June 13, 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 June 12, 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,

David E. Zimmer, CFA
Assistant Secretary

Enclosure
Cc: Honorable Stephen Sweeney, President of the Senate
Honorable Vincent Prieto, Speaker of the General Assembly
1. CALL TO ORDER:

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, June 12, 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. Mr. Zimmer reported that he had received a letter from DEP Commissioner Bob Martin appointing Mr. Daniel Kennedy as his representative, permanently replacing Deputy Commissioner Michele Siekerka at the New Jersey Environmental Infrastructure Trust Board meetings.

3. ROLL CALL:

Ms. Lynda Fischer conducted roll call to which Mr. Victor, Mr. Barrack, Mr. Requa, Mr. Kennedy, and Ms. Campbell all responded affirmatively.

DIRECTORS
Warren Victor, Chairman
Herbert Barrack, Vice Chairman
Daniel Kennedy
(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
Eugene Chebra Municipal Finance & Construction
4. **APPROVAL OF THE MINUTES:**

Chairman Victor opened discussion of the minutes of the Thursday, May 8, 2014 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. Barrack seconded the motion. The motion was carried 4 to 0 with 1 abstention. Mr. Kennedy voted in the affirmative noting that although he was not present at the May meeting, he confirmed the accuracy of the minutes with the DEP representative who attended the May meeting. Mr. Requa abstained his vote.

5. **ANNOUNCEMENTS:**

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

- On May 21st, the Trust successfully closed on the SFY2014A and 2014B (AMT) Bond Series representing $237.7M in project value.

- On June 11th, Board Treasurer Bob Briant and Executive Director Zimmer attended meetings in Washington, DC with Congressman LoBiondo, the Chief of Staff for Congressman Pascrell and Legislative Directors for Congressman Garret and Senator Booker to review the Finance Program’s recent successes.

- Also, on June 11th, Executive Director Zimmer, Assistant Director Scangarella and DEP Section Chief Paul Hauch, toured construction for CHP energy production and Combined Sewer Overflow mitigation currently underway at DC Water’s Blue Plain processing facility, the world’s largest Wastewater Treatment plant. Both projects have relevance to certain proposed Sandy rebuild projects in New Jersey.

- On June 5th, Executive Director Zimmer and Assistant Director Scangarella testified at the Senate Environment Committee hearings.

- The next Trust Board meeting is scheduled for Thursday, July 10, 2014 at 10:00 am at the Trust’s offices, if necessary. Board members will all receive appropriate notification of any changes.

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. Gene Chebra, of the NJDEP’s Municipal Finance and Construction Element, reported that there are 241 active projects totaling $1.2B and 934 closed projects with loans outstanding totaling $4.5B for a grand total of 1175 projects at $5.8B.

B. Mr. Gene Chebra, discussed the SFY2015 Combined Financing Loan Programs:

**SFY2015 Clean Water Financing Program:**

<table>
<thead>
<tr>
<th>Sandy and Base Projects:</th>
<th>143 Projects Totaling</th>
<th>$ 918,297,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplemental Program:</td>
<td>6 Projects Totaling</td>
<td>$ 30,744,000</td>
</tr>
<tr>
<td><strong>Total Clean Water Projects</strong></td>
<td><strong>149 Projects Totaling</strong></td>
<td><strong>$ 949,041,000</strong></td>
</tr>
</tbody>
</table>

**SFY2015 Drinking Water Financing Program:**

<table>
<thead>
<tr>
<th>Sandy and Base Projects:</th>
<th>87 Projects Totaling</th>
<th>$ 330,423,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplemental Program:</td>
<td>2 Projects Totaling</td>
<td>$ 3,912,000</td>
</tr>
<tr>
<td><strong>Total Drinking Water Projects</strong></td>
<td><strong>89 Projects Totaling</strong></td>
<td><strong>$ 334,335,000</strong></td>
</tr>
</tbody>
</table>

**SFY2015 Grand Totals:**

| Clean & Drinking Water Program Totals: | 238 Projects Totaling | $ 1,283,376,000 |

Mr. Barrack requested information regarding the status of older loans and the communication between these borrowers and DEP and the Trust. Mr. Chebra commented on the ability of the Program to now communicate with EPA; Region 2 and Washington completely electronically thanks to the advances made with the H2LOans system.

