

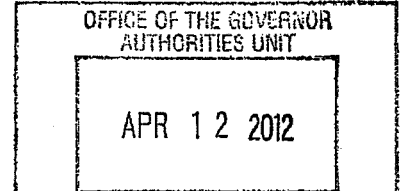


New Jersey
Environmental
Infrastructure Trust

"Financing New Jersey's
Water Quality Future"

Warren H. Victor, Chairman
Herbert Barrack, Vice Chairman
Robert A. Briant, Sr. Treasurer
Andrew P. Sidamon-Eristoff, State Treasurer
Bob Martin, DEP Commissioner
Richard E. Constable, III, Acting DCA Commissioner

David E. Zimmer, CFA, Executive Director



April 12, 2012 *Veto Date 4/26/12*

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 April 12, 2012 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,

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 – APRIL 12, 2012

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, April 12, 2012 at 10:00 a.m., in the conference room of 3131 Princeton Pike, Building 6, Suite 201, Lawrenceville, New Jersey.

The New Jersey Environmental Infrastructure Trust filed a notice of the time, place and location of this meeting with the Secretary of State; via "fax" to the Bergen Record and The Trentonian in accordance with the New Jersey Open Public Meetings 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
Michele Siekerka
(for DEP Commissioner Martin)
Adrienne Kreipke (*)
(for State Treasurer Sidamon-Eristoff)
James Requa
(for DCA Acting Commissioner)

OTHERS

David E. Zimmer, Executive Director
Frank Scangarella, Assistant Director
John Hansbury, Chief Budget Officer
Johanna Barba Jones, Governor's Authorities Unit
Kerstin Sunstrom, Governor's Authorities Unit
Sudi Solomon, Deputy Attorney
Richard Nolan, McCarter & English LLP
(for Richard E. Constable, III,
Geoffrey Stewart, Public Financial Management
Eugene Chebra, Municipal Finance & Construction
Lisa Price, Equal Opportunity & Contract

(*) Participated via teleconference

April 12, 2012

APPROVAL OF THE MINUTES:

Chairman Victor opened discussion of the minutes of the March 15, 2012 Trust Board meeting. Mr. Requa moved for the approval of the minutes. Ms. Siekerka seconded the motion. The minutes were approved 6 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, now Chaired by Assistant Commissioner Siekerka to discuss and implement the Governor's Barnegat Bay initiative.
- The Trust has been meeting with US Coast Guard representatives regarding the Barnegat Bay Blitz II cleanup by volunteers scheduled for May 9, 2012. For anyone interested, EIFP is captaining Barnegat Light Borough and we would welcome your participation.
- Trust staff also attended the Barnegat Bay Blitz, Captain's meeting to gauge progress and to soundboard ideas between captains for the impending Barnegat Bay Blitz clean-up event.
- Executive Director Zimmer participated in NJ PlanSmart's conference on the panel "Investing in our Places: Strategic Investments in NJ's Physical Infrastructure" to discuss the importance of strategic investment in infrastructure as a component of the State Strategic Plan.
- Trust staff attended the Delaware River Blitz, "Dash for the Trash" and spoke about the NJEIT's involvement in and support for the DEP's watershed wide clean up initiatives.
- Trust Senior Staff meet with the Credit Rating Agencies in NYC to discuss bond series ratings for the upcoming bond sale scheduled for April 18, 2012. The Trust has subsequently received AAA/AAA/Aaa ratings from all three rating agencies.
- On April 2-3, 2012, Chief Budget Officer Hansbury attended the Council of Infrastructure Financing Authorities conference held in Washington, DC.
- On April 4, 2012, Chief Budget Officer Hansbury had a conference call with Omnicap to discuss the status of the Trust's Arbitrage Rebate Compliance Project.

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- Several Trust and DEP internal meetings were held during the past month regarding:
 - Online Application Review and Loan Administration Presentation
 - Requisition Review conference call
 - Pending Small System Loan Program conference call
 - Lakewood Township project funding
- Executive Director Zimmer reminded all Board members that their Financial Disclosures are due by May 15, 2012, and to forward their submission confirmations to Josephine Manzo.
- The next Board meeting is scheduled for Thursday, May 10, 2012 at 10:00 a.m. at the Offices of the Trust. However, a special Board meeting will be held to consider the SFY13 budget on Thursday, April 26, 2012 at 9:00 a.m. Board members are invited to participate by phone.

