



**New Jersey  
Environmental  
Infrastructure Trust**

"Financing New Jersey's  
Water Quality Future"

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

David E. Zimmer, CFA, Executive Director



August 8, 2013

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 August 8, 2013 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 blue ink, appearing to read "R. Ellis".

Roger Ellis  
Secretary

Enclosure

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



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

David E. Zimmer, CFA, Executive Director

August 8, 2013

## **NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

### **OPEN PUBLIC MEETING**

#### **MINUTES – August 8, 2013**

#### **1. CALL TO ORDER:**

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, August 08, 2013 in the conference room of 3131 Princeton Pike, Building 6, Suite 201, Lawrenceville, New Jersey. Vice Chairman Barrack called the meeting to order at 10:25 a.m.

#### **2. OPEN PUBLIC MEETING ACT STATEMENT:**

Executive Director Zimmer read the Open Public Meeting Act Statement into the record reported that he had received a letter from State Treasurer Andrew P. Sidamon-Eristoff, appointing Mr. David Patella as representative for today’s Trust Board meeting.

#### **3. ROLL CALL:**

Ms. Josephine Manzo conducted roll call to which Mr. Barrack, Mr. Ellis, Mr. Briant, Mr. Requa, Mr. Chebra and Mr. Patella all responded affirmatively.

##### **DIRECTORS**

Herbert Barrack, Vice Chairman (\*)  
Roger Ellis, Secretary  
Robert A. Briant, Jr., Treasurer  
Eugene Chebra  
(for DEP Commissioner Martin)  
David Patella  
(for State Treasurer Sidamon-Eristoff)  
James Requa  
(for DCA Commissioner Constable)

##### **OTHERS**

David E. Zimmer, Executive Director  
Frank Scangarella, Assistant Director  
John Hansbury, Chief Budget Officer  
Amy Herbold, Governor’s Authorities Unit (\*)  
Clifford T. Rones, Deputy Attorney General  
Richard Nolan, McCarter & English LLP  
Geoffrey Stewart, Public Financial Management  
Steven Betz, Municipal Finance & Construction  
Lydia Harper, Office of Equal Opportunity & Public  
Contract Assistance

(\*) Participated via teleconference

#### **4. APPROVAL OF THE MINUTES:**

Vice Chairman Barrack opened discussion of the minutes of the July 11, 2013 Trust Board meeting.

There were no comments or questions. Vice Chairman Barrack requested a motion for approval.

Mr. Ellis moved for the approval of the minutes. Mr. Requa seconded the motion. The motion was carried 6 to 0 with 0 abstentions.

#### **5. ANNOUNCEMENTS:**

Executive Director Zimmer summarized the substantive events and correspondence since the last Trust Board meeting.

- On July 16, 2013, Executive Director Zimmer and Assistant Director Scangarella met with BPU President Robert Hannah and senior staff members of the BPU to discuss the role of the Trust in financing CHP and EE projects for critical water infrastructure.
- On July 15, 2013, the Trust senior staff and Trust bond counsel, Rich Nolan met with representatives from Byram Homeowners Association to discuss Byram's outstanding project financing.
- The next Trust Board meeting is scheduled for Thursday, September 12, 2013 at 10:00 am at the office of the Trust. As an early advisement, the October Board meeting has been rescheduled for October 17, 2013 at 10:00 a.m. at the office of the Trust. Board members were advised to mark their calendars accordingly.

#### **SUMMARY OF CORRESPONDENCE:**

In keeping with the green initiative, a copy of the full list of announcements and noteworthy correspondence is available on the Trust's webpage in a format that allows for copying at: <http://www.njeit.org/general-information/miscellaneous/board-meeting-agendas>

Mr. Zimmer informed the Board that the Trust's new website is up and running and invited all to visit.

There were no comments or questions.

#### **6. PUBLIC COMMENTS:**

Vice Chairman Barrack invited comments from the public. There were no comments.

**7. UNFINISHED BUSINESS:**

- A. Mr. Betz, of the NJDEP’s Municipal Finance and Construction Element, reported that there are 251 active projects totaling \$1,405,003,387 billion and 850 closed projects with loans outstanding totaling \$4,164,519,667 billion for a grand total of 1101 projects at \$5,569,523,054 billion.
- B. Executive Director Zimmer reported on the aged inventory report as requested by the Board which highlights long-term outstanding projects. The report identifies projects in order by the year in which each project was financed, name of borrower, project number and type, as well as, remaining available project funds and the percentage of work completed. The Trust is working with both the DEP and Tax Counsel at McCarter & English to identify those projects which should be categorized as complete so that the Program may take the appropriate steps to close out the remaining Fund Loan and the Trust Loan respectively.
- C. Mr. Betz also discussed the SFY2014 Combined Financing Loan Programs:

**SFY2014 Clean Water Financing Program:**

Traditional and Supplemental Program:	70 Projects Totaling	\$467,346,000
Supplemental Program:	7 Projects Totaling	\$31,894,000
Barneгат Bay Projects	6 Projects Totaling	\$9,677,000
Track II Projects	7 Projects Totaling	\$31,894,000
<b>Total Clean Water Projects</b>	<b>88 Projects</b>	<b>\$557,202,000</b>

**SFY2014 Drinking Water Financing Program:**

Traditional and Supplemental Program:	63 Projects totaling	\$178,395,000
Supplemental Program:	2 Projects Totaling	\$1,827,000
Legacy	1 Projects Totaling	\$2,678,000
Track II Projects	10 Projects Totaling	\$39,849,000
<b>Total Drinking Water Program</b>	<b>76 Projects</b>	<b>\$222,749,000</b>

**SFY2014 Grand Totals:**

<b>Clean and Drinking Water Program Totals:</b>	<b>164 Projects</b>	<b>\$779,951,000</b>
---	---------------------	----------------------

- D. Executive Director Zimmer reported on the status of outstanding Requests For Proposals.

**RFQ for SAIL Program**

The Trust anticipates releasing an RFQ that establishes a Qualified Pool of lenders for the Trust’s SAIL Program within the next few business days.

- E. Executive Director Zimmer reported on the status of the Interim Financing Program (IFP):

The Trust currently has 14 IFP loan applications totaling \$18,125,810.

The Trust has closed on 6 of these IFP loan applications for a total amount of \$12,353,892.

3 projects have received IFP loan disbursements from the Trust to date totaling \$162,783.

This IFP report was provided to the Board of Directors of the Trust in satisfaction of the requirements of Section 6 of the authorizing Resolution No. 11-44 adopted by the Trust on December 8, 2011.

- F. Executive Director Zimmer updated the Board as to the status of the Process Control Audit contract with Withum Smith + Brown (WSB).

#### Process Control Audit

Having completed a risk assessment of the Trust's business and operations, WSB is in the process of reviewing the Trust's key policy and processes that pose the greatest potential risk to the Trust. WSB will create and deliver a final report to the Board that summarizes their findings and recommendations. It is anticipated that this report will be delivered at the November 8<sup>th</sup> Board meeting. The current contract with WSB expires on November 17, 2013 at which point, the Board may be asked to authorize a resolution for an RFP for additional process control audit services.

Vice Chairman Barrack commented that he would be pleased to entertain a future resolution for annual process control audit services.

Vice Chairman Barrack asked if the Board had any further questions or comments and, hearing none, the meeting continued.

### **8. NEW BUSINESS:**

- A. Executive Director Zimmer asked Trust's Chief Budget Officer, John Hansbury to introduce Resolution No. 13-43 accepting the July 2013 Treasurer's Reports.

Mr. Hansbury presented the Report announcing that, in July, the Trust received revenues from fees totaling \$64,259.27 and paid bills totaling \$1,537,738.23 and that the Trust had received and is reviewing bills for payment totaling \$47,656.89. Further, in requests from the Board at the July Board meeting, Mr. Hansbury reported that the DEP's Indirect Pool Costs total over \$57M, which represents 20.08% of the DEP's total salaries and fringe costs of \$284M (the NJDEP negotiates an indirect rate with EPA annually). Based on this information, the Trust's share of the DEP's indirect costs expected for SFY2014 will be approximately \$377,000 or 6% of the Trust's budget.

Mr. Hansbury asked if there were any more comments or questions regarding the report as presented. Hearing none, Vice Chairman Barrack requested a motion to approve the resolution.

The resolution was moved for adoption by Mr. Ellis and seconded by Mr. Patella.

The motion was carried 6 to 0 with 0 abstentions.

The breakdown of pending bills was presented to the board in written form is as follows:

<b>Princeton Pike Office Park, LLC</b>	<b>\$9,480.45</b>
(Rent - August 2013) - Current lease dates 1/15/2007 - 1/14/2012 (Currently month-to-month) Annual Rent \$62,675.00 + New Estimated annual nets \$51,090.38 divided by 12 months equals \$9,480.45 per month.	
<b>PFM Asset Management, LLC</b> (Investment Advisor - June 2013) Pursuant to Trust Resolution number 12-43, Current contract runs from 7/30/2012 to 7/30/2014. Fee based on aggregate assets under management. Invoice# 145111	<b>\$10,217.25</b>
<b>J&amp;J Staffing Resources</b> (Part-Time salaries July 2013, invoice #'s: 311949, 312292, 312651)	<b>\$10,426.15</b>
<b>Baroan Technologies</b> (New server and virtual infrastructure setup) Invoice #'s 15130, 15131, 15132, 15133	<b>\$10,312.00</b>
<b>Treasurer, State of New Jersey</b> (FY2013 4th Qtr Legal Fees - Division of Law)	<b>\$4,026.00</b>
<b>Source Media</b> (The Bond Buyer subscription paper and online)	<b><u>\$3,195.00</u></b>
<b>TOTAL</b>	<b>\$47,656.85</b>

- B. Executive Director Zimmer requested Chief Budget Officer Hansbury to also introduce Resolution No. 13-44 authorizing the issuance of an RFP for Custodial Banking Services through a competitive process and in accordance with Trust Policy and Procedure 4.00. A review committee, consisting of CFO Kaltman, Head Accountant Texany and CBO Hansbury will review, rank and recommend their selection to the Executive Director to present to the Board for approval for a contract term not to exceed three years.

