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The TRIBUTARY

New Jersey Environmental Infrastructure Trust

• Fall - Winter 2007 •
Financial Assistance for Environmental Projects

Record \$216M Bond Sale to Fund 87 Clean Water Projects

New Jersey Environmental Infrastructure Trust Chairman Robert A. Briant, Sr. recently announced the sale of more than \$216 million in AAA-rated New Jersey Environmental Infrastructure Trust Bonds to help finance 87 environmental protection projects. The bond sale proceeds will be combined with capitalization grants from the New Jersey Department of Environmental Protection to total more than \$518 million – the largest pooled financing program in Trust history.

“This sale marks the 21st consecutive year the Trust has sold bonds to finance needed infrastructure projects in

New Jersey,” Chairman Briant said. “With this sale, the Environmental Infrastructure Financing Program has provided low-interest loans to more than 680 projects in New Jersey, totaling \$4.3 billion. These projects will provide new or upgraded drinking water and wastewater treatment and conveyance pipes as well as open space preservation.”

“We are also pleased that 23 new borrowers participated in this year’s program,” Briant added. “Our increased outreach to municipalities is getting the message out that no one can beat our financing rates. When a

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Trust’s \$131M Bond Sale Refinances 154 Infrastructure Loans

Trust Chairman Robert A. Briant, Sr. recently announced the sale of more than \$131 million in refunding bonds to refinance 154 environmental protection projects. Municipal, county, utilities authorities and private water utilities will save nearly \$35 million in finance charges on their infrastructure loans.

“This sale marks the 12th time the Trust has sold refunding bonds to refinance infrastructure project in New Jersey,” Chairman Briant said. “With this sale, 104 borrowers will realize a substantial savings that will help keep costs down for taxpayers and ratepayers. Our low-interest loans have funded 595 projects in New Jersey, totaling nearly \$4 billion. These projects provide new or

upgraded drinking water and wastewater treatment and conveyance pipes, open space preservation, stormwater controls and brownfield clean ups.”

Moody’s Investors Service, Standard & Poor’s, and Fitch Ratings have each awarded these bonds their highest possible rating.

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Redevelopment Project in Carteret
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Trust's \$131M Bond Sale Refinances 154 Infrastructure Loans

New Jersey Local Governments to Save Nearly \$35M Through Refinancing Move

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The sale was completed on September 12 in four series:

Series 2007A - \$51.94 million: Interest Rate – 3.88%

Series 2007B - \$37.44 million: Interest Rate – 3.91%

Series 2007C - \$38.83 million: Interest Rate – 3.97%

Series 2007D - \$2.865 million: Interest Rate – 4.10%

“Over the past 20 years, the Trust has saved municipalities more than \$91 million in refinanced loans,” said executive director Dennis Hart. “We are constantly monitoring market conditions to assess when the time is right to refinance past loans. In line with Governor Corzine’s efforts to reduce local government costs, the NJEIT returns bond refunding savings to its borrowers.”

For a list of borrowers that benefitted from the refunding, visit www.njeit.org.

2008 Interim Financing Program Changes

The Trust has made several changes to its Interim Financing Program for 2008. This program offers zero-interest rate bridge financing for most projects up to 11 months. Interim loans are converted to long-term loans at the regular bond closing each year.

The 2008 Program has a principal limit of \$10 million per loan; an interest rate of 2 percent for private water utilities, small water companies or local governments on behalf of private entities; and a November 6, 2008 maturity date. Local government pursuing financing for their own projects will continue to receive a zero-percent interest rate. If you have any questions regarding interim loans, please call the Trust at (609) 219-8600.

Trust Creates New Electronic Forms for Online Submissions

This Fall, the Trust posted new, electronic commitment and ranking forms on its website. These Portable Document Format (PDF) forms offer several advantages over the past static forms: 1) the forms have fields allowing users to easily enter information on-screen, 2) Adobe Acrobat Reader 8 permits users to save PDF files (This means you can reuse the forms for future applications without having to re-enter unchanged information), and 3) the forms have a submit feature, which automatically emails the files to the Trust and NJDEP.

