs we are asking for request of $25 million each.

**Environmental Infrastructure Financing:**

On Tuesday the Environmental Infrastructure Trust (EIT) sold $141 million in revenue bonds at an interest rate of 3.8%, that will finance 88 wastewater treatment and drinking water projects with a combined project cost of $316 million.

This year’s Fall 2010 financing program which utilizes both the EIT’s revenue debt and the Department’s federal Capitalization Grants to provide zero interest loans will provide blended rate loans that range from .97% to 1.95%. This year, a second round of financing is expected in April of 2011, which is anticipated to include up to an additional $49.4 million in wastewater treatment projects and $19.7 million in water supply projects.

Going forward the Department is proposing an annual financing program that seeks to set the bar at $550 to $560 million. To do that we need additional resources that are beyond the available federal funding and the match that can be provided by the EIT. Next year this represents approximately $148 million in new monies along with $5.8 million from the 1981 Water Supply Fund. Based on a recent Project Needs Survey there is $21 billion in unmet needs.
Shore Protection

New Jersey’s Shore Protection program remains viable with the annual dedication of $25 million. That funding, coupled with Federal and local support, has been and will continue to be critical to the State’s efforts to protect our coastline and to support the tourism industry.

Over the course of the past calendar year, Department-sponsored beach construction was completed in Avalon, Sea Isle City and North Wildwood Phase II. DEP participated with the US Army Corps of Engineers on beachfill projects in Harvey Cedars and Ocean City. Corps construction, with DEP participation, will begin later this year in Atlantic City/Absecon Island and Cape May meadows. DEP is preparing for beach construction without federal sponsorship in the north end of Atlantic City and has already begun construction on the Red Bank bulkhead.

Our Fiscal Year 2012 Capital request focuses on beachfill projects that cover Long Beach Island and Port Monmouth.

As in the past, our request for dedicated shore protection funds will be used in large part to leverage approximately $31.7 million in federal funds.

Site Remediation

Our Fiscal Year 2012 capital needs for Site Remediation include $79.6 million in funds to continue ongoing remediation projects, water line replacements, operation and maintenance (O&M) and closure of sanitary landfills. Offsetting part of these needs, we anticipate federal participation from the Superfund Program at a level of $10 million and $44.6 million from the CBT dedication. To date, the availability of the dedicated CBT funds for cleanups has allowed the State to avoid the issuance of bonds in the last ten years.

Recreational Development

In 2009, more than 18.5 million visitors attended and utilized the State Park System.

Recreational opportunities are provided at 42 State parks, 11 State forests, 3 recreation areas, 118 wildlife management areas, 43 natural areas and more than 50 historic sites and districts. These areas encompass over 820,000 acres of New Jersey. In all, the Department is responsible for over 1,900 structures.

As you know, in 2006 the voters approved a Constitutional Amendment ensuring stable funding to expand recreational opportunities in our parks and wildlife management areas and address deferred maintenance of our facilities. This amendment dramatically changed the Department’s capital request.
While the Department’s capital needs for recreational development in the State Park System and Wildlife Management Areas total $108.7 million, only $15 million is considered available in any given year from the dedicated CBT appropriations. Accordingly our capital request identifies the unmet needs of $93.7 million.

Out of this year’s funding the Department through the Division of Property Management and Construction will be awarding construction contracts to replace the bulkhead at Forked River Marina, restore the Concrete Battery at Fort Mott, upgrade the Utility Services at Monmouth Battlefield and expand the Visitor Center at Monmouth Battlefield. Energy Conservation projects include work at the Hackettstown and Pequest Fish Hatcheries.

For Fiscal Year 2012 the capital projects identified in this request include continuing sanitary facility upgrades, road and bridge repairs through the State Park System and Wildlife Management Areas, and day use facility improvements.

**Palisades Interstate Park Commission**

Requests on behalf of the Palisades Interstate Park Commission are included at a level of $4.9 million. Specifically, the Commission is seeking $885,000 for Recreation Development (i.e., Shoreline and Public Access); $3.65 million for Road Improvements (i.e., Henry Hudson Drive-Paving Drainage) and $400,000 for Historic Preservation.

**State Mosquito Control Commission**

The State Mosquito Control Commission is requesting approximately $899,000 for the replacement of heavy equipment used by county mosquito control commissions and $169,000 for open-marsh water management projects at the Forsythe National Wildlife Refuge.

