

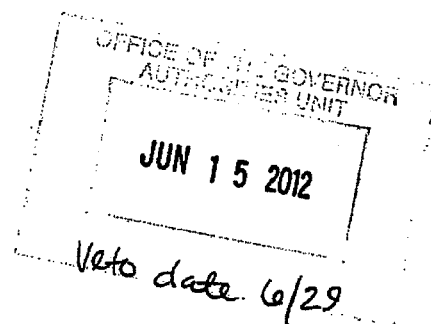
Warren H. Victor, Chairman
Herbert Barrack, Vice Chairman
Robert A. Briant, Sr., Treasurer
Andrew P. Sidamon-Eristoff, State Treasurer
Bob Martin, DEP Commissioner
Richard E. Constable, III, Acting DCA Commissioner

"Financing New Jersey's
Water Quality Future"

David E. Zimmer, CFA, Executive Director

June 14, 2012

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 June 14, 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,

A handwritten signature in cursive that reads "David E. Zimmer". Below the signature, the name "David E. Zimmer" and the title "Assistant Secretary" are printed in a standard font.

DEZ:jam
Enclosure

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



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

June 14, 2012

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

OPEN PUBLIC MEETING

MINUTES – JUNE 14, 2012

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, June 14, 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 Constable)

OTHERS

David E. Zimmer, Executive Director
Lauren Seidman Kaltman, Chief Financial Officer
John Hansbury, Chief Budget Officer
Kerstin Sundstrom, 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

Executive Director Zimmer introduced Lauren Seidman Kaltman, the Trust's new Chief Financial Officer.

June 14, 2012

APPROVAL OF THE MINUTES:

Chairman Victor opened discussion of the minutes of the May 10, 2012 Trust Board meeting. Mr. Briant moved for the approval of the minutes. Mr. Requa seconded the motion. Ms. Siekerka noted that, while she was not present at the May 10, 2012 meeting, she had communicated with the DEP's representative at that Board meeting, Mr. Fred Sickels, and had confirmed the accuracy of the minutes. The minutes were approved 6 to 0 with 0 abstentions.

ANNOUNCEMENTS:

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

- Biweekly meetings continue to be conducted by the DEP, Chaired by Assistant Commissioner Siekerka to discuss and implement the Governor's 10-point Barnegat Bay initiative.

Trust and DEP staffs met with Ocean County to discuss the NJEIFP as it relates to projects and to identify financing obstacles in funding additional Barnegat Bay initiative projects.

On June 13th 2012, Executive Director Zimmer joined DEP Commissioner Martin at the ribbon cutting ceremonies of three (3) storm water basin retrofit projects for the Governor's Barnegat Bay initiative at Ocean County College.

- On May 16, 2012, Executive Director Zimmer met with the new President of NJ American Water Company to review the Program and NJAWC's continued participation.
- On May 18, 2012, Chief Budget Officer Hansbury participated on the panel for the Passaic County Flood Workshop regarding "Green Storm Water Management Infrastructure and Financing".
- On May 22, 2012, Senior Trust staff participated in an on-site portfolio review meeting with Trust's investment advisor firm, Cutwater Asset Management.
- On May 23, 2012, the Trust attended the NJ Alliance for Action Transportation Conference held at the Trenton Marriott.
- On May 30th and 31st, Executive Director Zimmer attended the UTCA Convention in Washington, DC and met with local State Representative to discuss projects financed within their districts and to educate them as to the Program's recent activities.

June 14, 2012

- On May 31, 2012, a conference call was held between DEP and Trust staffs regarding Harrison Township, Gloucester County (Richwood Project) and the sponsor's appeal of an NJEIFP SFY2013 project bypass.
- On June 5, 2012, DEP and Trust staffs met with Natural Systems Utilities (NSU) to discuss potential Program opportunities for NSU.
- On June 8, 2012, Executive Director Zimmer attended the Plan Smart NJ Quality Management Planning Conference at The College of New Jersey, which featured Assistant Commissioner Michele Siekerka as a keynote speaker.
- On June 11, 2012, Executive Director Zimmer met with the NJ Water Association to discuss the creation of a small systems drinking water loan Program.
- Trust Senior Staff participated in the DEP "Executive Level Training-NJ State Policy Prohibiting Workplace Discrimination".
- Assistant Director/Ethics Officer Scangarella attended the State Ethics Commission quarterly meeting.
- Trust staff is working with PFM and McCarter & English on a Bond refunding issue. At these historic, current low interest rates, 141 loans in 8 separate bond series are expected to qualify for the refunding for a gross interest cost savings estimated at \$17.5 million. At the July Board meeting, the Board will be asked to review and authorize the Refunding Bond Resolutions.
- Several Trust and DEP internal meetings were held during the past month regarding:
 - Trust and DEP staffs met to discuss Small Systems financing.
 - A conference call was held with the Independence MUA and their advisors to discuss their application to the SFY2013 Financing Program.
- The next Board meeting is scheduled for Thursday, July 12, 2012 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 May 14, 2012, the SFY2013 Financial Plan for the NJEIT and the NJDEP (the so-called "May Report") along with the draft appropriation and authorization bills were sent to the Office of Legislative Services, Assembly Speaker Oliver, Senate

