

The  
**TRIBUTARY**

New Jersey  
Environmental Infrastructure Trust

Spring - Summer 2010  
Financial Assistance for Environmental Projects

Inside This Issue:



Records Set with 2009  
Financing Program.....1



Dennis Hart Leaves the  
Trust.....2



Groundbreaking in  
Willingboro.....3



2010 Financing Plan in  
Brief.....3



Groundbreaking in Long  
Branch.....4



Loan History by County  
.....7

## Record Year for the Trust

**T**he New Jersey Environmental Infrastructure Financing Program (NJEIFP) has funded a record 182 projects in the 2009 Financing Program, continuing its tradition of protecting New Jersey's water resources. The 2009 Financing Program was structured under both the Traditional Financing Program and the American Recovery and Reinvestment Act (ARRA) Program. The ARRA Financing Program offered loans at 25% of the market rate and provided principal forgiveness of up to \$5 million per borrower in each of the clean and drinking water programs. A total of 81 ARRA projects received loans totaling nearly \$338 million. The Traditional Financing Program also offered loans at 25% of the market rate and funded 101 projects for loans totaling in excess of \$379 million.

Bond proceeds served as the funding source for the Trust loan component for a majority of the loans featured in the 2009 Financing Program. In November of 2009, the Trust sold \$63,627,027 of Environmental Infrastructure Trust Series 2009A bonds at a true interest cost of 3.523415% and

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## Record Year *(continued from cover page)*

\$5,600,700 of Series 2009C Bonds at a true interest cost of 5.218497%. In February of 2010, the Trust sold \$127,595,000 of Series 2010A Bonds as a true interest cost of 3.385808%. In total, the Trust bond sales generated a record \$196,822,727 which, in combination with Fund loans, generated overall loan rates of less than 1% for terms of twenty years, the lowest loan rate in the NJEIFP's history.

Principal forgiveness was one of the most attractive features of the 2009 Financing Program, attracting a record number of applicants for infrastructure project funding. Each qualified project could receive up to \$5 million for principal forgiveness through the Financing Program. As a consequence, principal forgiveness reached \$108,665,709, or 53% of the total borrower savings realized through the program. Borrower savings totaled \$205,020,129 for the 2009 Financial Program, resulting in a direct benefit to taxpayers and ratepayers.

Overall, the 182 projects financed through the 2009 Traditional and ARRA Financing Programs totaled \$717,443,444, highlighting a record amount of State Revolving Fund (SRF) loans used for both clean water and drinking water projects. This marks the largest financing program in the NJEIFP's history, an accomplishment that stands as a testament to the Trust's and the DEP's dedication to protecting and improving New Jersey's water resources. Consequently, over 15,000 construction jobs were generated throughout the State as a result of the 2009 Financing Program, a significant contribution to New Jersey's economic recovery.

**About us:** The NJEIFP is a partnership between the New Jersey Environmental Infrastructure Trust and the Department of Environmental Protection that combines interest-free loans from SRFs with market rate loans from the sale of Trust bonds. This provides borrowers with a loan that is 25-50% of the prevailing market rate. Since its creation in 1986, the NJEIFP has completed 23 annual financing cycles and has issued 861 project loans totaling over \$5.34 billion for environmental infrastructure projects. To learn more about the finance program, visit [www.njeit.org](http://www.njeit.org).

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## Dennis Hart Leaves the Trust; Maryclaire D'Andrea Steps Up As Acting Director

After serving as Executive Director of the Environmental Infrastructure Trust for over 6 years, Dennis Hart has accepted a position of Managing Director within the Construction Industry Advancement Program of New Jersey (CIAP), a non-profit trusteeship that provides service, research, and education for the construction industry across New Jersey.

Beginning his work with the Trust in July of 2003, Hart saw to the many successes enjoyed by the organization, including the NJEIFP's most prolific years in financing environmental infrastructure projects. During his tenure, he focused his efforts on increasing the number of projects funded by the NJEIFP, resulting in a significant increase in the total amount of loans for environmental infrastructure projects. Throughout the 2005-07 financial cycles, loans totaling in excess of \$500 million were received by borrowers, highlight-

*(continued on page 4)*

## Groundbreaking in Willingboro

The Willingboro Municipal Utilities Authority (WMUA) broke ground on a new 1.05 MW solar power array and micro-turbine project. When it is completed in the Summer of 2010, it will enable the WMUA to meet 25% of its electricity needs with clean, emissions-free solar power and by utilizing methane in the micro-turbines (a by-product



*Groundbreaking at the Willingboro Municipal Utilities Authority (WMUA). Pictured are (left to right): William Hall, Commissioner of the WMUA; Jack Connors, NJ assemblyman; Dennis Reiter, Commissioner of the WMUA; Thomas Scholtis, Commissioner of the WMUA and current chair; Warren Victor, Vice-Chairman of the NJEIT; Ayisha Gordon, Commissioner of the WMUA; Eddie Campbell Jr., mayor of Willingboro; Maryclaire D'Andrea, Acting Executive Director of the NJEIT; and Alex Arcadia, APS solar panel contractor.*

of wastewater treatment) to generate even more electricity.

