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, February 13, 2014 at 10:00 a.m., in the large conference room, at 3131 Princeton Pike, Building 4, Suite 216, 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 January 9, 2014 Meeting
5. Announcements
6. Public Comment
7. Unfinished Business:
   A. Discussion of the Construction Status Report (hand-out)
      (DEP representative)
   B. Discussion and Status of the SFY2014 Financing Program Projects (hand-out)
      (DEP representative)
   C. Aged Inventory Report
      (L. Kaltman)
   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 January 2014 Treasurer’s Report
      (J. Hansbury)
   *B. Discussion and Approval of a Resolution Authorizing a Second Amended and Restated State Fiscal Year 2014 NANO Infrastructure Loan Program
      (D. Zimmer)
   *C Discussion and Approval of a Resolution Acknowledging Receipt of the Executive Director’s Report Concerning the Terms of a Statewide Assistance Infrastructure Loan (SAIL) to the South Monmouth Regional Sewerage Authority
      (F. Scangarella)
*D. Discussion and Approval of a Resolution Authorizing a Second Amended and Restated Trust Credit Policy
   (L. Kaltman)

*E. Discussion and Approval of a Resolution (i) Acknowledging Receipt of the Executive Director’s Report Concerning the Terms of a Revolving SAIL Loan and (ii) Approving a Revolving SAIL Loan to the Passaic Valley Sewerage Commissioners
   (D. Zimmer)

9.* Executive Session (if necessary)

*ACTION ITEMS

Please note this is a proposed agenda and the New Jersey Environmental Infrastructure Trust may consider and take action on such other business, which may come before it at this public meeting. In addition, the New Jersey Environmental Infrastructure Trust may not act upon the items listed in the above-proposed agenda in its discretion.
New Jersey Environmental Infrastructure Trust

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

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 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
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](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:**

<table>
<thead>
<tr>
<th></th>
<th>Projects</th>
<th>Totaling</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Program:</td>
<td>70</td>
<td>$467,346,000</td>
<td></td>
</tr>
<tr>
<td>Supplemental Program:</td>
<td>5</td>
<td>$48,285,000</td>
<td></td>
</tr>
<tr>
<td>Track II Projects:</td>
<td>7</td>
<td>$31,894,000</td>
<td></td>
</tr>
<tr>
<td>Barnegat Bay Projects:</td>
<td>6</td>
<td>$9,677,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Clean Water Projects</strong></td>
<td><strong>88</strong></td>
<td><strong>$557,202,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

**SFY2014 Drinking Water Financing Program:**

<table>
<thead>
<tr>
<th></th>
<th>Projects</th>
<th>Totaling</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Program:</td>
<td>61</td>
<td>$177,699,000</td>
<td></td>
</tr>
<tr>
<td>Supplemental Program:</td>
<td>2</td>
<td>$1,906,000</td>
<td></td>
</tr>
<tr>
<td>Track II Projects:</td>
<td>10</td>
<td>$39,849,000</td>
<td></td>
</tr>
<tr>
<td>Legacy:</td>
<td>1</td>
<td>$2,678,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Drinking Water Projects</strong></td>
<td><strong>74</strong></td>
<td><strong>$222,132,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

**SFY2014 Grand Totals:**

<table>
<thead>
<tr>
<th></th>
<th>Projects</th>
<th>Totaling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean &amp; Drinking Water Program Totals:</td>
<td>162</td>
<td>$779,334,000</td>
</tr>
</tbody>
</table>