There were no other comments or questions.

C. Executive Director Zimmer asked Chief Financial Officer Lauren Kaltman to discuss the status of the Aged Inventory Report. Ms. Kaltman reported that of the 34 projects remaining from 2008 and earlier that had been discussed with the Board last quarter; 5 have closed, 1 is waiting for the final requisition, 13 are expected to finish by the end of the calendar year and DEP and the Trust are actively working the remaining 15 loans.
D. Executive Director Zimmer reported on the status of the Trust’s outstanding Requests For Proposals (RFPs):

**RFP for Investment Advisory Services**
Pursuant to Resolution No. 14-11, the Trust issued an RFP for Investment Advisory Services. The Trust received 4 responses (2 responsive) and would be recommending that the Board award a contract for such Services under Agenda Item 8F later in the meeting.

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

- The Trust received 3 new applications from the previous month; ELSA requested $5.1MM for treatment plant upgrades, and Raritan Township MUA requested two loans totaling $3.99MM for a motor control center and rehabilitation at the Woodside Farms pump station. The Trust currently has a total of 7 SFY2015 IFP loan applications totaling $32.1MM.

- The Trust has closed on 2 SFY2015 IFP loan applications totaling $15.0MM.

- The Trust has not disbursed any IFP funds to-date.

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 requested that Trust Chief Budget Officer, John Hansbury, introduce Resolution No. 14-30 accepting the May 2014 Treasurer’s Report.

Mr. Hansbury presented the Report announcing that in May, the Trust received revenues from fees of $106,960.00 and paid bills totaling $172,170.61 and that the Trust had received and is reviewing bills for payment totaling $1,215,060.43.

Mr. Hansbury noted that the revised bills to-be-paid list consists of the removal of Trustee Counsel fees in the amount of $6,000, the addition of $11,380 for Internal Control Audit expenses, and decrease in the Moody’s Investors Service bill of $6,800. Mr. Zimmer asked for an explanation as to the decrease in the Moody’s bill. Mr. Hansbury explained that the original invoice was approx. $45K. After discussions with Moody’s, the rating agency adjusted their invoice.

Mr. Hansbury asked if there were any additional 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. Requa and seconded by Ms. Campbell. The motion was carried 5 to 0 with 0 abstentions.
The breakdown of pending bills was presented to the board in written form as follows:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Princeton Pike Office Park, LLC</td>
<td>$9,235.97</td>
</tr>
</tbody>
</table>
| (Rent - June 2014) - Current lease dates 12/1/2013 - 11/30/2018  
  Annual Rent $64,000.00 + New Estimated annual nets $46,831.56 divided by 12 months equals $9,235.97 per month. |            |
| McCarter & English, LLP               | $328,789.61|
| (Bond Counsel: Various)               |            |
| PFM Asset Management, LLC            | $12,233.24 |
| (Investment Advisor - April 2014) 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# 154227 |            |
| J&J Staffing Resources                | $24,871.00 |
| (Part-Time salaries May 2014, inv#’s: 326328, 326669, 327013) |            |
| Rothstein Kass                        | $36,610.89 |
| (Internal Control Auditor, invoice# 565563 April 2014) |            |
| Omnicap Group LLC                     | $53,950.00 |
| (Arbitrage Rebate Consultant Services - Invoice# Q214045) |            |
| Bank of America Business Card         | $2,991.83  |
| (Credit Card Account #05667)         |            |
| LeClair Ryan                          | $11,100.00 |
| (Special Counsel Invoices: 561849, 567621, 572169, 577898) |            |
| Fitch Ratings, Inc.                   | $35,000.00 |
| Rating Services for 2014A&B Financings |            |
| Moody's Investors Service             | $38,500.00 |
| Rating Services for 2014A&B Financings |            |
| Standard & Poor's Ratings Service     | $31,500.00 |
| Rating Services for 2014A&B Financings |            |
| RR Donnelley                          | $6,046.79  |
| Prepress, Print, Bind and Distribute 2014A&B Official Statements |            |
Treasurer, State of New Jersey  
(3rd Quarter SFY2014 Division of Law Invoice)  
$3,110.00