Currently, there are 130 pieces of equipment in the inventory, however, many are non-capital laboratory and surveillance items; some are insecticide application machines. Of the remaining, there are 30 pieces assigned throughout the state that would qualify as capital equipment {value of $50,000 and above}. The range of age of capital mosquito control equipment requested for replacement is 22 to 38 years, and the annual budget for repairs is $100,000.

In closing, I would like to thank you for your time. We are available to answer any of your questions.
To: Commission Members and Alternates  
New Jersey Commission on Capital Budgeting and Planning

Through: James F. Vari,  
Executive Director

From: E. David Barth,  
Director Budget and Finance

Date: November 18, 2010

Subj: Responses to Capital Commission Analysis Questions

Please find below the Department’s responses to the Capital Commission’s analysis questions covering the specified DEP capital project requests.

**Project Descriptions**
The following addresses DEP’s top five priority projects that would require General Fund support.

**Priority 1 – Engineering & Construction - HR-6 Flood Control (Urgent) - $6,868,000**

**Project Description:** The funding will support urgent flood control projects at Green Brook, Mill Brook, Molly Ann Brook, Delaware River, South River, Harrison/Passaic River, Mahwah/Suffern, Saddle River, and Ramapo River.

**Agency Justification:** Lack of funding will negatively affect the flood control efforts at these locations, with a potential for property and other losses in the event of flooding. Additionally, federal matching funds will be lost without a State appropriation.

**Operating Impact:** None

**Discussion Points:** How long have each of these projects been classified as ‘urgent’ and what are the criteria for such classification.

*These are ongoing flood control projects that will provide flood mitigation to protect life and property. These projects have been considered urgent based on US Congressional appropriations to the US Army Corps of Engineers; If federal funding is available for a flood control project, the project is considered by DEP to be urgent and DEP requests the required matching funds.*

What is required to move these projects to non-urgent status, and what is the timetable for doing so?

*The projects under construction generally receive annual appropriations and remain classified as urgent until completed. The projects that are in non-construction phases, such as feasibility and design and engineering, are considered to be urgent if federal funding is available and must be matched by*
DEP. If a USACE feasibility study for a project determines that there is no cost effective solution to a flood problem, the project does not advance and the project ends. Timetables are based on USACE capabilities (available internal resources, contracting processes) and available federal appropriations. No projects are fully funded from the initiation of the project agreements between the USACE and DEP, so a project or project phase that could be 2 years based on USACE capabilities might be extended to five years due to insufficient federal funding.

What is the status of previously approved projects (design or construction)?

See list below:

**H.R.6 Flood Projects November 2010**

Status of Previously Approved Projects

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<td>Preservaton Continuing</td>
</tr>
<tr>
<td>USGS</td>
<td>Operation and Maintenance</td>
</tr>
</tbody>
</table>
How much of the uncommitted balance from fiscal 2011 funding is projected to be available for fiscal 2012?

_There will be no uncommitted balance; all funds will be provided to the USACE as DEP's required match._

Which of these projects involve multiyear commitments and what are the future amounts, by fiscal year?

_All flood control projects with the USACE are multiyear commitments_

Can the proceeds from the Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003 be used to offset some project costs?

_Flood Control funding to municipalities under the Bond Act totaling $25,000,000 had been committed, however, approximately $2,300,000 has been returned to DEP due to project contract cost overestimations. DEP is seeking Attorney General Advice on use of this money to match USACE funds based on Bond Act language._

Priority 2 – Public Funded Site Remediation – Brownfield’s Remediation - $13,750,000

**Project Description:** Provide funding, including the provision of loans and grants, for investigating and remediating Brownfield’s.

**Agency Justification:** This will lead to the restoration of commercial or industrial contaminated sites that are currently vacant or underutilized due to presence of contaminant(s).

**Operating Impact:** None

**Discussion Points:** Though Brownfield’s Remediation is normally funded with constitutionally dedicated resources, DEP is also requesting General Fund support because it believes those dedicated resources will be insufficient in FY12. According to the NJ Constitution, if available funding in the Petroleum Underground Storage Tank (PUST) Fund falls below $20 million, then in the following fiscal year the appropriation for Brownfield’s Remediation is divided between Brownfield’s and the PUST Fund, 55% is appropriated for funding loans or grants for underground storage tanks and 45% is appropriated for Brownfield’s. DEP assumes that the fiscal 2012 appropriation for hazardous substance discharge remediation would continue at the fiscal 2011 level of $25 million but only 45% of that appropriation would be available for Brownfield remediation.