After submission to the Trust, the form data can be exported to a Microsoft Excel spread sheet and manipulated as needed for record-keeping purposes.

Although this submission method was optional this year, the Trust anticipates migrating most of its business functions to an electronic format to streamline data collection and save paper. Forms are accessible from the Trust Website at www.njeit.org/forms.htm

Trust Board Members

Robert A. Briant, Sr., Chairman

Warren Victor, Vice Chairman

Gerald Keenan, Secretary

Michellene Davis, Acting State Treasurer

Lisa Jackson, Commissioner, Department of Environmental Protection

Joseph Doria, Acting Commissioner, Department of Community Affairs

Comments or inquiries regarding this publication may be addressed to:

The Tributary
PO Box 440
Trenton, NJ 08625
(609) 219-8600

email: information@njeit.org
visit us on the web at: www.njeit.org

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Trust Receives Three Awards Recognizing Program's 20-Year History of Improving Water Quality

On September 22, the Trust received a 20th anniversary recognition award from the Utility and Transportation Contractors Association for its "outstanding service to the citizens of New Jersey."

On April 18, the Trust received the Water Resources Association Business and Industry Award for 20 years of vision and leadership in providing loans for water resources projects that support businesses throughout New Jersey. That event was held at the Down Town Club in Philadelphia.

On March 14, the Trust received an award from the Association of Environmental Authorities for its 20 years of service. The event was held at the Trump Marina in Atlantic City. The Trust was cited for financing many beneficial infrastructure projects across New Jersey.



The Trust receives an Outstanding Service Award from the UTCA. From left to right, Frank Scangarella - Chief Operating Officer, Dennis Hart - Executive Director, Bob Briant, Sr. of the UTCA and Maryclaire D'Andrea - Chief Financial Officer.

Trust Loan Funds Major Brownfields Redevelopment Project in Carteret

The Carteret Redevelopment Agency recently received a \$38.5 million low-interest loan from the Environmental Infrastructure Financing Program to cap three landfills as part of a major light industrial project in Carteret. The closure involves the Carteret, Cranbrook, and Middlesex landfills, all in the Borough of Carteret. The 113-acre site will host a 1.2 million square foot high-end distribution center that is nearing completion.

The project is part of the state's "Portfields Initiatives." This initiative provides opportunities for private developers, communities and others to transform underutilized and brownfield sites into productive warehousing

and distribution centers. These centers support and capitalize upon emerging market opportunities for new ocean and air freight-related warehousing and distribution operations.

"Redeveloping brownfields is an important component of the state's smart growth initiative," said Trust Executive Director Dennis Hart. "Restoring these sites abates ongoing pollution problems, creates new areas for development, decreases development pressure on undisturbed, pristine areas and provides new tax ratables for municipalities."

The Carteret site is well suited for distribution operations. It is close to the New Jersey Turnpike, approximately 15 minutes from Port Elizabeth, 20 minutes from Newark International Airport, and 35 minutes from New York City.

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Record \$216M Bond Sale to Fund 87 Clean Water Projects

Good News Overshadowed by Federal Cuts in Clean Water Program and New Jersey's \$18 Billion Water Infrastructure Need

(continued from page 1)

governmental body borrows capital for water infrastructure projects from a traditional lender, they are wasting taxpayers and ratepayers money.”

**The sale was completed in one series:
Series 2007A - \$216,105,000: Interest
Rate – 4.23%**

Despite today's good news, Trust Executive Director Dennis Hart cautioned that federal cuts in capitalization grants are presenting future challenges for the program.

