



State of New Jersey

DEPARTMENT OF TRANSPORTATION
P.O.Box 600
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JAMES E. MCGREEVEY
Governor

JOHN F. LETTIERE
Acting Commissioner

PLEASE REPLY TO:
NJ MARITIME RESOURCES
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TRENTON, NEW JERSEY 08625-0837
TELEPHONE: (609)530-4770
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January 30, 2002

Ms. Cheryl Yetka, Manager
Port Financial Services, Port Commerce Department
Port Authority of New York & New Jersey
233 Park Avenue, 7th Floor
New York, NY 10003

4/30 Karen Foley telcom
↑
April at the earliest

Re: Joint Dredging Plan – Funding Allocation

Dear Cheryl:

In accordance with the above referenced agreement, we are requesting funding in the amount of \$2,000,000.00 to cover New Jersey's local sponsor share of a Feasibility Study (FS) to be conducted by the U.S. Army Corps of Engineers, NY District to comprehensively remediate and restore the lower Passaic River. Supporting documentation for the project is attached. We will be utilizing surplus funds from projects that have been completed or that have terminated.

Thank you for your continued assistance and support. If you have any questions do not hesitate to call me at 609-530-4787.

Sincerely,

Michael D. Riley
Deputy Director, Office of Maritime Resources

Cc: Bharat Dalal

MDR /mdr

Lower Passaic River Restoration Project Scope of Work

The Office of Maritime Resources/New Jersey Department of Transportation (OMR/NJDOT) is the local sponsor working with the U.S. Army Corps of Engineers (USACE) and U.S. Environmental Protection Agency (USEPA) on an innovative partnership to comprehensively restore the Passaic River. The Lower Passaic River is one of the 10 most contaminated rivers in the country. Investigations indicate that the sediments are contaminated with many constituents including (but not limited to) dioxin (2,3,7,8-TCDD), polychlorinated biphenyls (PCBs), polycyclic aromatic hydrocarbons (PAHs), DDT, and metals (mercury and lead in particular). Contaminated sediments in the river impact the ecological and human receptors in the area, limit the potential for waterfront development and future land use, and are likely to be a significant contributor to the contaminant loading in the New York/New Jersey Harbor. Contaminant loading and its impact on sediment quality result in significant economic impacts to the Port of NY and NJ due to increased cost of navigational dredging.

OMR/NJDOT, as local sponsor, has committed to a 50/50 cost share with the USACE to conduct the Feasibility Study (FS) to comprehensively remediate and restore the lower Passaic River.

Project Overview

USACE Reconnaissance Study:

A USACE Reconnaissance Study for the Comprehensive Hudson-Raritan Estuary Project identified the Lower Passaic River as a priority area for remediation (environmental dredging) and restoration within the estuary. This area includes the tidal portion of the Lower Passaic River Basin, which ends at the Dundee Dam, and all its influences. The study area may be expanded based on models that will determine if recommended alternatives may be affected by other sources (i.e. upstream of Dundee Dam, Hackensack River, etc.).

The preliminary assessment of water resource problems and needs in Lower Passaic River Basin identified extensive habitat loss and degradation that has greatly reduced the functional and structural integrity of ecosystems within the study area. Development induced impacts on the environment include: modifications to the natural hydrologic regime resulting from channelization, bridge support structures, dams, the creation of fast land in former aquatic habitats, shoreline hardening and other alterations, and the overall increase in impervious area throughout the watershed. Numerous studies completed to date (e.g., EPA's Regional Environmental Mapping and Assessment Program) and data collected pursuant to the Diamond Alkali Superfund Site Operable Unit Two (the Passaic River Study Area) indicate that pollutant loading and sediment contamination impose adverse impacts on aquatic habitats.

Feasibility Study:

A Feasibility Study (FS) will be initiated to identify the most suitable remedy to restore the Lower Passaic River. A Project Management Plan (PMP) was recently drafted to outline the initial scope of work to be conducted during the FS. The USACE and OMR/NJDOT, in close coordination with USEPA, will characterize the nature and extent of human health and ecological risks posed by the contamination in the study area, develop plausible actions to reduce/eliminate the risks, and evaluate alternatives for comprehensive restoration of the area.

The purpose of the FS is to recommend a comprehensive watershed based plan for the restoration and remediation of the Lower Passaic River Basin. This will include the identification of opportunities in the study area, such as habitat, water quality, and sediment quality improvements, which support broader estuary-wide restoration efforts. Remediation efforts and ecosystem restoration measures will be analyzed together to ensure that the overall solution(s) to the complex problems posed by the contamination in the area are compatible and effectuate the best mix of cost-effectiveness, permanence, and protectiveness. Remediation efforts may include: sediment removal, placement of caps, sediment decontamination in-situ or ex-situ, shoreline stabilization, while complimenting restoration goals may include benthic habitat restoration, tidal wetland restoration, vegetative buffer creation, shoreline stabilization, and aquatic habitat improvement. Restoration and remediation opportunities that meet Federal criteria will be recommended for construction. Restoration and remediation opportunities that do not meet Federal criteria may be recommended to other agencies or local organizations. Similarly, non-structural opportunities identified during the feasibility study will be recommended to the appropriate agency or local organization.

Some of the ecological and economic benefits of the remediation and restoration of the Passaic River include:

- A significant reduction in the overall contaminant load in the Passaic River and other areas of the estuary;
- Minimization of ecological and human health risks in the Passaic River and other areas of the estuary;
- An increase of the amount of sediment acceptable for ocean disposal at the Historic Area Remediation Site (HARS);
- A subsequent substantial cost savings to the navigational dredging program;
- Beneficial use of the dredged material for waterfront development and local infrastructure; with
- Subsequent economic benefits to the towns of Harrison, Belleville, Kearny, Newark, Bayonne, and Jersey City.

OMR/NJDOT Commitment

OMR/NJDOT will assist the USACE, USEPA, and other State and local agencies to conduct an FS to comprehensively remediate and restore the lower Passaic River. OMR/NJDOT will contribute 50% of the cost of the FS (excluding USEPA's contribution): a total of \$4 million plus in kind services. OMR/NJDOT will finalize the Feasibility Cost Sharing Agreement with the USACE and participate in an Interagency Memorandum of Understanding with the USACE and USEPA to formalize the agencies' roles and responsibilities. The funding for the project in 2002 and 2003 will be provided from the Joint Dredging Plan. The remaining funds for 2004 and 2005 will be provided from NJDOT's Capital Investment and Coordination Program.