What is driving the need to place these requests as a high priority?

_Over the past two years the HDSRF has experienced unprecedented demands due to the economic downturn and the unavailability of private financing._
Although DEP has requested a $25 million appropriation in addition to the annual appropriation from the CBT, the actual HDSRF funding requirement for new projects in FY 2012 and projects that remain unfunded from FYs 2010 and 2011 is estimated at $125 million.

Decreased tax receipts over the past several years have resulted in smaller annual CBT appropriations. In addition, during FY 2011, the PUST fund balance has fallen below $20 million, resulting in a change in the reallocation of CBT funds between PUST and the HDSRF, and further exacerbating and already significant funding shortfall in the HDSRF. EDA anticipates the HDSRF CBT allocation for FY 2011 will be approximately $9 million.

Is the balance in the PUST Fund expected to go below $20 million in fiscal 2012?

The balance of the PUST Fund went below the $20 million threshold in July of this year.

What is the current balance in the PUST Fund?

The balance of the PUST Fund as of 10/31/10 is $10,652,939.00.

How does the requested amount compare with prior year expenditures?

Since the program's inception in 1993, 1,818 Brownfields projects have been approved for $307.5 million in loans and grants. HDSRF approvals for calendar year 2010 totaled approximately $45 million, and the HDSRF cash available balance is anticipated to be at approximately $12 million at the start of calendar year 2011.

Total expenditures from the PUST Fund for FY 2010 were $24,027,787.25.

Are there criteria or measurable factors that prioritize such projects?

Yes.

If so, what are they?

DEP has already taken steps to prioritize Brownfields projects in accordance with the priorities dictated by the HDSRF statutory language. Only applications for Brownfield Development Areas (BDAs) and previously-funded projects are currently being evaluated; no new projects are being considered. Demands on the fund are estimated at roughly $50 million for FY 2011 and $55 million for FY 2012 for the existing 31 BDAs. Only $10 million is projected each year for non-BDAs.
When there are sufficient monies in the PUST Fund to fund all approved PUST projects, these projects are funded on a first come, first served basis. Priorities are set in the legislation for when monies in the PUST Fund are not sufficient at any point in time to fully fund all applications for financial assistance approved by the New Jersey Economic Development Authority. They are, in the order of priority:

1. Discharges that pose a threat to a drinking water source, human health, or to a sensitive or significant ecological area;
2. Upgrades of regulated tanks required to be upgraded pursuant to 42 U.S.C. s.6991 et seq., and including any necessary remediation;
3. Closure of any regulated tank required to be upgraded pursuant to 42 U.S.C. s.6991 et seq., and including any necessary remediation;
4. Upgrades of regulated tanks required to be upgraded pursuant to P.L.1986, c.102 (C.58:10A-21 et seq.), but not pursuant to 42 U.S.C. s.6991 et seq., and including any necessary remediation;
5. Any necessary remediation at the sites of petroleum underground storage tanks other than those given priority pursuant to Nos. 1, 2, 3, and 4, above.
6. Closure of any regulated tank required to be upgraded pursuant to P.L.1986, c.102 (C.58:10A-21 et seq.), but not pursuant to 42 U.S.C. s.6991 et seq.

What is the universe of Brownfield remediation projects?

Only applications for Brownfield Development Areas (BDAs) and previously-funded projects are currently being evaluated; no new projects are being considered. Because the BDA projects have the greatest financial impact on the HDSRF, the strategy is ineffective. Demands on the fund are estimated at roughly $50 million for FY 2011 and $55 million for FY 2012 for the existing 31 BDAs. Only $10 million is projected each year for non-BDAs.

How many projects are completed to date?

Since the program's inception in 1993, 1,818 Brownfields projects have been approved for $307.5 million in loans and grants. HDSRF approvals for calendar year 2010 total approximately $45 million, and the HDSRF cash available balance is anticipated to be at approximately $12 million at the start of calendar year 2011.