SHI  
(H2LOANS Disaster Recovery Project, P.O.#'s 062, 086)  
$98,936.25

En Pointe Technologies  
(H2LOANS Disaster Recovery Project, P.O.#'s 085, 087)  
$44,393.00

ESRI, Inc.  
(H2LOANS Disaster Recovery Project, P.O.#'s 060, 061)  
$222,971.00

Dell  
(H2LOANS Disaster Recovery Project, P.O.#'s 063-066, 068-069, 071-076, 080-084)  
$254,820.85

TOTAL  
$1,215,060.43

B. Executive Director Zimmer advised that Agenda Item 8B (Resolution acknowledging receipt of the Governor and State Treasurer’s approval of Environmental Infrastructure Bond Resolution, Series 2014B-R) and Agenda Item 8C (Supplemental Bond Resolution authorizing the issuance of Environmental Infrastructure Refunding Bonds, Series 2014B-R (AMT)) had been removed from this month’s agenda as more work needs to be completed on these items. The items are expected to be on the agenda for the next meeting. Mr. Barrack questioned if there is not a meeting in July; what would be done about these two items. Mr. Zimmer stated that there may be a special Board meeting scheduled to act on these two items.

D. Executive Director Zimmer requested Trust Chief Financial Officer Lauren Kaltman introduce Resolution No. 14-31 to amend the Trust’s Credit Policy. This amendment provides notification to the Board of loans made to any Borrower for which a Material Event as defined in the Policy has been determined. The report will identify the Borrower; summarize the project and the material event and provided a brief discussion of the resolution for the Borrower’s compliance with the Credit Eligibility requirements.

Mr. Barrack requested that the word “brief” be removed from the Credit Policy. Ms. Kaltman asked if there were any additional comments or questions. Hearing none, Chairman Victor requested a motion for approval as discussed to the Credit Policy.

The resolution was moved for adoption by Mr. Barrack reflecting his modification and seconded by Mr. Requa. The motion was carried 5 to 0 with 0 abstentions.

E. Executive Director Zimmer requested Trust Chief Financial Officer Lauren Kaltman introduce Resolution No. 14-32 approving the SFY2013 Audited Financials. The Trust’s Auditor, Bowman & Company, had previously presented the SFY2013 Revised Financials to the three member Audit
Committee. The Audit Committee recommended that the SFY2013 Trust Financials be presented to the full Board for approval pursuant to EO 37 (Corzine). Ms. Kaltman offered the floor to Vice Chairman Barrack, head of the Audit Committee, for comment and to recommend a motion for approval to the Board. Vice Chairman Barrack noted that there were very minor changes to the Audit report and proceeded to make a motion to the Chairman for approval of the Financials.

Chairman Victor thanked Vice Chairman Barrack and requested a 2nd motion from a non-Audit Committee member for approval.

The resolution was moved for adoption by Mr. Barrack and seconded by Mr. Requa. The motion was carried 5 to 0 with 0 abstentions.

F. Executive Director Zimmer requested that Trust Assistant Director Frank Scangarella introduce Resolution No. 14-33 awarding the Investment Advisor Contract. Mr. Scangarella reported that two proposals were determined to be non-responsive to the RFP requirements. Of the two remaining proposals, PFM Asset Management (PFMAM) had the highest overall ranking, and as such, should be awarded the Investment Advisor Contract for a period of 2 fiscal years beginning August 1, 2014 through June 30, 2016, with an option to extend the contact one additional year at the discretion of the Board.

