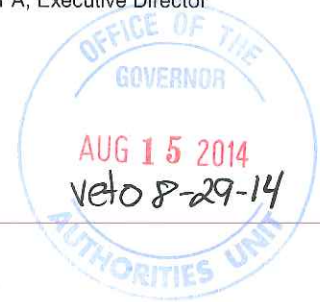




Warren H. Victor, Chairman
Herbert Barrack, Vice Chairman
Roger Ellis, Secretary
Robert A. Briant, Jr., Treasurer
Andrew P. Sidamon-Eristoff, State Treasurer
Bob Martin, DEP Commissioner
Richard E. Constable, III, DCA Commissioner

David E. Zimmer, CFA, Executive Director



August 15, 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 August 14, 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,

A handwritten signature in blue ink, appearing to read "Roger Ellis".

Roger Ellis
Secretary

Enclosure

Cc: Honorable Stephen Sweeney, President of the Senate
Honorable Vincent Prieto, Speaker of the General Assembly



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

David E. Zimmer, CFA, Executive Director

August 15, 2014

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

OPEN PUBLIC MEETING

MINUTES – August 14, 2014

1. CALL TO ORDER:

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, August 14, 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 the Governor’s office appointing Mr. Mark Longo to the NJEIT Board.

3. ROLL CALL:

Ms. Lynda Fischer conducted roll call to which Mr. Victor, Mr. Longo, Mr. Briant, Mr. Ellis, Mr. Kennedy, and Mr. Requa all responded affirmatively.

DIRECTORS

Warren Victor, Chairman
Mark Longo
Roger Ellis, Secretary
Robert A. Briant, Jr., Treasurer
Dan 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
Christopher Howard, Governor’s Authorities Unit
Lynn Besancon, Deputy Attorney General
Richard Nolan, McCarter & English LLP
Geoffrey Stewart, Public Financial Management
Eugene Chebra, Municipal Finance & Construction

4. Election of Officers:

Executive Director Zimmer reported that the next three (3) agenda items, 4A, 4B and 4C, pertained to the election of officers and turned the meeting over to Chairman Victor.

- A. In accordance with the NJEIT By-Laws adopted on November 12, 1986 and amended February 17, 2011, requiring the Trust Board to hold an election of officers meeting for the conduction of business;

Chairman Victor introduced Resolution No. 14-39.

Mr. Victor nominated Mr. Briant for the position of Board Vice Chairman. The nomination was seconded by Mr. Kennedy.

Mr. Victor asked for additional nominations. There were none.

The motion was carried 6 to 0 with 0 abstentions.

- B. Chairman Victor introduced Resolution No. 14-40.

Chairman Victor requested nominations from members for the position of Board Treasurer.

Mr. Briant nominated Mr. Ellis for the position of Board Treasurer. The nomination was seconded by Mr. Longo.

Mr. Victor asked for additional nominations. There were none.

The motion was carried 6 to 0 with 0 abstentions.

- C. Chairman Victor introduced Resolution No. 14-41.

Chairman Victor requested nominations from members for the position of Board Secretary.

Mr. Ellis nominated Mr. Longo for the position of Board Secretary. The nomination was seconded by Mr. Requa.

Mr. Victor asked for additional nominations. There were none.

The motion was carried 6 to 0 with 0 abstentions.

5. APPROVAL OF THE MINUTES:

** Ms. Campbell arrived.

Chairman Victor opened discussion of the minutes of the Thursday, June 12, 2014 and Tuesday, July 1, 2014 Trust Board meetings.

- A. There were no comments or questions related to the minutes from June 12, 2014. Chairman Victor requested a motion for approval.

Mr. Ellis moved for the approval of the minutes. Mr. Kennedy seconded the motion.

The motion was carried 5 to 0 with 2 abstentions (Messrs. Briant and Longo were not present for the meeting and abstained).

- B. There were no comments or questions related to the minutes from July 1, 2014. Chairman Victor requested a motion for approval.

Mr. Requa moved for the approval of the minutes. Mr. Kennedy seconded the motion. The motion was carried 5 to 0 with 2 abstentions (Messrs. Briant and Longo were not present for the meeting and abstained).

6. EXECUTIVE SESSION:

Chairman Victor asked if there was a need for an Executive Session. Executive Director Zimmer responded there was a need for an Executive Session.

Chairman Victor introduced Resolution No. 14-49 to conduct an Executive Session. The resolution was moved for adoption by Mr. Briant and seconded by Mr. Requa. The motion was carried 7 to 0 with 0 abstentions.

The Board convened Executive Session at 10:10 am.

Public session was reconvened at 10:21 am. Minutes of the Executive Session will be available when the need for confidentiality is no longer necessary.