“Federal funding for New Jersey's clean water programs dropped to \$27 million in federal fiscal years 2006 and 2007, down from \$44 million in 2005 and \$54 million in 2004,” Hart said. “Since the Trust matches its bond funds with zero-percent federal grants, every dollar cut by the federal government reduces funds for future clean water projects by two dollars. These reductions have forced the NJDEP to reconsider the number and types of projects eligible for funding.”

Recent estimates indicate a funding need of more than \$18 billion for wastewater and drinking water projects across New Jersey.

The Financing Program's loans, which are 75 or 50 percent below market rates, provide substantial cost savings to municipalities and utility and sewerage authorities. To date, these loans have saved New Jersey taxpayers and ratepayers more than \$1.8 billion in financing costs and have created thousands of construction jobs.

“Our goal is to enhance and protect New Jersey's water resources at the lowest cost possible,” Hart said. “Our pooled financing program provides local governments with savings they would not realize using their

own financing. With the highest possible ratings from Fitch Ratings, Moody's Investor Service and Standard & Poor's, our loans are a very safe alternative to traditional market-rate financing. In fact, a 20-year loan under our program has lower annual costs than a 30-year loan through traditional financing.”

This year's largest borrower is the Middlesex County Utilities Authority with \$63.7 million, followed by the North Bergen Municipal Utilities Authority with \$37.7 million, the City of Newark with \$32 million and the Ocean County Utilities Authority with \$27.5 million.

The Mount Holly Municipal Utilities Authority received a \$24 million loan to construct a new wastewater treatment plant on Maple Avenue and upgrade the existing Rancocas Road plant. The two facilities will have a combined treatment capacity of 6 million gallons per day.

Of the 87 projects funded this year, 51 are for clean water (wastewater treatment and conveyance, stormwater, combined sewer overflows, etc.), 32 for drinking water (treatment, storage and transmission) and four for open space land acquisition to preserve 170 acres. A list of this year's borrowers with project descriptions is provided below.

Since the program's inception, all qualifying projects have received financing. However, if federal funds are not restored, the program's financing will be limited to projects with the highest environmental priority. This will exclude many municipalities and utility and sewerage authorities from low-interest financing.

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Recent estimates indicate a funding need for more than \$18 billion for wastewater and drinking water projects across New Jersey.

Record \$216M Bond Sale to Fund 87 Clean Water Projects

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The Environmental Infrastructure Financing Program is a partnership between the New Jersey Environmental Infrastructure Trust and the Department of Environmental Protection that combines interest-free loans from State Revolving Funds with market rate loans from the sale of Trust bonds. This provides borrowers with a loan that is half

the prevailing market rate. Projects that promote smart growth through land preservation or urban development are eligible for loans that are one quarter of the market rate. Proceeds from today's bond sale will be combined with zero-percent State Revolving Funds to provide smart growth project loans at 1.06 percent and traditional project loans at 2.11 percent.

**Smart Growth
Loan Rate
1.06%**

**Traditional Loan
Rate
2.11%**

NJEIT 2007 Financing Program Borrowers, Loan Amounts and Project Descriptions

CLEAN WATER PROJECTS

Asbury Park City (Asbury Partners, LLC) - \$8,185,700*
Installation of an odor control system and electrical and ventilation system upgrades to a wastewater treatment plant located on 8th and Ocean Avenue.

Atlantic County Utility Authority - \$2,977,535* (2 projects)
Various treatment plant upgrades including water system rehabilitation, pumping station improvements and replacement of on-site underground storage tanks.

Bayonne LRA - \$17,059,000*
Improvements to the stormwater system and construction of sanitary sewer lines.

Bergen County - \$7,416,298
Landfill Closure.

Bergen County UA - \$1,489,600*
Rehabilitation, repair and replacement of barge docking facilities.

Berkeley Heights Township - \$4,060,000
Modification and upgrades to a wastewater treatment plant.

Berkeley Township SA - \$3,289,000
Sanitary sewer construction.

Caldwell Borough - \$15,157,000
Wastewater treatment plant upgrade.