Chairman Victor requested a motion for approval.

The resolution was moved for adoption by Ms. Campbell and seconded by Mr. Requa. The motion was carried 5 to 0 with 0 abstentions.

G. Assistant Director Frank Scangarella introduced Resolution No. 14-34 adopting Trust policy and procedure No. 1.20 “Managing Contract Spending Caps”. As discussed at the May meeting, there is a proposed policy to establish internal controls to manage contract-spending caps. The controls applied during the procurement process and incorporated in Trust contracts, require contractors to provide information to staff periodically regarding incurred costs, notification to the Trust when 75% of Board approved spending cap costs have been incurred, and bill the Trust no later than 30 days of incurring costs. The controls applied during contract administration include maintenance of a procurement contract schedule, assignment of responsibilities for contractor oversight to the manager responsible for the relevant budgetary section and monitoring and reporting of relevant Board approved spending cap information to the Executive Director and periodically to the Audit Committee.

Vice Chairman Barrack asked if such controls would be automated. Mr. Scangarella advised not initially, but that staff will look into doing so. Mr. Scangarella asked if there were any additional comments or questions. Hearing none, Chairman Victor requested a motion for approval.

The resolution was moved for adoption by Mr. Kennedy and seconded by Mr. Requa. The motion was carried 5 to 0 with 0 abstentions.

H. Executive Director Zimmer introduced Resolution No. 14-35 authorizing an SFY2015 interim loan to
Trenton City in an amount not to exceed $12,426,084. As the loan exceeds the Executive Director’s $10MM authorized IFP Loan limit, Board authorization is required.

Vice Chairman Barrack requested an update on the credit worthiness of the borrower. Mr. Zimmer and Mr. Stewart commented that Trenton City is rated single A and will also be offering a Qualified Bond to the Program, therefore, Trenton City satisfies the credit worthiness requirements. Mr. Zimmer asked if there were any additional comments or questions. Hearing none, Chairman Victor requested a motion for approval.

The resolution was moved for adoption by Ms. Campbell and seconded by Mr. Kennedy. The motion was carried 5 to 0 with 0 abstentions.

I. Executive Director Zimmer introduced Resolution No. 14-36 certifying a SAIL loan to South Monmouth Regional Sewerage Authority for the Pitney Sewage Pumping Station with an estimated cost of $2.3 MM. This is the second SAIL loan to be approved by the Board. One of the benefits of the SAIL program is to pre-emptively, assist communities with the financing necessary to address SANDY rebuild and resiliency issues. Such funding is critical to help the Borrower obtain financing sooner to rebuild faster than they would be able to do otherwise.

Mr. Zimmer 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. Kennedy and seconded by Mr. Requa. The motion was carried 5 to 0 with 0 abstentions.

Chairman Victor asked Executive Director Zimmer if there was any new business requiring action by the Board. Mr. Zimmer responded there was no any further action required by the Board, however, there was one remaining agenda item, an update for the Board on the Trust’s H2LOans technology platform.

J. Executive Director Zimmer, Assistant Director Frank Scangarella and IT Manager Victor Tsai updated the Board on the Trust’s H2LOans technology and provided a short demonstration of the platforms mapping capabilities.

9. EXECUTIVE SESSION:

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

Chairman Victor then asked for a motion for an adjournment.

Ms. Campbell moved to adjourn the meeting. The motion was seconded by Mr. Requa. The motion was carried 5 to 0 with 0 abstentions.