7. ANNOUNCEMENTS:

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

- June 12, 2014 - Executive Director Zimmer and Assistant Director Scangarella attended an Assembly Environmental Committee hearing on Water Quality and Urban Infrastructure hosted by Chairwoman Grace Spencer.
- June 19, 2014 - Executive Director Zimmer, DEP Deputy Commissioner Siekerka, and BPU's Mike Winka met with Tim Lizura and Maureen Hassett of the EDA to discuss the Trust's facilitation of the start-up of the Energy Resiliency Bank.
- On July 16 - Assistant Director Scangarella and members of the Information Technology Staff assisted NJDEP's H2Loans project team with training regarding the Beta Testing Phase I of H2Loans.
- July 22, 2014 - Executive Director Zimmer and senior staff met with UTCA's Director of Utility Operations, Dennis Hart and ULLiCo representative Deborah Nisson and Table Rock Capital's Megan Matson to discuss P3 lending opportunities.

- July 31, 2014 - Senior staff from the EIT and DEP met with representatives from the US Government Accountability Office to discuss protocols in place to ensure the sustainability of the NJEIFP.
- August 13, 2014 - Assistant Director Scangarella and Gene Chebra met with Manasquan Borough to discuss a Sanitary Sewer Project for SFY2016.
- The next Trust Board meeting is scheduled for Thursday, September 11, 2014 at 10:00 am at the Trust's offices.

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.

8. PUBLIC COMMENTS:

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

9. UNFINISHED BUSINESS:

- A. Mr. Chebra, of the NJDEP's Municipal Finance and Construction Element, reported that there are 227 active projects totaling \$1,109,736,002 and 952 closed projects with loans outstanding totaling \$4,662,019,787 for a grand total of 1179 projects at \$5,771,755,789.
- B. Mr. Chebra discussed the SFY2015 Combined Financing Loan Programs:

SFY2015 Clean Water Financing Program:

Traditional Program:	110 Projects Totaling	\$847,732,000
Supplemental Program:	6 Projects Totaling	\$30,744,000
Track II Projects:	15 Projects Totaling	\$57,629,000
Barnegat Bay Projects:	10 Projects Totaling	\$12,936,000
Total Clean Water Projects	141 Projects Totaling	\$949,041,000

SFY2015 Drinking Water Financing Program:

Traditional Program:	76 Projects Totaling	\$289,019,000
Supplemental Program:	2 Projects Totaling	\$3,912,000
Track II Projects	10 Projects Totaling	\$40,367,000
Total Drinking Water Projects	88 Projects Totaling	\$333,298,000

SFY2015 Grand Totals:

Clean & Drinking Water Program Totals:	229 Projects	\$1,282,339,000
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There were no comments or questions.

- C. Executive Director Zimmer reported on the status of the Trust’s outstanding Requests For Proposals (RFPs):

RFP for Investment Advisor (Resolution No. 14-11)

Pursuant to Resolution No. 14-33, the Trust appointed PFM Asset Management to a two year contract ending on June 30, 2016, with an option to extend the contract one additional year upon approval from the full Board.

- D. Executive Director Zimmer next reported on the status of the SFY2015 Interim Financing Program (IFP):

- The Trust received 5 new applications since the June 2014 Board meeting; NHTA for \$4.02MM for CSO abatements, (2) for Camden City for \$10MM for pump station rehab and \$5.4MM for 2 water storage tanks, Hopatcong Borough for \$11.6MM for sanitary sewer improvements and Roosevelt Borough for \$0.56MM for WTP upgrades. The Trust currently has a total of 12 IFP loan applications totaling \$59.34MM.
- The Trust has closed on 7 IFP loans applications totaling \$34.33MM.
- 2 projects have received IFP loan disbursements from the Trust to-date totaling \$2.48MM.

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.

- E. Executive Director Zimmer next presented a Trust Credit Policy Material Event Report involving a SFY2014 NJEIFP Loan Recipient:

- The City of Newark applied for (2) SFY2014 NJEIFP loans totaling \$12.95MM. In March, partly as a result of being non-compliant with the NJ DCA’s financial reporting requirements, Newark was placed under review for credit downgrade by Moody’s Investors Service.
- In response to the credit action taken by the rating agency, the Trust required the City to submit delinquent financial documentation to LFB and issue Qualified Bonds to the Trust and DEP as collateral for the 2 loans. The City complied with the requests and (2) loans were issued as part of the SFY2014 Financing program.

The Material Event Report was provided to the Board of Directors of the Trust in satisfaction of the requirements of Section VI of the Trust’s Credit Policy as adopted on January 10, 2013 and amended on June 12, 2014.

9. NEW BUSINESS:

- A. Executive Director Zimmer requested that the Trust’s Chief Budget Officer, John Hansbury, introduce Resolution No. 14-42 accepting the June 2014 and July 2014 Treasurer’s Reports.

Mr. Hansbury presented the June Report announcing the Trust received revenues from fees of \$5,665 and paid bills totaling \$1,209,638.