Camden County MUA - \$10,150,000*
Wastewater treatment plant upgrade.

Dumont Borough - \$3,144,000 (2 projects)
Storm sewer drainage improvements and electrical and mechanical upgrades to five pump stations.

Edgewater Borough - \$2,315,308*
Separation of storm and sanitary sewers along River Road and Washington Lane.

Elmwood Park Borough - \$4,096,776
Construction of a new wastewater pump station.

Franklin Township SA - \$12,500,000
Sewer upgrades and construction of a new pump station and force main for the City of New Brunswick's Mile Run Interceptor.

Jefferson Township - \$1,374,700
Upgrade of treatment facilities at the Arthur Stanlick School sewage treatment plant.

Jersey City MUA - \$12,151,154*
Restoration and sanitary sewer system upgrades at four sites.

Kearny Town - \$4,831,000*
Construction of net in-line chambers at overflow pipes located on Tappan/Duke Street, Ivy Street and Johnston Avenues.

Kearny MUA - \$5,410,000*
Drainage improvements and new outfall structures and appurtenances.

Record \$216M Bond Sale to Fund 87 Clean Water Projects

(continued from page 5)

Leonia Borough - \$446,214
Sewer system improvements and sewer line installation.

Linden City - \$1,842,722
Construction of storm sewers and a landfill closure.

Magnolia Borough - \$1,826,574 (2 projects)
Sanitary sewer, storm sewer repairs and sewer line installation at four locations.

Medford Township - \$2,212,400
Improvements to a sewerage treatment plant.

Middlesex County UA - \$63,725,490
Construction of three new landfill cells located in East Brunswick Township.

Mount Holly MUA - \$24,354,050
Upgrade and expansion of the Rancocas Road wastewater treatment plant.

Musconetcong SA - \$1,813,580
Modification and repairs to sewerage facilities, a force main connection and the installation of security system controls.

Newark City - \$32,050,707* (3 projects)
Stormwater and combined sewer overflow improvements.

North Bergen MUA - \$37,703,440*
Rehabilitation of North Bergen and Jersey City MUA's pumping stations and the installation of force main lines.

North Hudson SA - \$6,059,553*
Installation of a pump station and force main.

Ocean County UA - \$27,502,780 (5 projects)
Replacement and rehabilitation of sewage treatment plants in the Northern and Central Service Areas, pump station improvements and interceptor rehabilitation.

Ocean SA, Township of (Monmouth County) - \$5,921,000 - Improvements to the main pump station and the Whale Pond and Interlake pump stations.

Passaic Valley Sewerage Commissioners - \$24,189,156* (2 projects). Sewerage treatment plant improvements and construction of a skimmer vessel operations facility.

Pine Hill Borough MUA - \$1,040,766
Equipment purchase and installation of sewer lines.

Point Pleasant Beach Borough - \$588,784
Replacement of sewer mains.

Princeton Sewer Operating Committee - \$3,392,886 (2 borrowers). Sanitary sewer rehabilitation and repairs in Princeton Borough and Princeton Township.

Rockaway Valley RSA - \$12,988,630
Improvements to the sludge treatment process.

Saddle Brook Township - \$1,966,308
Pump station improvements.

Seaside Park Borough - \$3,906,212
Sewer replacement.

Somerset Raritan Valley SA - \$12,714,500
Installation of a 72-inch diameter treatment plant outfall.

Stone Harbor Borough - \$1,467,934
Replacement of sewer mains.

Stony Brook RSA - \$5,300,000
Upgrade of sludge management facilities and equipment.

West Deptford Township - \$6,047,000
Sanitary and storm sewer rehabilitation in the Sherwood Green and Sherwood West areas.

Westville Borough - \$614,048
Rehabilitation and/or replacement of sanitary sewer mains and manholes.

LAND ACQUISITION PROJECTS

Berkeley Township - \$1,300,000
Acquisition and Preservation of Land.

