



**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



November 14, 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 November 14, 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,

Roger Ellis
Secretary

Enclosure

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



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NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

OPEN PUBLIC MEETING

MINUTES – November 14, 2013

1. CALL TO ORDER:

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, November 14, 2013 in the conference room of 3131 Princeton Pike, Building 6, Suite 201, Lawrenceville, New Jersey. Chairman Victor called the meeting to order at 10:00 a.m.

2. OPEN PUBLIC MEETING ACT STATEMENT:

Executive Director Zimmer read the Open Public Meeting Act Statement into the record.

3. ROLL CALL:

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

DIRECTORS

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

OTHERS

David E. Zimmer, Executive Director
Frank Scangarella, Assistant Director
Lauren Seidman Kaltman, Chief Financial Officer
Amy Herbold, Governor’s Authorities Unit (*)
Clifford T. Rones, Deputy Attorney General
Richard Nolan, McCarter & English LLP
Geoffrey Stewart, Public Financial Management
Gautam Patel, Municipal Finance & Construction

(*) Participated via teleconference

4. APPROVAL OF THE MINUTES:

Chairman Victor opened discussion of the minutes of the October 17, 2013 Trust Board meeting.

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

Mr. Requa moved for the approval of the minutes. Mr. Briant seconded the motion. The motion was carried 7 to 0 with 0 abstentions.

5. ANNOUNCEMENTS:

Executive Director Zimmer summarized the substantive events that occurred and correspondence which was issued since the last Trust Board meeting:

- Trust senior staff participated in a number of client project meetings to discuss program qualification requirements for funding. Specifically, the EIT participated in the following project funding meetings:
 - Mountain Shores HOA , DEP's Drinking Water team, and our advisors;
 - Atlantic City Engineers, and DEP's Clean Water team;
 - Bayshore RSA, and DEP's Clean Water team; and
 - North Jersey District Water Supply Commission, and Gene Chebra
- Board member Roger Ellis arranged and participated in "Meet & Greet" meetings with Executive Director Zimmer and Assistant Director Scangarella with the following State and local officials:
 - Senator Bob Smith (November 13, 2013)
 - Senator Kip Bateman (October 29, 2013)
 - Assemblyman John Wisniewski (October 31, 2013)
 - Assemblywoman Linda Stender (November 7, 2013)
 - Borough of Fanwood Mayor, Colleen Mahr (November 11, 2013)
- Board member Roger Ellis arranged and participated in a "Meet & Greet" meeting with Executive Director Zimmer, Assistant Director Scangarella and ULLICO Investment Company Director Deborah Nisson to discuss the potential development of an investment partnership program.
- A copy of the proposed 2014 meeting dates were distributed. The Trust is moving to a new building and suite within the business park. The new address is Building 4, Suite 216 and the expected move in date is November 26, 2013.
- The next Board meeting is scheduled for Thursday, December 12, 2013 at 10:00 a.m. at the Trust's new offices.

SUMMARY OF CORRESPONDENCE:

In keeping with the Trust's green initiative, 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>

There were no comments or questions.

6. PUBLIC COMMENTS:

Chairman Victor invited comments from the public. There were no comments.

7. UNFINISHED BUSINESS:

A. Mr. Patel, of the NJDEP's Municipal Finance and Construction Element, reported that there are 231 active projects totaling \$1,270,834,604 and 879 closed projects with loans outstanding totaling \$4,313,582,127 for a grand total of 1110 projects at \$5,584,416,731.

B. Mr. Patel 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:	5 Projects Totaling	\$48,285,000
Track II Projects:	7 Projects Totaling	\$31,894,000
Barnegat Bay Projects:	6 Projects Totaling	\$9,677,000
Total Clean Water Projects	88 Projects Totaling	\$557,202,000

SFY2014 Drinking Water Financing Program:

Traditional and Supplemental Program:	61 Projects Totaling	\$177,699,000
Supplemental Program:	2 Projects Totaling	\$1,906,000
Legacy:	1 Project Totaling	\$2,678,000
Track II Projects	10 Projects Totaling	\$39,849,000
Total Drinking Water Projects	74 Projects Totaling	\$222,132,000

SFY2014 Grand Totals:

Clean & Drinking Water Program Totals:	162 Projects	\$779,334,000
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Mr. Patel estimated that of this total, 112 projects totaling \$465M will be ready and certified for funding in SFY2014.

There were no questions or comments.

C. Executive Director Zimmer requested CFO Lauren Kaltman to discuss the status of the Aged Inventory Report. This report reflects the outstanding available balance for each open construction project. CFO Kaltman discussed the efforts that the Trust and DEP have initiated to close the oldest of these open construction projects, in order to maintain compliance with IRS rules and regulations. Board members Messieurs Briant and Barrack questioned a number of outstanding loans issued prior to 2007. Mr. Zimmer reported that the Trust and DEP are communicating with a number of these borrowers to address this issue and are making solid progress. Mr. Barrack questioned the Trust's authority to close those projects with outstanding available funds once the borrowers are notified by the Trust of its anticipated plan of

action. Executive Director Zimmer reported that the Trust has such authority as defined in each borrower's loan agreement.

There were no additional questions or comments.

