

10 January 2001

CENAN-PP-P (11-2-240G)
MEMORANDUM THRU: CENAN-RM-F
ATTN: JOSEPH HIRSCHY
TO: MILLINGTON, TX

SUBJECT: Collection To The "Contributing Fund Account"
Entitled "KILL VAN KULL AND NEWARK
BAY CHANNEL"

The enclosed check No. 763029 dtd 29 Dec 2000 from The Port Authority of NY & NJ
One World Trade Center 69N, New York, NY in the Amount of \$4,000,000.00. Should
be collected to the following account as shown below:

APPROPRIATION:	96X8862 RHCF
ACTIVITY PROJECT TITLE:	KVK & NEWARK BAY CHNL
CATEGORY CODE:	211
CWIS No.	010163
STATE:	NEW YORK
PARENT W.I. #	A00038
COST SHARE CTRL #	16
ADVANCE #	13
AMOUNT	\$4,000,000.00

Amitava Deb Gupta
AMITAVA DEB GUPTA

for CHIEF, PROGRAM MANAGEMENT
- OFFICE

Encl:

1. Original & Copy of
Check No. 763029
From The Port Authority of NY&NJ
One World Trade Center, 69N, NY, NY
For KVK & Newark Bay Chnl

CF: CENAN-PP-P (W. SELZAK)
CENAN-PL (H. HAWKINS)
CENAN-RM (R. MOORE)

*Rec'd
Mr. F+ A
1/10/01
BA*

The Port Authority of New York and New Jersey, a governmental instrumentality and political subdivision of the States of New York and New Jersey, is generally exempt from taxation imposed by the United States, the State of New York, the State of New Jersey, or the municipalities of either of said two States. Unless otherwise noted on stub below, our remittance reflects an amount exclusive of any tax. This stub is your record of the Port Authority's status.

1286 0407 0111 Memo North America 2,004. Subscriptions: Patents 5,018/767, 5,191/803 and other: patents, pending. Presswork/Suval Patent #4,128/875, 4,318, 128; - 0021

Purchase Order Number	Invoice Number	Invoice Date	Amounts		
			Gross	Deductions	Net
The items listed below are managed on the following account: NEW JERSEY DEPARTMENT OF 1035 Parkway Avenue - PO BOX 600 Trenton					
KC23956	JOINT DREDGING	10/13/2000	4,000,000.00	0.00	4,000,000.00
UPLAND PLACEMENT IN LIEU OF NEWARK BAY FROM KVK					
This check is in settlement of the above items. Should there be any question regarding same, return to the Port Authority's Comptroller without alteration. To expedite payments, please use vendor # 122179 on all invoices. The Port Authority of NY and NJ Accounts Payable Fax # is (212)435-5909.					
No. 763029	Totals		4,000,000.00	0.00	4,000,000.00

REMOVE DOCUMENT ALONG THIS PERFORATION

THIS CHECK CONTAINS MULTIPLE FRAUD DETERRENT SECURITY FEATURES - DO NOT TAMPER

PA 14/ 1-99

Date: 12/29/2000

THE PORT AUTHORITY OF NY & NJ

One World Trade Center 69N, New York, N.Y. 10048



62-20
511

NO. 763029

TO FAO, USAED, NY
THE ATTN: CHIEF, CENAN - ROOM 1909
ORDER 26 Federal Plaza
OF New York NY 10278-0090

PAY \$*****4,000,000.00

CITIBANK DELAWARE
ONE PENN'S WAY
NEW CASTLE DE 19720

AUTHORIZED SIGNATURE

[Handwritten Signature]
A.M. Mulligan

⑈ 763029 ⑈

⑆031100209⑆

38602445⑈

212704

SEE REVERSE SIDE FOR OPENING INSTRUCTIONS



DEPARTMENT OF THE ARMY
NEW YORK DISTRICT, CORPS OF ENGINEERS
JACOB K. JAVITS FEDERAL BUILDING
NEW YORK, N.Y. 10278-0090

REPLY TO
ATTENTION OF

Harbor Programs Branch

July 27, 2001

Mr. Thomas Costanzo, P.E.
Manager, Waterways Capital Programs
Waterways Development
Port Commerce Department
The Port Authority of New York and New Jersey
One World Trade Center, 62W
New York, New York 10048

Dear Mr. Costanzo:

As a follow up to our recent letter dated July 16, 2001 regarding Contract Area 7 of the Kill Van Kull and Newark Bay Deepening Project, we estimate that approximately 70,000 CY of additional non-HARS material has accumulated from sedimentation during the period between the bid opening on September 8, 2000 and contract award on March 12, 2001. At this time, it appears likely that costs associated with continued disposal at OENJ Bayonne will exceed the additional \$4 million cost of disposal identified at the time of contract award. The differential cost above using the NBCDF is estimated at approximately \$1,080,000.