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:
<table>
<thead>
<tr>
<th>Company Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Princeton Pike Office Park, LLC</td>
<td>$9,077.43</td>
</tr>
<tr>
<td>(Rent - January 2014) - Current lease dates 12/1/2013 -</td>
<td></td>
</tr>
<tr>
<td>11/30/2018 Annual Rent $64,000.00 + New Estimated annual</td>
<td></td>
</tr>
<tr>
<td>nets $44,929.08 divided by 12 months equals $9,077.43 per</td>
<td></td>
</tr>
<tr>
<td>month.</td>
<td></td>
</tr>
<tr>
<td>PFM Asset Management0, LLC</td>
<td>$12,437.84</td>
</tr>
<tr>
<td>(Investment Advisor - November 2013) Pursuant to Trust</td>
<td></td>
</tr>
<tr>
<td>Resolution number 12-43, Current contract runs from</td>
<td></td>
</tr>
<tr>
<td>7/30/2012 to 7/30/2014. Fee based on aggregate assets</td>
<td></td>
</tr>
<tr>
<td>under management. Invoice# 149585</td>
<td></td>
</tr>
<tr>
<td>J&amp;J Staffing Resources</td>
<td>$13,476.40</td>
</tr>
<tr>
<td>(Part-Time salaries December 2013, invoice #'s: 319692,</td>
<td></td>
</tr>
<tr>
<td>320024, 320365)</td>
<td></td>
</tr>
<tr>
<td>McCarter &amp; English</td>
<td>$133,075.50</td>
</tr>
<tr>
<td>(Bond Counsel Services including SFY2014 EIFP, SAIL, Post</td>
<td></td>
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<tr>
<td>Closing Matters, Credit)</td>
<td></td>
</tr>
<tr>
<td>Omnicap Group LLC</td>
<td>$11,300.00</td>
</tr>
<tr>
<td>(Arbitrage Rebate Services for reporting periods (3/1/2013 -</td>
<td></td>
</tr>
<tr>
<td>6/30/2013))</td>
<td></td>
</tr>
<tr>
<td>Le Clair Ryan</td>
<td>$11,336.56</td>
</tr>
<tr>
<td>(Special Counsel Services for September, October, and</td>
<td></td>
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<tr>
<td>November 2013)</td>
<td></td>
</tr>
<tr>
<td>Dell Marketing L.P.</td>
<td>$20,359.05</td>
</tr>
<tr>
<td>(Purchase Order# GSNJEIT050: Workstations &amp; Monitors for</td>
<td></td>
</tr>
<tr>
<td>NJDEP)</td>
<td></td>
</tr>
<tr>
<td>Princeton Pike Office Park, LLC</td>
<td>$20,700.00</td>
</tr>
<tr>
<td>(Various Work for New Offices - Electrical, Glasswork,</td>
<td></td>
</tr>
<tr>
<td>Conduits, Casework)</td>
<td></td>
</tr>
<tr>
<td>Council of Infrastructure Financing Authorities, Inc.</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>(2014 CIFA Membership Dues covering January 1, 2014 -</td>
<td></td>
</tr>
<tr>
<td>December 31, 2014)</td>
<td></td>
</tr>
<tr>
<td>Bank of America Business Card</td>
<td>$4,222.45</td>
</tr>
<tr>
<td>(Credit Card Payment #5667)</td>
<td></td>
</tr>
<tr>
<td>Bank of New York Mellon</td>
<td>$10,200.00</td>
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<tr>
<td>--------------------------------------</td>
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</tr>
<tr>
<td>(Trustee: 2001A, B, &amp;C (11/1/2013 - 10/31/2014))</td>
<td></td>
</tr>
<tr>
<td>TD Wealth</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Loan Servicer Fees 2000AB (11/10/13 - 11/9/14)</td>
<td></td>
</tr>
<tr>
<td>TD Wealth</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Loan Servicer Fees 2002AB (11/10/13 - 11/9/14)</td>
<td></td>
</tr>
<tr>
<td>TD Wealth</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Loan Servicer Fees 2003A (11/10/13 - 11/9/14)</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$276,185.23</td>
</tr>
</tbody>
</table>

**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 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
RESOLUTION NO. 14-__

RESOLUTION AUTHORIZING APPROVAL OF THE
FEBRUARY 2014 TREASURER REPORT

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has reviewed the Treasurer Report for February 2014 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 Report for February 2014 and requests that the same be entered into the record.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
RESOLUTION NO. 14-__

SECOND AMENDED AND RESTATE RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING THE STATE FISCAL YEAR 2014 NANO INFRASTRUCTURE LOAN PROGRAM

WHEREAS, pursuant to (i) Section 5(m) and Section 9(a) of 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 (N.J.S.A. 58:11B-1 et seq.) (the “Act”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 et seq.), as the same have been, and in the future may from time to time be, amended and supplemented (the “Regulations”), the New Jersey Environmental Infrastructure Trust, a public body corporate and politic under the laws of the State, created pursuant to the Act (the “Trust”), is authorized to make and contract to make loans (each, a “Trust Loan”) to project sponsors (each, a “Project Sponsor”) to finance a portion of the costs of the respective environmental infrastructure system projects thereof (each, a “Project”), which Project Sponsors may lawfully undertake or acquire and for which they are authorized by law to borrow funds, subject to such terms and conditions as the Trust shall determine to be consistent with the Act and the purposes of the Trust; and

