September 8, 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 September 8, 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,

[Signature]
David E. Zimmer
Executive Director

DZ:jam
Enclosure

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

3131 Princeton Pike, Building 6, Suite 201, Lawrenceville, NJ 08648
• Website: www.njcit.org • Phone: (609) 219-8600 • Fax: (609) 219-8620
September 8, 2011

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

OPEN PUBLIC MEETING

MINUTES – SEPTEMBER 8, 2011

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, September 8, 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
Robert Briant Sr., Treasurer
John Plonski (*)
(for Commissioner Martin)
Adrienne Kreipke
(for State Treasurer Sidamon-Eristoff)
James Requa (*)
(for Commissioner Grifa)

OTHERS

David E. Zimmer, Executive Director
Frank Scangarella, Assistant Director
John Hansbury, Chief Budget Officer
Johanna Barba Jones, Governor’s Authorities Unit
Clifford T. Rones, Deputy Attorney General
Richard Nolan, McCarter & English LLP
Geoffrey Stewart, Public Financial Management
Eugene Chebra, Municipal Finance & Construction
Lisa Price, Equal Opportunity & Contract Assistance

(*) Participated via teleconference
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Minutes – September 8, 2011

APPROVAL OF THE MINUTES:

Chairman Victor opened discussion of the minutes of the August 11, 2011 Trust Board meeting. Mr. Briant moved for the approval of the minutes. Ms. Kreipke seconded the motion. The minutes were approved 5 to 0 with 0 abstentions.

ANNOUNCEMENTS:

Mr. Zimmer reported on the events since the last Trust Board meeting:

- On August 17, 2011, the Trust refinanced all or part of three outstanding Trust Bond Series (1998-B, 2001-B and 2002-B; all AMT bonds) totaling approximately $30.1 million in par Amount. The refinancing will save the seven (7) participating borrowers a total of $4,054,043 in net debt service repayments.

- The Trust continues to participate in biweekly meetings conducted by the DEP and Chaired by Assistant Commissioner Plonski to discuss and implement the Governor’s Barnegat Bay initiative.

- Due to problems and delays caused by Hurricane Irene, the deadline for online submission of SFY2012 loan applications, construction plans and design docs for Barnegat Bay Initiative applicants has been by extended 2 weeks. The new deadline is now September 15. All affected applicants were informed of the extension by e-mails from both the DEP and the Trust as well as follow-up phone calls from the Trust.

- The Trust will be conducting a Financial Seminar on September 26, 2011 to discuss financing schedules and Program preconditions with all SFY2012 Borrowers. Invitations and a meeting agenda were sent to borrowers and their representatives. Trust and DEP staff intend to meet with selected borrowers immediately following the seminar to discuss their particular finance or permit issues.

- Update on Recent Trust Request for Proposals:

  Document Scanning Services –
  The contract for Phase I with DRS Imaging for scanning the Trust’s physical records is now 55% complete.

  I.T. Consulting Services –
  All signature pages have been signed and senior staff met with the President of Pro-Computer Services to discuss the initial phases of the Trust’s system review.
Internal Controls Audit -
The Review Committee is going through its review and will be receiving oral presentations from the highest ranked candidates for further clarification of their proposal. A recommendation for submission to the Board will be made at the October Board meeting.

Arbitrage Rebate Compliance Services -
This RFP has been posted and proposals are due September 16, 2011.

- Continuing with the Trust’s marketing and outreach efforts, Senior Staff met with the Board of Chosen Freeholders from the County of Middlesex to discuss our Financing Program and to spread the word of the Program to the municipalities within their regions.

- Trust and DEP staff conducted the following internal meetings during the past month:
  - Executive Director Zimmer met with Commissioner Martin and his Senior Water Quality and Financial staffs (including AC Plonski, Director Putnam and Assistant Director Chebra) to discuss emergency funds available for Hurricane Irene related infrastructure needs
  - Newark Lister Avenue conference call
  - HCIA briefing with DEP

- The next Board meeting is scheduled for Thursday, October 13, 2011 at 10:00 a.m. at the Offices of the Trust.