At a ceremony held Saturday morning, Willingboro Mayor Eddie Campbell Jr. welcomed NJ Assemblyman Jack Connors and other dignitaries by congratulating the Municipal Utilities Authority for being a leader in producing clean energy and continually striving to minimize its cost of operations for the benefit of the citizens of Willingboro.

Utilities Authority Chairman Thomas Scholtis described the project which consists of approximately 5,300 solar panels and a micro-turbine. This solar array is one of the largest in the State of New Jersey. The projects will supply a significant proportion of the MUA's energy needs – approximately 58% at the wastewater treatment plant, and 24% at the drinking water treatment plant.

Assemblyman Connors congratulated the Utilities Authority for its leadership among municipal agencies and on its efforts to create local jobs and support small businesses. US Congressman John Adler also sent his congratulations. He said, "These projects will help local families save money and will provide a boost to local businesses."

## 2010 Financial Plan in the Works

Following its record-breaking success in 2009, the NJEIFP is currently proceeding with its 2010 Financing Program.

The 2010 Financing Program will offer low-interest loans of one-half of the prevailing market rate to a majority of projects receiving long-term loans in 2010. Projects that promote smart growth will be offered loans at a quarter of the market rate in accordance with the State's Smart Growth Initiative, a strategy aimed at improving public health and urban area environments. The Green Project Reserve (GPR) provides 25% market rate (75% interest free) loans for green projects, a comparable rate to smart growth projects. In total, the GPR will equal 20% of the FFY2011 clean water and drinking water state capitalization grants.

Green projects consist of clean water and drinking water projects that implement green infrastructure

*(continued on page 5)*

## **Dennis Hart** *(continued from page 2)*

ing a substantial increase from previous years. Additionally, the 2009 financial cycle marked the largest financing program implemented by the NJEIFP in terms of the number of projects funded and the number of State Revolving Fund (SRF) loans issued for both clean water and drinking water projects.

### **Owing to Mr. Hart's success was his valuation of customer service at the forefront of the Program's mission.**

He was also responsible for the expansion of NJEIFP funding to include projects involving land acquisition and redevelopment. The Trust received numerous awards during his directorship, including an Outstanding Service Award from the Utility and Transportation Contractors Association, the Water Resources Association Business and Industry Award, and an award from the Association of Environmental Authorities.

Hart has nearly three decades of water resource experience. He has served in various management and staff positions at the NJDEP, including Assistant Commissioner for Environmental Regulation, Director of the Division of Water Quality, and Assistant Director of the Responsible Party Site Remediation Program. He was also appointed to the Board of Directors of the Council of Infrastructure Financing Authorities in 2006. Prior to his work with the Trust, he was ap-

pointed in 2002 to be the state's Drought Coordinator to lead the state through one of the worst droughts in New Jersey's history while also managing the state's water supply program.

After his departure on January 21st, 2010, the capacity of Acting Executive Director was filled by Maryclaire D'Andrea. Throughout her 22 years of service to the Trust, Mr.s D'Andrea has been instrumental in engineering and implementing many of the Trust's successful programs, including the Direct Loan Program. She has also served on the Brownfield Redevelopment Interagency Team and is liaison to the Division of Minority and Women Business Development. As the first financial professional hired by the Trust, she played a critical role in establishing the accounting system that is in use today. Her contributions and continual involvement with the Trust reflect Mr.s D'Andrea's passion and innovation, making her an invaluable personality within the organization. Most recently, she has held such positions as Chief Financial Officer and Assistant Director.

As a champion for environmental issues and education, Hart's impact on the Trust has been far-reaching and will most certainly be long-lasting. The Trust expresses its sincerest appreciation for his years of dedicated service and wishes him success in all his future endeavors. His good nature and quick wit will be missed.

## **Groundbreaking Ceremony an Earth Day Success**

**D**espite uncooperative weather, the Long Branch Sewerage Authority (LBSA) celebrated its groundbreaking on April 21st for projects funded in the NJEIFP's 2009 financial cycle.

L. Frank Blaisdell, Chairman of the LBSA, opened the ceremony in praise of the Trust and the DEP for their services in financing two projects involving wastewater treatment plant improvements. The first project involves the reconstruction of influent and effluent pumps and was financed through an ARRA loan, featuring a 75% interest free rate with \$5,000,000.00 in principal forgiveness. The second project involves sewer piping and

## 2010 Financial Plan *(continued from page 3)*

and water or energy efficiency improvements (for example, those that reduce greenhouse gas emissions). Green infrastructure includes such practices as replacing existing pavement with porous pavement, utilizing bioretention, constructing green roofs, creating rain gardens, and other practices that mimic natural hydrology and reduce effective imperviousness. By offering low-interest loans for projects of this nature, the NJEIFP continues to exemplify the Trust's and the DEP's goals of environmental protection and sustainable development.