WHEREAS, the NJEIT has partnered with the New Jersey Department of Environmental Protection (the “NJDEP”) to make loans to Project Sponsors for the financing of water supply projects pursuant to the New Jersey Environmental Infrastructure Financing Program (the “NJEIFP” or the “Financing Program”); and

WHEREAS, specifically, the Trust and the State, acting by and through the NJDEP, make loans pursuant to the NJEIFP to finance improvements to water supply systems serving populations of less than 10,000 (“Small Water Systems”), which loans are extended primarily to Project Sponsors consisting of small water companies; and

WHEREAS, Small Water Systems generally possess limited financial and professional resources and, therefore, generally require a significantly greater commitment by the Financing Program in order to evaluate such Small Water Systems and the Projects thereof, and to ensure that such Small Water Systems satisfy the conditions precedent to participation in the Financing Program, including, without limitation, creditworthiness standards of the Financing Program; and

WHEREAS, notwithstanding the challenges for the Financing Program in assessing the credit risk associated with Small Water System loans, the NJDEP has concluded that continued NJEIFP loans to Small Water Systems to finance drinking water improvements are necessary and appropriate to address important public health issues for the affected communities; and
WHEREAS, it is the desire of the Trust to establish the Nano Infrastructure Loan Program (the “NLP”) to serve as the funding mechanism for improvements to Small Water Systems while also addressing the credit risks posed by such Financing Program applicants; and

WHEREAS, the Board of Directors of the Trust (the “Board”), on September 13, 2012, adopted that certain “Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the State Fiscal Year 2014 Nano Infrastructure Loan Program” (Resolution No. 12-50) (the “Original Resolution”); and

WHEREAS, the Board, on October 17, 2013, adopted that certain “Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the State Fiscal Year 2014 Nano Infrastructure Loan Program” (Resolution No. 13-58) (the “First Amended Resolution”), which amended and restated in its entirety the Initial Resolution; and

WHEREAS, the Board now desires to amend and restate the First Amended Resolution in its entirety for the purpose of amending certain provisions of the First Amended Resolution in connection with the further development and implementation of the NLP.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Trust, as follows.

Section 1. The Board hereby amends and restates the First Amended Resolution in its entirety pursuant to the terms and provisions hereof.

Section 2. The Board hereby authorizes the establishment of the SFY 2014 NLP, provided that each of the following NLP requirements is satisfied in full:

(a) NLP loans made to qualifying Project Sponsors by the Trust and the NJDEP during SFY 2014 pursuant to the NLP shall not exceed $4,000,000 in aggregate principal amount. In the event that less than $4,000,000 in aggregate principal amount of NLP Loans are made in SFY 2014, any remaining NLP funds not utilized in SFY 2014 may be used by the Trust for the financing of other programs within the NJEIFP during State Fiscal Year 2014;

(b) each NLP loan shall consist of the following components: (i) an NJDEP principal forgiveness loan in the amount of fifty percent (50%) of the allowable costs of the applicable Project, (ii) an NJDEP zero interest loan in the amount of twenty-five percent (25%) of the allowable costs of the applicable Project, and (iii) a Trust Loan in the amount sufficient to finance twenty-five percent (25%) of the allowable costs of the applicable Project (the “Trust Loan Component”);

(c) the Trust Loan Component of all NLP loans made to qualifying Project Sponsors by the Trust during SFY 2014 pursuant to the NLP shall not exceed $1,000,000 in aggregate principal amount;
(d) the total of all NLP loans for any given qualifying Project Sponsor for SFY2014 shall be no greater than $1,000,000 and no less than $100,000 in aggregate principal amount;

(e) the source of funds for the Trust Loan Component of all NLP loans made by the Trust during SFY 2014 pursuant to the NLP shall consist of 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;