Record \$216M Bond Sale to Fund 87 Clean Water Projects

(continued from previous page)

Cherry Hill Township - \$4,043,130
Acquisition and Preservation of Land.

High Bridge Borough - \$909,255
Acquisition and Preservation of Land.

New Jersey SA (Raritan Basin) - \$2,320,750
Acquisition and Preservation of Land.

DRINKING WATER PROJECTS

Bayonne MUA - \$1,774,690* (2 projects)
Construction of a 16-inch water main across Bayonne Bay to serve the Constable Hook section. Replacement and extension of a 12-inch water main along Water Street.

Berkeley Township MUA - \$4,068,466
Construction of water mains in the Pinewald Section of the Township.

Bridgeton City - \$2,245,340
Installation of a radium removal treatment plant.

Continental Communities L.L.C. (Monroe Twp.) - \$1,933,380. Installation of a radium removal treatment system and chemical tanks.

Jackson Township MUA - \$11,802,000 (2 projects)
Replacement of the existing Manhattan Street water treatment plant.

Jersey City/Jersey City MUA - \$12,297,788* (3 Projects). Treatment plant improvements, replacement of 17 large valves and cleaning and lining of water mains.

Maple Shade Township - \$11,100,000
Construction of a new water treatment plant, well house, pumping facilities and appurtenances.

Merchantville-Pennsauken Water Commission - \$1,271,014. Treatment plant upgrades.

Mount Laurel Township MUA - \$5,151,454
Construction of a groundwater treatment plant, demolition of the Ramblewood Plant and partial demolition

of the Elbo Lane Plant.

Middlesex Water Company - \$3,500,000
Cleaning/lining of water mains, hydrants, service lines and valves in the City of South Amboy and Woodbridge Township.

Newark City - \$8,050,000* (2 projects)
Rehabilitation of water mains and the Pequannock Aqueducts

North Brunswick Township - \$17,878,996
Water treatment plant improvements.

Passaic Valley WC - \$3,516,560* (2 projects)
Cleaning and lining of water mains in the City of Paterson.

Perth Amboy City - \$2,230,000
Water system modifications and investigations of the Florida Grove Road Reservoir.

Ramsey Borough - \$1,347,220 (4 Projects)
Treatment plant improvements.

Seaside Park Borough - \$3,817,716
Replacement of water mains.

Stafford Township - \$8,722,170 (4 Projects)
Installation and connection of water mains and water meters.

Stone Harbor Borough - \$335,532
Replacement of water mains.

Trenton City - \$12,881,160*
Upgrades and improvements to the Trenton Water Works treatment plant.

West Deptford Township - \$803,262
Installation/replacement of water mains.

*75/25 Smart Growth Financing Rate

TOTAL – \$518,581,688



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NJ Environmental Infrastructure Trust
PO Box 440
Trenton, NJ 08625

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Trust Loan Funds Major Brownfields Redevelopment Project in Carteret

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The third largest industrial developer in the United States, Panattoni, is constructing a \$150 million facility that will offer state-of-the-art distribution, manufacturing, and import/export facilities. The completion of construction is slated for Fall 2007. These facilities will also provide much needed tax ratables for the Borough of Carteret.

The landfill closure includes a landfill cap and a leachate collection system installed around the perimeter of the landfill. After receiving preliminary treatment onsite, the leachate will be conveyed to the Middlesex County Utilities Authority treatment plant via a new onsite pump station and force main. In addition, a gas collection system will be installed to collect landfill gas for treatment. These systems protect surrounding surface water, ground water, tidal wetlands and air.

The landfills were closed in 1981 and have remained inactive despite the site's potential for commercial use. In 2006, the Carteret Redevelopment Agency secured low-interest financing from the Environmental Infrastructure Financing Program that paved the way for the property to be restored.

Carteret Redevelopment Agency Project

BEFORE



AFTER

