



New Jersey  
Environmental  
Infrastructure Trust

"Financing New Jersey's  
Water Quality Future"

Robert A. Briant, Sr., Chairman  
Warren H. Victor, Vice Chairman  
Herbert Barrack, Treasurer  
Steven Gardner, Secretary  
Andrew P. Sidamon-Eristoff  
Bob Martin, DEP Commissioner  
Lori Grifa, DCA Commissioner

Maryclaire D'Andrea, Acting Executive Director

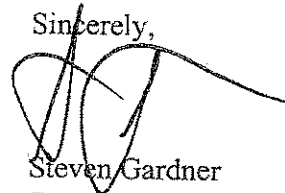
July 8, 2010

Honorable Chris Christie  
Governor of the State of New Jersey  
State House  
PO Box 001  
Trenton, New Jersey 08625

Dear Governor Christie:

In accordance with the provisions of the New Jersey Environmental Infrastructure Trust Act, I hereby transmit for your review and consideration the minutes of the June 10, 2010 meeting of the New Jersey Environmental Infrastructure Trust. The New Jersey Environmental Infrastructure Trust Act provides that the Governor has ten days from the delivery of the minutes, excluding weekends and holidays, to review and accept such minutes. In the event that the minutes are not acted upon within the statutory time frame by you, the minutes become effective automatically.

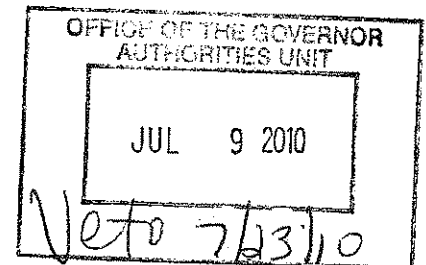
Sincerely,



Steven Gardner  
Secretary

Enclosure

c Honorable Stephen Sweeney, President of the Senate  
Honorable Sheila Oliver, Speaker of the General Assembly



•Mailing Address: PO Box 440, Trenton, NJ 08625  
•Location: 3131 Princeton Pike, Building 6, Suite 201, Lawrenceville, NJ 08648  
•Website: [www.njeit.org](http://www.njeit.org) •Phone: (609) 219-8600 •Fax: (609) 219-8620



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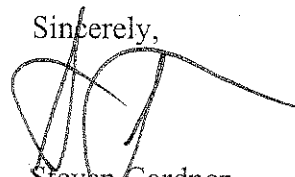
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July 8, 2010

## NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

### OPEN PUBLIC MEETING

### MINUTES – JULY 8, 2010

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, July 8, 2010 at 10:00 a.m., at 3131 Princeton Pike, Office Building 6, Suite 201, PO Box 440, Trenton, New Jersey.

In accordance with the Open Public Meetings Act, the New Jersey Environmental Infrastructure Trust filed a notice of the time, place and the location of this meeting with the Secretary of State; via "fax" to the Bergen Record and The Trenton Times in accordance with the "Sunshine Law"; and to all press offices in the State House. A copy of this notice was posted outside the Secretary of State's Office, within the Department of Environmental Protection, and at the Trust Office.

#### PRESENT:

##### DIRECTORS

Herbert Barrack, Treasurer  
Steven Gardner, Secretary\*  
John Plonski  
(for Commissioner Martin)  
Donna Rendeiro  
(for Commissioner Grifa)  
Adrienne Kreipke  
(for State Treasurer Sidamon-Eristoff)

##### OTHERS

Maryclaire D'Andrea, Acting Executive Director  
Frank Scangarella, Chief Operating Officer  
John Hansbury, Chief Budget Officer  
Johanna Barba Jones, Governor's Authorities Unit  
Clifford T. Rones, Deputy Attorney General  
Richard Nolan, McCarter & English LLP  
Barbara Bisgaier, Public Financial Management  
Lisa Price, Off. of Equal Opportunity & Contracts

\*Mr. Gardner arrived at 10:11.

Acting Executive Director D'Andrea reported she received a letter from Commissioner Martin appointing Mr. John Plonski as his representative for today's Trust Board meeting.

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### APPROVAL OF THE MINUTES:

Chairman Briant opened discussion of the minutes of the June 10, 2010. Ms. Kreipke moved for the adoption of the minutes. Ms. Rendeiro seconded the motion. The minutes were approved 5 to 0 with 0 abstaining.

