



**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



January 9, 2014

Honorable Chris Christie
Governor of the State of New Jersey
State House
PO Box 001
Trenton, New Jersey 08625

Dear Governor Christie:

In accordance with the provisions of the New Jersey Environmental Infrastructure Trust Act, I hereby transmit for your review and consideration the minutes of the January 9, 2014 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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January 9, 2014

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

OPEN PUBLIC MEETING

MINUTES – JANUARY 9, 2014

1. CALL TO ORDER:

A meeting of the New Jersey Environmental Infrastructure Trust was convened on January 9, 2014 in the conference room of 3131 Princeton Pike, Building 4, Suite 216, 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. Requa, Mr. Chebra 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
John Hansbury, Chief Budget Officer
Clifford T. Rones, Deputy Attorney General
Richard Nolan, McCarter & English LLP
Geoffrey Stewart, Public Financial Management
Lisa Price, Office of Equal Opportunity
DEP Representatives, Municipal Finance &
Construction

(*) Participated via teleconference
A roll call will be conducted for all action items.

4. APPROVAL OF THE MINUTES:

Chairman Victor opened discussion of the minutes of the December 12, 2013 Trust Board meeting.

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

Ms. Campbell moved for the approval of the minutes. Mr. Chebra seconded the motion. The motion was carried 7 to 0 with 0 abstentions.

5. ANNOUNCEMENTS:

Executive Director Zimmer noted that a list of the substantive events that occurred since the last Trust Board meeting, as well as the correspondence that was issued during the same time period, are 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>

The next Board meeting is scheduled for Thursday, February 13, 2014 at 10:00 am at the Trust's new offices. Please mark your calendars.

Mr. Zimmer also noted that, as suggested by Vice Chairman Barrack, Board Resolutions adopted in 2012 and 2013 have been added to the NJEIT website and are available for public viewing. Resolutions from previous years will be added over time.

Mr. Zimmer asked if there are any comments or questions.

Mr. Requa requested an update regarding the Bayshore project and asked if there were any key issues that the DCA should be aware of at this point. Mr. Chebra reported that Bayshore is interested in financing available through the SAIL, Sandy and base SFY2015 Financing Programs for a system incinerator, remediation work, and new generators. Bayshore's Executive Director, Robert Fischer is working closely to identify which system components will be funded through which Financing Programs. Bayshore would like to combine these funds into one contract agreement for the estimated \$20M cost. Mr. Scangarella reported that the Trust is exploring ways to address each component to be financed. The projects are scheduled for advertisement this month and scheduled for contract award in February.

6. PUBLIC COMMENTS:

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

7. UNFINISHED BUSINESS:

A. Mr. William Machotka, of the NJDEP's Municipal Finance and Construction Element, reported that there are 225 active projects totaling \$1,255,216,726 and 887 closed projects with loans outstanding totaling \$4,332,403,663 for a grand total of 1112 projects at \$5,587,620,389.

B. Mr. Gautem Patel discussed the SFY2014 Combined Financing Loan Programs:

SFY2014 Clean Water Financing Program:

Traditional Program:	<u>70</u> Projects Totaling	\$467,346,000
Supplemental Program:	<u>5</u> Projects Totaling	\$48,285,000
Track II Projects:	<u>7</u> Projects Totaling	\$31,894,000
Barnegat Bay Projects:	<u>6</u> Projects Totaling	\$9,677,000
Total Clean Water Projects	<u>88</u> Projects Totaling	\$557,202,000

SFY2014 Drinking Water Financing Program:

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

SFY2014 Grand Totals:

Clean & Drinking Water Program Totals:	162 Projects	\$779,334,000
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There were no comments or questions.

C. Executive Director Zimmer requested CFO Lauren Kaltman to discuss the status of the Aged Inventory Report. Progress is being made by the Trust and DEP staffs to minimize the number of loans on this list. Since the last Board meeting there are (34) outstanding aged projects; (1) project was closed this month; (8) additional projects are in the process of closing; and (3) projects are scheduled to receive 30-day notice letters.

Mr. Zimmer reported that there are still 14 projects outstanding from 2006 and older. The Trust's objective is that these projects should all be removed from this list by the end of the fiscal year. The Trust's Senior Staff is developing a policy to systematically address this issues. The Policy may be presented to the Board within the next month or two for consideration.