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

- RFP for Internal Controls Audit
Pursuant to Resolution No. 13-52, the RFP was released and distributed on October 17, 2013 with a response due date of November 21, 2013. The Trust received requests for 11 bid packages. The contract award will be added to the December Agenda for the Board's consideration and approval.
- RFP for Engineering Consulting Services
Pursuant to Resolution No. 13-56, the RFP was released and distributed to a preapproved list of State Integrity Monitor participants with a response due date of November 19, 2013. Executive Director Zimmer reported that there may be the need to hold a special Board meeting to approve the award of this contract. In a related manner, pursuant to Resolution No. 13-58, Executive Director Zimmer reported that he is working on the notice to the Departments of Environmental Protection and Treasury regarding the Board's concern of Trust exposure to unpaid or non-reimbursed expenses for the Engineering Consulting contract.

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

- The Trust received 4 new applications from the previous month; two from the PVSC, one from the Town of Hammonton, and one from Watchung Borough. The Trust currently has a total of 18 IFP loan applications totaling \$27,274,821.
- The Trust has closed on twelve (12) IFP loan applications resulting in a total amount closed of \$17,676,919.
- Eight (8) projects have received IFP loan disbursements from the Trust to-date totaling \$3,985,949.

The 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. 12-61 adopted on December 13, 2012.

There were no comments or questions.

8. NEW BUSINESS:

A. Executive Director Zimmer introduced Resolution No. 13-62 accepting the revised October 2013 Treasurer's Report.

Mr. Zimmer reported that the Trust received revenues in October from administrative fees of \$1,770.00 and paid bills totaling \$65,103.40. The Trust has received and is reviewing bills for payment totaling a revised \$116,245.68 including \$60,111.22 in new bills that were not included in the original Board packet.

Mr. Zimmer asked if there were any comments or questions regarding the report as presented. Hearing none, Chairman Victor requested a motion for approval.

The resolution was moved for adoption by Mr. Briant and seconded by Mr. Ellis. The motion was carried 7 to 0 with 0 abstentions.

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

Princeton Pike Office Park, LLC	\$9,480.45
Rent - November 2013 - Current lease is month-to-month [Annual Rent \$62,675.00 + Estimated annual CAMs \$51,090.38] divided by 12 months = \$9,480.45 per month.	
PFM Asset Management, LLC (Investment Advisor - September 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# 147753	\$11,113.47
J&J Staffing Resources (Part-Time salaries October 2013, invoice #'s: 314837, 316622, 316986, 317339, 317682)	\$22,152.20
JJC Communications (Voice & Data cabling work at new office (75% of balance))	\$4,708.30
Dell Marketing L.P. (New Server Rack, UPS Tower, External Batteries, P.O.#NJEIT045)	\$5,812.04
Anchor Moving & Storage (Moving company for move to new office – 100% pre-paid)	\$2,868.00
Bank of America Business Card (Credit Card Payment #0766)	\$3,636.69
PFM Asset Management, LLC (Financial Structuring of 2013 Defeasance Portfolios)	\$7,600.00
Public Financial Management, Inc. Financial Advisor SFY2014 Program (July 1 – October 31, 2013)	\$24,944.53
WithumSmith+Brown (Internal Control Audit – Final Payment)	\$21,030.00
Mercadien (Verification Services for 2013 Defeasances)	\$3,000.00
Total	\$116,245.68

- B. Executive Director Zimmer requested Assistant Director Scangarella to introduce Resolution No. 13-63. This resolution approves Phase II for the purchase of up to an additional 80 desktop computers and 160 monitors from Dell Computer pursuant to State Vendor Control #70256 for the remaining NJEIFP staff with a cost estimate not to exceed \$144,000. Mr. Scangarella explained the H2IOans system's capabilities for improving the sharing of information for both staffs of the Trust, DEP and its borrowers and the need of all NJEIFP staff for the appropriate hardware to work within the H2IOans system.

Mr. Scangarella asked if there were any comments or questions, hearing none, Chairman Victor requested a motion for approval.

The resolution was moved for adoption by Mr. Barrack and seconded by Mr. Ellis.
The motion was carried 7 to 0 with 0 abstentions.

- C. Executive Director Zimmer requested Chief Financial Officer Kaltman to introduce Resolution No. 13-64 amending and restating the Agreement for Financial Advisory Services and certain Investment Advisory Services with Public Financial Management, Inc. Ms. Kaltman discussed the changes identified in the revised black-line version of the original contract with the Board. This resolution addresses the recent discovery of an administrative oversight in omitting PFM Assessment Management as a signatory to the original contract to act as the investment advisor for obligated funds in a form of the agreement authorized pursuant to Resolution No. 12-23.

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

The resolution was moved for adoption by Mr. Briant and seconded by Ms. Campbell.
The motion was carried 7 to 0 with 0 abstentions.

9. **EXECUTIVE SESSION:**

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

Chairman Victor asked Executive Director Zimmer if there was any future action required by the Board. Mr. Zimmer answer there was not.

Chairman Victor then asked for a motion for an adjournment.

Mr. Requa motioned to adjourn the meeting.

The motion was seconded by Mr. Chebra.
The motion was carried 7 to 0 with 0 abstentions.

The meeting was adjourned at 10:45 a.m.