### ANNOUNCEMENTS:

Acting Executive Director D'Andrea announced:

- Bond Sale for the 2010A, 2010B and 2010C Refunding Bond Series will take place on August 3, 2010. Results of this bond sale will be presented in a report to be given to the Board at our next meeting.
- The Trust has received notification from the Governor's Authorities Unit that Trust Board members are required to perform their on-line Ethics Training modules by August 20, 2010. The Board has been notified along with instructions for completion.
- The Trust has been notified by the DEP that as of July 1, 2010, in an effort to lesson mail expenses, that several post offices boxes were going to be eliminate. The Trust's post office box would be changed and combined with several other DEP offices. The Trust has made arrangements with the USPS to have our mail address changed to our current street address. The Trust will continue to use DEP mail carriers for inter-office and other State facilities, for this purpose our new P. O. Box is 420. The Trust has acquired meter equipment to assist in this transition. A notification of this change was included in the Trust's website and also in the signature portion of all Trust staff email response. The Trust also plans to do a mass post card mailing an email to all effected.
- Acting Executive Director D'Andrea announced that since our last Board meeting, the following items of significance have taken place:
  - Task Force meeting
  - Andover Township project meeting
  - Chairman Briant and Trust staff met with DEP's Assistant Commissioner Plonski to welcome him and discuss the financing programs
  - The Trust met with a representative from the Infinet Business Systems to discuss scanning of Trust documents.
  - In the interest of government transparency a new website is now available, it is [www.yourmoney.nj.gov](http://www.yourmoney.nj.gov). Information included is financial data from the Trust and all other state authorities
- The next Board Meeting is scheduled for August 12, 2010 at 10:00 a.m.

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**CORRESPONDENCE:**

Ms. D'Andrea announced that during the past month, the Trust received or sent the following correspondence. In an effort to "go green", the agenda package does not include any copies, however, the Trust secretary can provide a copy if requested.

- On June 23, 2010, requests were sent to Governor Christie and Treasurer Sidamon-Eristoff, including all the appropriate personnel, for prior approval of the Supplemental Bond Resolutions. The Trust has received both approvals. The adoption of the 2010 refunding bond resolutions and approvals will be presented to the Board under "New Business" of today's meeting.
- On June 23, 2010, a request was sent to State Treasurer Sidamon-Eristoff for his signature to amend the 1992 and 1993 loan servicer agreements in connection with the dissolution of the Delran Sewerage Authority. The documents have been returned signed.
- On June 23, 2010, the Trust responded to an OPRA request from Peter Calafati of the Midtown Utilities Corp. concerning the 2006 and 2009 Old Bridge MUA's loan.
- On June 22, 2010, Cd's of the 2008 closing documents were sent to all participating borrowers.
- On June 21, 2010, a notice concerning the 2010A, 2010B and 2010C refunding bond sale was sent to the members of the Joint Budget Oversight Committee as required by the N.J.S.A. 58:11B-6(g).
- On June 21, 2010, notification was sent to 2010 program participants who failed to submit the required Financial Addendum Form document resulting in their project to be bypassed as a participant in the 2010 program.
- On June 3, 2010, Sea Village Marina was advised that due to their voluntary bankruptcy petition, that the review of their application with the Financing Program has been suspended until a discharge in bankruptcy has been received.
- On June 1, 2010, notice was sent to all borrowers for years 2004 through 2010 of amounts due on their fund and trust loan payments are due on August 1, 2010.
- The Trust has requested all participating refunding borrowers to submit their Project Fund Certifications.

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**EXECUTIVE SESSION:**

- No executive session held.

**UNFINISHED BUSINESS:**

- A. Mr. Cach reported that the construction status report now reflects 317 active projects in the amount of \$2,374,589,679 and 544 completed projects in the amount of \$2,600,436,054; grand total of 861 projects at \$4,975,025,733. Ms. Rendeiro questioned the construction status report as to why the City of Orange a project financed in 1999 was only 10% complete and still ongoing. Mr. Chebra responded that DEP had the option to terminate the project but a decision was made to continue to work with them. The City has commenced construction on a new project. It was noted that they never defaulted and have made all required loan payments even though they City has not drawn down the funds. Mr. Nolan also stated that there are loan agreement compliance issues.

Ms. Kreipke questioned why the Mercer County's project was complete but no money had been drawn down. Mr. Chebra explained that in this case Mercer County Improvement Authority had borrowed the money for the project which was being constructed for a Home Owner's Association. The Association has paid for the costs of the project but has failed to forward their requests for reimbursement to the Mercer County IA.