Approximately \$135 million is available for principal forgiveness loans in the 2010 Financing Program, of which \$33.75 million is available for principal forgiveness. These loans will be accessible for both drinking water and clean water projects and are structured as follows: half of the loan consists of an interest-free, Department administered Fund loan, while the other half is a market-rate loan from the Trust. Projects eligible for Principal Forgiveness may have a portion of the Fund loan forgiven, represented as 25% of the total loan amount.

The 2010 Financing Program is also allocating \$30 million in Fund loans as "Brownfield Set-Aside," representing projects where a government unit serves as the applicant on behalf of a private entity for a remediation or redevelopment project. It is

anticipated that loan requests for Brownfield Set-Aside will total between \$50 and \$60 million. Accordingly, projects will be prioritized through the NJEIFP's Financing Program ranking methodology.

All NJEIFP projects are ranked according to a specific methodology of prioritization. Traditionally, the NJEIFP has had sufficient funds to finance all eligible projects regardless of their rankings. Recently, however, insufficient staffing and funds have placed constraints on applicant eligibility to secure financing, creating a more competitive system of prioritization for the 2010 Financing Program.

**An applicant's ranking and thus eligibility for funding can be improved by inclusion of enhancements in the project's design.** The incorporation of green design components is one method of increasing project ranking. Other methods include

project location. Projects built in municipalities that utilize the following designs will receive a higher ranking: watershed-based implementation plans, the implementation of regional stormwater management plans, and sustainable community planning. These provisions are meant to encourage and facilitate the execution of environmentally sustainable practices at the government level.

For other information on ranking methodology and prioritization, visit [www.njeit.org/publications.htm](http://www.njeit.org/publications.htm).



*Green projects, such as those involving green roofs, will receive special financing through the Green Project Reserve in the 2010 financial cycle.*

## Groundbreaking *(continued from page 4)*

pumping station improvements and was financed through a traditional loan structured with a comparable rate to the other project, but did not include principal forgiveness. In all, program savings totaled in excess of \$7,000,000.00.

“The funding is great,” said Joseph Martone, Executive Director of the LBSA. “We will continue to work with the EIT because they are always cooperative in pushing these projects along. Principal forgiveness is an added bonus to the savings. Who can argue with free money in a time like this?”

Also speaking at the event was Robert Briant Sr., Chairman of the NJEIT, Nancy Wittenberg, Assistant Commissioner of the DEP, and Adam Schneider, mayor of Long Branch. Each noted how the financing program implemented by the Trust is critical to the success of wastewater infrastructure projects across the state, especially considering the current economic climate.

Previous to the 2009 cycle, the Trust had financed other projects for the LBSA, one in 1990 and another in 2000, both of which generated significant borrower savings due to the low interest financing plan of the Trust. By borrowing from the Trust, the LBSA realized the most effective way to finance infrastructure improvements. In total, the LBSA has received nearly \$43 million in loans throughout its dealings with the Trust, producing a total savings of over \$16.5 million.



*Groundbreaking at the Long Branch Sewerage Authority (LBSA). Pictured are (left to right): Bob Briant Sr., Chairman of the NJEIT; councilwoman Mary Celli of Long Branch; Mayor Adam Schneider of Long Branch; L. Frank Blaisdell, Chairman of the LBSA; Nancy Wittenberg, Asst. Commissioner of the DEP; and John VanDorpe, Engineer of Maser Consulting.*

**Loan History by County  
1987-2009 Financing Programs**

<i>County</i>	<i>Loan Amount</i>
Atlantic	\$87,773,653
Bergen	\$469,298,401
Burlington	\$364,878,086
Camden	\$595,175,396
Cape May	\$46,134,851
Cumberland	\$38,242,366
Essex	\$457,558,102
Gloucester	\$110,202,065
Hudson	\$402,482,195
Hunterdon	\$54,251,360
Mercer	\$236,218,090
Middlesex	\$546,929,800
Monmouth	\$323,560,222
Morris	\$354,347,428
Ocean	\$436,104,347
Passaic	\$185,386,455
Salem	\$35,430,013
Somerset	\$149,512,878
Sussex	\$72,417,093
Union	\$302,186,470
Warren	\$78,209,375

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**TOTAL:** **\$5,346,298,646**

**Attention 2011 Applicants!**

The submission deadline for the letter of intent and the environmental planning document is October 4th, 2010!

Tell Us About  
Your Loan Needs.  
Call Today!  
609-219-8600





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Chris Christie, Governor  
Robert A. Briant, Sr., Chairman  
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We welcome story contributions for inclusion in the Tributary.  
Email us at: [information@njeit.org](mailto:information@njeit.org)

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### **Trust Board Members**

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**New Jersey  
Environmental  
Infrastructure Trust**

*Financing New Jersey's Water Quality Future*