Mr. Hansbury presented the July Report announcing the Trust received revenues from fees of \$73,221.77 and paid bills totaling \$1,108,770.83.

Total expenses year-to-date assigned to SFY2014 total \$5,373,348.15.

Total expenses year-to-date assigned to SFY2015 total \$63,388.57.

Mr. Hansbury reported that the Trust had received and was reviewing bills for August totaling \$261,624.12.

Mr. Hansbury asked if there were any comments or questions regarding the reports as presented. 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 7 to 0 with 0 abstentions.

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

Princeton Pike Office Park, LLC	\$9,235.97
Rent – September 2014	
J&J Staffing Resources	\$20,700.75
Part-Time Salaries – Inv#’s: 330645, 330257	
Emcor Services Fluidics	\$9,936.00
P.O. #049 – HVAC Unit for IT Server Room	
Mercadien	\$6,000.00
Verification Agent Services – July 18, 2014 Defeasance (2007A, 2008A, 2009A, 2010A, 2010B, 2010C)	
Williams Lea Inc.	\$2,885.00
Preparation for 2010B Full Transcript of Closing Documents and DVDs	
PFM Asset Management LLC	\$9,992.39
Investment Advisor – June 2014	

McCarter & English, LLP Bond Counsel – SFY2014 and SFY2015 Financing Programs, and other various projects	\$197,574.73
Bank of America Business Card Credit Card Payment #5667	\$5,299.28
Total	\$261,624.12

- B. Executive Director Zimmer requested Assistant Director Scangarella introduce Resolution No. 14-43 authorizing the Issuance of an RFQ for NJEIFP Bond Counsel. Mr. Scangarella reported that the Attorney General’s office will be overseeing the procurement process. A procurement committee consisting of staff from the Attorney General’s Office and the Trust will make a recommendation to the Attorney General who will execute the bond counsel contract. The recommendation to the Attorney General’s office is to have a contract term of 2 years, with the option to extend the contract one additional year, upon approval by the Board.

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

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

- C. Executive Director Zimmer requested Chief Financial Officer Kaltman to introduce Resolution No. 14-44 approving the Trust’s SFY2013 Annual Report. Pursuant to E.O. 37 issued by Governor Corzine, the Board is required to approve the Trust’s Annual Report.

Ms. Kaltman noted that the draft report was circulated among board members for comment in July and that their subsequent suggestions had been incorporated into the latest version of the report. She 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. Briant and seconded by Mr. Kennedy.
The motion was carried 7 to 0 with 0 abstentions.

- D. Ms. Kaltman introduced Resolution No. 14-46 approving an IFP Loan to Hopatcong Borough not to exceed \$12,366,000. It is anticipated the Borough will receive long term financing in May of 2015.

Ms. Kaltman 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. Briant and seconded by Mr. Requa.
The motion was carried 7 to 0 with 0 abstentions.

- E. Executive Director Zimmer introduced Resolution No. 14-47 approving the Trust’s waiver of rights to Debt Service Funds for certain bonds received from the North Jersey District Water Supply

Commission (NJDWSC). Executive Director Zimmer noted that the Trust bonds specifically limit the NJEIT's rights to \$0.00, which precludes the Trust from any claim of right to debt service reserve funds.

Executive Director 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 Ms. Campbell and seconded by Mr. Kennedy. The motion was carried 7 to 0 with 0 abstentions.

- F. Executive Director Zimmer introduced Resolution No. 14-48 authorizing the assignment of the Trust's Internal Controls Auditing Servicing Contract to KPMG. The Board authorized a contract to Rothstein Kass under Resolution 14-02 for Internal Control's Auditing Services that was executed in February of 2014. Rothstein Kass was acquired by KPMG in June. Pursuant to the contract, the Trust has the right to approve the assignment. Based on KPMG's document submissions and NJEIT's interview with KPMG staff, Executive Director Zimmer recommended the contract assignment but requested the authority to proceed with issuing a Request for Proposal for internal control services in the event KPMG refuses to accept the terms of the assignment.

Executive Director 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. Ellis and seconded by Mr. Requa. The motion was carried 7 to 0 with 0 abstentions.

- G. Executive Director Zimmer introduced Resolution No. 14-45 recognizing the committed service of Herbert Barrack.

After comments from Executive Director Zimmer regarding Mr. Barrack's service, Chairman Victor requested a motion for approval.

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

Chairman Victor then read the Resolution to Mr. Barrack and presented him with a plaque for his service.

Chairman Victor then asked for a motion for an adjournment.

Mr. Kennedy moved to adjourn the meeting. The motion was seconded by Ms. Campbell. The motion was carried 7 to 0 with 0 abstentions.