Mr. Hansbury asked if there were any comments or questions. Hearing none, Vice Chairman Barrack requested a motion for approval.

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

- C. Executive Director Zimmer introduced Resolution No. 13-45 authorizing an amendment to the Trust Loan Agreement with Byram Homeowners Association Water Company, Inc., dated May 30, 2013 and consenting to its partial loan prepayment. The resolution amends the loan agreement by capping the loan amount to Byram at the amount of funds drawn on their loan to date and to re-amortizes Byram's Trust loan repayment obligation to that amount plus interest and fees. The Board received a copy of the prepayment schedule and amended loan form for review.

There were no comments or questions. Vice Chairman Barrack requested a motion for approval.

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

- D. Executive Director Zimmer introduced Resolution No. 13-46 consenting to the prepayment in full by the Township of Gloucester of the loan extended to it by the Trust pursuant to a Loan Agreement dated May 31, 2012. Due to the presence of certain contaminants in Lake Renee and the risk to public health, the Township cannot proceed with the dredging of the lake. This Resolution allows for the prepayment of all principal in full and waives all current and future interest and fees, including those amounts that were due on August 1<sup>st</sup>.

Executive Director Zimmer asked if there were any comments or questions. Hearing none, Vice Chairman Barrack requested a motion for approval.

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

- E. Executive Director Zimmer introduced Resolution No. 13-47 amending Resolution No. 13-33 adopted on June 13, 2013 authorizing the Disaster Relief Emergency Financing Program. As a result of Governor Christie signing the Program's SFY2014 legislation, which includes authorization for the Disaster Relief Financing Program, it was necessary for the Board to ratify and amend the previously passed resolution. Mr. Zimmer distributed and discussed each proposed change to Resolution No. 13-33. The Board was satisfied with the changes as presented.

Executive Director asked if there were any comments or questions of the amended Resolution No. 13-33 as introduced today. Hearing none, Vice Chairman Barrack requested a motion for approval.

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

**9. EXECUTIVE SESSION:**

Vice Chairman Barrack asked if there was a need for an Executive Session. Executive Director Zimmer responded there was not.

Vice Chairman Barrack asked Executive Director Zimmer if there was any future action required by the Board. Mr. Zimmer replied there was not.

Vice Chairman Barrack reminded the Board that the next Board meeting will be held on September 12, 2013 and to mark their calendar for the change in the October Board meeting to October 17, 2013. Mr. Barrack asked for a motion for adjournment.

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

The meeting was adjourned at 11:20 a.m.

**RESOLUTION NO. 13-43**

**RESOLUTION AUTHORIZING APPROVAL OF THE  
JULY 2013 TREASURER'S REPORTS**

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has reviewed the Treasurer's Report for July 2013 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 July 2013 and requests that the same be entered into the record.

Adopted Date: August 8, 2013

Motion Made By: Mr. Ellis

Motion Seconded By: Mr. Patella

Ayes: 6

Nays: 0

Abstentions: 0

**RESOLUTION NO. 13 - 44**

**RESOLUTION OF THE TRUST AUTHORIZING  
THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR  
CUSTODIAL BANKING SERVICES**

WHEREAS, the New Jersey Environmental Infrastructure Trust (Trust) is authorized to make and enter all contracts necessary or incidental to the performance of its duties pursuant to N.J.S.A. 58:11B-5(d); and

WHEREAS, there is a need for the Trust to hire a designated public depository to perform custodial banking services.

NOW THEREFORE BE IT RESOLVED THAT the Trust hereby authorizes the Executive Director to competitively procure Custodial Banking Services to Environmental Infrastructure Trust Policy and Procedure number 4.00, "Purchase of Goods and Services;" and

BE IT FURTHER RESOLVED, the Executive Director is further authorized to solicit proposals, convene a Committee to review all proposals received, and to make a recommendation to the Board for the selection of a custodial banking firm to the Trust Board for contract approval for a term not to exceed three years.

Adopted Date: August 8, 2013

Motion Made By: Mr. Briant

Motion Seconded By: Mr. Chebra

Ayes: 6

Nays: 0

Abstentions: 0



## **Request for Proposals**

# **Custodial Banking Services**

Issued by the  
New Jersey Environmental Infrastructure Trust

Date Issued:  
August [REDACTED], 2013

Questions and Answer Cut-Off Date:  
5:00PM EST Friday, August [REDACTED], 2013

Proposals Due Date:  
12:00 PM EST [REDACTED], September [REDACTED], 2013

In the Office of the Chief Budget Officer  
3131 Princeton Pike, Building 6, Suite 201  
Lawrenceville, NJ 08648  
(609) 219-8600

Please Label Proposals with Firm's Name and  
"Proposal for Custodial Banking Services"

**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
REQUEST FOR PROPOSAL  
FOR CUSTODIAL BANKING SERVICES**

**Background**

The New Jersey Environmental Infrastructure Trust (“the Trust”) was organized pursuant to N.J.S.A. 58:11B-1 et seq. in August, 1986, as an instrumentality of the State exercising public and essential government functions. The Trust exists within, but is independent of any supervision or control by, the New Jersey Department of Environmental Protection

The purpose of the Trust is to provide financial assistance to New Jersey borrowers authorized to construct, operate and maintain environmental infrastructure systems. One way in which the Trust fulfills its purpose is by participating with the New Jersey Department of Environmental Protection (State) in the Environmental Infrastructure Financing Program (Program). The Trust contracts to make loans to finance a portion of the costs of environmental infrastructure system projects that borrowers in New Jersey are authorized to undertake and which they may lawfully finance through borrowings. The State provides companion loans for these same projects.

The Trust's enabling legislation requires extensive legislative oversight of the Trust, including fiscal accountability and control over its operating expenses, loan and debt guarantee activities, and borrowing and debt obligations. No funds from State or federal sources or State bond issues will be made available to the Trust unless appropriated by the Legislature.

Pursuant to this Request for Proposal, the Trust shall select a designated public depository to perform custodial banking services. The following paragraphs describe the scope of services for the Trust's designated public depository to perform custodial banking services and information to be provided by interested firms.

**Minimum Requirements**

**\*\*Only FDIC members with assets valued at \$100 billion are eligible to bid on this proposal.\*\***

**Scope of Services**

1. Open and maintain a safekeeping account (“the Account”) in the name of the New Jersey Environmental Infrastructure Trust (“the Trust”) and hold in the Account all cash and securities initially deposited plus any additional cash and securities that may be received from the Trust or pursuant to the direction of the Trust from time to time for deposit to the Account.
2. Act upon written direction from the Trust or from an investment manager duly appointed in writing by the Trust.

3. Settle securities transactions for the Account with brokers or others in accordance with the written direction of the Trust or its duly appointed investment manager.
4. Be responsible for the collection of all investment income relating to the assets in the Account and provide for the daily investment thereof.
5. Present for payment all maturing securities or any securities called for redemption and collect the proceeds therefrom.
6. Provide for the investment of cash balances in money market mutual funds, through an automated sweep or manual transaction, as authorized and directed by the Trust.
7. Deliver cash or securities as the Trust may direct.
8. Deliver proxy and other materials for securities held in the Account, including offers to tender or exchange such securities, to the Trust.
9. Receive and hold directly, by nominee or through third party depositories for the account of the Trust, securities that are delivered to it for the account of the Trust, making payment therefore, if required, in accordance with the Trust's written instructions or with instructions from its duly appointed investment manager.
10. Provide to the Trust a summary of Account activity and a summary of settled security positions held in safekeeping on a monthly basis.
11. Provide online internet access to the Account to authorized employees of the Trust.
12. Provide "view only" online internet access to the Account to authorized representatives of the Trust's duly appointed investment manager.
13. Be responsible for making requisition payments for the direct loan program participants from the Account.
14. Be responsible for processing the loan repayments for the direct loan program participants twice a year.
15. Be responsible for making interim loan requisition payments for the interim loan program participants from the Account.

### **Information to be Provided by Bidder**

- 1) An Executive summary of not more than three (3) pages identifying and substantiating the basis of your contention that you are the best qualified firm to provide the requested services for the Trust. Please address what it is that your firm offers to the Trust that competing firms cannot.
- 2) A description of the firm's experience in management of accounts of the type described in this proposal, for both private and public entities.
- 3) A description of resources of the firm (i.e., background, location, experience, staff resources, financial resources, other resources, etc.).
- 4) Five references, including at least three clients for whom services have been provided for at least three years. Provide the contact names, positions and phone numbers.
- 5) Describe all licenses held and maintained by your firm, its directors, or officers and principals and any of the individuals who will be responsible for providing the services described in this RFP that are required in order to do business in the State or elsewhere. Please provide a listing of any and all suspensions or expulsions by those regulatory agencies of your firm or any of its personnel since January 1, 2007 with an explanation of the reason for such suspensions or expulsions and the time period for such actions.
- 6) Provide a description of any ongoing investigations or litigation matters involving your firm, its directors, officers and principals and any individuals employed by the firm since January 1, 2007. If your firm has been engaged in any litigation involving a sum of \$100,000 or more or subject to any professional disciplinary action since January 1, 2007, you must provide a description of the litigation or disciplinary action.
- 7) A staffing plan listing those persons who will be assigned to the engagement if your firm is selected and their responsibilities. Identify Information: Provide the name and address of the firm, the name, telephone number, fax number, and e-mail address of individual or individuals responsible for the preparation of this proposal who may be contacted in the event of questions or notification, and the location of the office, if other than that shown above at which the services to be provided hereunder will be performed.
- 8) Provide your proposed fee for the solicited services, state and government discounts, and your methodology for calculation of fees.