- B. Mr. Cach discussed the status of the 2010 Clean Water Financing Program. The Clean Water Financing Program consisted of 113 projects with 12 supplemental loans totaling \$543,900,000. Mr. Cach stated that in the Clean Water program there are several Borrowers that may not receive funding this year, they are the Bergen County UA projects ranked 65 and 81 may be moved to the 2011 financing cycle. The Borough of Carteret will only fund the project if there is a portion of principal forgiveness, they are not slated for that at this time. The New Jersey City University ranked 638, may not be funded due to outstanding permits which may not be obtained in time. Newark City ranked 455 has litigation problems and may not move forward. The North Hudson SA, ranked 44, may withdrawal their project for funding this year. The Borough of Rockleigh, ranked 291 may not be able to meet program requirements. The NW Bergen, ranked 316 may be able to receive funding due to other projects dropping out of the program.

Mr. Cach also discussed the status of the 2010 Drinking Water Financing Program. The Drinking Water Financing Program includes 2 supplemental loans. Mr. Cach stated that in the Drinking Water program there are several Borrowers that may not receive funding this year, they are Island Heights, ranked 285 has permitting issues specifically a CAFRA permit. The New Jersey American Water Company projects ranked 62,327,321,144,204,205,322,320 may be funded this year, the Department received the finalized planning and design documents just last month, that were due in March. DEP is having a difficult time receiving documents in a timely manner. Ms. Bisgaier from PFM stated that the Water Company possibly can receive a tax benefit if their projects receive

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funding this year. Mr. Barrack questioned whether the Water Company is aware of that.

- C. Acting Executive Director D'Andrea updated the Board on the status of the legislation required for the implementation of the 2010 Financing Program. The formal report is attached. Ms. D'Andrea reported that the Trust and DEP Legislation was passed without any problems. SCR106 Trust Financing was passed 79-0 Assembly and 40-0 Senate. S2004 Enabling legislation was passed 66-11 Assembly and 31-7. S2003 DEP appropriations was passed 78-0 Assembly and 40-0 Senate. S2002 Trust appropriations was passed 77-1 Assembly and 44-0 Senate.

**NEW BUSINESS:**

- A. Acting Executive Director D'Andrea introduced Resolution No. 10-32 accepting the Treasurer's Report for June 2010. The resolution was moved for adoption by Ms. Kreipke and seconded by Mr. Gardner. The motion was carried 5 to 0 with 0 abstentions.

Ms. D'Andrea announced that the following bills were received, reviewed, found to be correct and were being paid:

Princeton Pike Office Park, LLC (Rent – August 2010)	\$9,271.40
Princeton Pike Office Park, LLC (Rent – September 2010)	\$9,271.40
Cutwater Asset Management (Investment Advisor – May 2010)	\$10,334.73
J&J Staffing Resources (NJEIT Intern Payroll: (6/6/10-6/13/10))	\$1,230.60
J&J Staffing Resources (NJEIT Interns Payroll: (6/13/10 – 6/20/10))	\$2,104.20
The Bank of New York Mellon (Trustee 2006A Refunding bonds 6/1/10 -5/31/11)	\$7,000.00
Hermitage Press, Inc. (Printing of 1000 Trust Circle Labels for Construction Signs)	\$2,445.00
Hermitage Press, Inc. (Printing of 1500 Spring/Summer 2010 Tributary Newsletters	\$1,237.00
U.S. Bank (Trustee: NJEIT 1997D Refunding Bonds 3/1/10 – 2/28/11)	\$8,620.00

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U.S. Bank (Loan Servicer: NJEIT 1995 Bonds 3/1/10 -2 2/28/11)	\$3,000.00
U.S. Bank (Trustee: NJEIT 2003 Refunding Bonds 5/1/10 – 4/30/11)	\$8,000.00
i-Deal LLC (Electronic Distribution of \$130,000,000 NJEIT 2010A POS/OS)	\$1,500.00
Bethel Bindery, Inc. (CDROM Transcripts for 2008 Borrowers)	\$1,593.30
Bethel Bindery, Inc. (CDROM Transcripts for 2008 Borrowers)	\$1,307.96
Clients First Business Solutions, LLC (Annual Computer Network Support Plan 7/1/10 – 6/30/11)	<u>\$7,200.00</u>
TOTAL	\$74,115.59

**B.** Acting Executive Director D'Andrea introduced Resolution No. 10-33 of the NJEIT acknowledging receipt of approval letters of the Governor and State Treasurer authorizing the issuance of Environmental Infrastructure Refunding Bond Series 2010A, Bond Series 2010B and Bond Series 2010C required by Section 4(j) of the New Jersey Environmental Infrastructure Act. Ms. Kreipke asked about the refunding and whether that extends the term of their loan, Ms. D'Andrea and Ms. Bisgaier stated that it does not and that any savings go back to the Borrower. The resolution was moved for adoption by Mr. Gardner and seconded by Ms. Rendeiro. The motion was carried 5 to 0 with 0 abstentions.