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 March 5, 2012, Assistant Director Scangarella sent a letter to the primary contacts for each project that failed to submit their audited financials to the NJEIT.
- On March 25, 2012, State Treasurer Sidamon-Eristoff approved Executive Director Zimmer's March 15, 2012 request for approval of the Waiver Certificate granted to the Aqua New Jersey, Inc. for participation in the SFY2012 Financing Program of the NJEIT and NJDEP,
- On March 27, 2012, Governor Chris Christie approved Executive Director Zimmer's March 15, 2012 request for the approval of Private Activity Bonds to be issued by the Trust for Bonds Series 2012B (AMT) to be sold in the upcoming NJEIT April 2012 Bond Sale,
- On March 28, 2012 a letter was sent to the City of Newark's, Deputy Mayor Zipkin and Mr. Mark Bava of Morris Lister Avenue Associates Urban Renewal, LLC regarding the SFY2012 loan to the City and their project sponsor regarding eligibility to participate in the IFP Program,
- 5.02 Certificates were sent for the 2010A financing Stafford Township Project No. W153004-006, 2007 Caldwell Borough Project No. S340-523-04, 2006 Bayonne Local Redevelopment Authority Project No. S340-051-01.

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PUBLIC COMMENTS:

- No public comments were made.

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 312 active projects totaling \$1.9B; and 644 closed projects totaling \$3.3B making a grand total of 956 projects at \$5.2B.

7B. Mr. Chebra reported on the SFY2012 Clean Water Financing Program status. At this time, the Clean Water Program reflects 3 Supplemental Loans, 46 traditional projects and 12 Second Chance Program Projects totaling \$200.7M with the Barnegat Bay Initiative reflecting an additional 23 projects totaling \$18.5M.

Mr. Chebra also reported on the SFY2012 Drinking Water Financing Program status. At this time there are 3 Supplemental Loans, 35 traditional projects and 7 Second Chance Program Projects totaling \$123.1M.

The grand total for SFY2012 Financing Program for both Programs is 129 projects at \$342.3M.

7C. Mr. Chebra discussed the SFY2013 Combined Financing Loan Program:

Financing within the traditional program reflects 50 Clean Water applications totaling \$266,641,529; 28 Drinking Water applications totaling \$112,302,228 and 2 Clean Water Supplemental Loans totaling \$12,789,300

Within the Second Chance Financing Program there are 4 Clean Water Supplemental applications totaling \$43,096,775; 11 Clean Water applications totaling \$62,414,981 and 7 traditional Drinking Water applications totaling \$12,358,850.

The Governor's Barnegat Bay Initiative has received 3 Applications totaling \$2,364,175 and 9 Letters of Intent totaling \$10,606,749.

Conditional Certifications include 6 Clean Water Projects totaling \$84,974,730 and 1 Drinking Water project totaling \$2,142,666.

Totals for the SFY2013 Financing Program for both Programs are 82 Clean Water applications at \$480,524,064 and 36 Drinking Water Applications at \$126,803,744 making a grand total of 118 applications at \$607,327,808.

Mr. Chebra reported that next month's Board package will only include one report, the SFY2013 Financing Program project list, which will include the merged 2012 carry-over projects. Mr. Chebra and Mr. Zimmer reported that the staffs of both the Trust and

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DEP had reached out to those borrowers via email and letters reminding each of their requirement to submit a Letter of Intent by March 5, 2012 for inclusion in the SFY2013 Finance Program.

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

Financial Advisor: The Board will be presented with a recommendation to award the financial advisor service contract which will be introduced under Agenda Item 8C of today's meeting.

Document Scanning: Pursuant to Board Resolution 12-05, the Trust expects to issue an RFP for Phase 2 of Document Scanning Services by the end of April.

Investment Advisor: Pursuant to Board Resolution 12-04, the Trust expects to issue an RFP for Investment Advisory Services by the end of April.

Commercial Paper: Pursuant to Board Resolution 11-44, the Trust expects to issue an RFP for Commercial Paper Program/Interim Financing Program by the end of May.

