



New Jersey
Environmental
Infrastructure Trust

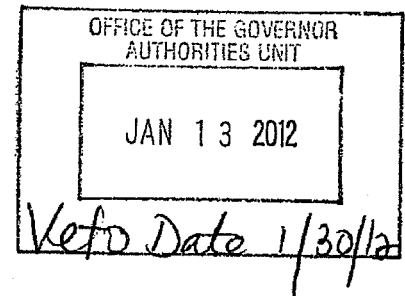
"Financing New Jersey's
Water Quality Future"

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
Richard E. Constable, III, Acting DCA Commissioner

David E. Zimmer, CFA, Executive Director

January 12, 2012

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 January 12, 2012 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

January 12, 2012

APPROVAL OF THE MINUTES:

Chairman Victor opened discussion of the minutes of the December 8, 2011 Trust Board meeting. Mr. Briant moved for the approval of the minutes. Mr. Plonski seconded the motion. The minutes were approved 7 to 0 with 0 abstentions.

ANNOUNCEMENTS:

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

- 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. Commissioner Martin held his one year review on Thursday, December 15th at 12:00 p.m. at the Boy Scout Camp in Ocean Township;
- Executive Director Zimmer joined Commissioner Martin for the televised Eye on Ocean County interview;
- Executive Director Zimmer attended a meeting to update Commissioner Martin on EIT/SRF current and future project status;
- Executive Director Zimmer attended the DOT/DEP follow-up meeting for Manahawkin's Route 72 bridge project regarding storm water flows;
- Executive Director Zimmer and Assistant Director Scangarella attended a meeting regarding Brownfield Funding;
- Executive Director Zimmer attended a meeting at DEP regarding EnCap debt service repayment alternatives;
- Trust staff, as well as Mr. Geoffrey Stewart and Mr. Richard Nolan met with HCIA to discuss their outstanding requisition and payment issues;
- Several Trust and DEP internal meetings were held during the past 2 months:
 - NRG Energy – Old Bridge Project
 - Credit Policy Development
 - Arbitrage Rebate Compliance kick-off
 - WithumSmith & Brown Internal Controls Audits
- The next Board meeting is scheduled for Thursday, February 9, 2012 at 10:00 a.m. at the Offices of the Trust.

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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 December 16, 2011 a letter was sent to Mr. Norman Guerra, CEO of the Hudson County Improvement Authority regarding the financial review of the Authority's financing loan Project No. S340-098-01.
- On December 19, 2011, a letter was sent to Hon. James Maley, Mayor of Collingswood, to schedule a meeting with the Borough.
- On December 21, 2011 a pre-award approval letter was sent to the Weehawken Township notifying that their request was approved for Project No. S343077-01.
- On December 30, 2011, Mr. Frank Scangarella answered the December 27, 2011 OPRA request from Mr. Eugene Geer regarding Bayshore Regional SA Project No. S340697-04 (Wind Turbine).
- On January 6, 2012, Executive Director Zimmer sent a letter to Ms. Deborah Gramiccioni, Director of the Governor's Authorities Unit, regarding the Review of Authorities' Annual Obligations under current Executive Orders.
- On January 6, 2012, a letter was sent to Ms. Diane Malloy, Township Clerk of the Harrison Township, in Gloucester County, regarding meeting requests to discuss Harrison's ability to meet the Program's credit worthiness requirements.
- On January 10, 2012, Executive Director Zimmer sent a letter to Mr. Kurt Cherry, CFO at HCIA, memorializing action items from the requisition and payment review meeting held at HCIA on January 5.

EXECUTIVE SESSION:

6. Mr. Zimmer introduced Resolution No. 12-01 to conduct an Executive Session. The resolution was moved by Mr. Gardner and seconded by Mr. Plonski. The motion was approved 7 to 0 with 0 abstentions.

The Board convened for an Executive Session at 10:05 a.m. to discuss ongoing litigation and contract negotiation matters concerning the Trust.

The Board reconvened the public session at 10:55 a.m. Minutes of the Executive Session will be available when the need for confidentiality is no longer necessary.

(*) Mr. Briant left the meeting at 11:00 a.m.

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 310 active projects totaling \$2.1B; and 637 closed projects totaling \$3.2B making a grand total of 947 projects at \$5.2B.