**C.** Acting Executive Director D'Andrea introduced Resolution No. 10-34 approving the Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2010A (which would refund the 1995A, 1998A, 2000A, 2001A, 2002A, 2003A, 2004A and 2006A Financing Programs). Both Ms. Bisgaier and Mr. Nolan stated that if the market changes and the savings are less than 3% those series bonds will be refunded. The motion was moved for adoption by Ms. Kreipke and seconded by Ms. Rendeiro. The motion was carried 5 to 0 with 0 abstentions.

**D.** Acting Executive Director D'Andrea introduced Resolution No. 10-35 approving the Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2010B AMT (refunding the 1998B, 1999B, and 2000B Financing Programs). Ms. Bisgaier stated there is a possibility that we will not received any active bids on the 2010B series due to the fact that this is a tax issue and there is not a lot of interest in this market, since buyers can purchase Build America Bonds and receive greater financial benefits. The motion was moved for adoption by Ms. Rendeiro and seconded by Ms. Kreipke. The motion was carried 5 to 0 with 0

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abstentions.

E. Acting Executive Director D'Andrea introduced Resolution No. 10-36 approving the Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2010C Tax-exempt (2008A Financing Program). The motion was moved for adoption by Ms. Kreipke and seconded by Mr. Gardner. The motion was carried 5 to 0 with 0 abstentions.

F. Acting Executive Director D'Andrea introduced Resolution No. 10-37 appointing U.S. Bank as the 2010 Refunding Fiduciary. Ms. Kreipke asked why we would continue to pay Trustee fees for other issues if we were contracting with a Refunding Fiduciary. It was stated the original Trustee would remain in place until the old Bonds were completely paid off. The Refunding Fiduciary is to receive payments from the underlying Trustees. These payments will be used to pay the 2010 Refunding Bonds. Mr. Plonski requested copies of the Fiduciary responses and deliberations, Mr. Hansbury provided him with copies. Ms. Kreipke noted that the Trust committed to paying the Refunding Fiduciary counsel fees. It was explained that that is standard industry practice. The motion was moved for adoption by Mr. Gardner and seconded by Ms. Kreipke. The motion was carried 5 to 0 with 0 abstentions.

**PUBLIC COMMENTS:**

- There were no public comments.

Ms. Rendeiro moved to adjourn the meeting. The motion was seconded by Ms. Kreipke. The motion was approved 5 to 0 with 0 abstentions. The meeting was adjourned at 10:45 a.m.

**New Jersey Environmental Infrastructure Financing Program (NJEIFP)  
State Fiscal Year (SFY) 2011 Annual Program Legislation**

BILLS: S2002, S2003, S2004, SCR106 / A2927, A2928, A2929, and ACR 135

**Summary:** The NJEIFP - Partnership between NJDEP and NJ Environmental Infrastructure Trust (NJEIT), issuing low interest loans to government units and water utilities for sanitary sewer, drinking water and redevelopment projects. In 2009, a record \$717 million loans were issued generating 15,000 to 25,000 jobs. Since 1987, loans in excess of \$5.3 billion have been issued. Approximately \$885 million is available for SFY2011 loans. Applicants seek \$821 million for project costs but actual funding is likely to total \$450 million. Each project loan receives a 25% to 50% market rate loan consisting of DEP and NJEIT loan components:

Trust Loan Component - Tax exempt bonds issued (marketed through competitive sale), and backed exclusively by the Trust's AAA credit rating (not the State's full faith and credit).

DEP Loan Component - Current and prior year federal clean water state revolving funds, federal drinking water state revolving funds, loan repayments, interest earnings, and prior State clean water and drinking water bond acts (1981, 1985, 1989, 1992, and 2003).