The meeting was adjourned at 11:45 am.
RESOLUTION NO. 14-30

RESOLUTION AUTHORIZING APPROVAL OF THE
MAY 2014 TREASURER REPORT

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

Adopted Date: June 12, 2014

Motion Made By: Ms. Campbell

Motion Seconded By: Mr. Barrack

Ayes: 4

Nays: 0

Abstentions: 1
RESOLUTION NO. 14-31

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
APPROVING THE TRUST’S 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) (the “2013 Resolution”), pursuant to which the 2013 Creditworthiness Policy was approved and implemented;

WHEREAS, the Board, on March 7, 2014, adopted that certain “Resolution Approving the Trust’s Amended and Restated Credit Policy” (Resolution No. 14-07), 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 an “Amended and Restated New Jersey Environmental Infrastructure Trust Credit Policy” (the “Amended Creditworthiness Policy”) for purposes of (i) refining certain elements of the 2013
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: June 12, 2014

Motion Made By: Mr. Requa

Motion Seconded By: Ms. Campbell

Ayes: 5

Nays: 0

Abstentions: 0
EXHIBIT A

AMENDED CREDITWORTHINESS POLICY
RESOLUTION NO. 14 - 32
RESOLUTION APPROVING THE
STATE FISCAL YEAR 2013 AUDITED FINANCIALS

WHEREAS, the books and accounts of the New Jersey Environmental Infrastructure
Trust’s (the “Trust”) are required to be audited once each year (hereafter “Audited Financials”)
pursuant to N.J.S.A. 58:11B-24 and Executive Order No. 37 (Corzine) (hereafter “EO 37”); and

WHEREAS, the Trust’s State Fiscal Year (“SFY”) 2013 Audited Financials have been
prepared by Bowman & Company, LLP; and

WHEREAS, the Trust’s SFY2013 Audited Financials have been presented to the Trust’s
Audit Committee pursuant to EO 37; and

WHEREAS, the Trust’s Audited Financials shall be presented to the Trust’s Board of
Director’s for approval pursuant to Chapter IV, Section 4 of the Trust’s Bylaws;

NOW THEREFORE BE IT RESOLVED, the Trust hereby adopts the Trust’s SFY2013 Audited
Financials.

Adopted Date: June 12, 2014
Motion Made By: Mr. Barrack
Motion Seconded By: Mr. Requa
Ayes: 5
Nays: 0
Abstentions: 0
RESOLUTION NO. 14 - 33

RESOLUTION OF THE TRUST AWARDING CONTRACT FOR
INVESTMENT ADVISOR

WHEREAS, the New Jersey Environmental Infrastructure Trust (the “Trust”) is authorized to enter into agreements necessary to the performance of its duties pursuant to N.J.S.A. 58:11B-5(j); and

WHEREAS, the Trust authorized solicitation of proposals for Investment Advisor Services at its March, 2014 meeting pursuant to Resolution No. 14-11; and

WHEREAS, upon requesting proposals for the services of an Investment Advisor, the Trust received four proposals, two of which two were determined to be non-responsive: and

WHEREAS, the members of the Trust’s Evaluation Committee independently ranked the remaining two proposals and the Committee concluded that Public Financial Management Asset Management (PFMAM) submitted the highest ranked proposal and as such the Investment Advisor Contract should be awarded to PFMAM.

NOW THEREFORE BE IT RESOLVED THAT the Executive Director send a letter of intent to make the appointment to PFMAM, which letter will also state that the appointment is from August 1, 2014 through June 30, 2016 and contingent upon the subsequent execution by all parties of an agreement substantially in the form of the agreement attached to the Investment Advisor Request for Proposals; and

BE IT FURTHER RESOLVED THAT the Executive Director is hereby authorized to execute an agreement, substantially in the form of the agreement attached to the Request for Proposals, with PFMAM. 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 Request for Proposal (RFP) distributed on April 2, 2014 and the proposal submitted by PFMAM dated May 6, 2014.

b. the payment of all fees for all services as detailed in the May 6, 2014 submittal.

c. such other terms and conditions as may be contemplated by the RFP and the materials enclosed therewith as deemed necessary and appropriate by the Executive Director of the Trust.