RESOLUTION NO. 14 - 39

**RESOLUTION APPPOINTING A VICE-CHAIRMAN OF THE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

WHEREAS, The New Jersey Environmental Infrastructure Trust (the "Trust") adopted By-Laws on November 12, 1986, most recently amended on February 17, 2011 (hereafter "By-Laws"); and

WHEREAS, Part II, Section 1 of said By-Laws requires the Board to elect officers for the proper conduct of business; and

WHEREAS, the office of Chairman is appointed by the Governor pursuant to N.J.S.A. 58:11B-4(d); and

WHEREAS, Part II of the By-Laws provides that the Trust shall conduct an annual meeting in March or at such other time in each calendar year as the Chairman of the Trust shall determine wherein "the Trust shall elect a vice-chairman, secretary, and treasurer;" and

WHEREAS, the appointment to the position of Vice-Chairman shall be for a period of two years pursuant to Part III, Section 2 of the Trust By-Laws; and

NOW THEREFORE BE IT RESOLVED, That the Trust hereby elects Mr. Robert Briant, Jr. to the position of Vice-Chairman of the Trust for a period of two years.

Adopted Date: August 14, 2014

Motion Made By: Warren Victor

Motion Seconded By: Dan Kennedy

Ayes: 6

Nays: 0

Abstentions: 0

RESOLUTION NO. 14 - 40

**RESOLUTION APPOINTING A TREASURER OF THE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

WHEREAS, The New Jersey Environmental Infrastructure Trust (the "Trust") adopted By-Laws on November 12, 1986, most recently amended on February 17, 2011 (hereafter "By-Laws"); and

WHEREAS, Part II, Section 1 of said By-Laws requires the Board to elect officers for the proper conduct of business;

WHEREAS, the office of Chairman is appointed by the Governor pursuant to N.J.S.A. 58:11B-4(d); and

WHEREAS, Part II of the By-Laws provides that the Trust shall conduct an annual meeting in March or at such other time in each calendar year as the Chairman of the Trust shall determine wherein "the Trust shall elect a vice-chairman, secretary, and treasurer;" and

WHEREAS, the appointment to the position of Treasurer shall be for a period of two years pursuant to Part III, Section 2 of the Trust By-Laws; and

NOW THEREFORE BE IT RESOLVED, That the Trust hereby elects Mr. Roger Ellis to the position of Treasurer of the Trust.

Adopted Date: August 14, 2014

Motion Made By: Robert Briant, Jr.

Motion Seconded By: Mark Longo

Ayes: 6

Nays: 0

Abstentions: 0

RESOLUTION NO. 14 - 41

**RESOLUTION APPPOINTING A SECRETARY OF THE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

WHEREAS, The New Jersey Environmental Infrastructure Trust (the "Trust") adopted By-Laws on November 12, 1986, most recently amended on February 17, 2011 (hereafter "By-Laws"); and

WHEREAS, Part II, Section 1 of said By-Laws requires the Board to elect officers for the proper conduct of business;

WHEREAS, the office of Chairman is appointed by the Governor pursuant to N.J.S.A. 58:11B-4(d); and

WHEREAS, Part II of the By-Laws provides that the Trust shall conduct an annual meeting in March or at such other time in each calendar year as the Chairman of the Trust shall determine, wherein "the Trust shall elect a vice-chairman, secretary, and treasurer;" and

WHEREAS, the appointment to the position of Secretary shall be for a period of two years pursuant to Part III, Section 2 of the Trust By-Laws; and

NOW THEREFORE BE IT RESOLVED, That the Trust hereby elects Mr. Mark Longo to the position of Secretary of the Trust.

Adopted Date: August 14, 2014

Motion Made By: Roger Ellis

Motion Seconded By: James Requa

Ayes: 6

Nays: 0

Abstentions: 0

RESOLUTION NO. 14 - 42

**RESOLUTION AUTHORIZING APPROVAL OF THE
JUNE AND JULY 2014 TREASURER'S REPORTS**

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

Adopted Date: August 14, 2014

Motion Made By: Christine Campbell

Motion Seconded By: Dan Kennedy

Ayes: 7

Nays: 0

Abstentions: 0

RESOLUTION NO. 14 - 43

**RESOLUTION OF THE TRUST AUTHORIZING ISSUANCE OF
A REQUEST FOR QUALIFICATIONS FOR
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM
BOND COUNSEL SERVICES**

WHEREAS, there is a need to engage the services of special counsel to assist the New Jersey Environmental Infrastructure Trust (the "Trust") and the Department of Environmental Protection (the "Department") in the development and implementation of the New Jersey Environmental Infrastructure Financing Program (NJEIFP) in Fiscal Years 2016 and 2017, to act as bond counsel for the Trust in connection with the issuance and delivery of the Trust's 2016 and 2017 NJEIFP revenue bond offerings, and to advise the Trust on other bond counsel matters during the term of its contract including but not limited to the development of new programs.