**Pending Legislation.** Status – The following bills are required annually for NJEIFP Loans and were introduced in May and June. The bills have bipartisan support. The Assembly and Senate majority offices agreed to have them heard directly by the Appropriations Committees (bypassing the environment committees). The Assembly and Senate approved the Assembly version of the bills. The Assembly and Senate approved the bills on June 21 and 28 respectively.

SCR 106 (Beach/Bateman) / ACR135 (Wisniewski/Lampitt) – Approves the NJEIFP SFY2011 Financing Program submitted to the legislature in April of 2010. The Financing Plan (Plan) summarizes funding sources, loan interest rates, eligible activities, project ranking methodology and loan schedule. The Plan also provides for (1) principal forgiveness (grant) up to 25% of project loan based on project ranking (environmental benefit and public health priority) not to exceed \$135 million of NJEIFP loans. (2) Green Project Reserve - 25% market rate loans not to exceed \$29 million of NJEIFP Loans; (3) Redevelopment Project Reserve – redevelopment projects separately ranked – not to exceed \$40 million of NJEIFP Loans; and 25% market rate loans for smart growth projects.

Assembly final Vote: (79:0:1) (Abstentions: Polistina, Vincent J.). Senate final vote: (40:0:0)

S2004 (Smith) / A2929 (McKeon/Gusciora/Barnes/Mainor) - Amends the NJEIT's enabling legislation (N.J.S.A. 58:11B-1 et seq.) to increase the NJEIT's bonding cap from \$2.7 billion to \$2.8 billion. The NJEIT has issued \$2.38 billion in bonds to date. The current cap limits the NJEIT SFY2011 bonding to \$320 million. S2004 amends the last date in which the NJEIT can incur debt from November 2029 to June 2031. NJEIT Loans are for a project's useful life up to 20 years and the amendment permits the NJEIT to issue any term debt during the final year of its SFY 2011 loans. Note: NJEIT enabling legislation requires appropriations to the DEP and NJEIT for all projects receiving loans.

Assembly final vote: 66:11:3. (NO VOTES: Bucco, Anthony M; Chiusano, Gary R; DeCroce, Alex; DiMaio, John; Holzapfel, James W; McHose, Alison Littell; Peterson, Erik; Rumaná, Scott T; Russo, David C; Webber, Jay; Wolfe, David W; Handlin. ABSTENTIONS: Amy H; Polistina, Vincent J; Thompson, Samuel D). Senate final vote: 31:7 (NO VOTES: . Beck, Jennifer; Bucco, Anthony R; Doherty, Michael J; O'Toole, Kevin J; Oroho, Steven V;

Pennacchio, Joseph; Singer, Robert W; NOT VOTING: Haines, Philip E; Kyrrillos, Joseph M., Jr).

S2003 (Bateman/Whelan) / A2928 (Johnson/Milam/Albano) – NJDEP Appropriation for 180 NJEIFP projects. Identifies sources of funding, SFY2011 project list for clean water (e.g., sanitary sewer, redevelopment) projects, and drinking water projects, total estimated cost and DEP loan component for each project. Identifies project ranking for funding, projects eligible to receive principal forgiveness loans, principal forgiveness and green project funding caps and loan structures. Authorizes the NJDEP loan component to be adjusted to between 25% and 75% of the total project cost. The provision recognizes that the NJDEP Loan components are estimates based on initial applications and prior to NJDEP's determination of eligibility for principal forgiveness, green project and smart growth interest rate loans. Authorizes a \$200,000 grant to Madison Township. The project's eligibility to receive principal forgiveness funds exceeded that set forth in the SFY2010 appropriation. Authorizes cancellation of \$1.25 million in 1985 bond act funds for five projects previously appropriated for clean water demonstration projects that were ultimately abandoned.

Assembly final vote: 78:0:2. (Barnes, Peter J., III – Abstain; Polistina, Vincent J. – Abstain)  
Senate final vote: 40:0.

S2002 (Gordon/Bateman) / A2927 (Moriarty/Wagner/Vaineri Huttle) - NJEIT Appropriation for 180 NJEIFP projects. Largely mirrors NJDEP appropriation, (but identifies Trust loan component for each project). Authorizes the Trust loan component to be adjusted to between 25% and 75% of the total project cost. Identifies the sources and repayments of the Trust's interim financing of approved projects until Trust bonds are issued.

Assembly final vote: 77:1:2. (Polistina, Vincent J. – Abstain; Barnes, Peter J., III – Abstain; Evans, Elese – No). Senate final vote: 40:0.