The total number of leaking and non-leaking PUST projects completed to date from inception of the Fund to 11/17/10 is 12,458 projects totaling $195,249,029.00, broken down as follows:
Leaking PUST Fund projects approved from inception of the Fund to 11/17/10 is 4,792 projects totaling $175,245,468.00.

Non-leaking PUST Fund projects approved from August 2, 2006 (date non-leaking tank program established by legislation) to 11/17/10 is 7,666 projects totaling $20,003,621.00.

Are these multi-year projects?

The majority of the total number of PUST remediation projects are not multi-year (homeowner heating oil tanks), but the majority of the larger, regulated tanks remediation projects do span multiple years. Brownfields projects are often multiyear.

Priority 3 – Engineering & Construction - HR-6 Flood Control (Non-Urgent) - $4,475,000

Project Description: The funding will support non-urgent flood control projects at Passaic River storage area, Passaic River floodway buyout, Passaic River Main System, Poplar Brook, Upper Passaic/Long Hill, Stony Brook, Shrewsbury River and Peckman River.

Agency Justification: Lack of funding will negatively impact flood control efforts, potentially resulting in property damage and other losses in the event of flooding.

Operating Impact: None

Discussion Points: What factors classify these projects as ‘non-urgent’, and can the department prioritize the request to identify only the amounts necessary to prevent projects moving to the ‘urgent’ category.

These are ongoing flood control projects that will provide flood mitigation to protect life and property. These projects have been considered urgent based on the US Congressional appropriations to the US Army Corps of Engineers; if federal funding is available for a flood control project, the project is considered by DEP to be urgent and DEP requests the required matching funds.

What is the status of previously approved projects (design or construction)?

See list below:

H.R.6 Flood Projects November 2010
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Which of these projects involve multi-year commitments and what are the future amounts by fiscal year?

*All flood control projects with the USACE are multiyear commitments.*

How much of the uncommitted balance from the fiscal 2011 funding is available for fiscal 2012?

*There will be no uncommitted balance; all funds will be provided to the USACE as DEP's required match.*

Can the proceeds from the Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003 be used to offset some project costs?

*Flood Control funding to municipalities under the Bond Act totaling $25,000,000 had been committed, however, approximately $2,300,000 has been returned to DEP due to project contract cost overestimations. DEP is seeking*
Attorney General Advice on use of this money to match USACE funds based on Bond Act language.

Priority 4 – Municipal Wastewater Treatment – Wastewater Treatment
$148,000,000
Project Description: Provide low-interest loans to Local Government Units for the construction of wastewater treatment facilities through the NJ Environmental Infrastructure Financing Program.
Agency Justification: Low interest loans for projects will help prevent further deterioration of the structures and avoid future repair costs of the state's groundwater supply.
Operating Impact: None
Discussion Points: Though wastewater treatment program financing is normally funded from a combination of federal capitalization grants and local pooled borrowing, this request consists of the extra State funds required to match the federal funds. Funding for municipal wastewater treatment projects was first requested in fiscal 2010 at $49 million and again in fiscal 2011 at $150 million, as priority 115 and 103, respectively. According to the department, funding request for these projects is being elevated to one of the top priorities because the Financing Program has exhausted most of its state matching funds required for the federal Clean Water State Revolving Fund grants. In fiscal 2012, $80 million is expected to come in from the federal Environmental Protection Agency for this purpose.

Does the $148 million request represent the matching requirement only or does it include additional program funding over the state match amount?

The Department estimates that approximately $16 million will be required per year as the 20% match that is required for the Federal State Revolving Fund Capitalization Grants. This request therefore covers the Department for the next 9+ years. These funds not only provide the match but are also loaned to funding recipients as part of the New Jersey Environmental Infrastructure Financing Program. Therefore the $16 million/year is available for loan applicants.

How does the requested amount compare with prior year expenditures?
To date the match has been provided from the following sources; State Appropriations, 1985 Wastewater Bond Act, 1989 Combined Sewer Overflow Abatement Bond Act, 1992 Clean Water Fund Bond Act and the 2003 Water Resources Bond Act. All of these sources have been exhausted in their ability to provide the required State Match.

Are there criteria or measurable factors that prioritize such projects? If so, what are they?
What is the universe of wastewater treatment projects?