NOW THEREFORE BE IT RESOLVED THAT the Trust hereby authorizes the Executive Director to work with the Attorney General's Office to prepare and distribute a Request for Qualifications (RFQ) for NJEIFP Bond Counsel Services for a contract period not to exceed two years with an option for an additional one year period at the discretion of and upon approval by the Trust Board of Directors, commencing in State Fiscal Year (SFY), in accordance with the provisions of Executive Order No. 26 (1994) and such policies, guidelines and procedures as have been developed and adopted by the Attorney General pursuant thereto; and

BE IT FURTHER RESOLVED THAT the Executive Director is authorized to appoint Trust staff to represent the interests of the Trust on a selection committee established by the Attorney General, charged with making a recommendation to the Attorney General for retention of bond counsel for the NJEIFP; and

BE IT FURTHER RESOLVED THAT the Executive Director is authorized to provide such other assistance as may be necessary to effectuate the Attorney General's selection of bond counsel for the NJEIFP.

Adopted Date: August 14, 2014

Motion Made By: James Requa

Motion Seconded By: Roger Ellis

Ayes: 7

Nays: 0

Abstentions: 0

RESOLUTION NO. 14 - 44

**RESOLUTION APPROVING THE STATE FISCAL YEAR 2013
ANNUAL REPORT**

WHEREAS, a comprehensive Report of the Trust's operations (hereafter "Annual Report") is required to be prepared annually pursuant to Executive Order No. 37 (Corzine) (hereafter "EO 37"); and

WHEREAS, EO37 requires the Trust Board of Directors to approve its Annual Report; and

WHEREAS, Trust staff has presented the Board with the New Jersey Environmental Infrastructure Trust SFY2013 Annual Report.

NOW THEREFORE BE IT RESOLVED, the Trust hereby approves the Trust's SFY2013 Annual Report.

Adopted Date: August 14, 2014

Motion Made By: Robert Briant, Jr.

Motion Seconded By: Dan Kennedy

Ayes: 7

Nays: 0

Abstentions: 0

presents this plaque to

Herbert Barrack

RESOLUTION NO. 14 – 45

WHEREAS, Mr. Herbert (Herb) Barrack has served as a member of the New Jersey Environmental Infrastructure Trust (Trust) Board (Board) since 2009, and specifically as the Trust's Vice Chairman since April of 2011; and

WHEREAS, through his leadership and counsel on issues of compliance and process control, Mr. Barrack has ensured a continued atmosphere of integrity at the Trust and solidified its reputation as a model financing authority; and

WHEREAS, through his contributions to the Trust, Mr. Barrack has demonstrated a tireless commitment to advancing the Trust's mission of protecting and improving New Jersey's water quality and public health; and

WHEREAS, through the selfless sharing of his knowledge and experience in government service and environmental protection, Mr. Barrack has repeatedly distinguished himself as a compassionate and invaluable mentor to Trust staff; and

WHEREAS, Mr. Barrack's generous record of public service continues to leave an indelible legacy to the people of New Jersey.

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

The Trust Board and staff, extend their heartfelt thanks and appreciation to Herb Barrack for his committed service and commend his professionalism and dedication.

Adopted Date: August 14, 2014

Motion Made By: Warren H. Victor, Chairman

Motion Seconded By: Robert A. Briant, Jr., Vice-Chairman

Ayes: 7

Nays: 0

Abstentions: 0

RESOLUTION NO. 14 - 46

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING
A STATE FISCAL YEAR 2015 INTERIM FINANCING PROGRAM LOAN TO
THE BOROUGH OF HOPATCONG**

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 in the forthcoming 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 a resolution 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 Borough of Hopatcong (“Hopatcong”) 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 Hopatcong and designated by the Department as Project #S340488-04-1 (the “Hopatcong Project”); and

WHEREAS, pursuant to the construction schedules with respect to the completion of the Hopatcong Project, the expenditure of approximately \$12,366,000 for the Hopatcong Project is required prior to the anticipated procurement by Hopatcong 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 Hopatcong for an Interim Loan from the Interim Financing SFY 2015 Trust Loan Program in an amount not to exceed \$12,366,000; 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 Hopatcong in an amount not to exceed \$12,366,000 for the purpose of completing the Hopatcong 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, Hopatcong 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 Hopatcong in an amount not to exceed \$12,366,000 for the purpose of completing the

Hopatcong Project.

Section 2. Other than the exception created by the provisions of Section 1 of this Resolution, the Interim Loan made to Hopatcong 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: August 14, 2014

Motion Made By: Robert Braint, Jr.