During the past month the Trust received or sent the following noteworthy correspondence. Pursuant to the Trust’s Green Initiative, the agenda package does not include copies of the following correspondence. Board members should contact the Trust Secretary if they wish to receive copies.

- On September 2, 2011, pursuant to N.J.S.A. 58:11B-6(g), the Joint Budget Oversight Committee was notified of the NJEIT’s 2011 Refunding Bond Sale held on August 17, 2011.

- On September 8, 2011, a letter was sent to the Mayor of the Township of Weehawken regarding SFY2012 Financing of the Township’s proposed purchase of the United Water Reservoir.

- On September 8, 2011, Pre-Award Approval revision letters were sent for the following:
  - Winslow Township
  - Elizabeth City
  - Northwest Bergen County US
  - Westville Borough
  - Aqua NJ
EXECUTIVE SESSION:

6. An Executive Session was not held.

UNFINISHED BUSINESS:

7A. Mr. Chebra of the NJDEP’s Municipal Finance and Construction Element discussed the status of the Construction Status Report which reflects that there are 350 active projects totaling $2.3B; and 589 closed projects totaling $2.8B making a grand total of 939 projects at $5.2B.

7B. Mr. Chebra discussed the SFY2012 Clean Water Financing Loan Program. At this time, it is expected that there will be 4 supplemental loans totaling $13.6M and 16 second chance projects totaling $41.0M; 14 Barnegat Bay projects totaling $23.2M; and 62 traditional loan projects totaling $287.6M.

Mr. Chebra also discussed the SFY2012 Drinking Water Financing Program. At this time there are 3 Supplemental Loans totaling $2.9M; 44 projects within the traditional program totaling $189.0M and 11 second chance projects totaling $14.8M resulting in a net total for the SFY2012 Drinking Water Loan Program of 58 projects for $206.7M.

The current projection for the total SFY2012 Combined Loan Programs is 154 projects for $572.0M.

Chairman Victor received certification letters from Commissioner Martin for the following projects:

<table>
<thead>
<tr>
<th>Location</th>
<th>Code</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayonne MUA</td>
<td>S340399-30-1</td>
<td>$915,260</td>
</tr>
<tr>
<td>Ocean Township</td>
<td>152001-001-1</td>
<td>$300,440</td>
</tr>
<tr>
<td>Carneys Point</td>
<td>Emergency Repair Loan</td>
<td></td>
</tr>
</tbody>
</table>

NEW BUSINESS:

8A. Mr. Zimmer introduced Resolution No. 11-36 accepting the Treasurer’s Report for August 2011. The resolution was moved for adoption by Mr. Briant and seconded by Ms. Kreipke. The motion was carried 5 to 0 with 0 abstentions.

Mr. Zimmer announced that the Trust is in receipt of bills totaling $361,107.25. The individual breakdown is as follows:

Princeton Pike Office Park, LLC  $9,339.09
(Rent – November 2011)
Cutwater Asset Management
(Investment Advisor – July 2011) $9,124.76

DRS Group
(Document Scanning Services) Pursuant to Trust Resolution No.11-13 appointment of DRS Group $10,745.78

J&J Staffing Resources
(NJIT part-time employees salaries; Loel Park and Anthony Teel, weeks ending 8/14/11, 8/21/11, 8/28/11) $4,013.63

McCarter & English, LLP
(Bond Counsel Services: NJIT 2011 AMT Refundings, pursuant to Special Counsel Designation by the NJ Division of Law and Public Safety appointing McCarter & English, LLP as Bond Counsel for Program Years 2011 & 2012) $180,000.00

Public Financial Management, Inc.
(Financial Advisor Services 2011 AMT Refunding Pursuant to Trust Resolution No. 09-46 appointing Public Financial Management, Inc as Financial Advisor for the term of March 1, 2010 to March 1, 2012) $75,000.00