Yes. The New Jersey Environmental Infrastructure Financing Program each year publishes a Proposed Priority System, Project Priority List and Intended Use Plan.
The document may be found on the following web site.  
http://www.njeit.org/publications.htm  But to summarize, each project is ranked based upon the water quality improvement that would result from the completion of the project. This document also contains the universe of projects currently interested in the program.

How many projects are completed to date? Are these multi-year projects?

To date 885 projects worth a total of $5.1 billion have been financed thru the New Jersey Environmental Infrastructure Financing Program. A total of 554 projects worth $2.7 billion have been completed with 331 projects worth $2.4 billion being active. These projects involve the construction of wastewater & water treatment facilities and appurtenances and are multi year projects.

Priority 10 – Public Funded Site Remediation – Petroleum UST Remediation - $11,250,000
Project Description: Provide low interest loans and grants for the closure and replacement of petroleum underground storage tanks and for the cost of remediating any discharges therefrom.
Agency Justification: Lack of funding could negatively impact both the health and well being of the State’s residents and on the environment as unremediated tanks and their discharges could affect drinking water supplies, surface water bodies, sensitive populations, and other receptors.
Operating Impact: None
Discussion Points: According to the NJ Constitution, if available funding in the Petroleum Underground Storage Tank (PUST) Fund falls below $20 million then in the following fiscal year, 55% of the monies normally dedicated for Brownfield’s shall be appropriated for funding loans or grants for underground storage tanks. This request assumes that the fiscal 2012 dedication for hazardous substance discharge remediation loans and grants would continue at the fiscal 2011 level of $25 million and 55% of it (or $13.75 million) would be available for UST remediation. DEP has determined that a total of $25 million is necessary, requiring a General Fund commitment of $11.25 million.
What is driving the need to place these requests as a high priority?

The balance of the PUST Fund went below the $20 million threshold in July of this year, meaning that the dedication of 55% of the $25 million (or $13.75 million) will go to the PUST Fund in fiscal 2012.

Is the balance in the PUST Fund expected to go below $20 million in fiscal 2012?

See answer to question 1 above

What is the current balance in the Petroleum Underground Storage Tank fund?

The appropriation balance of the PUST Fund as of 10/31/10 is $10,652,939.00
How does the requested amount compare with prior year expenditures?

*Total expenditures from the PUST Fund for FY2010 were $24,027,787.25.*

Are there criteria or measurable factors that prioritize such projects?

*Yes.*

If so, what are they?

*When there are sufficient monies in the PUST Fund to fund all approved projects, these projects are funded on a first come, first served basis. Priorities are set in the legislation for when monies in the PUST Fund are not sufficient at any point in time to fully fund all applications for financial assistance approved by the New Jersey Economic Development Authority. They are, in the order of priority:*

1. Discharges that pose a threat to a drinking water source, human health, or to a sensitive or significant ecological area;
2. Upgrades of regulated tanks required to be upgraded pursuant to 42 U.S.C. s.6991 et seq., and including any necessary remediation;
3. Closure of any regulated tank required to be upgraded pursuant to 42 U.S.C. s.6991 et seq., and including any necessary remediation;
4. Upgrades of regulated tanks required to be upgraded pursuant to P.L.1986, c.102 (C.58:10A-21 et seq.), but not pursuant to 42 U.S.C. s.6991 et seq., and including any necessary remediation;
5. Any necessary remediation at the sites of petroleum underground storage tanks other than those given priority pursuant to Nos.1, 2, 3, and 4, above.
6. Closure of any regulated tank required to be upgraded pursuant to P.L.1986, c.102 (C.58:10A-21 et seq.), but not pursuant to 42 U.S.C. s.6991 et seq.

What is the universe of PUST remediation projects?

*PUST remediation projects encompass both regulated and unregulated underground storage tanks. Regulated tanks include, but are not limited to, gasoline service station underground storage tanks. Unregulated tank remediations are primarily for homeowner heating oil underground storage tanks, which by number account for approximately 95% of the applications processed by the PUST Fund. In addition, the non-leaking tank program is primarily for unregulated home heating oil underground storage tanks and is a proactive program that replaces these underground storage tanks with aboveground storage tanks before they leak and require more expensive remediation measures.*
With respect to current pending projects; the New Jersey Economic Development Authority currently has a total of 1261 applications pending, at an estimated total dollar amount of $18,089,879.00. Added to that, the NJDEP currently has a total of 1027 applications pending, at an estimated total dollar amount of $28,697,517.00.