Adopted Date: June 12, 2014

Motion Made By: Ms. Campbell

Motion Seconded By: Mr. Barrack

Ayes: 5

Nays: 0

Abstentions: 0
RESOLUTION ADOPTING TRUST POLICY AND PROCEDURE NO. 1.20
“MANAGING CONTRACT SPENDING CAPS”

WHEREAS, the New Jersey Environmental Infrastructure Trust (the “Trust”) has the authority to enact and amend Policies and Procedures pursuant to Section IX of its By-Laws; and

WHEREAS, periodically, the board establishes a limit in the amount of funds to be expended with regard to particular contracts for goods or services (Spending Caps); and

WHEREAS, compliance with Board Spending Caps will be improved through the implementation of a policy establishing various internal controls (i) applied during the procurement process, (ii) incorporated in Trust contracts, and (iii) applied during contract administration.

NOW THEREFORE BE IT RESOLVED, the Trust hereby adopts Policy and Procedure No. 1.20 “Managing Contract Spending Caps.”

Adopted Date: June 12, 2014

Motion Made By: Mr. Kennedy

Motion Seconded By: Mr. Requa

Ayes: 5

Nays: 0

Abstentions: 0
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

POLICY AND PROCEDURE

NO. 1.20 “Managing Contract Spending Caps”

SUBJECT: Operating Fund Disbursements

PURPOSE: Business Operations

POLICY: Operating Fund Disbursements

I. INTRODUCTION:

Periodically, the maximum amount of funds to be expended for a given contract (Spending Cap) are established by the Trust Board in its contract award resolution (Board Resolution) for that specific procurement. Trust Policy and Procedure No. 1.19 adopted by the Board on February 10, 2011, establishes financial controls for the Trust’s operating budget account. This Policy and Procedure complements Policy and Procedure No. 1.19 by establishing business process controls to be followed to minimize risk of non-compliance with any such Spending Cap.

II. Controls through future Contract/RFP Process Modifications

In developing the procurement of any contract which may be subject to a Spending Cap, the Trust’s Chief Budget Officer (CBO) shall include provisions in the Request-For-Proposals (RFP), Request-For-Quote (RFQ), or Invitation-For-Bid, requiring the successful vendor to

1. periodically submit to the Trust work summaries inclusive of cumulative costs incurred to-date¹ (typically monthly or quarterly as well as when aggregate contract expenses reach 75% of the Spending Cap);
2. Immediately notify the CBO in writing when services reach 75% of the Spending Cap; and
3. Bill the Trust no later than 30 days after costs are incurred as a condition of contract performance;

The Trust shall reference the Spending Cap and other limitations in its “Authorization to Proceed” as well as other relevant documentation sent to a contractor whose contract is subject to a Spending Cap (hereafter “Vendor”);

¹ The summaries shall include: the amount of work completed, the costs incurred to-date, the amount paid to-date, the hours and cost estimates of the remaining work to be completed, and any other pertinent information regarding either the contract or the job deemed necessary by the CBO.
III. Controls through Contract Administration

The approval of payments shall be in compliance with NJEIT by-laws (New Jersey Environmental Infrastructure Trust, revised by-laws (February 17, 2011), Chapter VII) incorporated by reference herein and as further detailed herein, and Policy and Procedure No. 1.19 (Financial Controls for Trust Operating Budget Account).

The CBO shall maintain a schedule of all current NJEIT contracts identifying the name of the contractor, the contract term, date of contract commencement and expiration, and name of Responsible Manager (Procurement Contract Schedule).

Upon adoption of the Board Resolution, the CBO shall

- Update the Procurement Contract Schedule;
- Advise the Trust manager who is responsible for oversight of such contract, typically the manager having oversight responsibility of a particular budgeted line item (“Responsible Manager”), of the above stated requirements; and
- Issue the “Authorization to Proceed” to the Vendor, and include therein the Spending Cap and other limitations as well as other relevant documentation;

The CBO will ensure the Vendor’s timely submission of invoices and periodic work summaries including the amount of work completed, the costs incurred to-date, the amount paid to-date, the hours and cost estimates of the remaining work to be completed, and any other pertinent information regarding either the contract or the job deemed necessary by the CBO;