## CUSTODY FEE SCHEDULE

<b>Custodial Services</b>	<b>Fee on Annual Market Value (in basis points) _____</b>
---------------------------	---

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>*Safekeeping of assets</li> <li>*Transaction settlement</li> <li>*Cash Management (all cash swept daily)</li> <li>*Online account access, management reporting, and statement delivery</li> <li>*Online balance inquiry</li> <li>*Consolidated accounting and reporting</li> </ul> | <ul style="list-style-type: none"> <li>*Professional, designated relationship team</li> <li>*Proxy management</li> <li>*Timely and accurate pricing of assets</li> <li>*Collection of income (dividends, interest, matured bonds, settled sales)</li> <li>*Onsite client meetings as needed</li> </ul> |
|---|--|

**Transaction Processing**

- |  |       |
|--|-------|
| *Standard Book Entry (DTC or Fed) Purchases/Sales, Free Deliveries/Free Receipts | _____ |
| *Standard Physical Security Purchases/Sales Free Deliveries/Free Receipts        | _____ |
| *Distributions   |       |
| Checks/ACH   | _____ |
| Wires (domestic)   |       |

**Other Fees**

*Note: All custody fees will be paid quarterly in arrears*

9) Identify whether your firm is a Designated Public Depository (a State or federally chartered bank, savings bank or an association located in this State or a state or federally chartered bank, savings bank or an association located in another state with a branch office in this State, the deposits of which are insured by the Federal Deposit Insurance Corporation and

which receives or holds public funds on deposit);

10) Identify any existing or potential conflicts of interest, as well as your representation of parties or other relationships that might be considered a conflict of interest, that may affect or involve transactions for the Trust.

- a. A copy of a valid New Jersey Business Registration must be submitted by the selected firm. If not already registered with the New Jersey Division of Revenue, registration can be completed online at the Division of Revenue website: <http://www.state.nj.us/treasury/revenue/index.html>.
- b. Pursuant to L. 2005, c. 51 ("Chapter 51") State departments, agencies and authorities are precluded from awarding contracts exceeding \$17,500 to vendors who make certain political contributions on and after October 15, 2004, to avoid any appearance that the selection of State contractors is based on the contractors' political contributions. Chapter 51 also requires the disclosure of all contributions to any political organization organized under 26 U.S.C. 527 that also meet the definition of a continuing political committee within the meaning of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The firm shall submit the required certification form(s) and disclosure form(s) which are attached with its proposals. Failure to submit such forms and/or failure of such forms to evidence compliance with Chapter 51 shall be cause for rejection of the firm's proposal. Any firm selected as Custodial Bank shall maintain compliance with Chapter 51, during the term of its engagement as Custodial Bank.
- c. Pursuant to L. 2005, c. 271 ("Chapter 271"), amended by L. 2007, c. 304 your firm is required to disclose its (and its principals') political contributions within the immediately preceding twelve (12) month period. No prospective firm will be precluded from serving as Custodial Bank by virtue of the information provided in the Chapter 271 disclosure provided the form is fully and accurately completed. Prior to formal appointment, the firm anticipated to be selected as Custodial Bank for the aforementioned term will be required to submit Chapter 271 disclosures.

Please also be advised of your responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to N.J.S.A. 19:44A-20.27 (L. 2005, c. 271, section 3, amended by L. 2007, c. 304, section 2) if your firm receives contracts in excess of \$50,000 from a public entity during a calendar year. It is your firm's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financing penalties by ELEC. Additional information about this requirement is available from ELEC at (888) 313-3532 or [www.elec.state.nj.us](http://www.elec.state.nj.us).

- d. In accordance with L. 2005, c. 92, all services performed pursuant to this engagement shall be performed within the United States of America.

- e. Note: Your attention is drawn to Executive Order No. 117 issued by Governor Corzine on September 24, 2008 which applies to certain political contributions made after November 15, 2008. Please review and be guided accordingly.

11) The Trust will accept questions pertaining to this RFP from all potential bidders electronically. Questions shall be directed to John Hansbury, Chief Budget Officer, at the following e-mail address:

[JHANSBURY@NJEIT.ORG](mailto:JHANSBURY@NJEIT.ORG)

**Please note that the “subject” line of your e-mail must specifically reference this RFP as follows: “RFP for New Jersey Environmental Infrastructure Trust Custodial Bank.”**

Questions will be accepted until 5:00pm EST on       , August       , 2013.

12) In the event the Trust determines that additional clarification to this RFP or additional information is necessary, the Trust reserves the right to hold a conference call with eligible firms for the purpose of providing the same.

### **Evaluation Procedure and Criteria**

All proposals will be reviewed to determine responsiveness. An Evaluation Committee will evaluate responsive proposals. The Evaluation Committee will have a minimum of three members and may include a representative of the Trust. The following evaluation criteria categories and the associated weights will be used to evaluate proposals in response to this RFP.

The Firm’s proposed services	(2)
Qualifications and experience of the firm	(3)
Knowledge and experience of the assigned team or staff	(4)
Fee proposal	(8)
Quality of prior service to the Trust	(3)
The firm’s presence in New Jersey	(1)

Please be advised that cost will not be the sole determining factor.

Appointment of the Designated Public Depository performing custodial banking services by the Trust is contingent upon the execution of an Agreement for Services.

### **Submission Requirements**

Four copies of your response should be sent to John G. Hansbury, Jr., Chief Budget Officer, New Jersey Environmental Infrastructure Trust. Mailing Address: 3131 Princeton Pike, Building #6-Suite 201, Lawrenceville, New Jersey 08648. All proposals must be received by **12:00 Noon, August [REDACTED], 2013**. Proposals received after this date and time will not receive further consideration. If it is necessary to interview one or more firms, the interview will take place on during the week of August [REDACTED], 2013. You will be notified if your firm needs to appear.

The Trust reserves the right; 1) to reject any and all proposals or 2) to waive any informalities or irregularities therein. The award will be made to the firm whose appointment as Designated Public Depository performing custodial banking services is deemed to be in the best interest of the Trust and the State.

Dated: August [REDACTED], 2013

**RESOLUTION NO. 13-45**

**RESOLUTION AUTHORIZING THE AMENDMENT TO AND PREPAYMENT OF THE LOAN AGREEMENT, DATED AS OF MAY 30, 2012, BY AND BETWEEN THE TRUST AND BYRAM HOMEOWNERS ASSOCIATION WATER COMPANY, INC.**

**WHEREAS**, the New Jersey Environmental Infrastructure Trust (the "Trust"), a public body corporate and politic duly created and existing pursuant to the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the "State"), as amended and supplemented (the "Act"), is authorized, pursuant to Sections 5(m) and 9(a) of the Act, to make and contract to make loans pursuant to loan agreements with local government units and public water utilities (each a "Borrower") to finance a portion of the cost of environmental infrastructure system projects that Borrowers may lawfully undertake or acquire and for which they are authorized by law to borrow funds; and

**WHEREAS**, the Trust and Byram Homeowners Association Water Company, Inc. ("Byram"), a business corporation created and existing under the laws of the State, have entered into that certain Loan Agreement, dated as of May 30, 2012 (the "Trust Loan Agreement"), pursuant to the terms of which the Trust made a loan to Byram in the original principal amount of \$146,497 (the "Trust Loan"), from funds available to the Trust pursuant to its direct loan program (and not from the proceeds of tax-exempt bonds issued by the Trust), to finance a portion of the costs of the projects described in Exhibit A-1 to the Trust Loan Agreement (collectively, the "Project"); and

**WHEREAS**, simultaneously with the execution and delivery of the Trust Loan Agreement, Byram and the State, acting by and through the New Jersey Department of Environmental Protection (the "NJDEP"), entered into that certain Loan Agreement, dated as of May 30, 2012 (the "Fund Loan Agreement"; the Trust Loan Agreement and the Fund Loan Agreement shall be referred to collectively herein as the "Loan Agreements"), pursuant to the terms of which the State made a loan to Byram in the original principal amount of \$422,588 (the "Fund Loan"; the Trust Loan and the Fund Loan shall be referred to collectively herein as the "Loans"), from amounts available to the State, to finance a portion of the costs of the Project; and

**WHEREAS**, in connection with the execution and delivery of the Loan Agreements, and in satisfaction of the respective provisions thereof, on the date of execution and delivery of the Loan Agreements, Byram deposited into a Special Security Fund (the "Security Fund"), held by the Trust on behalf of the Trust and the State, the amount of \$30,000, of which \$7,500 was allocable to the Trust Loan and \$22,500 was allocable to the Fund Loan; and

**WHEREAS**, the Loan Agreements require that Byram deposit into the Security Fund an additional \$30,000, in four quarterly installments commencing August 1, 2012, of which \$7,500 was to be allocable to the Trust Loan and \$22,500 was to be allocable to the Fund Loan; and

-

**WHEREAS**, Byram has not made any of such quarterly deposits into the Security Fund; and

**WHEREAS**, Byram has requisitioned and received \$41,212 of the proceeds of the Trust Loan and \$123,640 of the proceeds of the Fund Loan; and

**WHEREAS**, Byram did not make the debt service payments due and payable with respect to the Loans on February 1, 2013; and

**WHEREAS**, such payment obligations of Byram to the Trust and NJDEP, respectively, were satisfied from amounts on deposit in the Security Fund; and

**WHEREAS**, the amounts remaining on deposit in the Security Fund were insufficient to satisfy in full the amounts due and payable with respect to the Loans on August 1, 2013; and

**WHEREAS**, pursuant to the Loan Agreements (i) the failure of Byram to timely pay debt service on, and administrative fees with respect to, the Loans, (ii) the failure of Byram to make the quarterly deposits into the Security Fund, and (iii) the failure of Byram to levy and collect rates and other charges in an amount sufficient to timely pay its debts, constitute, or with the giving of notice and the passage of time would constitute, Events of Default pursuant to the respective terms of the Loan Agreements; and