June 14, 2012

President Sweeny, Chairs of the Assembly and Senate Committees and to the Governor's Authorities Unit, thereby fulfilling the requirement for the SFY2013 Financial Plan (the "May Report") to be sent to Legislative leaders on or before May 15, 2012, all in satisfaction of N.J.S.A. 58:11B-22(a).

It was noted by Executive Director Zimmer that passage by the Legislature of such legislation and approval of the May Report, on or before Friday, June 29, 2012, is a prerequisite to the NJEIT and NJDEP's approval of loans to finance the 117 projects in the SFY2013 Financing Program.

- On May 14, 2012, Assistant Director/Record Custodian Frank Scangarella responded to an OPRA request dated May 8, 2012 from Mr. John Altman regarding the Cedar Glen West.
- On May 21, 2012, State Treasurer Sidamon-Eristoff certified the Trust and Fund Loans to Gloucester Township for Project #S340364-08.
- On June 1, 2012, a letter was sent to Mr. Thomas Cardis of the Gloucester Township regarding Project S340365-08, entitled Lake Renee Drainage Improvements.
- On June 1, 2012, the 30-day Bond Sale Report for the 2012A, 2012B and 2012C Bond Series was submitted to State Treasurer Sidamon-Eristoff, in satisfaction of Section 14 of Executive Order No. 26.
- 5.02 Certificates were sent for the following:
 - 2010 Series A: Middlesex CUA, Project No. S340699-05B
 - 2010 Series A: Wildwood Crest Borough, Project No. S340719-02
 - 2010 Series A: Vineland City, Project No. W0614003-005/006
 - 2010 Series A: Galloway Township, Project No. S340892-04
 - 2010 Series A: Mt. Holly MUA, Project No. S340817-04
 - 2007 Series A: Bergen CUA, Project No. S340386-05
 - 2006 Series A: Pequannock, Lincoln Park and Fairfield SA, Project No. S340880-02
 - 2005 Series A: Cranford Township, Project No. S340858-03
 - 2004 Series B: North Hudson SA, Project No. S340952-03

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 362 active projects totaling \$1.8B and 690 closed projects totaling \$3.7B, for a grand total of 1052 projects at \$5.5B.

Mr. Chebra announced that the last disbursement of the \$260M ARRA funds allocated for the Clean Water projects was disbursed before its targeted deadline of September 2013. Board member Ms. Kreipke recommended that the Program notify the ARRA representative in the Governor's Office of this positive feat.

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

Financing within the traditional program reflects 66 Traditional and Barnegat Bay Clean Water applications totaling \$344,869,000, and 8 Clean Water Supplemental applications totaling \$62,786,000, for a net Clean Water application total of \$407,655,000.

The traditional Drinking Water Program reflects 43 applications totaling \$125,903,000. The grand total for both the Clean Water and Drinking Water Programs is 117 projects at \$533,558,000.

The Board discussed the Construction Status Report, focusing upon those projects that have a remaining balance, and the course of action that the DEP is taking to address those projects.

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

Document Scanning: Pursuant to Board Resolution 12-05, the Trust issued an RFP for Document Scanning Services Phase 2 on May 4, 2012. Proposals were received from eight firms on May 24, 2012. Executive Director Zimmer expects to present a recommendation for award at the July Board Meeting.

Investment Advisor: Pursuant to Board Resolution 12-04, the Trust issued the RFP for Investment Advisory Services on June 12, 2012. Executive Director Zimmer expects to present a recommendation for award at the July Board meeting.

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 June.

NEW BUSINESS:

- 8A. Executive Director Zimmer introduced Resolution No. 12-30, accepting the May 2012 Treasurer's Report.