Upon receipt of billing invoices for costs incurred, the CBO shall forward same to the Responsible Manager together with a Verification of Completed Work Form (CW Form) to be completed by the Responsible Manager. The CW Form shall include the following:

- Name of the Responsible Manager,
- Invoice number,
- Verification that the work was performed and within the Spending Cap,
- Identification when costs reach 75% of the Spending Cap,
- Signature or initials of the Responsible Manager, and
- Date of signature or initials;
- The Responsible Manager shall review and approve in writing all expense invoices generated by the Vendor, forward the formal approval to the CBO and monitor the Spending Cap;

The Responsible Manager shall return the invoices and CW Form to the CBO upon the manager’s timely review and approval of same. The CBO shall maintain the CW Forms within each contract file;

In preparing a payment to a Vendor for the Executive Director’s signature, the CBO shall provide detailed information including the billing invoice, a reference to the Board authorized Spending Cap(s) (annual or aggregate), whether payment is subject to the Spending Cap, dollars spent to-date, contract term, and remaining Spending Cap balances;
Upon receipt of written notification from a Vendor or the Responsible Manager that costs have reached 75% of the Spending Cap, the CBO shall notify the Trust’s Executive Director and Chief Financial Officer (CFO) in writing of the following:

- Amount of work completed;
- Costs incurred to-date;
- Amount paid to-date;
- Hours / cost estimate (provided by the Vendor) of the remaining work to be completed; and
- Any other pertinent information regarding either the contract or the job.

If a determination is made that the Spending Cap must be exceeded, any spending action taken by Trust staff must adhere to the terms as set forth in the Board Resolution which approved the award of such contract. Such terms typically consist of provisions authorizing the ability to exceed a Spending Cap in the event of business necessity, which must be approved by the Chairman, Vice-Chairman and/or Treasurer in an amount or format to be set forth in the Board Resolution, and subsequently ratified by the Board. Absent such provisions or an Emergency as defined in Policy and Procedure 4.00 (Procurement of Goods and Services), prior Board approval is required to exceed a Spending Cap.

IV. Consolidated Record Information Reporting

The CBO shall maintain consolidated records of all outstanding contracts including the following for each such contract:

- Budgeted amount;
- Contract amount;
- Start and end dates;
- Annual Spending Cap (if applicable);
- Total Spending Cap (if applicable);
- Dollars spent to-date (per year if annual Spending Cap, and cumulative if total Spending Cap);
- Percentage of contract completion (see attached draft report).

The CBO shall submit the consolidated record information as listed above, for all outstanding contracts in the form of a report to be delivered to the Executive Director and the Audit Committee on or about the first business day in March and September.
RESOLUTION NO. 14 - 35

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST RELATING TO THE PARTICIPATION IN THE INTERIM FINANCING STATE FISCAL YEAR 2015 TRUST LOAN PROGRAM OF THE CITY OF TRENTON

WHEREAS, the New Jersey Environmental Infrastructure Trust (the “Trust”), in accordance with (i) 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 may from time to time be amended and supplemented (the “Act”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 et seq.), as the same may from time to time be amended and supplemented (the “Regulations”), is authorized, pursuant to an interim financing program (the “Interim Financing Program”), to make loans (each, an “Interim Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Interim Loan satisfies the requirements of the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

WHEREAS, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for an Interim Loan pursuant to the Interim Financing Program, provided all of the following conditions are satisfied in full: (i) the project is listed on the project priority list developed in accordance with N.J.A.C. 7:22-4.8(a) for funding in the forthcoming State Fiscal Year; (ii) the proposed project sponsor has submitted a complete application for the project in accordance with N.J.A.C. 7:22-4.11; (iii) the project has been certified for funding by the Trust in accordance with N.J.A.C. 7:22-4.13; (iv) the project is in the fundable range within the forth coming funding cycle given the project’s rank and the anticipated availability of Department of Environmental Protection (the “Department”) and Trust monies; and (v) the proposed project sponsor has not previously received an Interim Loan through the Interim Financing Program for the same project scope; and