**WHEREAS**, as a result of (i) discussions between representatives of Byram and representatives of the Trust, and (ii) discussions between representatives of the Trust and representatives of the NJDEP, the Executive Director of the Trust has recommended that the Trust agree to (a) a restructuring of the debt service amortization schedule with respect to the Loans, which restructuring resets the amortization obligations of Byram with respect to the Trust Loan in a manner that reduces such amortization obligations by the amount of the Prepayment (as defined and referenced in subsequent clause (b), below) of the Trust Loan, and applies prior payments by Byram that exceed the revised amortization schedule as a credit to be applied to the revised amortization obligations of Byram, all as provided in the Schedule 1 attached hereto and made a part hereof (collectively, the "Restructuring"), (b) a partial prepayment of the Trust Loan in the amount equal to the undrawn proceeds of the Trust Loan (which shall be accompanied by a corresponding partial prepayment to the NJDEP of the Fund Loan) (the "Prepayment"), and (c) a reduction from \$60,000 to \$19,000 and required to be deposited by Byram into the Security Fund as a result of the Prepayment, such reduction (1) being proportionately reflective of the reduction in outstanding principal amount of the Loans as a result of the Prepayment and (2) in the amount of \$19,000 as indicated above (collectively, the "Security Fund Re-Sizing"); and

**WHEREAS**, pursuant to Section 3.07 of the Trust Loan Agreement, the prior written approval of the Trust is a condition precedent to the Prepayment with respect to the Trust Loan; and

-

**WHEREAS**, the Restructuring and the Security Fund Re-Sizing must be implemented pursuant to the execution and delivery by Byram and the Trust of an Amendment No. 1 to Trust Loan Agreement, by and between Byram and the Trust (the “Amendment”); and

**WHEREAS**, it is the desire of the Trust to (i) approve the Prepayment of the Trust Loan, and (ii) approve the execution and delivery by the Trust of the Amendment in order to implement the Restructuring and the Security Fund Re-Sizing.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors (the “Board”) of the New Jersey Environmental Infrastructure Trust, as follows:

**Section 1.** The Board hereby authorizes the execution and delivery by the Trust of the Amendment, for the purposes of implementing the Restructuring and the Security Fund Re-Sizing, such Amendment to be substantially in the form attached hereto as Exhibit A and made a part hereof, with such revisions and modifications thereto as shall be approved by the Chairman, the Vice Chairman or the Executive Director of the Trust (each, an “Authorized Officer”) after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, such approval to be evidenced by the execution of the Amendment by such Authorized Officer.

**Section 2.** The Authorized Officers are each hereby severally authorized and directed to execute such certificates, instruments or other documents, in such form and with such terms and conditions as are consistent with the terms and provisions of this Resolution, and as any Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, determines to be necessary, convenient or desirable, to effect the transactions contemplated hereby in a manner consistent herewith.

**Section 3.** Upon execution of the Amendment by the Authorized Officer, the Secretary and the Assistant Secretary of the Trust are hereby authorized and directed, where required, to affix the corporate seal of the Trust and to attest to the signature of such Authorized Officer thereon and on any certificates, instruments or documents contemplated therein.

**Section 4.** With respect to the Prepayment, the Board hereby approves the request by Byram that it be permitted by the Trust to partially prepay the Trust Loan pursuant to, and in satisfaction of, the applicable provisions of the Trust Loan Agreement, including, without limitation, Section 3.07 of the Trust Loan Agreement, from proceeds of the Trust Loan that have not been requisitioned by Byram and that currently are on deposit with the Trust.

-

**Section 5.** The Authorized Officers are each hereby severally authorized and directed to take such other actions as any Authorized Officer, in his respective sole discretion, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

**Section 6.** This Resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date: August 8, 2013

Motion Made By: Mr. Chebra

Motion Seconded By: Mr. Ellis

Ayes: 6

Nays: 0

Abstentions: 0

**SCHEDULE 1**

**Byram Homeowners Association  
Debt Service Schedule**

Date	Adjusted Schedule			
	Scheduled Debt and Reserve Payment	Scheduled Fee Payment (DEP and EIT)	Scheduled Payment	Balance Due
5/30/2012	\$ -	\$ -	\$ -	\$ -
8/1/2012	\$ -	\$ -	\$ -	\$ -
11/1/2012	\$ -	\$ -	\$ -	\$ -
2/1/2013	\$ -	\$ -	\$ -	\$ -
5/1/2013	\$ -	\$ -	\$ -	\$ -
8/1/2013	\$ -	\$ 95.93	\$ 95.93	\$ 95.93
2/1/2014	\$ 4,279.20	\$ 95.93	\$ 4,375.13	\$ 2,856.08
8/1/2014	\$ 4,279.20	\$ 95.93	\$ 4,375.13	\$ 4,375.13
2/1/2015	\$ 4,279.20	\$ 95.93	\$ 4,375.13	\$ 4,375.13
8/1/2015	\$ 4,279.20	\$ 95.93	\$ 4,375.13	\$ 4,375.13
2/1/2016	\$ 4,279.20	\$ 95.93	\$ 4,375.13	\$ 4,375.13
8/1/2016	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2017	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2017	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2018	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2018	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2019	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2019	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2020	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2020	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2021	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2021	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2022	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2022	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2023	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2023	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2024	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2024	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2025	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2025	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2026	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2026	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2027	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2027	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2028	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2028	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
2/1/2029	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09
8/1/2029	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 2,675.43
2/1/2030	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ -
8/1/2030	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ -
2/1/2031	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ -
8/1/2031	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ -
Total	\$ 154,051.20	\$ 2,308.09	\$ 156,359.29	\$ 135,840.24

DSR Credit

DSR used

DSR used

DSR used

DSR used

DSR used

Prior Payments \$ 45,954.05

**EXHIBIT A**

**FORM OF AMENDMENT NO. 1 TO TRUST LOAN AGREEMENT**

**SCHEDULE 1**

**Byram Homeowners Association  
Debt Service Schedule**

Date	Adjusted Schedule				
	Scheduled Debt and Reserve Payment	Scheduled Fee Payment (DEP and EIT)	Scheduled Payment	Balance Due	
5/30/2012	\$ -	\$ -	\$ -	\$ -	
8/1/2012	\$ -	\$ -	\$ -	\$ -	
11/1/2012	\$ -	\$ -	\$ -	\$ -	
2/1/2013	\$ -	\$ -	\$ -	\$ -	
5/1/2013	\$ -	\$ -	\$ -	\$ -	
8/1/2013	\$ -	\$ 95.93	\$ 95.93	\$ 95.93	
2/1/2014	\$ 4,279.20	\$ 95.93	\$ 4,375.13	\$ 2,856.08	DSR Credit
8/1/2014	\$ 4,279.20	\$ 95.93	\$ 4,375.13	\$ 4,375.13	
2/1/2015	\$ 4,279.20	\$ 95.93	\$ 4,375.13	\$ 4,375.13	
8/1/2015	\$ 4,279.20	\$ 95.93	\$ 4,375.13	\$ 4,375.13	
2/1/2016	\$ 4,279.20	\$ 95.93	\$ 4,375.13	\$ 4,375.13	
8/1/2016	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2017	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2017	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2018	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2018	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2019	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2019	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2020	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2020	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2021	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2021	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2022	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2022	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2023	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2023	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2024	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2024	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2025	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2025	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2026	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2026	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2027	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2027	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2028	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2028	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
2/1/2029	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 4,335.09	
8/1/2029	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ 2,675.43	DSR used
2/1/2030	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ -	DSR used
8/1/2030	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ -	DSR used
2/1/2031	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ -	DSR used
8/1/2031	\$ 4,279.20	\$ 55.89	\$ 4,335.09	\$ -	DSR used
<b>Total</b>	<b>\$ 154,051.20</b>	<b>\$ 2,308.09</b>	<b>\$ 156,359.29</b>	<b>\$ 135,840.24</b>	

Prior Payments \$ 45,954.05



**Resolution No. 13-45 Attachment**

**AMENDMENT NO. 1 TO**

**LOAN AGREEMENT**

**DATED AS OF MAY 30, 2012**

**BY AND BETWEEN**

**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

**AND**

**BYRAM HOMEOWNERS ASSOCIATION WATER COMPANY, INC.**

**(Projects 1904009-001/002/003/004/005)**

**DATED AS OF \_\_\_\_\_, 2013**

## **NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN AGREEMENT**

**THIS AMENDMENT NO. 1 TO LOAN AGREEMENT DATED AS OF MAY 30, 2012** (the “Amendment”) is made and entered into as of \_\_\_\_\_, 2013, by and between the NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST (the “Trust”), a public body corporate and politic with corporate succession, and BYRAM HOMEOWNERS ASSOCIATION WATER COMPANY, INC. (the “Borrower”), a business corporation duly created and validly existing under the laws of the State of New Jersey (all terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement (as hereinafter defined));

### **WITNESSETH THAT:**

**WHEREAS**, the Borrower and the Trust entered into that certain Loan Agreement, dated as of May 30, 2013 (the “Loan Agreement”), pursuant to which the Trust agreed to make a loan to the Borrower (the “Loan”) to finance a portion of the Project; and

**WHEREAS**, the Trust made the Loan to the Borrower from certain available funds as described in the Loan Agreement to finance a portion of the Cost of the Project; and

**WHEREAS**, in connection with the execution and delivery of the Loan Agreement, and in satisfaction of the provisions thereof, on the date of execution and delivery of the Loan Agreements, the Borrower deposited into the Special Security Fund, held by the Trust, the amount of \$7,500; and

**WHEREAS**, the Loan Agreement required that the Borrower deposit into the Special Security Fund an additional \$7,500, in four quarterly installments commencing August 1, 2012; and

**WHEREAS**, the Borrower has not made any of such quarterly deposits into the Special Security Fund; and

**WHEREAS**, the Borrower did not make the debt service payment due and payable with respect to the Loan on February 1, 2013; and

**WHEREAS**, such payment obligation of the Borrower to the Trust was satisfied from amounts on deposit in the Special Security Fund; and