How many projects are completed to date?

The total number of leaking and non-leaking projects completed to date from inception of the Fund to 11/17/10 is 12,458 projects totaling $195,249,029.00, broken down as follows:

- Leaking PUST Fund projects approved from inception of the Fund to 11/17/10 is 4,792 projects totaling $175,245,468.00.
- Non-leaking PUST Fund projects approved from August 2, 2006 (date non-leaking tank program established by legislation) to 11/17/10 is 7,666 projects totaling $20,003,621.00.

Are these multi-year projects?

The majority of the total number of remediation projects are not multi-year (homeowner heating oil tanks), but the majority of the larger, regulated tanks remediation projects do span multiple years.

Dedicated Fund Projects - $178,440,000
In addition to the General Fund requests, DEP also detailed the need for the funds that it receives automatically due to constitutional and statutory dedications.

Priority 5/7 – Engineering/Construction - Shore Protection $25,000,000

Project Description: $14 million will fund Federal-lead projects including: U.S. Army Feasibility Studies at Leonardo, Highlands, Hereford Inlet to Cape May Inlet, NJ Alternative Nourishment, Manasquan to Barnegat Inlet, and Oakwood, beach fill projects at Absecon Island, Townsends Inlet to Cape Inlet, Port Monmouth, Long Beach Island, Sandy Hook to Barnegat Inlet, and Great Egg Harbor to Peck Beach, and bulkhead project at Minish Park.

Another $11 million would go toward State-lead projects.

Agency Justification: Lack of funding will negatively affect shore protection efforts at these locations, with the potential to negatively affect tourism and the all around economy of the state. Additionally, federal matching funds will be lost without a State appropriation.

Operating Impact: None

Discussion Points: What is the status of previously approved projects (design or construction)?
DEP is providing Shore Protection funding to 30 ongoing projects: 10 with the US Army Corps of Engineers and 20 joint DEP- municipal projects in various stages of design and construction:

10 Federal USACE projects:
5 in Feasibility and Planning Engineering and Design (Highlands, Union Beach, Alternative Nourishment, East Point, Wildwoods)
2 in between renourishment cycles and we are collecting monitoring and surveying (Cape May Inlet to Lower and Brigantine Island)
2 are out to bid for construction (Absecon Island, Cape May Meadows)
1 is for possible future construction funding (Townsend Inlet to Cape May Inlet - Avalon & Stone Harbor)

20 DEP-Municipal Projects
9 are under various phases of construction (Notable ones - Port Republic Bulkhead, North Wildwood Beachfill, Loch Arbour Bulkhead, Brooklawn Revetment)
10 are in design and/or permitting (Notable ones - Atlantic City North End Project, Monmouth Beach Beachfill, Manasquan Bulkhead, Downe Township Bulkhead)
1 is ready for construction: Keansburg Stormwater Outfalls through the dune

Which of these projects involve multi-year commitments and what are the future amounts by fiscal year?

DEP funds projects on a fiscal year basis, no funds are committed without receiving funds from the state legislature for that given year. All the shore protection projects with the USACE are for a 50 year cycle, unless deauthorized by the US Congress. The DEP-USACE project agreement anticipates that when federal construction funds are received during the lifetime of the project the state will seek matching funding from the state legislature.

Are there criteria or measurable factors that prioritize such projects? If so, what are they?

Due to US Congressional appropriations that fund 65% of the project costs, USACE projects receive priority for Shore Protection funding.

All other eligible projects must be associated with the protection, stabilization, restoration or maintenance of the shore, including monitoring studies and land acquisition, and must be consistent with the current New Jersey Shore Protection Master Plan and Coastal Zone Management Program. Project areas must be affected by normal tidal cycles and be located on public or private property which has legal, perpetual easements assigned to the state for public access and use. Projects will be prioritized, after monies are reserved for US Army Corps of Engineers projects requiring a state funding match, based on:
• Need to maintain or repair an existing state shore protection feature or structure;
• Relative potential storm damage risk to public and private property and infrastructure; this priority consideration includes the direct exposure to coastal storms and the relative values of the at-risk property and infrastructure;
• Public access and use enhancements provided by the project.