WHEREAS, in order to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2015 (the “Interim Financing SFY 2015 Trust Loan Program”), the Trust duly adopted Resolution No. 14-25 on May 8, 2014 (the “Trust Authorizing Resolution”) entitled “Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the Interim Financing State Fiscal Year 2015 Trust Loan Program” (the “Authorizing Resolution”); and

WHEREAS, pursuant to the terms of the Authorizing Resolution, the Authorized Officers (as defined therein) are each severally authorized, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, to approve the participation of a Borrower in the Interim Financing SFY 2015 Trust Loan Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations and the terms of the Trust Authorizing Resolution; and
WHEREAS, pursuant to Section 3 of the Trust Authorizing Resolution, any Interim Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Interim Financing SFY 2015 Trust Loan Program shall not exceed $10,000,000 in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the Trust; and

WHEREAS, the City of Trenton ("Trenton City") has requested from the Trust an Interim Loan from the Interim Financing SFY 2015 Trust Loan Program, in anticipation of a long-term loan from each of the Trust and the Department as part of the SFY 2015 New Jersey Environmental Infrastructure Financing Program, for the purpose of completing an environmental infrastructure project to be constructed in Trenton and designated by the Department as Project #1111001-008 (the "Trenton City Project"); and

WHEREAS, pursuant to the construction schedule with respect to the completion of the Trenton City Project, the expenditure of approximately $12,426,084 for the Trenton City Project is required prior to the anticipated procurement by Trenton City of the long-term loan from each of the Trust and the Department as part of the SFY 2015 New Jersey Environmental Infrastructure Financing Program, thereby resulting in a request by Trenton City for an Interim Loan from the Interim Financing SFY 2015 Trust Loan Program in an amount not to exceed $12,426,084; and

WHEREAS, with respect to the limitation established in Section 3 of the Authorizing Resolution providing that any Interim Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Interim Financing SFY 2015 Trust Loan Program shall not exceed $10,000,000 in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the Trust, the Trust now desires, given the facts and circumstances set forth in the recitals hereto, to create as an exception to such limitation an Interim Loan, as part of the Interim Financing SFY 2015 Trust Loan Program, to Trenton City in an amount not to exceed $12,426,084 for the purpose of completing the Trenton City Project; and

WHEREAS, it is the desire of the Trust that, other than the exception to Section 3 of the Authorizing Resolution described in the immediately preceding recital, Trenton City shall comply with (i) all other requirements of the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

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

Section 1. Notwithstanding the limitation established in Section 3 of the Authorizing Resolution providing that any Interim Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Interim Financing SFY 2015 Trust Loan Program shall not exceed $10,000,000 in principal amount, the Board of Directors of the Trust, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to such limitation established in Section 3 of the Authorizing
Resolution, an Interim Loan, as part of the Interim Financing SFY 2015 Trust Loan Program, to Trenton City in an amount not to exceed $12,426,084 for the purpose of completing the Trenton City Project.

Section 2. Other than the exception created by the provisions of Section 1 of this Resolution, the Interim Loan made to Trenton City as part of the Interim Financing SFY 2015 Trust Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Adopted Date: June 12, 2014

Motion Made By: Ms. Campbell

Motion Seconded By: Mr. Kennedy

Ayes: 5

Nays: 0

Abstentions: 0
RESOLUTION NO. 14 - 36

RESOLUTION CERTIFYING 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.

NOW THEREFORE, BE IT RESOLVED, that subject to the prior receipt by the Trust of the certification thereof by the Commissioner of the New Jersey Department of Environmental Protection, the Board of Directors of the Trust hereby certifies Project No. S340377-04, to be undertaken by the South Monmouth Regional Sewerage Authority, for financing pursuant to SAIL in accordance with the provisions of the Act and this Resolution.

Adopted Date:       June 12, 2014

Motion Made By:    Mr. Requa

Motion Seconded By: Mr. Kennedy

Ayes: 5

Nays: 0

Abstentions: 0