**WHEREAS**, the amounts remaining on deposit in the Special Security Fund were insufficient to satisfy in full the amount due and payable with respect to the Loan on August 1, 2013; and

**WHEREAS**, pursuant to the Loan Agreement, (i) the failure of the Borrower to timely pay debt service on, and administrative fees with respect to, the Loan, (ii) the failure of the Borrower to make the quarterly deposits into the Special Security Fund, and (iii) the failure of the Borrower to levy and collect rates and other charges in an amount sufficient to timely pay its

debts, constitute, or with the giving of notice and the passage of time would constitute, Events of Default pursuant to the terms of the Loan Agreement; and

**WHEREAS**, the Trust has agreed to (a) a restructuring of the debt service amortization schedule with respect to the Loan, which restructuring resets the amortization obligations of the Borrower with respect to the Loan in a manner that reduces such amortization obligations by the amount of the Prepayment (as defined and referenced in clause (b), below) of the Loan, and applies prior payments by the Borrower that exceed the revised amortization schedule as a credit to be applied to the revised amortization obligations of the Borrower, all as provided in Exhibit A attached hereto and made a part hereof (collectively, the “Restructuring”), (b) a partial prepayment of the Loan in the amount equal to the undrawn proceeds of the Loan (the “Prepayment”), and (c) a reduction in the amount required to be deposited by the Borrower into the Special Security Fund as a result of the Prepayment, such reduction (1) being proportionately reflective of the reduction in outstanding principal amount of the Loan as a result of the Prepayment and (2) in the amount indicated in Exhibit B attached hereto and made a part hereof (collectively, the “Security Fund Re-Sizing”); and

**WHEREAS**, the Restructuring and the Security Fund Re-Sizing shall be implemented pursuant to the execution and delivery of this Amendment.

**NOW, THEREFORE**, for and in consideration of the award of the Loan by the Trust, the Borrower and the Trust agree to amend the Loan Agreement, as follows:

**SECTION 1.** Exhibit A-2 to the Loan Agreement is hereby deleted and replaced in its entirety with the specimen bond attached hereto as Exhibit A.

**SECTION 2.** Exhibit F to the Loan Agreement is hereby deleted and replaced in its entirety with the specimen bond attached hereto as Exhibit B.

**SECTION 3.** A new subsection (g) is hereby inserted into Section 3.03 of the Loan Agreement and shall read as follows:

“(g) Upon thirty (30) days prior written notice to the Borrower, an Authorized Officer of the Trust may, in the sole discretion of such Authorized Officer, prescribe the particular method by which payments pursuant to, and in satisfaction of, this Section 3.03 shall be made by the Borrower. In the absence of any such written notice to the Borrower by an Authorized Officer of the Trust pursuant to this subsection (g), the payments required pursuant to, and in satisfaction of, this Section 3.03 shall be implemented via the automatic debit by the Trust of the respective amounts of such payments, as required by this Section 3.03, from an account that shall be identified by the Borrower in writing and recorded on file with the Trust.”

**SECTION 4.** All other provisions of the Loan Agreement shall remain in full force and effect

**SECTION 5.** The Borrower hereby represents that, after giving effect to the transactions set forth in this Amendment, it is not in default under any of the terms or provisions of the Loan Agreement, as amended by this Amendment, as of the date hereof.

**IN WITNESS WHEREOF**, the Trust and the Borrower have caused this First Amendment to Loan Agreement to be executed, sealed and delivered as of the date first above written.

**NEW JERSEY ENVIRONMENTAL  
INFRASTRUCTURE TRUST**

[SEAL]

**ATTEST:**

**By:** \_\_\_\_\_  
**Warren H. Victor**  
**Chairman**

\_\_\_\_\_  
**David E. Zimmer**  
**Assistant Secretary**

**BYRAM HOMEOWNERS  
ASSOCIATION WATER  
COMPANY, INC.**

[SEAL]

**ATTEST:**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Clerk**

**EXHIBIT A**

**Amended and Restated Exhibit A-2**

## **EXHIBIT B**

### **Amended and Restated Exhibit F**

#### ***Special Security Fund***

The Borrower agrees to establish for the benefit of the Trust a Special Security Fund (the "Special Security Fund") to be held by the Trust as additional security for the Borrower's obligations to the Trust under this Loan Agreement and the Borrower Bond. The Special Security Fund shall be invested by the Trust in accordance with the investment policies of the Trust, and interest earnings derived therefrom shall accrue to the benefit of the Borrower. On the date hereof, the Borrower shall deposit into the Special Security Fund the amount of \$2,375. Thereafter, the Borrower shall deposit funds into the Special Security Fund at least quarterly, commencing August 1, 2012, in equal installments of \$593.75, until such funds on deposit therein equal \$4,750, which final quarterly deposit shall occur no later than May 1, 2013. Notwithstanding any provision of this Loan Agreement to the contrary, except for the administrative allowance and up to 50% of the planning and design allowance (each as provided in the Regulations), which may be the subject of a requisition of the Borrower at any time, no requisition may be submitted by the Borrower pursuant to the terms of this Loan Agreement except at the times and up to the monetary limits set forth in this Exhibit F. Once funds have been deposited into the Special Security Fund, the Borrower may only requisition up to the same percentage of eligible Project Costs that the Borrower has deposited in the Special Security Fund as measured against the total requirement of \$4,750. For example, if the Borrower has deposited an aggregate amount equal to \$2,375, the Borrower may requisition only up to 50% of the eligible Project Costs authorized under this Loan Agreement (provided that the Borrower has also met the other requirements of this Loan Agreement). The balance on deposit in the Special Security Fund shall be used to satisfy the final debt service obligations payable with respect to the Borrower Bond.

**RESOLUTION No. 13-45  
attachment**

**AMENDMENT NO. 1 TO**

**LOAN AGREEMENT**

**DATED AS OF MAY 30, 2012**

**BY AND BETWEEN**

**THE STATE OF NEW JERSEY  
ACTING BY AND THROUGH  
THE DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**AND**

**BYRAM HOMEOWNERS ASSOCIATION WATER COMPANY, INC.**

**(Projects 1904009-001/002/003/004/005)**

**DATED AS OF \_\_\_\_\_, 2013**

## NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN AGREEMENT

**THIS AMENDMENT NO. 1 TO LOAN AGREEMENT DATED AS OF MAY 30, 2012** (this "Amendment") is made and entered into as of \_\_\_\_\_, 2013, by and between THE STATE OF NEW JERSEY ACTING BY AND THROUGH THE DEPARTMENT OF ENVIRONMENTAL PROTECTION (the "State"), a public body corporate and politic with corporate succession, and BYRAM HOMEOWNERS ASSOCIATION WATER COMPANY, INC. (the "Borrower"), a business corporation duly created and validly existing under the laws of the State of New Jersey (all terms not otherwise defined herein shall have the meaning ascribed to those terms in the Loan Agreement (as hereinafter defined));

### WITNESSETH THAT:

**WHEREAS**, the Borrower and the State entered into that certain Loan Agreement dated as of May 30, 2013 (the "Loan Agreement") pursuant to which the State agreed to make a loan to the Borrower (the "Loan") to finance a portion of the Project; and;

**WHEREAS**, the State made the Loan to the Borrower from certain available funds as described in the Loan Agreement to finance a portion of the Cost of the Project; and

**WHEREAS**, in connection with the execution and delivery of the Loan Agreement, and in satisfaction of the provisions thereof, on the date of execution and delivery of the Loan Agreements, the Borrower deposited into the Special Security Fund, held by the Trust on behalf of the State, the amount of \$22,500; and

**WHEREAS**, the Loan Agreement required that the Borrower deposit into the Special Security Fund an additional \$22,500, in four quarterly installments commencing August 1, 2012; and

**WHEREAS**, the Borrower has not made any of such quarterly deposits into the Special Security Fund; and

**WHEREAS**, the Borrower did not make the debt service payment due and payable with respect to the Loan on February 1, 2013; and

**WHEREAS**, such payment obligation of the Borrower to the State was satisfied from amounts on deposit in the Special Security Fund; and

**WHEREAS**, the amounts remaining on deposit in the Special Security Fund were insufficient to satisfy in full the amount due and payable with respect to the Loan on August 1, 2013; and

**WHEREAS**, pursuant to the Loan Agreement, (i) the failure of the Borrower to timely pay debt service on, and administrative fees with respect to, the Loan, (ii) the failure of the Borrower to make the quarterly deposits into the Special Security Fund, and (iii) the failure of the Borrower to levy and collect rates and other charges in an amount sufficient to timely pay its

debts, constitute, or with the giving of notice and the passage of time would constitute, Events of Default pursuant to the terms of the Loan Agreement; and

**WHEREAS**, the State has agreed to (a) a restructuring of the debt service amortization schedule with respect to the Loan, which restructuring resets the amortization obligations of the Borrower with respect to the Loan in a manner that reduces such amortization obligations by the amount of the Prepayment (as defined and referenced in clause (b), below) of the Loan, and applies prior payments by the Borrower that exceed the revised amortization schedule as a credit to be applied to the revised amortization obligations of the Borrower, all as provided in Exhibit A attached hereto and made a part hereof (collectively, the “Restructuring”), (b) a partial prepayment of the Loan in the amount equal to the undrawn proceeds of the Loan (the “Prepayment”), and (c) a reduction in the amount required to be deposited by the Borrower into the Special Security Fund as a result of the Prepayment, such reduction (1) being proportionately reflective of the reduction in outstanding principal amount of the Loan as a result of the Prepayment and (2) in the amount indicated in Exhibit B attached hereto and made a part hereof (collectively, the “Security Fund Re-Sizing”); and

**WHEREAS**, the Restructuring and the Security Fund Re-Sizing shall be implemented pursuant to the execution and delivery of this Amendment.

**NOW, THEREFORE**, for and in consideration of the award of the Loan by the State, the Borrower and the State agree to amend the Loan Agreement, as follows:

**SECTION 1.** Exhibit A-2 to the Loan Agreement is hereby deleted and replaced in its entirety with the specimen bond attached hereto as Exhibit A.