(f) the Trust Loan Component of each NLP Loan shall bear interest at a rate per annum calculated pursuant to the “Interest Rate Calculation”, as set forth in that certain Resolution adopted by the Trust on February 9, 2012 and entitled “Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Relating to the Direct Loan Program and Certain Policies Regarding the Administration Thereof and the Granting of Direct Loans”;

(g) the Chairman, Vice Chairman and Executive Director of the Trust (each, an “Authorized Officer”) are each hereby authorized, at their respective discretion, (i) after consultation with Bond Counsel to the Trust, the Office of the Attorney General of the State and the Financial Advisor to the Trust, and (ii) if and to the extent that a credit assessment of the Project Sponsor in question so warrants, to require a Project Sponsor to establish a loan guarantee fund (the “Guarantee Fund”), in addition to the LLR Fund (as defined in and to the extent required by Section 4 hereof), in the event that (A) the principal amount of the NLP loan for which such Project Sponsor currently is applying, together with (B) the aggregate principal amount of all other NLP loans of such Project Sponsor then outstanding, exceed $1,000,000 in aggregate principal amount, which Guarantee Fund shall serve as additional collateral for the repayment of the Trust Loan Component of each of the outstanding NLP loans of such Project Sponsor; to the extent required by an Authorized Officer pursuant to the terms hereof, the Guarantee Fund shall be established in an amount deemed appropriate thereby, but shall not exceed maximum annual debt service for the aggregate then-outstanding principal amount of the Trust Loan Components of the NLP loans of such Project Sponsor, multiplied by 2;

(h) any applicant with respect to the NLP (in addition to satisfying all other SFY 2014 NJEIFP loan conditions) shall demonstrate that its Small Water System is (and shall continue to be) managed in a professional manner that is consistent with the Federal Fiscal Year 2013 Drinking Water Intended Use Plan;

(i) NLP loan recipients shall not be subject to the imposition by the NJDEP of an administrative fee; and

(j) NLP loan recipients shall not be subject to the imposition by the Trust of an administrative fee to cover any portion of the financing costs of the NLP loan, but (i) shall be subject to an annual Trust administrative fee for loan servicing in the annual amount of 0.30% of the original principal amount of the Trust Loan Component, and (ii) shall be
assessed the annual fee required in connection with the LLR Fund, as defined in and to the extent required by Section 4 hereof.

Except as otherwise provided by this Resolution, as a condition precedent to the receipt by an applicant of an NLP loan, such applicant shall comply fully with each eligibility requirement that shall apply to any applicant for participation in the SFY 2014 NJEIFP.

Section 3. Any SFY 2014 NLP loan made by the Trust shall be evidenced by the following:

(a) a bond, note or other appropriate obligation of the Project Sponsor to be issued to the Trust (the “Obligation”), with the following covenants (in addition to other SFY 2014 NJEIFP loan covenants): (i) a municipality shall provide to the Trust a general obligation (“GO”) pledge of the unlimited ad valorem taxing power thereof; (ii) an authority that has entered into a service agreement containing one or more GO pledges from its municipal or county participants shall pledge to the Trust its right to receive payments pursuant to such service agreement; (iii) each authority shall provide to the Trust a pledge of its revenues and shall be subject to the various covenants and requirements of its general indenture or resolution, as applicable; (iv) a water company shall provide to the Trust a pledge of its revenues and shall be subject to the various covenants and requirements of its general indenture or resolution, including, without limitation, its obligation to raise and collect annual fees and charges to the extent necessary to cover all operating, capital and debt service expenses in order to manage and operate its water supply system in good working condition;

(b) any other documentation as shall be deemed necessary and appropriate by the Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State (collectively, the requirements of (a) and (b) of this Section 3 shall be referred to herein as the “Loan Instruments”).

Each Obligation and all other Loan Instruments shall be in such form 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 the SFY 2014 NJEIFP as shall be determined by the 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 the Regulations and (ii) the implementation of the terms of this Resolution.