OTHER SELECTED REQUESTS (in-but-not-of DEP)

Mosquito Control Commission
Priority 1 — Equipment Replacement - $899,000
(priority 21 within total DEP requests, top priority of Mosquito Control Commission’s requests)

Project Description: Funds are needed for the replacement of mosquito control equipment, which is provided to the counties and the NJ Agricultural Experiment Station under its Equipment Use Program. This will fund the following: bulldozer/backhoe ($148,470), tracked vehicle ($114,585), hydraulic excavator ($155,540), bulldozer ($148,470), and amphibious hydraulic excavator ($332,290).

Agency Justification: There is a substantial potential risk that the current aging equipment will not be economically repairable, which could impair ongoing statewide mosquito control surveillance and operations.

Operating Impact: None

Discussion Points:

Currently, what is the size of the Commission’s equipment fleet?

The State Mosquito Commission fleet involves 130 pieces of equipment. Most of these would NOT qualify as "capital" pieces and include laboratory, surveillance, insecticide application or transportation equipment. There are 15 pieces in the inventory which would qualify as "capital" pieces and they are amphibious or are upland, low-ground-pressure, wetland habitat machinery for water management (mosquito habitat source reduction) work. These are the candidates for replacement.

What are the ages (in years/months) of each piece of equipment,

The range in age for the capital equipment is eight (8) to thirty-one (31) years old. The ages of the equipment listed in the request to be replaced are, 24, 26, 26, 28 and 31 years.

What is the annual cost for maintenance?

Annual maintenance budgets required for the past several years has ranged from $40,000 to $158,000.
Provided that each of the 21 counties has its own equipment for daily mosquito control operations, how often does the Commission lend out its large-scale equipment to the counties?

*Much of this type of equipment is that which not typical for a county program to own (although some do and in a greater capacity than what the state offers). Ocean County, for example owns four amphibious machines which work in concert with the single, 1987 model that the state has assigned there. These machines are dedicated to state work on government-owned salt marsh there). Machinery may remain in a county for the duration of a project for many years, on the other hand, this past year one long-reach hydraulic excavator was transferred from Salem to Cape May County for work there. One other machine is dedicated to two counties (Essex/Morris) in order to work on the in-common Passaic River flood-plain. There are no pieces of equipment in storage or out-of-service. All equipment is working all year long.*

What is the time frame for which each county can borrow the equipment?

*All state-owned machinery is assigned according to the terms of the state equipment-use agreement (a contract) subject to annual renewal.*

**Palisades Interstate Park Commission**  
**Priority 1- Shoreline Restoration at Alpine and Englewood** - $400,000  
(priority 108 within total DEP requests, top priority of 8 PIPC’s requests)  
**Description:** Repairs to the existing seawall are critical in two areas (Englewood and Alpine) heavily used by the public for picnicking and fishing, in order to prevent safety hazard due to erosion. These are two of the Hudson River recreation areas the PIPC maintains and are two very important fishing access points (among very few remaining) along the Hudson River.  
**Agency Justification:** If project is not funded, critical repairs to the existing seawall will not be completed, resulting in an increased safety hazard.  
**Operating Impact:** None  
**Discussion Points:** Has DEP considered using CBT funds for this project?  

*In the past, the Governor’s Budget message has recommended funding from Shore Protection to address these needs.*

What is DEP’s general policy for seawall repairs in other parts of the New Jersey?  

*Shore Protection funding has been used for certain other seawall repairs. Project area must be affected by normal tidal cycles and be located on public or private property which has legal, perpetual easements assigned to the state for public access and use.*
This project could be considered with all other ongoing, requested projects. Projects would be prioritized based on:

- Need to maintain or repair an existing state shore protection feature or structure;
- Relative potential storm damage risk to public and private property and infrastructure; this priority consideration includes the direct exposure to coastal storms and the relative values of the at-risk property and infrastructure;
- Public access and use enhancements provided by the project.

What is the average annual attendance rate for the impacted parts of the park?

150,000 persons

Can these areas remain open for fishing and/or picnicking without these repairs? Depending on the nature of the failure fishing access and picnicking could have to be eliminated based upon safety reasons.

What action will the Commission take if these repairs go unaddressed (e.g. will the impacted areas be roped off)?