**SECTION 2.** Exhibit F to the Loan Agreement is hereby deleted and replaced in its entirety with the specimen bond attached hereto as Exhibit B.

**SECTION 3.** A new subsection (e) is hereby inserted into Section 3.03 of the Loan Agreement and shall read as follows:

“(e) Upon thirty (30) days prior written notice to the Borrower, an Authorized Officer of the State may, in the sole discretion of such Authorized Officer, prescribe the particular method by which payments pursuant to, and in satisfaction of, this Section 3.03 shall be made by the Borrower. In the absence of any such written notice to the Borrower by an Authorized Officer of the State pursuant to this subsection (e), the payments required pursuant to, and in satisfaction of, this Section 3.03 shall be implemented via the automatic debit by the State of the respective amounts of such payments, as required by this Section 3.03, from an account that shall be identified by the Borrower in writing and recorded on file with the State.”

**SECTION 4.** All other provisions of the Loan Agreement shall remain in full force and effect

**SECTION 5.** The Borrower hereby represents that, after giving effect to the transactions set forth in this Amendment, it is not in default under any of the terms or provisions of the Loan Agreement, as amended by this Amendment, as of the date hereof.

**IN WITNESS WHEREOF**, the State and the Borrower have caused this First Amendment to Loan Agreement to be executed, sealed and delivered as of the date first above written.

**THE STATE OF NEW JERSEY,  
ACTING BY AND THROUGH THE  
NEW JERSEY DEPARTMENT OF  
ENVIRONMENTAL PROTECTION**

[SEAL]

**ATTEST:**

**By:** \_\_\_\_\_  
**Michele N. Siekerka, Esq.**  
**Assistant Commissioner**  
**Water Resource Management,**  
**Department of Environmental**  
**Protection**

\_\_\_\_\_  
**Eugene J. Chebra, P.E.**  
**Acting Assistant Director,**  
**Municipal Finance and Construction Element,**  
**Department of Environmental Protection**

**BYRAM HOMEOWNERS  
ASSOCIATION WATER  
COMPANY, INC.**

[SEAL]

**ATTEST:**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Clerk**

**EXHIBIT A**

**Amended and Restated Exhibit A-2**

## **EXHIBIT B**

### **Amended and Restated Exhibit F**

#### *Special Security Fund*

The Borrower agrees to establish for the benefit of the Trust a Special Security Fund (the "Special Security Fund") to be held by the Trust, on behalf of the State, as additional security for the Borrower's obligations to the State under this Loan Agreement and the Borrower Bond. The Special Security Fund shall be invested by the Trust in accordance with the investment policies of the Trust, and interest earnings derived therefrom shall accrue to the benefit of the Borrower. On the date hereof, the Borrower shall deposit into the Special Security Fund the amount of \$7,125. Thereafter, the Borrower shall deposit funds into the Special Security Fund at least quarterly, commencing August 1, 2012, in equal installments of \$1,781.25, until such funds on deposit therein equal \$14,250, which final quarterly deposit shall occur no later than May 1, 2013. Notwithstanding any provision of this Loan Agreement to the contrary, except for the administrative allowance and up to 50% of the planning and design allowance (each as provided in the Regulations), which may be the subject of a requisition of the Borrower at any time, no requisition may be submitted by the Borrower pursuant to the terms of this Loan Agreement except at the times and up to the monetary limits set forth in this Exhibit F. Once funds have been deposited into the Special Security Fund, the Borrower may only requisition up to the same percentage of eligible Project Costs that the Borrower has deposited in the Special Security Fund as measured against the total requirement of \$14,250. For example, if the Borrower has deposited an aggregate amount equal to \$7,125, the Borrower may requisition only up to 50% of the eligible Project Costs authorized under this Loan Agreement (provided that the Borrower has also met the other requirements of this Loan Agreement). The balance on deposit in the Special Security Fund shall be used to satisfy the final debt service obligations payable with respect to the Borrower Bond.

**RESOLUTION NO. 13-46**

**RESOLUTION CONSENTING TO THE PREPAYMENT BY THE TOWNSHIP OF GLOUCESTER OF THE  
LOAN EXTENDED TO IT BY THE TRUST PURSUANT TO A LOAN AGREEMENT DATED AS OF  
MAY 31, 2012**

**WHEREAS**, the New Jersey Environmental Infrastructure Trust (the "Trust"), a public body corporate and politic duly created and existing pursuant to the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the "State"), as amended and supplemented (the "Act"), is authorized, pursuant to Sections 5(m) and 9(a) of the Act, to make and contract to make loans pursuant to loan agreements with local government units and public water utilities (each a "Borrower") to finance a portion of the cost of environmental infrastructure system projects that Borrowers may lawfully undertake or acquire and for which they are authorized by law to borrow funds; and

**WHEREAS**, the Trust and the Township of Gloucester (the "Township"), a public body corporate and politic duly created and validly existing under the laws of the State, have entered into that certain Loan Agreement, dated as of May 31, 2012 (the "Loan Agreement"), pursuant to the terms of which the Trust made a loan to the Township (the "Loan"), from funds available to the Trust pursuant to its direct loan program (and not from the proceeds of tax-exempt bonds issued by the Trust), to finance a portion of the cost of the Project designated by the Trust and the New Jersey Department of Environmental Protection as Project No. S340364-08 (the "Project"); and

**WHEREAS**, due to unforeseen conditions at the site of the Project, the Township has not initiated, and cannot initiate or complete, the Project; and

**WHEREAS**, pursuant to the provisions of Section 3.07 of the Loan Agreement, the Township has provided written notice to the Trust that it seeks to prepay the Loan in full due to the unforeseen site conditions relating to the Project, such notice being in the form of a letter to the Executive Director of the Trust, dated February 7, 2013; and

**WHEREAS**, pursuant to Section 3.07 of the Loan Agreement, the prior written approval of the Trust is a condition precedent to such prepayment by the Township; and

**WHEREAS**, pursuant to the Loan Agreement, principal of and interest on the Loan, as well as Trust administrative fees, were due and payable as of August 1, 2013 from the Township to the Trust; and

**WHEREAS**, it is the desire of the Trust to (i) waive the requirement that the Township pay the principal of and interest on the Loan, and any Trust administrative fees, due and payable as of August 1, 2013 pursuant to the Loan Agreement, in anticipation of the prepayment in full of the Loan promptly following the effective date of this Resolution, and (ii) approve the prepayment of

the Loan in full by the Township from proceeds of the Loan that have not been requisitioned by the Township and that currently are on deposit with the Trust.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors (the "Board") of the New Jersey Environmental Infrastructure Trust, as follows:

**Section 1.** The Board hereby waives the requirement that the Township pay the principal of and interest on the Loan, and any Trust administrative fees, due and payable as of August 1, 2013 pursuant to the Loan Agreement, in anticipation of the prepayment of the Loan in full in accordance with the terms of this Resolution.

**Section 2.** The Board hereby approves the request by the Township that it be permitted by the Trust to prepay the Loan in full pursuant to, and in satisfaction of, the applicable provisions of the Loan Agreement, including, without limitation, Section 3.07 of the Loan Agreement, from proceeds of the Loan that have not been requisitioned by the Township and that currently are on deposit with the Trust.

**Section 3.** The Chairman, the Vice Chairman and the Executive Director of the Trust (each, an "Authorized Officer") are each hereby severally authorized and directed to (i) execute such certificates, instruments or other documents, in such form and with such terms and conditions as are consistent with the terms and provisions of this Resolution, and as any Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, determines to be necessary, convenient or desirable, to effect the transactions contemplated hereby in a manner consistent herewith, and (ii) take such other actions as any Authorized Officer, in his respective sole discretion, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

**Section 4.** This Resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date: August 8, 2013

Motion Made By: Mr. Briant

Motion Seconded By: Mr. Requa

Ayes: 6

Nays: 0

Abstentions: 0

**RESOLUTION NO. 13-47**

**AMENDED AND RESTATED RESOLUTION OF  
THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
AUTHORIZING THE DISASTER RELIEF EMERGENCY FINANCING PROGRAM**

**WHEREAS**, the New Jersey Environmental Infrastructure Trust (the “Trust”), pursuant to and in accordance with the “New Jersey Environmental Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented (the “Act”), is authorized, pursuant to a Disaster Relief Emergency Financing Program, also known as the “Statewide Assistance Infrastructure Loan Program” or “SAIL” to make loans (each, a “Relief Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of eligible environmental infrastructure projects, provided that each such Relief Loan made by the Trust satisfies the requirements of the Act; and

**WHEREAS**, pursuant to the provisions of the Act, a proposed project sponsor is eligible to be a Borrower for a Relief Loan for purposes of financing the allowable costs of the eligible environmental infrastructure project (the “Project”) of such Borrower pursuant to SAIL, provided each of the following conditions (collectively, the “Relief Funding Eligibility Conditions”) is satisfied in full: (i) the Commissioner of the New Jersey Department of Environmental Protection (the “NJDEP”) has determined and certified in writing that the Project is necessary and appropriate to (a) repair damage to a wastewater treatment system or water supply facility directly arising from an act of terrorism, seismic activity or weather conditions that occurred within the prior three State Fiscal Years and that gave rise to a declaration by the Governor of the State (the “Governor”) of a state of emergency, provided that such wastewater treatment system or water supply facility is located in a county included in the Governor’s state of emergency declaration, or (b) mitigate the risk of future damage to a wastewater treatment system or water supply facility from an act of terrorism, seismic activity or weather conditions comparable in scope and severity to an act of terrorism, seismic activity or weather conditions that occurred within the prior three State Fiscal Years and that gave rise to a declaration by the Governor of a state of emergency, provided that such wastewater treatment system or water supply facility is located in a county included in the Governor’s state of emergency declaration; (ii) the Project is listed on the Disaster Relief Emergency Financing Program Eligibility List for funding in the forthcoming State Fiscal Year submitted to the Legislature in a form provided by the Commissioner of the NJDEP; (iii) the proposed Borrower has submitted a complete application for the Project to the Trust; and (iv) the Board of Directors of the Trust has certified the Project; (v) the proposed Borrower has not previously received a Relief Loan through SAIL for the same project scope; and