It is our understanding that the Port Authority of New York and New Jersey (PANYNJ) and the State of New Jersey may not wish to dispose of the additional 70,000 Cubic yards of accumulated sediment at the OENJ-Cherokee/beneficial reuse site in Bayonne, N.J (OENJ) due to funding considerations. Should this be the case we request that the PANYNJ and the State of New Jersey provide the required approvals for the disposal of this additional material at the Newark Bay Confined Disposal Facility (NBCDF).

Please be advised that the contractor Donjon Marine Inc. is presently about a month behind schedule. If you have any questions, please contact me at (212) 264-0110, or Mr. Harold Hawkins, the Project Manager at (212) 264-9092.

Sincerely,

Joseph J. Seabode
Chief, Harbor Programs Branch

Cc: Richard Gimello, NJOMR



August 1, 2000

Mr. Joseph J. Seebode
Acting Harbor Program Manager
Department of the Army
New York District, Corps of Engineers
Jacob K. Javits Federal Building
New York, NY 10278-0090

Dear Mr. Seebode:

This letter is in response to your telephone call regarding the contract for the Kill Van Kull/Newark Bay Deepening Project to 45 Feet, Area 7. You requested clarification for two issues: 1) the Port Authority's willingness to provide a berth where a barge/scow can be held to decant water as part of a dredged material dewatering process, and 2) the Port Authority's willingness to consider paying all upland disposal costs above \$29 per cubic yard for HARS unsuitable sediments under this contract.

The Port Authority will provide a berth in the vicinity of the Elizabeth Channel, at no cost to the Corps' contractor, where a barge can be held to decant water until such time that the removal of non-HARS sediments has been completed. At this time, we envision providing either Berth 63 or Berth 36 at the end of the channel.

Regarding the second issue, for the disposal of non-HARS suitable material at OENJ Bayonne, the Port Authority will consider paying for all disposal costs above \$29 per cubic yard and will provide a letter confirming availability of funds prior to the contract award.

If you have further comments or questions regarding our position in this matter, please contact Tom Wakeman at 435-6618.

Sincerely,

Lillian C. Borrone
Director
Port Commerce Department

Cc: Harold Hawkins, NYD-COE
Arthur J. Connolly, NYD-COE
Richard Gimello, NJMR
Lawrence Baier, NJDEP



Hal

DONALD T. DiFRANCESCO
Acting Governor

State of New Jersey
Department of Environmental Protection

Robert C. Shinn, Jr.
Commissioner

Site Remediation Program
Office of Dredging and Sediment Technology
P.O. Box 028
Trenton, NJ 08625
(609) 292-1250
FAX (609) 777-1914

May 16, 2001

Mr. Farhad Jafari
OENJ Cherokee Corporation
61 North Hook Road
Bayonne, New Jersey 07002

RE: Temporary Storage of Dredged Material on the OENJC Bayonne Site

Dear Mr. Jafari:

This letter is forwarded in reply to your request dated May 16, 2001, for the approval of a temporary basin to contain unamended dredged material on the OENJ Cherokee – Bayonne site. The request was made due to mechanical difficulties experienced with the on-site pug mill. As a result of these difficulties the pug mill was incapacitated as of Monday May 14, 2001.

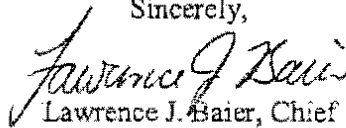
Presently, OENJ Cherokee is designated as the upland vendor for material being dredged from the Kill Van Kull Contract Area 7 (Elizabeth Channel) by Donjon Marine. Dredging began on or about Sunday May 13, 2001. With the mechanical failure of the pug mill, Donjon Marine would have to suspend dredging operations for several days while the pug mill is being retooled. As an alternative, OENJ Cherokee has proposed to build a temporary containment facility on the Bayonne site. The proposed containment area is approximately 3.5 acres in size and is located on the eastern portion of the property. The containment area will have temporary berms 5-feet high and 20-feet wide at the crest to contain the material. Once the pug mill is operational this material will be processed and placed in accordance with the Acceptable Use Determination issued for KVK Area 7 and the OENJC Bayonne site.