June 14, 2012

Executive Director Zimmer announced that the Trust paid bills totaling \$183,712.17 in May. The Trust is in receipt of bills totaling \$396,392.74 and the breakdown is as follows:

Princeton Pike Office Park, LLC (Rent – June 2012)	\$ 9,480.45
Cutwater Asset Management (Investment Advisor – April 2012) Pursuant to Trust Resolution No. 10-27	\$ 7,822.95
Bank of America Business Card (Credit Card Payment #1888)	\$ 4,225.12
Treasurer, State of New Jersey (NJ Division of Law 3 rd Quarter FY2012 Legal Fees)	\$ 6,608.00
The Bank of New York Mellon (Loan Servicer: NJEIT 1993 Bonds (05/01/2011 – 04/30/2012))	\$ 7,600.00
U.S. Bank (Master Program Trustee 2012 AB&C Acceptance Fee)	\$ 3,000.00
Fitch Ratings (Ratings Service for NJEIT 2012AB&C Bonds)	\$ 42,000.00
Moody's Investors Service (Ratings service for NJEIT 2012AB&C Bonds Invoice #M0025301)	\$ 44,100.00
Anderson Aquino LLP (Legal Services for US Bank Trust NA as Master Program Trustee in connection with NJEIT 2012 AB&C Financing)	\$ 9,000.00
J&J Staffing Resources (Part-time Salaries Invoices #'s: 291406, 290326, 290685)	\$ 7,521.85
McCarter & English LLP (Bond Counsel Services: SFY2012 Financing Program, LFP, Barnegat Bay, DLP, EnCap, Post- Closing)	\$212,002.00

June 14, 2012

Public Financial Management, Inc. (Financial Advisory Services – (April 1, 2012 – May 15, 2012))	<u>\$ 43,032.37</u>
TOTAL	\$396,392.74

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

- 8B.** Mr. Zimmer introduced Resolution No. 12-31, amending Resolution No. 12-19 which was adopted by the Board at the March 15, 2012 Board meeting and which authorized Direct Loans to Certain Borrowers Participating in the SFY2012 NJEIFP Program.

Today's resolution revises Resolution No. 12-19 for the limited purpose of increasing the Trust Direct Loan amount to the Borough of Westville for Project Nos. 0821001-002/003 from \$211,579 to \$250,136 due to project cost increases, which the DEP approved subsequent to the authorization of Resolution No. 12-19. The recommended Trust loan amount is consistent with the Direct Loan Policy previously adopted by the Board, and the Direct Loan Resolution No. 12-19 otherwise remain unchanged.

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

- 8C.** Mr. Zimmer introduced Resolution No. 12-32 to approve the Master Forms of the Trust Loan Agreements and Escrow Agreements for the SFY2013 Financing Program.

This resolution approves the master forms of the Trust Loan Agreement and the Escrow Agreement for each Borrower that will participate in the SFY2013 Financing Program; such action at this time will serve to facilitate and advance the establishment of certain Program requirements and policies and the communication of such policies and requirements to Program participants, and will serve to do so early in the Program schedule.

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

As the forms of Agreements are lengthy and given the Trust's Green initiative, clean and black-lined copies are available at <http://www.njeit.org/mtgdates.htm>. Hard copies of these Exhibits will be made immediately available to any party that request such.

- 8D.** Mr. Zimmer introduced Resolution No. 12-33, authorizing a Request for Proposals (RFP) for Strategic Marketing services. Mr. Zimmer provided a presentation to the Board as to the manner in which the financing programs of the Trust would be served by strategic marketing. Mr. Zimmer responded to various questions presented by the Board and a discussion ensued among the members of the Board, all in connection with the merits of the development of a comprehensive messaging and promotion strategy. During the

June 14, 2012

course of the discussion, Mr. Zimmer reiterated that Board approval is required for the execution of a contract with the firm that is selected for recommendation to the Board as part of this competitive selection process.

The resolution was moved for adoption by Mr. Briant and seconded by Ms. Siekerka. The motion was carried 6 to 0 with 0 abstentions, with Ms. Kreipke's approval conditioned upon the fact that the Board will be kept informed and involved throughout the entire RFP solicitation process.

- 8E.** Mr. Briant updated the Board on the status of Federal Legislation applicable to the Trust' financing programs. Congress is expected to consider the Clean Water Trust Fund bill, which will tax floatable containers such as soft drink bottles and is expected to raise approximately \$10B annually. These direct funds would replace the SRF monies appropriated each year to the States. Mr. Briant also reported that the Sustainable Water Infrastructure Investment Act of 2011 will be introduced by Congressman Pascrell, Jr. The intent of this legislation is to remove the volume cap on private activity bonds for water and wastewater projects, thereby rendering financing for the nation's water infrastructure more available.

EXECUTIVE SESSION:

- 9.** Mr. Zimmer introduced Resolution No. 12-34 to conduct an Executive Session. The resolution was moved by Mr. Briant and seconded by Mr. Requa. The motion was carried 6 to 0 with 0 abstentions.

The Board convened for an Executive Session at 11:06 a.m. to discuss litigation and contract negotiation matters concerning the Trust Board.

The Board reconvened the public session at 11:21 a.m. Minutes of the Executive Session will be available when the need for confidentiality is no longer necessary.

- 10.** 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 11:23 a.m.