Section 4. Each NLP loan recipient that does not provide as security for its Obligation a direct or indirect municipal or county GO pledge shall be assessed an annual loan loss reserve fee consisting of 1% of the total outstanding principal amount of the Trust Loan Component of such recipient’s NLP loan as of the given calculation date. This fee shall be non-refundable and shall be deposited by the Trust upon receipt thereof into a loan loss reserve fund ("LLR Fund") that shall be established and held by the Trust or a fiduciary thereof. All monies deposited into the LLR Fund shall be applied by the Trust solely to provide additional security for NLP loans. In addition, the Trust
is hereby authorized and directed to accept any supplement to the LLR Fund that shall be paid by the NJDEP, initially from loan repayments of its Drinking Water annual capitalization grants, which supplement shall be in such amount as shall be necessary to secure any and all default risks with respect to the NLP loans, as such default risks are assessed and determined by an Authorized Officer, after consultation with Bond Counsel to the Trust, the Office of the Attorney General of the State and the Financial Advisor to the Trust. To the extent that, at any time, the amount on deposit in the LLR Fund, inclusive of any NJDEP contribution thereto, exceeds total outstanding NLP loan amounts, the NJDEP contribution to the LLR Fund in an amount equal to the excess outstanding NLP loan amount may, at the discretion of an Authorize Officer, be withdrawn from the LLR Fund and repaid to the NJDEP.

Section 5. The Authorized Officers are 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 Project Sponsor in the SFY 2014 NLP.

Section 6. 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 7. 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 Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable in order to effect the establishment of the SFY 2014 NLP and the transactions contemplated hereby.

Section 8. The NLP shall fully comply with the provisions of the Act, the Regulations applicable thereto and the terms of this Resolution.

Section 9. This Resolution shall become effective in accordance with the terms of Section 4(i) of the Act (N.J.S.A. 58:11B-4(i)).

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:
Nays:

Abstentions:
RESOLUTION NO.14 -
RESOLUTION ACKNOWLEDGING RECEIPT OF THE EXECUTIVE DIRECTOR'S REPORT CONCERNING THE TERMS OF A STATEWIDE ASSISTANCE INFRASTRUCTURE LOAN (SAIL) TO THE SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY

WHEREAS, the New Jersey Environmental Infrastructure Trust’s (Trust) enabling legislation, specifically, N.J.S.A. 58:11B-9.5, authorizes the Trust to issue short-term or temporary loans to repair environmental infrastructure damaged during a disaster or improve the resiliency of such infrastructure in future disasters (hereafter “SAIL Loan Program”); and

WHEREAS, the Board of Directors of the Trust (the “Board”) established the terms, requirements and parameters of SAIL pursuant to Resolution No. 13-73, duly adopted by the Board on December 12, 2013 and entitled “Second Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the Disaster Relief Emergency Financing Program” (the “SAIL Program Resolution;” and

WHEREAS, the SAIL Program Resolution set forth the Relief Funding Eligibility Conditions that must be satisfied prior to the making of a Relief Loan, which include, without limitation, the certification of the Project by the Board prior to issuance of a Relief Loan and submission of a Relief Loan summary report at the Board meeting next following the Relief Loan; and

WHEREAS, The Board certified a Relief Loan to the South Monmouth Regional Sewerage Authority (SMRSA), for Project No. S340377-03 (S1) to replace/relocate the Lake Como Pumping Station from a flood hazard zone (hereafter “SMRSA Lake Como Relief Loan”); and

WHEREAS, On February 7, 2014, the SAIL SMRSA Lake Como Relief Loan was issued and consists of the following material terms:

- Loan Amount: $2,950,391
- Loan Maturity Date: June 30, 2015
- Est. Construct. Completion Date: January, 2015
- Loan Interest Rate: 0.045% per annum

NOW THEREFORE, BE IT RESOLVED, that the NJEIT hereby acknowledges receipt of the Executive Director’s report regarding the SMRSA Lake Como Relief Loan.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
RESOLUTION NO. 14-__

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
APPROVING THE TRUST’S SECOND AMENDED AND RESTATED CREDIT POLICY

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 (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 to make and contract to make loans to project sponsors to finance a portion of the costs of the respective environmental infrastructure system projects thereof, which project sponsors may lawfully undertake or acquire and for which they are authorized by law to borrow funds, subject to such terms and conditions as the Trust shall determine to be consistent with the Act and the purposes of the Trust; and

WHEREAS, prior to State Fiscal Year 2013, applicants for financing through the New Jersey Environmental Infrastructure Financing Program (the “NJEIFP”) were required to comply with the creditworthiness standards set forth in a letter, dated October 29, 2001, from the State Treasurer to the Executive Director of the Trust;

