NEW JERSEY CLEAN WATER COUNCIL
May 11, 2010
Meeting Highlights

Location:
NJ Environmental Infrastructure Trust, 3131 Princeton Pike, Lawrenceville, NJ.

Attendees:

Others: Karen Cerra, Joy Farber, Victor Fortkiewicz, Helen Heinrich, Marc Pfeiffer and Gerry Skrajewski.

The meeting was convened by Jessica Sanchez at 10:05 a.m. Jessica asked everyone to introduce themselves since Messrs. Fortkiewicz and Pfeiffer were at the CWC Meeting today.

APPROVAL OF APRIL’S 2010 MEETING HIGHLIGHTS:
April’s Minutes were distributed. Lou Neely made the motion to approve the minutes, and Ray Zabihach seconded the motion. The Minutes were approved as distributed.

DEP UPDATES:
Stan Cach distributed copies of the revised NJ Department of Environmental Protection organizational chart.

OLD BUSINESS:
Ad Hoc Committee on Water Infrastructure Financing: Jessica stated the purpose of today’s CWC meeting. Marc Pfeiffer of DCA and Victor Fortkiewicz of BPU are attending the meeting to share their expertise and comments related to the Report that is based on the discussions of the Ad Hoc Committee about New Jersey’s system of water infrastructure financing and oversight.

Marc Pfeiffer noted that utility size matters, as some municipal systems are very small. Local utilities regulated by DCA use two different accounting standards, both distinct from those used by BPU-regulated utilities. Municipalities pushed hard to get exempts from BPU and will not want to have BPU controls re-imposed. There are also costs of oversight, and of layering in another type of accounting. Victor Fortkiewicz noted that BPU doesn't have accounting standards per se - the private sector uses GAP, and each company has its own depreciation rates. In general discussion, the decision was made to modify the recommendations so that they refer to accounting "principles and general practices" that would establish "best practices" for utilities. The specific accounting method is less important than what it accomplishes.
Mr. Pfeiffer noted that DCA has fixed asset reporting standards for MUAs, which probably should also apply to municipal utilities but this has not been implemented. He acknowledged that the system could be improved. He also noted that the Local Finance Board is currently understaffed but recommended that the NJCWC not assume this to be a permanent condition. He also recommended that institutional capacity to undertake these recommendations be mentioned, not just within utilities, but also resources of local and State government. He asked how regulatory and financial incentives and disincentives could play into the process and whether phased implementation would be necessary.

Joy Farber of DCA-OSG suggested a focus on "worst first."

**2009 Public Hearing on Climate Change & Recommendations for Commissioner Bob Martin:**
Commissioner Martin will meet with the CWC on June 8th at 11:30 am in the 6th floor large conference room to hear the Council recommendations related to the 2009 Public Hearing. **The regular monthly CWC meeting will begin at 10 am, and the Commissioner will join the meeting when he is available at 11:30 am.**

The Report on Climate Change & Recommendations to the Commissioner is being finalized. There will be one cover letter that Jessica will prepare to the Commissioner transmitting both documents, one related to Water Infrastructure Financing Recommendations and the second related to the Climate Change Recommendations.

**Housekeeping: i.e., expired terms; letters of (re)appointments; updated membership list** – Jason Varano is no longer the contact so Gerry is working on getting a new contact in the Commissioner’s/Governor’s office that will be able to assist the CWC in getting the expired terms of the CWC Members reinstated.

**NEW BUSINESS:**
The 2010 CWC Public Hearing will be held on October 12th.

**ANNOUNCEMENTS:**
None.

**ADJOURNMENT:**
The meeting was adjourned at 11:50 a.m. with a motion from Russ Furnari. It was seconded by Ray Zabihach.

** The next meeting of the Clean Water Council will be held on Tuesday, June 8th, 2010, beginning at 10:00 a.m., at the NJDEP – 6th floor large conference room, Trenton NJ. Note that Commissioner Martin will join the meeting at 11:30 pm. **