Motion Seconded By: James Requa

Ayes: 7

Nays: 0

Abstentions: 0

RESOLUTION NO. 14 - 47

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST APPROVING A WAIVER WITH RESPECT TO THE DEBT SERVICE RESERVE FUND ESTABLISHED PURSUANT TO THE GENERAL BOND RESOLUTION OF THE NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION

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

WHEREAS, on November 4, 1999, in connection with the annual Environmental Infrastructure Financing Program (the "Financing Program") of the Trust and the State, acting by and through the New Jersey Department of Environmental Protection (the "NJDEP"), the Trust issued its Environmental Infrastructure Bonds, Series 1999A, in the original aggregate principal amount of \$52,410,000 (the "Series 1999A Bonds"), pursuant to a resolution of the Trust entitled "Environmental Infrastructure Bond Resolution, Series 1999A", adopted by the Trust on September 20, 1999, as supplemented by a resolution of the Trust entitled "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2006B (1999A Financing Program) of the New Jersey Environmental Infrastructure Trust", adopted by the Trust on March 23, 2006 (as so amended and supplemented, the "1999A Resolution"); and

WHEREAS, on June 22, 2006, the Trust issued its Environmental Infrastructure Refunding Bonds, Series 2006B (1999A Financing Program), in the original aggregate principal amount of \$33,000,000 (the "Series 2006B Refunding Bonds"), pursuant to the 1999A Resolution, for the purpose of advance refunding a portion of the Series 1999 Bonds; and

WHEREAS, on November 9, 2000, the Trust issued its Environmental Infrastructure Bonds, Series 2000A, in the original aggregate principal amount of \$89,640,000 (the "Series 2000A Bonds"), pursuant to a resolution of the Trust entitled "Environmental Infrastructure Bond Resolution, Series 2000A", adopted on September 18, 2000, as supplemented by (i) a resolution of the Trust entitled "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2006A (2000A Financing Program) of the New Jersey Environmental Infrastructure Trust", adopted by the Trust on March 23, 2006, and (ii) a resolution of the Trust entitled "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2010A of the New Jersey Environmental Infrastructure Trust" (the "2010A Supplemental Resolution"), adopted by the Trust on July 8, 2010 (as so amended and supplemented, the "2000A Resolution"); and

WHEREAS, on June 22, 2006, the Trust issued its Environmental Infrastructure Refunding Bonds, Series 2006A (2000A Financing Program), in the original aggregate principal amount of \$39,580,000 (the “Series 2006A Refunding Bonds”), pursuant to the 2000A Resolution, for the purpose of advance refunding a portion of the Series 2000A Bonds; and

WHEREAS, on August 18, 2010, the Trust issued its Environmental Infrastructure Refunding Bonds, Series 2010A, in the original aggregate principal amount of \$68,570,000 (the “Series 2010A Refunding Bonds”), pursuant to the 2000A Resolution, a portion (the “2000A Allocable Portion of the Series 2010A Refunding Bonds”) of the proceeds of which was used for the purpose of currently refunding a portion of the Series 2000A Bonds; and

WHEREAS, on November 6, 2003, the Trust issued its “Environmental Infrastructure Bonds, Series 2003A”, in the original aggregate principal amount of \$66,420,000 (the “Series 2003A Bonds”), pursuant to a resolution of the Trust entitled “Environmental Infrastructure Bond Resolution, Series 2003A” of the Trust, duly adopted by the Trust on September 15, 2003, as supplemented by (i) the 2010A Supplemental Resolution, and (ii) a resolution of the Trust entitled “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2012C-R (Federally Taxable) of the New Jersey Environmental Infrastructure Trust”, adopted by the Trust on July 12, 2012 (as so amended and supplemented, the “2003A Resolution”);

WHEREAS, on August 18, 2010, the Trust issued the Series 2010A Refunding Bonds, a portion (the “2003A Allocable Portion of the Series 2010A Refunding Bonds”) of the proceeds of which was used for the purpose of advance refunding a portion of the Series 2003A Bonds; and

WHEREAS, on August 23, 2012, the Trust issued its Environmental Infrastructure Refunding Bonds, Series 2012C-R (Federally Taxable), in the original aggregate principal amount of \$9,010,000 (the “Series 2012C-R Refunding Bonds”), pursuant to the 2003A Resolution, the proceeds of which were used for the purpose of currently refunding a portion of the Series 2003A Bonds; and

WHEREAS, on November 9, 2006, the Trust issued its “Environmental Infrastructure Bonds, Series 2006A”, in the original aggregate principal amount of \$148,850,000 (the “Series 2003A Bonds”), pursuant to a resolution of the Trust entitled “Environmental Infrastructure Bond Resolution, Series 2006A” of the Trust, duly adopted by the Trust on September 19, 2006, as supplemented by (i) the 2010A Supplemental Resolution, and (ii) a resolution of the Trust entitled “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2012A-R of the New Jersey Environmental Infrastructure Trust”, adopted by the Trust on July 12, 2012 (as so amended and supplemented, the “2006A Resolution”); and