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

A report concerning the following interim loan was provided to the Board of Directors of the Trust, in satisfaction of the requirements of Section 6 of the Authorizing Resolution No. 10-55, adopted by the Trust on November 18, 2010:

- On March 26, 2012, the Trust closed an interim loan to the Cape May County MUA in the aggregate amount of \$1,701,521. The interim loan will permit the MUA to commence repairs and improvement to its wastewater treatment system.
- On March 28, 2012, the Trust closed an interim loan to the City of Newark, as project sponsor for the Morris Lister Ave. Association Urban Renewal, LLC. in the aggregate amount of \$1M. The interim loan will permit Newark & the Morris Company to begin Environmental Remediation of the old Sherwin Williams site, which will be the site of a redevelopment project once the remediation is complete.

In summary, as of today, 44 projects have applied for IFP loans totaling \$57.8M, of which, 27 applications have closed requesting \$33.7M. To date, the Trust has dispersed \$20.6M in proceeds to fifteen (15) projects.

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NEW BUSINESS:

- 8A.** Executive Director Zimmer introduced Resolution No. 12-21 accepting the March 2012 Treasurer's Report. The resolution was moved for adoption by Mr. Briant and seconded by Mr. Barrack.
The motion was carried 6 to 0 with 0 abstentions.

Executive Director Zimmer announced that the Trust is in receipt of bills totaling \$107,038.66. The individual breakdown is as follows:

Princeton Pike Office Park, LLC (Rent – March 2012)	\$ 9,480.45
Cutwater Asset Management (Investment Advisor – February 2012) Pursuant to Trust Resolution No. 10-27	\$ 8,161.77
U.S. Bank (Trustee: NJEIT 1998A (11/1/11-190/31/120 Pursuant to Resolution No. 98-37 appointing First Union/US Bank as 1998A&B Trustee/Escrow Agent/Loan Servicer)	\$ 12,175.75
U.S. Bank (Loan Servicer: NJEIT 1995 Bonds (3/2/23 – 2/28/13) Pursuant to Resolution No. 95-22	\$ 3,000.00
LeClair Ryan (Special Counsel)	\$ 52,264.74
DRS Group (Document Scanning Services) Pursuant To Resolution No. 11-13	\$ 12,843.00
J&J Staffing Resources (Part-time Salaries)	<u>\$ 9,112.95</u>
TOTAL	\$107,038.66

- 8B.** Mr. Zimmer introduced Resolution No. 12-22 approving the "Financial Plan" for the 2013 Financing Program (May Report). The NJEIT is required to be submitted to the Legislature on or before May 15, 2012, a financial plan designed to implement the financing of the projects to be approved pursuant to N.J.S.A. 58:11B-20.

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The SFY2013 Financial Plan is similar to the SFY2012 Financing Program, where the majority of the loans will be a combination of 75% zero interest Fund loans and 25% market-rate Trust loans. An estimated \$350.8M in combined Fund and Trust loans are available for SFY2013 Financing Program projects. The coming year's Financial Plan continues efforts to improve the water quality of the Barnegat Bay Watershed. In particular, 25% principal forgiveness loans are available to "Green Infrastructure" projects in the Watershed focusing on pervious surfaces, green roofs and rain gardens. Separately, \$40M in combined Fund and Trust loans are available for remediation and redevelopment projects.

Ms. Kreipke reported that a typo on the Executive Summary page, third paragraph should read twenty-five percent market rate not twenty. Mr. Zimmer responded that a correction will be made on the final report.

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

- 8C.** Mr. Zimmer introduced Resolution No. 12-23 approving the contract award for Financial Advisory Services. The Financial Advisory Committee members individually ranked the proposals and recommended the firm, Public Financial Management (PFM). Executive Director Zimmer concurred with the Committee's analysis and decision and recommended that the Board award the contract for financial advisory services to PFM. The contract will be in effect for a period of two years beginning July 1, 2012 through June 30, 2014.

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

EXECUTIVE SESSION:

- 9.** No Executive Session was held.

Mr. Briant moved to adjourn the meeting. The motion was seconded by Mr. Requa. The motion was carried 6 to 0 with 0 abstentions.

The meeting was adjourned at 10:33 a.m.