D. Executive Director Zimmer introduced Mr. Sumit Pal of WithumSmith+Brown (WSB) to conduct a slide presentation demonstrating WSB's findings during their Internal Control audit of the NJEIT. Mr. Pal discussed his firm's review of the Trust's business processes and the identification of the important risk issues to the NJEIT Financing Program. Mr. Zimmer clarified that the identified risk issues represented possible, not actual risks.

Mr. Zimmer reported that senior staff will review WSB's recommendations and develop solutions with a plan to report the Trust's progress to the Audit Committee in 90 days. The Board was satisfied with the time frame of the Program and confident such risks will be addressed. Mr. Zimmer thanked Mr. Pal and his staff for all their work.

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

Mr. Zimmer reported that, pursuant to Resolution No. 13-52, the Trust issued an RFP for process control audit services. The Trust received and reviewed 6 responses, and that a recommendation would be made to the Board for award of contract today under Agenda Item 8B.

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

- The Trust received 2 new applications from the previous month; Warren County MUA for \$3.16M and Berkeley Twp. MUA for \$700,000. The Trust currently has a total of 22 IFP loan applications totaling \$32,469,631.
- The Trust has closed on 14 IFP loans applications totaling \$20,000,225.
- 9 projects have received IFP loan disbursements from the Trust to-date totaling \$5,891,402.

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.

Mr. Barrack requested an update regarding the Byram Township loan. Mr. Zimmer reported that the Trust had not received a signed, amended agreement, but expects to receive one by January 15, 2014. A formal update will be given at the February Trust Board meeting.

There were no comments or questions.

8. NEW BUSINESS:

A. Executive Director Zimmer requested that the Trust's Chief Budget Officer, John Hansbury, introduce Resolution No. 14-01 accepting the December 2013 Treasurer's Report.

Mr. Hansbury presented the Report announcing that in December, the Trust received revenues from fees of \$5,655.00 and paid bills totaling \$159,613.85 and that the Trust had received and is reviewing bills for payment totaling \$276,185.23.

Mr. Hansbury 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. Chebra 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	\$9,077.43
(Rent - January 2014) - Current lease dates 12/1/2013 - 11/30/2018 Annual Rent \$64,000.00 + New Estimated annual nets \$44,929.08 divided by 12 months equals \$9,077.43 per month.	
PFM Asset Management0, LLC	\$12,437.84
(Investment Advisor - November 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# 149585	
J&J Staffing Resources	\$13,476.40
(Part-Time salaries December 2013, invoice #'s: 319692, 320024, 320365)	
McCarter & English	\$133,075.50
(Bond Counsel Services including SFY2014 EIFP, SAIL, Post Closing Matters, Credit)	
Omnicap Group LLC	\$11,300.00
(Arbitrage Rebate Services for reporting periods (3/1/2013 - 6/30/2013))	
Le Clair Ryan	\$11,336.56
(Special Counsel Services for September, October, and November 2013)	
Dell Marketing L.P.	\$20,359.05
(Purchase Order# GSNJEIT050: Workstations & Monitors for NJDEP)	
Princeton Pike Office Park, LLC	\$20,700.00
(Various Work for New Offices - Electrical, Glasswork, Conduits, Casework)	
Council of Infrastructure Financing Authorities, Inc.	\$5,000.00
(2014 CIFA Membership Dues covering January 1, 2014 - December 31, 2014)	
Bank of America Business Card	\$4,222.45
(Credit Card Payment #5667)	

Bank of New York Mellon (Trustee: 2001A, B, &C (11/1/2013 - 10/31/2014))	\$10,200.00
TD Wealth Loan Servicer Fees 2000AB (11/10/13 - 11/9/14)	\$5,000.00
TD Wealth Loan Servicer Fees 2002AB (11/10/13 - 11/9/14)	\$10,000.00
TD Wealth Loan Servicer Fees 2003A (11/10/13 - 11/9/14)	\$10,000.00
TOTAL	\$276,185.23

B. Executive Director Zimmer introduced Resolution No. 14-02 approving the contract for Internal Controls awarding Auditing Services to Rothstein Kass PA (Rothstein). As authorized under Resolution No. 13-52, the Trust solicited proposals and received 6 RFP responses. The Selection Committee evaluated each response according to the weights and criteria within the RFP and recommended the contract be awarded to the highest ranking firm, Rothstein. The contracted period will commence February 1, 2014 through January 31, 2015, with an option of one-year extension upon approval by the Board with total expenditures according to the agreement not to exceed \$147,000 absent separate Board authorization.