**WHEREAS**, it is the desire of the Trust, subject to the terms and provisions of the Act and this Resolution, to authorize the implementation of SAIL; and

**WHEREAS**, in order to provide a source of funding for the implementation of SAIL, there has been appropriated to the Trust (the “Appropriation”), subject to the approval of the Commissioner of the NJDEP, (a) funds pursuant to the Disaster Relief Appropriations Act of 2013 (Public Law 113-2), (b) repayments of loans deposited in any account, including, without limitation, the Clean Water State Revolving Fund Accounts contained within the “Wastewater Treatment Fund”, the “1992

Wastewater Treatment Fund”, the “Water Supply Fund”, and the “Stormwater Management and Combined Sewer Overflow Abatement Fund”, the Drinking Water State Revolving Fund, and (c) net earnings received from the investment and reinvestment of such deposits; and such sums shall be deposited, upon the approval of the Commissioner of the NJDEP, in the segregated fund created by the Trust pursuant to the Act for the purpose of funding SAIL; and

**WHEREAS**, in addition to the funds made available to the Trust pursuant to the Appropriation for purposes of SAIL, it is the desire of the Trust to provide, as additional sources of funding for SAIL, (i)(a) net earnings with respect to funds held by the Trust, which available Trust revenues may be made available by the Trust to Borrowers participating in SAIL at the election of the Trust, and (b) operating funds of the Trust that are not required for, or committed to, the operations of the Trust for State Fiscal Years 2014 and 2015 (collectively, the “Available Trust Revenues”); and (ii) amounts drawn upon a line of credit or similar financial instrument procured by the Trust from a commercial bank or such other similar lending institution, pursuant to the terms of this Resolution (the “Line of Credit”; the Appropriation, the Available Trust Revenues and the Line of Credit shall be referred to collectively herein as the “Available Funds”); and

**WHEREAS**, the Board of Directors of the Trust, on June 13, 2013, adopted that certain “Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the Disaster Relief Emergency Financing Program” (Resolution No. 13-33) (the “Original Resolution”), and now desires to amend and restate the Original Resolution in its entirety for the purpose of amending certain provisions of the Original Resolution in connection with the further development and implementation of SAIL pursuant to recently enacted provisions of the Act.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the New Jersey Environmental Infrastructure Trust (the “Board of Directors of the Trust”), as follows:

**Section 1.** The Board of Directors of the Trust hereby amends and restates the Original Resolution in its entirety pursuant to the terms and provisions hereof; and

**Section 2.** The Board of Directors of the Trust authorizes the establishment of SAIL, provided (i) SAIL shall be funded solely from the Available Funds, (ii) SAIL shall comply fully with the provisions of the Act applicable thereto and the terms of this Resolution, and (iii) Relief Loans shall not exceed \$5,000,000,000 in aggregate outstanding principal amount. Notwithstanding the provisions hereof to the contrary, the Available Trust Revenues shall be made available to SAIL for the following funding purposes only: (a) the funding of Small System Relief Loans (as hereinafter defined), provided that the outstanding aggregate principal amount of such Small System Relief Loans shall not exceed \$5,000,000, (b) the Trust Contribution (as hereinafter defined), and (c) such other Relief Loans as shall be necessary or appropriate to advance the purposes of the Act or this Resolution.

**Section 3.** In furtherance of the implementation of SAIL, the Board of Directors of the Trust hereby authorizes the expenditure by the Trust of Available Trust Revenues of up to \$2 million per State Fiscal Year in the current State Fiscal Year and in each of the three succeeding State Fiscal Years in order to fund all or a portion of the (i) underwriting fees and costs of issuance incurred by the Trust in connection with the implementation and administration of SAIL and (ii) Relief Loan interest costs of Borrowers by up to 50% of the market rate (the allocations of Available Trust

Revenues as described in clauses (i) and (ii) hereof shall be referred to herein as the “Trust Contribution”), the commitment and allocation of such \$2,000,000 as between the purposes described in clauses (i) and (ii), above, and as among various Borrowers pursuant to clause (ii) above, being subject to the discretion of the Chairman or Vice Chairman of the Trust or the approval of the Board of Directors of the Trust at the request of the Chairman or Vice-chairman of the Trust.

**Section 4.** The Board of Directors of the Trust hereby authorizes the establishment of a Debt Service Reserve Fund (the “DSRF”) for the purpose of securing the repayment by each Borrower of its Relief Loan on time and in full. The DSRF shall be funded in an amount and from sources (including, without limitation, (i) bond act funds appropriated to the Trust for the purposes of reserves and/or guarantees and/or (ii) Available Trust Revenues) as shall be determined by the Chairman, the Vice Chairman or the Executive Director of the Trust (each, an “Authorized Officer”).

**Section 5.** Any Relief Loan made by the Trust as part of SAIL shall be evidenced by (i) a note or other appropriate obligation of the Borrower to be issued to the Trust, all in satisfaction of the requirements of the Act (the “Obligation”), and (ii) any other documentation (including, without limitation, an escrow agreement, an assignment agreement, and/or a loan agreement) as shall be deemed necessary and appropriate by an Authorized Officer in furtherance of the making and securing of a Relief Loan pursuant to the provisions of this Resolution, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State (collectively, the “Loan Instruments”). Each Obligation and any Loan Instrument shall be in substantially as shall be approved by an Authorized Officer after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State. The Loan Instruments shall include such terms and provisions relating to SAIL as shall be determined by an Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, as being necessary in connection with (i) the satisfaction of the requirements of the Act and applicable Regulations and (ii) the implementation of the terms of this Resolution.

**Section 6.** Each Relief Loan made by the Trust to a Borrower for a Project pursuant to SAIL:

- (i) shall be made only if the Borrower and the Project have satisfied in full the Relief Funding Eligibility Conditions;
- (ii) shall, to the extent any portion of such Relief Loan is financed with monies received by the Trust pursuant to the Appropriation (which shall not exceed 95% of the principal amount of such Relief Loan) (an “Appropriation Loan”), be approved by the Commissioner of the NJDEP;
- (iii) shall, to the extent any portion of such Relief Loan is financed with monies received by the Trust pursuant to the Line of Credit (a “Line of Credit Loan”), be subject to the periodic solicitation by the Trust in consultation with its Professional Advisors (as hereinafter defined) through a competitive selection process based upon low bids with interest rates utilized as the selection criteria from among a pool of prequalified financial institutions, for the following Line of Credit terms: up to 12 months, 24 months, 36 months, and 47 months; and the authority to identify the terms, and

conduct such competitive selection process pursuant to the terms hereof is hereby granted to the Authorized Officer;

- (iv) shall be made pursuant to the following interest rates: (a) with respect to Appropriation Loans, 0%, and (b) with respect to Line of Credit Loans, the awarded low bid interest rates realized pursuant to the competitive solicitation process established pursuant to clause (iii) above;
- (v) shall not exceed such principal amount as determined by the Commissioner of the NJDEP;
- (vi) may, at the sole discretion of the Commissioner of the NJDEP, to the extent any such Relief Loan is an Appropriation Loan, be subject to principal forgiveness in an amount as shall be determined by the Commissioner of the NJDEP;
- (vii) shall have a maturity date of the date of closing with respect to the applicable long-term financing program of the Trust and the NJDEP, occurring no later than the last day of the third succeeding State Fiscal Year following the closing date on which such Relief Loan is made; provided, however, that each Relief Loan may be subject to prepayment, in whole or in part, prior to the maturity date;
- (viii) shall not be subject to the imposition of an administrative fee; and
- (ix) shall otherwise qualify for funding through SAIL pursuant to the terms and provisions of the Act and provisions of this Resolution.

**Section 7.** The Board of Directors of the Trust hereby further authorizes the making of a Relief Loan from Available Trust Revenues only, pursuant to the provisions of the Act and this Resolution, (a “Small System Relief Loan”) to an otherwise Qualified Borrower that is a private drinking water utility or a privately owned drinking water system (including, without limitation, private water supply companies, nonprofit corporations and homeowners associations) that (i) does not possess an investment grade rating from one of the three national rating agencies and (ii) serves a customer population of less than 10,000, provided that no single such Small System Relief Loan exceeds \$1 million in principal amount, and satisfies the credit worthiness standards as set forth in the Trust’s Credit Policy, and all such Small System Relief Loans, in the aggregate, shall not exceed \$5,000,000 in principal amount.

**Section 8.** Each Authorized Officer is hereby severally authorized and directed to execute (i) any Loan Instrument to which the Trust is a party (the “Trust Loan Instruments”) and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the participation of any Borrower in SAIL.

**Section 9.** Upon execution of the Trust Loan Instruments by an Authorized Officer, the Secretary and the Assistant Secretary of the Trust are each hereby severally authorized and directed, where required, to affix the corporate seal of the Trust, and to attest to the signature of such Authorized Officer, thereon and on any certificates, instruments or documents contemplated therein or related thereto.

**Section 10.** At the meeting of the Board of Directors of the Trust immediately following the execution and delivery of any Loan Instruments relating to any Relief Loan made to any Borrower pursuant to SAIL, the Executive Director of the Trust shall provide a report to the Board of Directors of the Trust concerning the details of SAIL.

**Section 11.** Each Authorized Officer is hereby severally authorized and directed to prepare and distribute, in consultation with Bond Counsel to the Trust, the Office of the Attorney General of the State and the Financial Advisor to the Trust (collectively, the “Professional Advisors”), a Request for Qualifications (the “RFQ”), to banking corporations or other similar lending institutions, to submit qualifications for consideration by the Trust in establishing a pool of firms (hereafter the “Underwriter Pool”) eligible to participate in the Trust’s Line of Credit Contract procurement as defined below. Such RFQ shall be prepared and distributed pursuant to and in compliance with Trust Policy and Procedure No. 4.00, entitled “Procurement of Goods and Services.” The Underwriter Pool shall be awarded upon authorization by official action of the Board of Directors of the Trust at a future meeting thereof.

