

"Financing New Jersey's
Water Quality Future"

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

David E. Zimmer, Executive Director

May 2, 2011

Honorable Chris Christie
Governor of the State of New Jersey
State House
PO Box 001
Trenton, NJ 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 May 2, 2011 Trust Board 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.

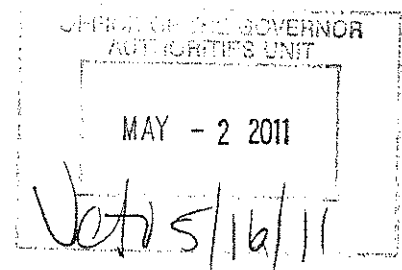
Sincerely,

A handwritten signature in black ink, appearing to read "David E. Zimmer", is written over a large, faint circular watermark or stamp.

David E. Zimmer
Assistant Secretary

DEZ::jam
Enclosure

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





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NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

OPEN PUBLIC MEETING

MINUTES – MAY 2, 2011

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, May 2, 2011 at 10:00 a.m., in the conference room of 3131 Princeton Pike, Building 6, Suite 201, Lawrenceville, 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 New Jersey Open Public Meeting Act (N.J.A.C. 10:4-6 et.seq.); 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.

DIRECTORS

Warren Victor, Chairman (*)
Herbert Barrack, Vice Chairman (*)
Robert Briant Sr., Treasurer (*)
Steven Gardner, Secretary (*)
John Plonski (*)
(for Commissioner Martin)
James Requa (*)
(for Commissioner Grifa)
Adrienne Kreipke (*)
(for State Treasurer Sidamon-Eristoff)

OTHERS

David E. Zimmer, Executive Director
Frank Scangarella, Chief Operating Officer
John Hansbury, Chief Budget Officer
Johanna Barba Jones, Governor Authorities Unit (*)
Clifford Rones, Deputy Attorney General
Richard Nolan, McCarter & English LLP (*)
Eugene Chebra, Municipal Finance & Construction (*)

(*) Participated via teleconference

APPROVAL OF THE MINUTES:

Chairman Victor called the meeting to order.

OPEN PUBLIC MEETING ACT STATEMENT

Executive Director David Zimmer read the Open Public Meeting Act Statement.

ROLL CALL

Since some Board members will participate via teleconference, a roll call will be taken after each vote.

NEW BUSINESS:

- 4A. Executive Director Zimmer introduced Resolution No. 11-14 amending Resolution No. 11-11 that adopted the SFY2012 Financial Plan on April 7, 2011.

The SFY2012 Financial Plan "May Report" shall include an amendment to increase the funds allocated by the Department of Environmental Protection for Barnegat Bay Principal Forgiveness Loans from \$10M to \$17M as outlined in the resolution.

Executive Director Zimmer discussed with the Board the distribution of the \$17M for the principal forgiveness loans that were part of the 2010 Federal Grant monies set aside specifically for DEP principal forgiveness loans.

As detailed in the resolution \$11M will be reserved for 100% DEP principal forgiveness loans for the highest ranked Barnegat Bay Watershed non-equipment projects; \$5M reserved for the next highest ranked Barnegat Bay Watershed non-equipment projects; and \$1M reserved for the highest ranked Barnegat Bay Watershed equipment projects.

Mr. Zimmer reported that the additional \$7M will be distributed as follows; \$2M will be offered as 100% principal forgiveness loans to finance 13 storm water basin projects. The remaining \$5M will be used for 35 projects qualifying for 25% principal forgiveness loans and then qualify for financing of 50% at zero percent rate Fund Loan and 25% market rate Trust Loan. The Trust anticipates that the NJEIT Program may offer incentive financing for storm water basin projects that placed qualifying Letters of Intent with the Trust for this year's Program.

The resolution was motioned for adoption to include the amendments by Mr. Briant. The motion was seconded by Mr. Barrack. The motion was carried 7 to 0 with 0 abstentions.

PUBLIC COMMENTS:

- No comments were made.

Chairman Victor requested a motion to adjourn the meeting. Mr. Briant made a motion to adjourn the meeting. The motion was seconded by Mr. Gardner and approved 7 to 0 with 0 abstentions. The meeting was adjourned at 10:10 a.m.

RESOLUTION NO. 11 - 14

WHEREAS, PURSUANT TO N.J.S.A. 58:11B-21, the New Jersey Environmental Infrastructure Trust (the "Trust") is required to submit to the Legislature on or before May 15, 2011, a financial plan designed to implement the financing of the projects to be approved pursuant to N.J.S.A. 58:11B-20; and

WHEREAS, the financial plan shall contain an enumeration of the bonds which the Trust intends to issue, including the amounts thereof and the terms and conditions therefore; a list of loans to be made to participants, including the terms and conditions thereof and the anticipated rate of interest per annum and repayment schedule therefore; and operating and financial statement covering the Trust's proposed operations during the forthcoming fiscal year including amounts of income from all sources; the schedule of fees and charges to be charged to and collected from borrowers in connection with the Trust loans; and a summary of the status of each project for which loans have been made and a description of the major impediments to the accomplishment of the planned projects;

WHEREAS, at its April 7, 2011 meeting the Board approved the State Fiscal Year (SFY) 2012 Financial Plan in Resolution No. 11-11;

WHEREAS, subsequent to the Board's approval of Resolution No. 11-11, substantive changes were proposed to the SFY2012 Financial Plan to increase the funds allocated by the Department of Environmental Protection (DEP) for Barnegat Bay Principal Forgiveness Loans from \$10 million to \$17 million: specifically that (a) \$11 million would be reserved for 100% DEP principal forgiveness loans for the highest ranked Barnegat Bay Watershed non-equipment projects, (b) \$5 million would be reserved for the next highest ranked Barnegat Bay Watershed non-equipment projects through the following loan structure: 25% DEP principal forgiveness loan, 50% zero interest DEP loan, and 25% NJEIT market rate loan; and (c) \$1 million would continue to be reserved for the highest ranked Barnegat Bay Watershed equipment projects wherein principal forgiveness is limited to \$250,000 per project and 75% of the remaining project loan would receive a DEP zero interest loan and 25% of the remaining loan would receive a NJEIT market rate loan.

NOW THEREFORE BE IT RESOLVED THAT the Trust Board of Directors hereby approves the amended "Financial Plan" for State Fiscal Year 2012 dated April 29, 2011 with such changes thereto as the Executive Director, in consultation with the Chairman or Vice Chairman, shall approve and authorize; and

BE IT FURTHER RESOLVED THAT the Executive Director, in consultation with the Chairman or Vice Chairman, is hereby authorized and directed to take such other actions as are necessary or desirable to publish, file and distribute the Financial Plan, including its printing and binding.

Adopted Date: May 2, 2011

Motion Made By: Mr. Briant

Motion Seconded By; Mr. Barrack

Ayes: 7

Nays: 0

Abstentions: 0