7B. Mr. Chebra discussed the SFY2012 Clean Water Financing Loan Program. At this time, the DEP is processing 4 supplemental loans totaling \$13.6M; 15 second chance projects totaling \$40.6M; 26 Barnegat Bay projects totaling \$20.3M; and 61 traditional loan projects totaling \$277.6M resulting in a net total for the SFY2012 Clean Water Loan Program of 106 projects for \$352.2M.

Mr. Chebra also discussed the SFY2012 Drinking Water Financing Program. At this time the DEP is processing 3 Supplemental Loans totaling \$2.9M; 39 projects within the traditional program totaling \$153.7M and 7 second chance projects totaling \$12.0M resulting in a net total for the SFY2012 Drinking Water Loan Program of 49 projects for \$168.8M.

The current projection for the total SFY2012 Combined Loan Programs is 155 projects for \$521M.

7C. Mr. Chebra discussed the SFY2013 Combined Financing Loan Program. At this time, it is expected that there will be 54 traditional Clean Water loan projects totaling \$339.8M; 2 Barnegat Bay projects totaling \$6.3M; and 66 traditional Drinking Water projects totaling \$109.8M resulting in a net total for the SFY2012 Combined Financing Loan Program of 123 projects for \$456.1M.

Mr. Chebra announced there will be a call for projects for SFY2013 allowing sponsors of new or previously shut out projects an opportunity to apply for funds in this upcoming year's Financing Program.

7D. Executive Director Zimmer reported on the status of the outstanding Trust Requests For Proposals (RFPs):

Document Scanning: Approximately 280,000 pages of Phase 1 documents were identified to be scanned. The Trust will be requesting additional funding to complete Phase 1 of the document scanning contract at today's Board Meeting. The Trust is also seeking authorization to issue a Request for Proposals for Phase 2 of the document scanning project.

Control Points Audit: WithumSmith & Brown has been interviewing various Trust staff members as it continues to obtain an understanding of all of the Trust business processes as part of the Internal Controls Audit.

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Arbitrage Rebate Services: The Trust staff, including Executive Director Zimmer, Assistant Director Scangarella and John Hansbury met with the firm Omnicap last week for a kick-off meeting to commence the arbitrage rebate compliance contract.

Financial Advisor RFP: The Trust is seeking a four month extension to the current contract with Public Financial Management so that the term of the current contract matches the revised SFY2012 Financing Schedule moving the bond sale from November, 2011 to April, 2012.

Trustee Escrow Agent RFP: The Trust received proposals for SFY2012 & SFY2013 Trustee/Escrow Agent earlier this week. Executive Director Zimmer will make a recommendation for contract award to the Board at its February Board Meeting.

7E. Report of the Executive Director Regarding Recent Interim Financing Program Trust Loans:

A report concerning the following four (4) interim loans was provided to the Board of Directors of the Trust in satisfaction of the requirements of Section 6 of the authorizing resolution adopted by the Trust on November 18, 2010:

- On December 9, 2011, the Trust closed an interim loan to the Bergen County Utilities Authority in the aggregate amount of \$1,298,542. The interim loan will permit the Authority to complete the rehabilitation of its barge docking facilities.
- On December 9, 2011, the Trust closed an interim loan to the Cape May County Municipal Utilities Authority in the aggregate amount of \$5,649,867. The interim loan will permit the Authority to commence improvements to and expansion of its solid waste treatment facilities.
- On December 21, 2011, the Trust closed an interim loan to the Borough of Westville in the aggregate amount of \$1,093,285. The interim loan will permit the Borough to commence improvements to its water treatment plant, water tower and water meters.
- On December 28, 2011, the Trust closed an interim loan to the Township of Weehawken in the aggregate amount of \$8,892,448. The interim loan permitted the Township to complete the acquisition of land for the preservation of open space.
- In summary, as of January 11, 2012, 34 projects have applied for IFP loans totaling \$68 million, of which, 14 applications have closed. The Trust has dispersed \$13.3 million in proceeds to six (6) projects to date.

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NEW BUSINESS:

- 8A. Executive Director Zimmer introduced Resolution No. 12-02 accepting the December, 2011 Treasurer's Report. The resolution was moved for adoption by Ms. Kreipke and seconded by Mr. Plonski.
The motion was carried 6 to 0 with 0 abstentions.