WHEREAS, on August 18, 2010, the Trust issued the Series 2010A Refunding Bonds, a portion (the “2006A Allocable Portion of the Series 2010A Refunding Bonds”) of the proceeds of which was used for the purpose of advance refunding a portion of the Series 2006A Bonds; and

WHEREAS, on August 23, 2012, the Trust issued its Environmental Infrastructure Refunding Bonds, Series 2012A-R, in the original aggregate principal amount of \$200,900,000

(the "Series 2012A-R Refunding Bonds"), pursuant to the 2006A Resolution, a portion (the "2006A Allocable Portion of the Series 2012A-R Refunding Bonds") of the proceeds of which was used for the purpose of advance refunding a portion of the Series 2006A Bonds; and

WHEREAS, the Trust and the North Jersey District Water Supply Commission (the "NJDWSC"), a public body corporate and politic created and existing pursuant to the laws of the State, have entered into that certain Loan Agreement, dated as of November 1, 1999 (the "1999 Loan Agreement"), pursuant to the terms of which the Trust has made a loan to the NJDWSC (the "1999 Loan"), from a portion of the proceeds of the Series 1999A Bonds (a portion of which was refunded with proceeds of the Series 2006B Refunding Bonds), to finance a portion of the Project as defined and described in the 1999 Loan Agreement; and

WHEREAS, the Trust and the NJDWSC have entered into that certain Loan Agreement, dated as of November 1, 2000 (the "2000 Loan Agreement"), pursuant to the terms of which the Trust has made a loan to the NJDWSC (the "2000 Loan"), from a portion of the proceeds of the Series 2000A Bonds (a portion of which was refunded with proceeds of the Series 2006A Refunding Bonds and a portion of which was refunded with proceeds of the 2000A Allocable Portion of the Series 2010A Refunding Bonds), to finance a portion of the Project as defined and described in the 2000 Loan Agreement; and

WHEREAS, the Trust and the NJDWSC have entered into that certain Loan Agreement, dated as of November 1, 2003 (the "2003 Loan Agreement"), pursuant to the terms of which the Trust has made a loan to the NJDWSC (the "2003 Loan"), from a portion of the proceeds of the Series 2003A Bonds (a portion of which was refunded with proceeds of the Series 2003A Allocable Portion of the Series 2010A Refunding Bonds and a portion of which was refunded with proceeds of the Series 2012C-R Refunding Bonds), to finance a portion of the Project as defined and described in the 2003 Loan Agreement; and

WHEREAS, the Trust and the NJDWSC have entered into that certain Loan Agreement, dated as of November 1, 2006 (the "2006 Loan Agreement"; the 1999 Loan Agreement, the 2000 Loan Agreement, the 2003 Loan Agreement and the 2006 Loan Agreement shall be referred to collectively herein as the "Loan Agreements"), pursuant to the terms of which the Trust has made a loan to the NJDWSC (the "2006 Loan"), from a portion of the proceeds of the Series 2006A Bonds (a portion of which was refunded with proceeds of the 2006A Allocable Portion of the Series 2010A Refunding Bonds and a portion of which was refunded with proceeds of the 2006A Allocable Portion of the Series 2012A-R Refunding Bonds), to finance a portion of the Project as defined and described in the 2006 Loan Agreement; and

WHEREAS, to evidence and secure the repayment of the 1999 Loan pursuant to the 1999 Loan Agreement, the NJDWSC issued to the Trust two bonds, including its Wanaque North Project Revenue Bond, Series 1999-1 (the "1999 Trust Loan Bond"), pursuant to a resolution of the NJDWSC entitled "General Bond Resolution of the North Jersey District Water Supply Commission Securing One or More Series of Wanaque North Project Revenue Bonds", as amended and supplemented (the "NJDWSC Bond Resolution"); and

WHEREAS, to evidence and secure the repayment of the 2000 Loan pursuant to the 2000 Loan Agreement, the NJDWSC issued to the Trust two bonds, including its Wanaque North Project Revenue Bond, Series 2000-1 (the “2000 Trust Loan Bond”), pursuant to the NJDWSC Bond Resolution; and

WHEREAS, to evidence and secure the repayment of the 2003 Loan pursuant to the 2003 Loan Agreement, the NJDWSC issued to the Trust two bonds, including its Wanaque North Project Revenue Bond, Series 2003-1 (the “2003 Trust Loan Bond”), pursuant to the NJDWSC Bond Resolution; and

WHEREAS, to evidence and secure the repayment of the 2006 Loan pursuant to the 2006 Loan Agreement, the NJDWSC issued to the Trust two bonds, including its Wanaque North Project Revenue Bond, Series 2006-1 (the “2006 Trust Loan Bond”; the 1999 Trust Loan Bond, the 2000 Trust Loan Bond, the 2003 Trust Loan Bond and the 2006 Trust Loan Bond shall be referred to collectively herein as the “Trust Loan Bonds”), pursuant to the NJDWSC Bond Resolution; and