**Section 12.** The Authorized Officers are each hereby severally authorized and directed to solicit bids from the Underwriter Pool, at times established by the Executive Director in consultation with the NJDEP, for interest rates for Line of Credit Loans applicable to up to 12, 24, 36, and 47 month terms for SAIL participants in an aggregate amount not to exceed \$5,000,000,000 outstanding at any given time (“Line of Credit Contract.”). The Line of Credit Contract shall be awarded by the Executive Director to the bidder submitting the lowest interest rate cost bid. The Authorized Officers are each hereby severally authorized and directed to take such other actions as any Authorized Officer, in his respective sole discretion, after consultation with the Professional Advisors, deems necessary, convenient or desirable in order to award a Line of Credit Contract to one or more firms from the Underwriter Pool for the Line of Credit, in a manner consistent herewith.

**Section 13.** Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his respective sole discretion after consultation with the Professional Advisors, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

**Section 14.** The Resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date: August 8, 2013

Motion Made By: Mr. Briant

Motion Seconded By: Mr. Ellis

Ayes: 6

Nays: 0

Abstentions: 0

- Trust and DEP staff continue to participate in internal meetings with Bond Counsel, Rich Nolan and Financial Advisor, Geoff Stewart to discuss and finalize the development of the Trust's SAIL Financing Program.
- Trust and DEP staff continue to participate in internal meetings and conference calls to discuss the joint development of the H2IOans computer system.
- On July 31, 2013, Executive Director Zimmer attended the NJ Green Infrastructure Forum at the Duke Farms in Hillsborough, NJ hosted by the EPA.
- On July 24, 2013, Executive Director Zimmer, DEP Assistant Commissioner Michele Siekerka, BPR Senior Advisor Michael Winka and GORR Special Advisor Eric Daleo participated in a meeting with personnel from the Bergen County Utilities Authority to discuss funding for energy and system-related projects at the Utility.
- On July 16, 2013, Executive Director Zimmer and Assistant Director Scangarella met with BPU President Robert Hannah and senior staff members of the BPU to discuss the role of the Trust in financing CHP and EE projects for critical water infrastructure.
- On July 15, 2013, the Trust senior staff and Trust bond counsel, Rich Nolan met with representatives from Byram Homeowners Association to discuss Byram's outstanding project financing. Telecommunication and e-mail correspondence continues to advance this issue.
- Since the last Board meeting the conducted the following internal meetings and conference calls:
  - . Atlantic Highlands regarding project financing
  - . Highlands regarding project financing
  - . Intellectual Property Issues w/ Counsel
  - . NJ State Police regarding technical assistance on FEMA projects
- In addition to the conference calls above, several internal meetings were held to discuss:
  - . FEMA project funding process and criteria
  - . CDBG project eligibility criteria
  - . Website redesign and review
  - . NJEIT Review of IT System.
- The next Trust Board meeting is scheduled for Thursday, September 12, 2013 at 10:00 am at the Trust's offices. As an early advisement, the October Board meeting is being pushed back one week to occur on October 17<sup>th</sup> at 10:00 am at the Trust's Offices.

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 July 29, 2013, Chairman Victor received a project list certification for the SFY2014 in the amount of \$22,428,977,
- On July 22, 2013, Executive Director Zimmer responded to a letter from Remington & Vernick Engineers on behalf of the Township of Gloucester regarding loan payment,
- On July 18, 2013 the Trust submitted its SFY2014 Tort Claim application to the Department of Treasury, Bureau of Risk Management,
- 5.02 Certificates were sent to the following Program borrowers:

2010A Keansburg Borough	Project No. W1321001-001 (ARRA)
2010B Cape May County MUA	Project No. S340661-11, 12, 13
2010B Hackensack City	Project No. S340 923-11
2012A Gloucester Twp.	Project No. S340 364-07
2012B NJ American Water Co.	Project No. W0323001-002
2012B Ewing-Lawrence SA	Project No. S340 391-09

A copy of the full list of announcements is available on the Trust's webpage in a format that allows for copying under the General Information tab at: <http://www.njeit.org/general-information/miscellaneous/board-meeting-agendas>

## NJEIT 2014 IFP Summary: as of 8/8/13

Agenda Item 7E

**SUMMARY**

**TOTAL IFP APPLICATIONS**    14  
**TOTAL AMOUNT REQUESTED** \$18,125,810  
**TOTAL CLOSED PROJECTS**    6  
**TOTAL DISBURSED TO DATE**   \$162,783

### CLEAN WATER

Borrower	Proj#	IFP App. Date	Amount Requested	Description	Comment	IFP Closing Date	Amount of IFP Req's Processed	Date IFP Req's Summary
Atlantic Highlands - Highlands RSA	S340 857-03	4/8/13	\$ 2,000,000	Sewerage Force main Replacement	requested to close ASAP - credit issues			
Ewing Lawrence SA	S340 391-10	4/17/13	\$ 500,000	WWTP improvements - P&D loan	looking to close soon			
Fanwood Borough	S340 429-01	4/23/13	\$ 1,369,674	Glenwood Ave. Area drainage improvements	CLOSED - FUNDED	7/11/13		
Hanover SA	S340 388-05	3/18/13	\$ 7,510,630	Rehab of primary digester #2	CLOSED - FUNDED	6/26/13		
Ocean Gate Borough	S340 151-01	4/15/13	\$ 450,000	Sanitary sewer rehab - infiltration/inflow correction	CLOSED - FUNDED	6/6/13	51,523	7/12/13
Ocean Twp	S340 112-03-1	5/14/13	\$ 377,588	Replacement ACP sewer main Hornblower Dr.	CLOSED - FUNDED	6/21/13		
<b>Total CW projects: 6</b>			<b>\$12,207,892</b>		<b># OF CW PROJECTS CLOSED - 4</b>		<b>\$51,523</b>	

### DRINKING WATER

Manchester UA	<b>NEW</b>	W1603001-013	7/29/13	\$ 555,140	demolition of structures, security, improv's filter plt			
Manchester UA	<b>NEW</b>	W1603001-006	7/24/13	\$ 1,106,906	Rehab Central Ave storage tank			
Manchester UA	<b>NEW</b>	W1603001-012	7/24/13	\$ 262,372	Rehab high service reservoir/security improvements			
Independence MUA		W2112001-001	5/22/13	\$ 300,000	Autumn Ln well head rehab & plant improvement	requested to close 6/27/13 ??		
Newfield Borough		W0813001-002	4/30/13	\$ 44,900	Replace meter station at Vineland interconnection	requested to close ASAP - credit issues		
Newfield Borough		W0813001-001	4/25/13	\$ 1,002,600	Installation of radium treatment for well #5	requested to close ASAP - credit issues		
Merchantville-Pennsauken WC		W0424001-007	4/15/13	\$ 2,571,000	Park Ave. Tank Painting	CLOSED - FUNDED	4/19/13	36,260
Ocean Gate Borough		W1521001-001-1	12/27/12	\$ 75,000	Wind Turbine	CLOSED - FUNDED	2/8/13	75,000
<b>Total DW projects: 8</b>				<b>\$5,917,918</b>	<b># OF DW PROJECTS CLOSED - 2</b>		<b>\$111,260</b>	
<b>Grand Total Projects: 14</b>				<b>\$18,125,810</b>	<b># OF TOTAL PROJECTS CLOSED - 6</b>		<b>\$162,783</b>	
					<b>TOTAL \$ AMT OF PROJECTS CLOSED - \$12,353,892</b>		<b>TOTAL PROJ'S GIVEN FUNDS - 3</b>	

\*\*\*LAST DAY FOR TRUST IFP REQ PROCESSING IS 4/17/14\*\*\*



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

David E. Zimmer, CFA, Executive Director

August 8, 2013

**REVISED AGENDA  
PUBLIC NOTICE**

Public notice is hereby given that the New Jersey Environmental Infrastructure Trust ("Trust") Board of Directors will hold a public meeting on Thursday, August 8, 2013 at 10:00 a.m., in the large conference room, at 3131 Princeton Pike, Building 6, Suite 201, Lawrenceville, New Jersey. Formal action may be taken at this meeting.

To the extent known, the agenda of the public meeting will be as follows:

1. Call to Order – Chairman
2. Open Public Meeting Act Statement
3. Roll Call
- \*4. Approval of Minutes of the July 11, 2013 Meeting
5. Announcements
6. Public Comment
7. Unfinished Business:
  - A. Discussion of the Construction Status Report (hand-out)  
(E. Chebra)
  - B. Aged Inventory Report  
(D. Zimmer)
  - C. Discussion and Status of the SFY2014 Financing Program Projects (hand-out)  
(E. Chebra)
  - D. Status of Outstanding Trust Requests for Proposals  
(D. Zimmer)
  - E. Update on Closed Interim Financing Program Loans  
(D. Zimmer)
8. New Business
  - \*A. Discussion and Approval of the July 2013 Treasurer's Report  
(J. Hansbury)
  - \*B. Discussion and Approval of a Resolution Authorizing the Issuance of a Request for Proposals for Custodial Banking Services  
(J. Hansbury)
  - \*C. Discussion and Approval of a Resolution authorizing an Amendment to a Trust Loan Agreement with Byram Homeowners Association Water Company, Inc., dated May 30, 2012, and Consenting to its Partial Loan Prepayment  
(D. Zimmer)
  - \*D. Discussion and Approval of a Resolution Consenting to Gloucester Township's Prepayment of its Trust Loan Agreement dated May 31, 2012  
(D. Zimmer)

- \*E. Discussion and Approval of a Resolution Amending and Restating the Trust Resolution Authorizing the Disaster Relief Emergency Financing Program (D. Zimmer)

9. Executive Session (if necessary)

\*ACTION ITEMS