ARI Insurance Companies (Auto Insurance Premium Balance for period 8/1/11 – 8/1/12) $2,686.00

Bethel Bindery, Inc.
(2009A Legal Bibles & CD Transcripts) $7,897.99

Anderson Aquino LLP
(Master Program Trustee Counsel fees in connection with the NJIT 2011 AMT Refundings) $9,000.00

Fitch Inc.
(Rating Services in connection with the NJIT 2011 AMT Refundings) $16,000.00

Moody’s Investors Service
(Rating Services in connection with the NJIT 2011 AMT Refundings) $17,000.00

Mercadien
(Verification Agent Services in Connection with NJIT 2011 AMT Refundings) $5,000.00
8B. Mr. Zimmer introduced Resolution No. 11-37 acknowledging receipt of the Executive Director’s Report concerning the terms of the bond sale of the NJEIT Refunding Bonds Series 2011. On August 17, 2011, a competitive sale of $24,465,000 in aggregate principal amount of Refunding Bonds was held. The winning bid came from Piper Jaffrey with an average aggregate yield of 2.443%. The seven (7) participating borrowers will gain debt service repayment savings equal to $4,054,043. The Net Present Value savings equal $3,279,229 or 10.8% of the refunded bonds par value exceeding the State’s minimum requirement of 3% savings. A detailed bond sale report was attached to this resolution along with copies of the Notice of Sale, Summary Notice of Sale, Parity Bid Forms and the Official Statement. The resolution was moved for adoption by Ms. Kreipke and seconded by Mr. Briant. The motion was carried 5 to 0 with 0 abstentions.

8C. Item 8C “Discussion and Approval of a Resolution Authorizing the Final Negotiation of a Lease Agreement at the Recommendation of the Trust Business Relocation Committee” Pursuant to Resolution 11-29 (July 7, 2011 meeting) was tabled for the October 13, 2011 meeting.

8D. Mr. Zimmer updated the Board on the status of Staff’s discussion with Harrison Town (Hudson County) regarding its credit rating. The Town has requested that all communications between the Trust and the Town be made through the Town’s attorney. The Trust is in the process of scheduling a meeting to review the books for the Town’s four outstanding loans, totaling approximately $20.9M.

PUBLIC COMMENTS:

- There were no public comments.

Mr. Briant moved to adjourn the meeting. The motion was seconded by Ms. Kreipke. The motion was carried 5 to 0 with 0 abstentions. The meeting was adjourned at 10:25 a.m.
RESOLUTION NO. 11 - 36

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has reviewed the Treasurer’s Report for August 2011 and

WHEREAS, the Trust has placed in its files certain correspondence relating to expenses incurred in relation to the Trust;

NOW THEREFORE BE IT RESOLVED THAT the Trust hereby accepts the Treasurer’s Report for August 2011 and request that the same be entered into the record.

Adopted Date: September 8, 2011
Motion Made By: Mr. Briant
Motion Seconded By: Ms. Kreipke
Ayes: 5
Nays: 0
Abstentions: 0
RESOLUTION NO. 11 - 37

RESOLUTION ACKNOWLEDGING RECEIPT OF EXECUTIVE DIRECTOR’S REPORT CONCERNING THE TERMS OF THE SALE OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST 2011 REFUNDING BONDS SERIES:

2011B-R (2001B Financing Program) (AMT)
2011C-R (2002B Financing Program) (AMT)

BE IT RESOLVED THAT, in connection with the sale on August 17, 2011 of the Environmental Infrastructure 2011 Refunding Bonds hereby acknowledges receipt of the Executive Director’s report and ratifies all actions taken which include copies of the following:

Notice of Sale and Summary of the Notice of Sale
Official Statement
Series 2011 Refunding Bond Bids