WHEREAS, the Trust does not require borrowers participating in the Financing Program to secure their bonds issued to the Trust and the State with a debt service reserve fund; and

WHEREAS, the NJDWSC Bond Resolution established a debt service reserve fund thereunder (the “NJDWSC Reserve Fund”), but states that the Debt Service Reserve Requirement (as defined in the NJDWSC Bond Resolution) with respect to bonds issued to the Trust and the State in connection with the Financing Program shall be \$0,00; and

WHEREAS, the Loan Agreements state that no debt service reserve fund of the NJDWSC is allocable to the Trust Loan Bonds; and

WHEREAS, notwithstanding the foregoing, and at the request of the underwriters with respect to certain refunding bonds that the NJDWSC expects to issue and sell to such underwriters, the NJDWSC has submitted a written request to the Trust on July 11, 2014, seeking the written waiver of the Trust, as holder of the Trust Loan Bonds, with respect to any right or entitlement it may have in the NJDWSC Reserve Fund with respect to the Trust Loan Bonds (the “Waiver”); and

WHEREAS, because the Loan Agreements state that no debt service reserve fund of the NJDWSC is allocable to the Trust loan Bonds, the Waiver will not result in any material diminishment of the security for the Trust Loan Bonds; and

WHEREAS, it is the desire of the Trust to provide the Waiver, due to the fact that the Waiver would not result in any material diminishment of the security for the Trust Loan Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Trust (the “Board”), as follows:

Section 1. The Board hereby waives any right or entitlement it may have in the NJDWSC Reserve Fund with respect to the Trust Loan Bonds, due to the fact that such Waiver will not result in any material diminishment of the security for the Trust Loan Bonds.

Section 2. The Chairman, the Vice Chairman and the Executive Director of the Trust (each an “Authorized Officer”) are hereby severally authorized and directed to evidence the Waiver by the execution of a certificate in such form as may be approved by an Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State.

Section 3. The Executive Director and any other Authorized Officer are hereby severally authorized and directed to (i) execute such other certificates, instruments or other documents, in such form and with such terms and conditions as the Executive Director, or any other Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable to effect the transactions contemplated hereby, and (ii) take such other actions as the Executive Director, or any other Authorized Officer, in their respective sole discretion after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

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

Adopted Date: August 14, 2014

Motion Made By: Christine Campbell

Motion Seconded By: Dan Kennedy

Ayes: 7

Nays: 0

Abstentions: 0

RESOLUTION NO. 14 - 48

**RESOLUTION AUTHORIZING THE ASSIGNMENT OF
THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST'S
INTERNAL CONTROLS AUDIT CONTRACT
WITH ROTHSTEIN KASS TO KPMG**

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

WHEREAS, the Trust authorized execution of an Internal Controls Auditing Services contract (hereafter Contract) on February 12, 2014 with Rothstein Kass (RK) pursuant to Resolution No. 14-02; and

WHEREAS, Article IV(B) of the Contract provides that "The FIRM agrees not to assign this Agreement... without the prior written approval of the TRUST"; and

WHEREAS, on or about June 13, 2014, RK notified the Trust staff of an impending merger between RK and KPMG LLP (KPMG); and

WHEREAS, in correspondence dated June 27, 2014, the Trust requested information from RK to aid the Trust in its assessment of the Contract assignment to KPMG pursuant to Article IV(B) of the Contract; and

WHEREAS, KPMG provided information responsive to the Trust's June 27, 2014 correspondence; and

WHEREAS, KPMG's legal review of the Contract provisions is anticipated to be complete by mid-August; and

WHEREAS, upon review of the additional information provided by KPMG, specifically, the individual KPMG team members to be assigned to the Contract, it is recommended that the Trust consent to the Contract assignment to KPMG subject to its concurrence to the terms of the Contract.

NOW THEREFORE BE IT RESOLVED, the Trust hereby authorizes the Executive Director to consent to Rothstein Kass' assignment of the February 12, 2014 Internal Controls Auditing Services Contract to KPMG subject to KPMG's concurrence therewith; and

BE IT FURTHER RESOLVED, in the event KPMG fails to concur with the assignment of the February 12, 2014 Internal Controls Auditing Services Contract, the Executive Director is authorized to proceed with the issuance of a Request for Proposals for Internal Controls Auditing Services.

Adopted Date: August 14, 2014

Motion Made By: Roger Ellis

Motion Seconded By: James Requa

Ayes: 7

Nays: 0

Abstentions: 0

RESOLUTION NO. 14 - 49

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: August 14, 2014

Motion Made By: Robert Briant, Jr.

Motion Seconded By: James Requa

Ayes: 7

Nays: 0

Abstentions: 0