**IF a portion of the seawall fails and creates an unsafe condition the area would have to be closed off with barricades.**
COMMISSION ON CAPITAL BUDGETING AND PLANNING

Testimony for FY 2012 from the New Jersey State Judiciary

November 19, 2010

Thank you for this opportunity to discuss the Judiciary’s capital budget priorities for FY 2012. Consistent with last year, we will not ask for funding for our most pressing needs involving information technology. Those needs persist and we continue our efforts to ensure that our information technology systems remain viable. As you know, our computer systems support the work of the entire statewide judiciary with more than 1 million Superior Court cases, the entire statewide municipal court system with more than 6 million cases, the New Jersey State Police, local police departments, the Motor Vehicle Commission and other state and county agencies, including those in the criminal justice system.

We are keenly aware of the need to prioritize as never before and are not placing our current IT needs before you today. Discussions about technology will have to wait for sometime in the future.

Again, we understand the fiscal posture of our state, but I think I would be remiss if I did not advise you now of the long-term implications to the judiciary if we are unable to identify funding sources to address our ongoing and long term Information Technology needs.

To prepare to meet with you today, I have worked with judges and staff to reduce our request to just these three essential projects we must address in FY 2012.

First, I want to describe the $1.9 million project in process for the Mercer County Criminal Courthouse. The criminal courthouse has become not just obsolete, but a safety hazard. Reports of collapsing staircases, falling ceilings and other such stories have been addressed by the Mercer County executive with plans for a new criminal courthouse. Construction has begun and the Judiciary must be ready to have functioning office space when the new county funded courthouse is ready for us to move in.

The county assumes the cost of facilities and the Judiciary is responsible for costs to outfit and furnish the space for staff. Please be assured that before we look to purchase anything new, we will reuse every piece of furniture we can, from what is in the courthouse now to what we might find in the state’s supply of surplus office equipment, but those efforts will not meet the full demand to furnish the new space.
Therefore, we make this request to address those furnishings we cannot redeploy for use in the new complex, but must purchase new. We need systems furniture and other requirements for nine courtrooms, criminal division judges and staff, grand jury, as well as juror rooms, public area seating, interview rooms, judge’s libraries, break rooms, attorney meeting rooms, probation drug court, intake and high density records storage. The new Criminal Courthouse will enable the judiciary to maximize services to approximately 10,000 litigants, 1,200 grand jurors, 4,000 petit jurors and an unknown number of concerned or involved members of the public.

Second, the final phase of the Gloucester County Justice Complex project involves moving family division staff to the newly constructed facility and the county renovating the existing Family Building so that the County Administration and staff that currently have offices in the court house on 1 N. Broad St. can relocate to the Family Building. This will allow the Civil Courts to expand with additional court rooms, conference rooms, attorney/client rooms, and other necessary space requirements. The cost for this is $75,000.

And finally, I must describe the needs of the Richard J. Hughes Justice Complex. Housed in the complex are the administrative office of the courts; chambers for justices of the Supreme Court, judges of the Tax Court and judges of the Appellate Division; the clerks’ offices for the Supreme Court, the Appellate Division, the Superior Court and the Tax Court, as well as various executive branch offices. Over the past few years we have been able to update and repair many of our offices, but we have more to do and the situation is becoming critical.

Today we are requesting $850,000 to complete the final phases of the critical initiative to replace deteriorating, obsolete furniture and partition structures to eliminate existing safety hazards and to create more useable and cost-efficient space for 110 judiciary staff in the Superior Court clerk’s offices. This project provides for modular workstations that meet safety and space allocation standards and corrects dangerous electrical circuits. Since the complex was built more than 25 years ago, the growth of automated and electronic systems has resulted in dangerous overloading of electrical and cable systems. Capacity is simply inadequate to handle the requirements of today’s Judiciary. The clerk’s office serves more than 7,000 litigants and attorneys who visit to conduct court business every year and manages millions of court records.

All of this adds up to a request today for about $2.8 million in capital funds. We appreciate the difficulty of the task before you and are extremely sensitive to the needs of New Jersey residents who are relying on the state to conserve funds and limit spending.

In an ideal world, we would not be here today. We are fully aware of the state’s fiscal situation. However, the health and safety needs of staff, judges, attorneys, and the general public who use these three court facilities – the Mercer County Courts, the Gloucester County Courts and the Richard J. Hughes Justice Complex no longer can be ignored.

I am happy to answer your questions.