Adopted Date: September 8, 2011
Motion Made By: Ms. Kreipke
Motion Seconded By: Mr. Briant
Ayes: 5
Nays: 0
Abstentions: 0
MEMORANDUM

DATE: September 8, 2011

TO: Board Members
New Jersey Environmental Infrastructure Trust

FROM: David E. Zimmer
Executive Director

SUBJECT: REFUNDING BOND SALE REPORT, SERIES 2011

REFUNDING BOND SERIES 2011B-R (2001B Financing Program) (AMT)
REFUNDING BOND SERIES 2011C-R (2002B Financing Program) (AMT)

This Report summarizes the actions taken by the New Jersey Environmental Infrastructure Trust ("Trust") pursuant to the New Jersey Environmental Infrastructure Trust Act, P.L. 1985, c. 334 (N.J.S.A. 58:11B-1 et seq.) and Resolutions No. 11-24, No. 11-25 and No. 11-26 of the Trust adopted on July 7, 2011 regarding its recent sale of three separate series of refunding bonds. The series (along with the redeemed issues) are as follows: Refunding Bonds Series 2011A-R (1998B Financing Program) (AMT); Refunding Bond Series 2011B-R (2001B Financing Program) (AMT); and Refunding Bond Series 2011C-R (2002B Financing Program) (AMT) (together referred to as the "Refunding Bonds").

The Trust continually reviews its outstanding bond issues to determine which bonds may be refinanced to achieve debt-service savings that may be passed through to program participants. Seven (7) different borrowers located throughout New Jersey will realize significant through the partial or total current refunding of the following bond series:

<table>
<thead>
<tr>
<th>Series</th>
<th>Maturities</th>
<th>Number of Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998B</td>
<td>2012-2018</td>
<td>2</td>
</tr>
<tr>
<td>2001B</td>
<td>2014-2021</td>
<td>6</td>
</tr>
<tr>
<td>2002B</td>
<td>2012-2022</td>
<td>3</td>
</tr>
</tbody>
</table>
The Executive Director, in consultation with the Chairman, bond counsel and financial advisor, selected August 17, 2011 at 10:30 a.m. (“Bid-time”) at the Trust's administrative offices located at 3131 Princeton Pike, Building 6, Suite 201, Lawrenceville, New Jersey 08648 for the receipt of electronic and sealed bids and the opening of said proposals for the purchase of the Refunding Bonds.

The Notice of Sale of the Refunding Bonds was prepared substantially in the form approved by the Trust. A summary thereof was duly published on August 10, 2011 in the Morris County Daily Record, The Times Newspapers, and The News of Cumberland County, three newspapers published in the State of New Jersey, and in the Bond Buyer, a publication carrying municipal bond notices and devoted primarily to financial news published in the City of New York. The Preliminary Official Statement was electronically published via i-Deal Prospectus (Thomson Financial LLC) on August 10, 2011. Information on the Trust was disclosed as required by Securities and Exchange Commission Rule 15c2-12. The Summary Notice of Sale and the Notice of Sale are attached as A-1 and A-2 respectively.

A bid form for the Refunding Bonds (the “Proposal”) was distributed, together with the Preliminary Official Statement, to all interested persons and to a list of prospective bidders, bond firms and investors. The Trust was not required by Rule 15c2-12 to provide disclosure via the Preliminary Official Statement on any of the individual borrowers.

The Trust conducted the sale of the Refunding Bonds at the Bid-time. The following individuals were present:

David E. Zimmer, Executive Director, NJEIT
Frank Scangarella, Assistant Director and Chief Operating Officer, NJEIT
John Hansbury, Chief Budget Officer, NJEIT
Richard Nolan, McCarter & English, Bond Counsel
Geoffrey Stewart, Public Financial Management (“PFM”), Financial Advisor
Daniel Berger, PFM, Financial Advisor

A total of six (6) electronic bids were received by the Trust for the Refunding Bonds. The electronic bids were delivered via the Parity Electronic Bid Submission System. No hand delivered sealed bids were received. The following is the list of bidders for the Refunding Bonds and their bids:

<table>
<thead>
<tr>
<th>Bidder No.</th>
<th>BIDDER</th>
<th>PROPOSAL’S TOTAL</th>
<th>TRUE INTEREST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Piper Jaffray</td>
<td>$29,092,719.85*</td>
<td>2.436302%**</td>
</tr>
<tr>
<td>2</td>
<td>Bank of America Merrill Lynch</td>
<td>$28,359,724.15</td>
<td>2.457168%</td>
</tr>
<tr>
<td>3</td>
<td>Janney Montgomery Scott LLC</td>
<td>$28,383,366.80</td>
<td>2.496634%</td>
</tr>
<tr>
<td>4</td>
<td>Raymond James &amp; Associates, Inc.</td>
<td>$27,612,749.40</td>
<td>2.541134%</td>
</tr>
<tr>
<td>5</td>
<td>Roosevelt &amp; Cross, Inc.</td>
<td>$28,064,105.75</td>
<td>2.684276%</td>
</tr>
<tr>
<td>6</td>
<td>Hutchinson, Shockey, Erley &amp; Co.</td>
<td>$26,961,773.60</td>
<td>2.899768%</td>
</tr>
</tbody>
</table>

*As adjusted pursuant to the terms of the Notice of Sale $27,340,482.15
**As adjusted pursuant to the terms of the Notice of Sale 2.442884%
Each bid contained a proposal as indicated above for the purchase of all of the Refunding Bonds described in the Notice of Sale, in legally acceptable form, and accompanied by a good faith deposit for $520,500, as well as the respective maturities bearing interest at the respective rates as stated in the Proposal. A copy of each submitted Proposal has been included in Attachment B. After a review of all of the submitted Proposals, the true interest cost ("TIC") of each Proposal over the life of the Refunding Bonds was ascertained by the Trust and its Financial Advisor, PFM.

The Proposal of Bidder No. 1, Piper Jaffray, was the most responsive Proposal received for the Refunding Bonds, providing the lowest TIC to the Trust over the life of the Refunding Bonds, all in accordance with the Notice of Sale. Based on the factors set forth above and in accordance with the Notice of Sale, Piper Jaffray was awarded the Refunding Bonds.

The Refunding Bonds achieved a net debt service cash flow savings to the seven participating borrowers equaling $4,054,043. The Net Present Value (NPV) of this cash flow savings is $3,279,229, which equates to 10.8% of the refunded bonds and exceeds the State’s required minimum of a 3% NPV savings.

<table>
<thead>
<tr>
<th>Outstanding Bond Series</th>
<th>Debt-Service Cash Flow Savings</th>
<th>NPV Savings</th>
<th>NPV Savings as % of Refunded Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998B</td>
<td>$451,052</td>
<td>$378,143</td>
<td>9.6%</td>
</tr>
<tr>
<td>2001B</td>
<td>$2,049,882</td>
<td>$1,727,292</td>
<td>13.0%</td>
</tr>
<tr>
<td>2002B</td>
<td>$1,553,109</td>
<td>$1,173,794</td>
<td>9.0%</td>
</tr>
<tr>
<td><strong>TOTAL SAVINGS</strong></td>
<td><strong>$4,054,043</strong></td>
<td><strong>$3,279,229</strong></td>
<td><strong>10.8%</strong></td>
</tr>
</tbody>
</table>

The proceeds from the Refunding Bonds were deposited with the respective Trustees and used on September 1, 2011, along with other available monies, to redeem the outstanding bonds to be refunded.

The Official Statement is being distributed at the Trust Board Meeting on September 8, 2011.

**Attachments (Attachments are listed by report section)**
- Attachment A-1 and A-2: Summary Notice of Sale and the Notice of Sale
- Attachment B: Submitted Proposals for Refunding Bonds
- Attachment C: Official Statement