Executive Director Zimmer announced that the Trust is in receipt of bills totaling \$190,019.88. The individual breakdown is as follows:

Princeton Pike Office Park, LLC (Rent – January 2012)	\$9,339.09
McCarter & English, LLP (Bond Counsel Services for Program Years 2011 & 2012)	\$130,805.34
Council of Infrastructure Financing Authorities, Inc. (CIFA membership dues from January 1, 2012 to December 31,2012)	\$5,000.00
Cutwater Asset Management (Investment Advisor – November 2011)	\$4,709.99
Bethel Bindery, Inc. (Printing/Binding and CD ROMs of the NJEIT 2010A Borrower Transcripts)	\$2,590.01
J&J Staffing Resources (Part-Time Salaries) Invoice No. 282885, 283228, 282564, 2823899	\$5,411.70
U.S. Bank (Trustee: NJEIT 2003A (12/1/10 – 11/30/11) Pursuant to Trust Resolution No. 02-25 appointing First Union National Bank/US Bank as 2002 and 2003 Trustee/Escrow Agent	\$9,158.75
U.S. Bank (Trustee: NJEIT 2006A&B (12/1/10 – 11/30/11) Pursuant to Trust Resolution No. 06-25 appointing Wachovia Bank/US Bank as 2006 and 2007 Trustee/Escrow Agent	\$10,112.50

U.S. Bank (Trustee: NJEIT 2007 (12/1/10 – 11/30/11) Pursuant to Resolution No. 06-25 appointing Wachovia Bank/US Bank as 2006 and 2007 Trustee/Escrow Agent	\$9,000.00
WithumSmith & Brown, PC (Internal Control Auditing: Pursuant to Trust Resolution No. 11-40 appointing WithumSmith & Brown, PC as Internal Controls Auditor – December 2011)	\$3,892.50
TOTAL	<u>\$190,019.88</u>

- 8B.** Executive Director Zimmer introduced Resolution No. 12-03 authorizing a four month extension to the financial advisory contract with Public Financial Management, Inc. pursuant to Resolution No. 09-46 for the periods beginning March 1, 2010 through March 1, 2012. After the November, 2010 bond sale, and in recognition of the necessity for maximizing construction projects, the Trust decided to push its future annual bond sales to occur closer to the end of each fiscal year, namely in May, as opposed to the previous fall. The adoption of this resolution authorizes the amendment of the January 28, 2010 agreement with Public Financial Management, Inc. to accommodate the May 2012 bond sale consistent with the original contract terms from March 1, 2012 through June 30, 2012.

This also authorizes amendments to Resolution No. 09-46 extending the contract deadline from March 1, 2012 to July 1, 2012 and Resolution No. 11-34 changing the authorization to issue requests for proposals for Financial Advisor Services from March 1, 2012 through February 20, 2014 to July 1, 2012 through June 30, 2014.

The resolution was moved for adoption by Mr. Barrack and seconded by Ms. Kreipke. The motion was carried 6 to 0 with 0 abstentions.

- 8C.** Executive Director Zimmer introduced Resolution No. 12-04 authorizing the issuance of a Request for Proposal for Investment Advisory Services for the Trust for Program years SFY2013 and SFY2014 to assist and manage monies of the Trust for a period beginning July 1, 2012 through June 30, 2014. The resolution also authorizes the Executive Director to designate a procurement committee according to the Trust Procurement Policy to review, evaluate and rank all proposals according to the criteria and weights specified within the Trust's Procurement Policy. A recommendation will be made by the Committee to the Board for their consideration and approval. The resolution was moved for adoption by Mr. Barrack and seconded by Mr. Gardner. The motion was carried 6 to 0 with 0 abstentions.

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- 8D.** Executive Director Zimmer introduced Resolution No. 12-05 amending Resolution No. 11-13, increasing the authorized contract amount with the DRS Imaging for Phase I document scanning services from \$45,000 to \$60,000 for the scanning of additional pages above the original estimated total of Phase 1.

The resolution also authorizes the issuance of a Request for Proposal for Phase 2 for document scanning Trust's arbitrage rebate calculation, budget manuals, RFP files, due diligence files, general files, Arbitrage Tax Certificates, Investment Confirms and the deployment of a digital record and management system (separately bid line item). The review Committee will review, evaluate and rank all proposals and make a recommendation to the Board for their consideration and approval. The resolution was moved for adoption by Mr. Requa and seconded by Mr. Gardner. The motion was carried 6 to 0 with 0 abstentions.

PUBLIC COMMENTS:

- No public comments were made.

Mr. Gardner moved to adjourn the meeting. The motion was seconded by Mr. Plonski. The motion was carried 6 to 0 with 0 abstentions. The meeting was adjourned at 11:29 a.m.