Mr. Zimmer asked if there were any comments or questions. Hearing no additional comments, Chairman Victor requested a motion for approval.

The resolution was moved for adoption by Mr. Barrack and seconded by Mr. Briant. 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 responded there was not.

Chairman Victor then asked for a motion for an adjournment.

Mr. Ellis moved 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.

RESOLUTION NO. 14 - 01

**RESOLUTION AUTHORIZING APPROVAL OF THE
DECEMBER 2013 TREASURER'S REPORT**

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

Adopted Date: January 9, 2014

Motion Made By: Mr. Chebra

Motion Seconded By: Mr. Ellis

Ayes: 7

Nays: 0

Abstentions: 0

RESOLUTION NO. 14-02

**RESOLUTION OF THE TRUST APPOINTING ROTHSTEIN KASS PA
FOR INTERNAL CONTROLS AUDITING SERVICES**

WHEREAS, the Trust is authorized to procure Internal Controls Auditing Services pursuant to N.J.S.A. 58:11B-5L; and

WHEREAS, in Trust resolution No. 13-52, the Board authorized the Executive Director to solicit proposals for Internal Controls Auditing Services; and

WHEREAS, the Trust competitively procured proposals through formal advertisement and distribution of a October 17, 2013 Request for Proposals (RFP) to a list of twelve (12) firms; and

WHEREAS, the Trust received six (6) proposals in response to the notice of solicitation; and

WHEREAS, the Trust established a Selection Committee whose members independently ranked the proposals based on the criteria and weights set forth in the notice of solicitation; and

WHEREAS, the Committee tabulated the member's rankings wherein Rothstein Kass PA (Rothstein) received the highest total aggregate score; and

WHEREAS, the Committee recommends awarding an Internal Controls Auditing Services contract to Rothstein for professional internal controls auditing services of the Trust's primary business and accounting processes based on its November 21, 2013 proposal.

NOW THEREFORE BE IT RESOLVED THAT the Executive Director send a letter of intent to make the appointment to Rothstein for Internal Controls Auditing Services substantially in the form of the agreement attached to the Request for Proposals for Internal Controls Auditing Services; and

BE IT FURTHER RESOLVED THAT the Chairman or Vice Chairman of the Trust is hereby authorized to execute an agreement with Rothstein substantially in the form of the agreement attached to the Request for Proposals. The terms and conditions of the agreement shall include but not be limited to:

- a. the provision of services as outlined in the Trust's RFP and the proposal submitted by Rothstein dated November 21, 2013 (Proposal); and
- b. the payment of all fees for all services as detailed in Rothstein's Proposal as augmented in its Best and Final Offer dated, December 31, 2013; and
- c. the term of the contract shall be for a period of one year subject to a one year extension in the sole discretion of the Trust upon prior Board authorization; and

- d. such other terms and conditions as may be contemplated by the RFP and the materials enclosed therewith as deemed necessary and appropriate by the Chairman or Vice Chairman of the Trust.

BE IT FURTHER RESOLVED THAT total expenditures pursuant to this agreement shall not exceed \$147,000 absent separate board authorization.

Adopted Date: January 9, 2014

Motion Made By: Mr. Barrack

Motion Seconded By: Mr. Briant

Ayes: 7

Nays: 0

Abstentions: 0

SUMMARY OF ANNOUNCEMENTS:

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

- Executive Director Zimmer attended the Brownfield Redevelopment Interagency Team Meeting in Camden;
- Executive Director Zimmer met with representatives of the Passaic County Improvement Authority (PCIA) to discuss financing projects that might be of interest to PCIA.
- Executive Director Zimmer and Trust senior staff participated in a number of client project meetings or conference calls to discuss program qualification requirements for funding. The EIT participated in project funding meetings with
 - City of New Brunswick;
 - Bayshore Regional Sewerage Authority;
 - South Monmouth Regional Sewerage Authority; and
 - City of Ventnor;
- The Trust is in the planning phase of its annual Trust seminars.
- The next Board meeting is scheduled for Thursday, February 13, 2014 at 10:00 am at the Trust's new offices. Please mark your calendars.

SUMMARY OF CORRESPONDENCE:

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 hard copies.

- 5.02 Certificates were sent to the following Program borrowers:
2012A Winslow Twp. Project No. W0436007-007
- On December 18, 2014, Executive Director Zimmer requested Ms. Cathy Alessi of TD Wealth Management to open up three subaccounts for the NJEIT SAIL Financing Program.

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>