WHEREAS, in recognition of possible enhanced credit risks posed by certain NJEIFP applicants, the staff of the Trust, commencing in November of 2011, undertook a comprehensive review of the credit risk as it related to all NJEIFP borrower classes;

WHEREAS, as a result of such comprehensive review, the Trust developed a new policy (the “2013 Creditworthiness Policy”) intended (i) to ensure consistency and appropriate management of all credit risk on the part of the Trust with respect to all NJEIFP borrower classes on a programmatic basis, and (ii) to provide improved and consistent transparency to all NJEIFP applicants with respect to the creditworthiness standards of the NJEIFP;

WHEREAS, the Board of Directors of the Trust (the “Board”), on January 10, 2013, adopted that certain “Resolution Approving a Credit Policy” (Resolution No. 13-02), pursuant to which the 2013 Creditworthiness Policy was approved and implemented;

WHEREAS, the Board of Directors of the Trust (the “Board”), on October 17, 2013, adopted that certain “Resolution Approving the Trust’s Amended and Restated Credit Policy” (Resolution No. 13-59) pursuant to which the 2013 Creditworthiness Policy was approved and implemented;

WHEREAS, the staff of the Trust, as a result of ongoing assessment and evaluation of the implementation of the 2013 Creditworthiness Policy, has prepared and submitted to the Board a
“Second Amended and Restated New Jersey Environmental Infrastructure Trust Credit Policy” (the “Second Amended Creditworthiness Policy”) for purposes of (i) refining certain elements of the Creditworthiness Policy, (ii) further ensuring consistency and appropriate management of all credit risk on the part of the Trust with respect to all NJEIFP borrower classes on a programmatic basis, and (iii) further ensuring improved and consistent transparency to all NJEIFP applicants with respect to the creditworthiness standards of the NJEIFP; and

WHEREAS, it is the desire of the Board to authorize and adopt the Amended Creditworthiness Policy in the form attached hereto as Exhibit A and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Trust that the Board hereby authorizes and approves (i) the adoption by the Trust of the Amended Creditworthiness Policy, in the form attached hereto as Exhibit A and made a part hereof, with such immaterial modifications thereto as the Executive Director of the Trust shall approve, following consultation with Bond Counsel to the Trust, the Office of the Attorney General of the State and the Financial Advisor to the Trust, and (ii) the implementation by the Trust of such Amended Creditworthiness Policy pursuant to the terms thereof, commencing with the State Fiscal Year 2014 NJEIFP. This Resolution shall become effective in accordance with the terms of Section 4(i) of the Act (N.J.S.A. 58:11B-4(i)).

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
EXHIBIT A

AMENDED CREDITWORTHINESS POLICY
RESOLUTION NO. 14--

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST (I) CERTIFYING CERTAIN PROJECTS OF THE PASSAIC VALLEY SEWERAGE COMMISSIONERS FOR FINANCING THROUGH THE DISASTER RELIEF EMERGENCY FINANCING PROGRAM, (II) MAKING CERTAIN DETERMINATIONS WITH RESPECT TO A RELIEF LOAN TO THE PASSAIC VALLEY SEWERAGE COMMISSIONERS, AND (III) AUTHORIZING OTHER NECESSARY AND INCIDENTAL ACTION IN CONNECTION THEREWITH

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 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, the Board of Directors of the Trust (the “Board”) established the terms, requirements and parameters of SAIL pursuant to Resolution No. 13-73, duly adopted by the Board on December 12, 2013 and entitled “Second Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the Disaster Relief Emergency Financing Program” (the “SAIL Program Resolution”; capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed thereto in the SAIL Program Resolution); and

WHEREAS, the SAIL Program Resolution set forth the Relief Funding Eligibility Conditions that must be satisfied prior to the making of a Relief Loan, which include, without limitation, the certification of the Project by the Board; and

WHEREAS, the Passaic Valley Sewerage Commissioners (“PVSC”), a public body corporate and politic with corporate succession duly created and validly existing pursuant to N.J.S.A. 58:14-1 et seq., as amended and supplemented (the “PVSC Act”), has applied to the Trust for financing through SAIL, in an aggregate amount not to exceed $200,000,000, with respect to Projects [PVSC Project Nos.] (collectively, the “PVSC Projects”); and