Given the previous experience with unamended dredged material from the access channel which was placed on-site, we do not anticipate any significant release of water from the temporary storage of dredged material, and therefore do not anticipate any discharge to surface or groundwater. Further a bentonite slurry wall already contains the portion of the site where the temporary stockpile is to be located. Consequently, we do not expect any adverse impacts to result from the temporary storage of this material on site while the pug mill is being fixed. Therefore, the Office of Dredging and Sediment Technology in consultation with the case manager hereby approves of the temporary storage of dredged material on the OENJ Cherokee – Bayonne site, while the pug mill is being fixed in accordance with the description included herein and the location as shown on the attached plan. However, if any monitoring wells or other devices are located within the footprint of the temporary containment area those monitoring devices must be relocated under supervision by the Site Remediation Program. In the alternate, the location of the basin could be adjusted to avoid those devices.

Further, all temporarily stored dredged material shall be introduced into the product stream as soon as practicable, for processing and placement in accordance with the Acceptable Use Determination issued for that material.

Should you have any questions please do not hesitate to contact me at (609) 292-8838. Also, please keep me apprised of your progress with regard to the pug mill and processing of this material.

Sincerely,



Lawrence J. Baier, Chief

Office of Dredging and Sediment Technology

C: Mike Kenney, SRP Case Manager
Richard Gimello, Executive Director, New Jersey Maritime Resources
Joseph Seebode, Chief, Harbor Programs Branch
Scott Rubaker, Enforcement

January 26, 2001

William H. Pearce
Colonel, Corps of Engineers
District Engineer
Department of the Army
New York District, Corps of Engineers
Jacob K. Javits Federal Building
New York, NY 10278-0090

Dear Colonel Pearce:

This is in reference to Contract 4 (Area 7) of the Kill Van Kull & Newark Bay Channel Deepening to 45 Feet Project.

You will recall that the "General Navigation Features" which are the subject of the Project Cooperation Agreement (PCA) for the Kill Van Kull and Newark Bay Channel Project by definition include "possible dredged material disposal facilities, land-based and aquatic dredged material disposal and facilities that are necessary for the disposal of dredged material required for project construction". Contrary to regional policy as reflected in the Dredged Material Management Plan to utilize upland beneficial uses for non-HARS material, the Newark Bay Confined Disposal Facility (NBCDF) was designated as the primary disposal site for dredged material that is unsuitable for HARS placement or artificial reef placement. Notwithstanding this designation, the State of New Jersey has requested that the aforesaid dredge material be directed to the OENJ Bayonne site to effectuate a Betterment at the location not anticipated in the original design of the contract. Toward that end, the State has agreed to reimburse the Port Authority for any costs for which the Port Authority may be responsible for due to the requested Betterment.

The New York District opened bids for Contract 4 on September 8, 2000 and the apparent low bidder was Don Jon Marine/CTI, Joint Venture. Item No. 0003 of the Don Jon/CTI, Joint Venture bid entitled *Difference in Cost to the Project for using the NBCDF in lieu of the Bayonne Disposal Site* identified an initial cost of \$4 million.

Accordingly, consistent with Article II(B) *Obligations of the Parties* of the PCA dated January 13, 1999, the Port Authority requests the Government to accomplish the Betterment described above and in accordance with the terms of the PCA agrees to be responsible for all costs associated with the accomplishment of this Betterment. A check in the amount of \$4 million has already been delivered to your office. As we understand it, the cost to the Port Authority will be the difference between the cost of dredged material disposal at the NBCDF and the cost of disposal at OENJ Bayonne. The Port Authority shall hold and save the Government free from damages due to the construction, operation or maintenance of the Betterment, except for

Colonel William H. Pearce

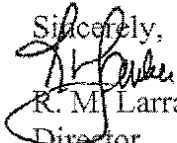
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January 26, 2001

damages due to the fault or negligence of the Government or its contractors.

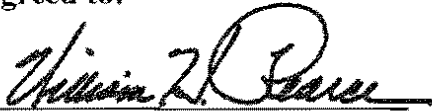
If this arrangement is agreeable to the Government, please sign the copy of this letter where indicated and return it to me.

Sincerely,


R. M. Larrabee
Director

Port Commerce Department

Agreed to:



William H. Pearce
Colonel, Corps of Engineers
District Engineer

Dated: 8 March 01

cc: Richard Gimello, NJ OMR
Joseph Seebode, NYD-COE
Lorraine Lee, NYD-COE