WHEREAS, PVSC currently is operating pursuant to the provisions of the PVSC Act and Executive Order 55 (Christie 2011) (“EO 55”); and

WHEREAS, the Board desires to certify the PVSC Projects for financing through SAIL pursuant to the provisions of the Act and the SAIL Program Resolution, subject to the receipt by the Trust of the certification thereof by the Commissioner of the NJDEP; and
WHEREAS, the Trust desires to extend a Relief Loan to PVSC (the “PVSC Relief Loan”) in an aggregate principal amount not to exceed $20,000,000, provided that, upon the repayment or prepayment of any portion of the PVSC Relief Loan, PVSC shall be permitted to draw upon such repaid or prepaid amounts for the payment of additional costs of the PVSC Projects as may be approved by an Authorized Officer, and provided further that (i) the aggregate amount of all draws upon the account to be established by the Trust for purposes of disbursing proceeds of the PVSC Relief Loan (the “PVSC Relief Loan Account”) shall not exceed $200,000,000, and (ii) the aggregate outstanding principal amount of the PVSC Relief Loan shall not at any time exceed $20,000,000; and

WHEREAS, seventy-five percent (75%) of the aggregate principal amount of the PVSC Relief Loan shall be financed with monies received by the Trust pursuant to the Appropriation, and twenty-five percent (25%) of the aggregate principal amount of the PVSC Relief Loan shall be financed with Available Trust Revenues; and

WHEREAS, the Trust shall extend the PVSC Relief Loan to PVSC upon the satisfaction of the following conditions precedent (collectively, the “PVSC Relief Loan Conditions”): (i) PVSC shall have satisfied all of the Relief Funding Eligibility Conditions; (ii) PVSC shall have received the written approval of the PVSC Relief Loan by the Governor’s Authorities Unit, as required by EO 55; (iii) PVSC shall have pledged to the repayment of the PVSC Relief Loan all reimbursements that may be received by or on behalf of PVSC from the United States Federal Emergency Management Agency in respect of the PVSC Projects; and (iv) the Trust shall have received a legal opinion of counsel to PVSC, inform and substance satisfactory to an Authorized Officer, after consultation with Bond Counsel to the Trust and the office of the Attorney General of the State.

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

Section 1. Subject to the prior receipt by the Trust of the certification thereof by the Commissioner of the NJDEP, the Board hereby certifies the PVSC Projects for financing pursuant to SAIL in accordance with the provisions of the Act and the SAIL Program Resolution.

Section 2. The Board hereby determines that the PVSC Relief Loan shall be made by the Trust to PVSC in an aggregate principal amount not to exceed $20,000,000, provided that, upon the repayment or prepayment of any portion of the PVSC Relief Loan, PVSC shall be permitted to draw upon such repaid or prepaid amounts for the payment of additional costs of the PVSC Projects as may be approved by an Authorized Officer, and provided further that (i) the aggregate amount of all draws upon the PVSC Relief Loan Account shall not exceed $200,000,000, and (ii) the aggregate outstanding principal amount of the PVSC Relief Loan shall not at any time exceed $20,000,000.
Section 3. The Board hereby determines that seventy-five percent (75%) of the aggregate principal amount of the PVSC Relief Loan shall be financed with monies received by the Trust pursuant to the Appropriation, and twenty-five percent (25%) of the aggregate principal amount of the PVSC Relief Loan shall be financed with Available Trust Revenues.

Section 4. Each Authorized Officer is hereby severally authorized and directed to make the PVSC Relief Loan to PVSC, pursuant to and in accordance with the terms and provisions of the Act, the SAIL Program Resolution and this Resolution, provided that the PVSC Relief Loan shall not be made to PVSC unless PVSC has satisfied in full all of the PVSC Relief Loan Conditions.

Section 5. Any Authorized Officer is hereby authorized and directed to execute such documents and 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 6. The Resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
RESOLUTION NO. 14-__

EXECUTIVE SESSION

BE IT HEREBY RESOLVED, That pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13, the members of the New Jersey Environmental Infrastructure Trust (the "Trust") hold an executive session regarding contract negotiations, personnel matters and advice from counsel.

BE IT FURTHER RESOLVED, That it is expected that discussions undertaken at this executive session will be made public once a final position is adopted by the Trust regarding such actions.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions: