

**New Jersey  
Environmental  
Infrastructure Trust**

"Financing New Jersey's  
Water Quality Future"

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

David E. Zimmer, CFA, Executive Director



February 13, 2015

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 February 12, 2015 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



Warren H. Victor, Chairman  
Robert A. Briant, Jr., Vice Chairman  
Roger Ellis, Treasurer  
Mark Longo, Secretary  
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Bob Martin, DEP Commissioner  
Richard E. Constable, III, DCA Commissioner

David E. Zimmer, CFA, Executive Director

February 13, 2015

## NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

### OPEN PUBLIC MEETING

#### MINUTES – February 12, 2015

#### **1. CALL TO ORDER:**

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, February 12, 2015 in the conference room of 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Chairman Victor called the meeting to order at 10:05 a.m.

#### **2. OPEN PUBLIC MEETING ACT STATEMENT:**

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

#### **3. ROLL CALL:**

Ms. Melissa Pierce conducted roll call to which Chairman Victor, Mr. Briant, Mr. Ellis, Mr. Kennedy, and Ms. Campbell all responded affirmatively.

##### DIRECTORS

Warren Victor, Chairman  
Robert A. Briant, Jr., Vice Chairman  
Roger Ellis, Treasurer (\*)  
Dan Kennedy (\*)  
(for DEP Commissioner Martin)  
Christine Campbell  
(for State Treasurer Sidamon-Eristoff)

##### OTHERS

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

(\*) Participated via teleconference

#### **4. APPROVAL OF THE MINUTES:**

Chairman Victor opened discussion of the minutes of the Thursday, January 15, 2015 Trust Board meeting.

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

Mr. Briant moved for the approval of the minutes. Ms. Campbell seconded the motion. The motion was carried 5 to 0 with 0 abstentions.

#### **5. ANNOUNCEMENTS:**

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

- February 4, 2015 - The Trust sold Bond Series 2015B-R (AMT) for an aggregate principal amount of \$9,210,000. A full report on the terms of this Bond issue was presented to the Board later in the Agenda.
- February 4, 2015 – Executive Director Zimmer met with Assemblyman Benson to discuss the SFY2015 Financing Program.
- January 15, 2015 - Executive Director Zimmer and Assistant Director Scangarella testified at the Assembly Environment & Solid Waste Committee hearing regarding bill A-3548.
- The next Trust Board meeting is scheduled for Thursday, March 12, 2015 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/general/board-meeting-agendas>. (Locate Meeting Date, select Minutes, announcements will be at the end of the file.)

There were no comments or questions.

#### **6. PUBLIC COMMENTS:**

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

#### **7. UNFINISHED BUSINESS:**

- A. Mr. Patel, of the NJDEP's Municipal Finance and Construction Element, reported that there are 196 active projects totaling \$978,788,301 and 989 closed projects with loans outstanding totaling \$4,798,368,962 for a grand total of 1,185 projects at \$5,777,157,263.

B. Mr. Patel discussed the SFY2015 Combined Financing Loan Programs:

**SFY2015 Clean Water Financing Program:**

Traditional and Supplemental Program:	112 Projects Totaling	\$847,732,000
Supplemental Program:	6 Projects Totaling	\$30,744,000
Track II Projects:	15 Projects Totaling	\$57,629,000
Barneгат Bay Projects:	10 Projects Totaling	\$12,936,000
<b>Total Clean Water Projects</b>	<b>143 Projects Totaling</b>	<b>\$949,041,000</b>

**SFY2015 Drinking Water Financing Program:**

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

**SFY2015 Grand Totals:**

<b>Clean &amp; Drinking Water Program Totals:</b>	<b>231 Projects</b>	<b>\$1,282,339,000</b>
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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):

**Internal Controls Auditing Services**

The Trust would be awarding a contract for Internal Controls Auditing Services later in the agenda.

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

- The Trust received 2 new applications during the previous month; a Clean Water project from the Jersey City MUA and a Drinking Water project from Brigantine City. The Trust currently has 19 IFP loan applications totaling \$86.01MM.
- The Trust did not close any new applications during the past month. The Trust has closed on 9 IFP loans applications to date totaling \$55.91MM.
- 8 projects have received IFP loan disbursements from the Trust to-date totaling \$26.42MM.

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 the Trust’s Chief Budget Officer, John Hansbury, introduce Resolution No. 15-06 accepting the January 2015 Treasurer’s Report.

Mr. Hansbury presented the Report announcing that, in January, the Trust received revenues from fees of \$76,919.27 and paid bills totaling \$76,211.04 and that the Trust had received and is reviewing bills for payment totaling \$1,269,154.65.

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

The resolution was moved for adoption by Mr. Briant 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 is as follows:

<b>Princeton Pike Office Park, LLC</b>	<b>\$9,235.97</b>
Rent - March 2015	
<b>J&amp;J Staffing Resources</b>	<b>\$16,494.10</b>
Part-Time Salaries - Inv#'s: 338523, 338803, 339110, 339419	
<b>PFM Asset Management LLC</b>	<b>\$7,300.60</b>
Investment Advisor - December 2014	
<b>Public Financial Management, Inc.</b>	<b>\$30,096.48</b>
Financial Advisor - SFY2015 Financing Program (10/1/14 - 12/31/14)	
<b>Stires and Associates, P.A.</b>	<b>\$3,600.00</b>
Land Survey and Mapping	
<b>Treasurer, State of New Jersey</b>	<b>\$1,169,111.28</b>
FY2015 Salary, Fringe Benefit, and Indirect Cost Reimbursement (7/1/14 - 1/9/15)	
<b>Bank of America Business Card</b>	<b>\$2,916.22</b>
Credit Card Payment #0766	
<b>Moody's Investors Service</b>	<b>\$16,000.00</b>
Ratings Services - NJEIT 2015B-R Refunding Bonds Inv#PO148615	
<b>Standard &amp; Poor's Ratings Service</b>	<b>\$14,400.00</b>

Ratings Services - NJEIT 2015B-R Refunding Bonds Inv#10362598	
<b>TOTAL</b>	<b>\$1,269,154.65</b>

- B. Executive Director Zimmer introduced Resolution No. 15-07 approving the receipt of the NJEIT’s 2015B-R Refunding Bond Sale Report. On February 4, 2015, the Trust sold \$9.21 million of Trust Refunding Bond Series 2015B-R (AMT) bonds in a competitive bid to refund outstanding Trust Bond Series 2004B (AMT) and 2005B (AMT) bonds. A total of 7 bids were received. One bid was deemed not compliant. The Trust awarded the sale to the low compliant bidder, Bank of America Merrill Lynch, at a True Interest Cost of 1.802634%. The net savings from the refunding to the affected 5 Program borrowers is estimated at \$1.52 MM or 12.9% of the refunded bond PAR amount.

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. Ellis. The motion was carried 5 to 0 with 0 abstentions.

- C. Executive Director Zimmer requested Mr. Scangarella introduce Resolution No. 15-08 approving the Disaster Relief Emergency Financing Program Project Eligibility List. The project eligibility list details the 27 eligible SAIL Loan Program projects with an estimated total loan amount of \$342MM. In highlighting the SAIL Loans currently in-process, Mr. Scangarella reported that two loans have been issued to SMRSA, one loan for the Lake Como Pump Station totaling \$2.9MM and the second loan for the Pitney Avenue Pump Station totaling \$1.5MM. In March, the Kearny MUA is expected to close a loan for \$6.3MM for a project replacing 2 pump stations.

Mr. Scangarella asked if there were any comments or questions. Executive Director Zimmer inquired about the SAIL Loan for the Bayshore Regional Sewerage Authority (BRSA). Mr. Scangarella responded that a resolution authorizing a SAIL Loan for the BRSA was scheduled to be acted upon later in the Agenda.

Chairman Victor requested a motion for approval.

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

- D. Executive Director Zimmer introduced Resolution No. 15-09 approving the Bayshore Regional Sewerage Authority (BRSA) SAIL Loan. As a project contained in the SAIL Project Eligibility list that was submitted to legislature on January 13, 2014, Resolution No. 15-09 certifies a SAIL Loan to BRSA for Project #S340697-05 in the amount not to exceed \$42,791,000. The loan is dependent upon BRSA receiving project certification from DEP. Executive Director Zimmer asked the Trust’s Construction Project Manager, George Rolon, to discuss the project’s highlights. Mr. Rolon stated there are 3 different contracts, the largest of which totals \$27 million involving the NIRO incinerator and is

currently out to bid. All contracts are expected to be awarded by March and a ground breaking, organized by the DEP, is scheduled for May 18, 2015.

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. Briant and seconded by Ms. Campbell. The motion was carried 5 to 0 with 0 abstentions.

- E. Executive Director Zimmer requested Ms. Kaltman introduce Resolution No. 15-10 approving the application of interpretation No. 2 of GASB (1995) for disclosure of the Trust's conduit debt obligations. The Trust's current practice is to include conduit debt on its Balance Sheet and in its Statements of Revenues & Expenses. Resolution 15-10 modifies this reporting practice in conformance with GASB Interpretation No. 2. The Trust's bonds and related assets will continue to be disclosed in the Notes to the Financial Statements. The authorization of this change will allow the Trust's Financial Statements to more clearly reflect Trust operations and more accurately reflect its financial condition. The Trust is considered a component unit of the State and, as such, the changes would similarly be reflected in the State's Financial Statements. In contemplation of the adoption of the policy, Trust staff vetted the proposed change with numerous interested parties, including the NJ Department of Treasury, the Trust's auditors, bond counsel & financial advisor and the DEP.

Ms. Kaltman asked if there were any comments or questions. Mr. Victor inquired how the rating agencies might view such a change and asked for a brief description of the implications of the accounting change. Ms. Kaltman responded that such a change, in clarifying the financial position and obligations of the Trust, would likely be considered a positive by all parties.

Chairman Victor requested a motion for approval.

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

- F. Executive Director Zimmer introduced Resolution No. 15-11 approving the award of contract for Internal Control Audit Services. Vice Chairman, Robert Briant asked that Mr. Victor and Mr. Scangarella recuse themselves from the Board meeting due to potential conflicts of interest. For the record, Executive Director Zimmer reported that Chairman Victor and Assistant Director Scangarella each have close personal relationships with individuals associated with the respondents, that neither had been involved in discussions or presentations associated with the RFP and that both were asked to leave the meeting to avoid even the appearance of impropriety. Executive Director Zimmer then reported that the Trust received 3 proposals. The firm of Cohn-Reznick was the highest ranked firm and as such, the Trust recommended that the Board award the Internal Control Audit Services contract to Cohn-Reznick. The contract is scheduled to be in place March 1, 2015 through February 28, 2017 with an option to extend the contract one additional year at the discretion of the Board.

Executive Director Zimmer asked if there were any comments or questions. Vice Chairman Briant asked if the respondents had been rated on set criteria and if Cohn-Reznick has been rated the highest

under those criteria. Mr. Zimmer replied that Cohn-Reznick had received the highest technical rating using the criteria approved by the Board in the RFP.

Vice-Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Ms. Campbell and seconded by Mr. Ellis. The motion was carried 4 to 0 with 0 abstentions.

Mr. Victor and Mr. Scangarella returned to the Boardroom.

**9. EXECUTIVE SESSION:**

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

Chairman Victor asked Executive Director Zimmer if there was any future action required by the Board. Executive Director Zimmer answer 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. Briant. The motion was carried 5 to 0 with 0 abstentions.

The meeting was adjourned at 10:38 am.



**RESOLUTION NO. 15 - 06**

**RESOLUTION AUTHORIZING APPROVAL OF THE  
JANUARY 2015 TREASURER'S REPORT**

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has reviewed the Treasurer's Report for January 2015; and

WHEREAS, the Trust has placed in its files certain correspondence relating to expenses incurred in relation to the Trust.

NOW THEREFORE BE IT RESOLVED, that the Trust hereby accepts the Treasurer's Report for January 2015 and request that the same be entered into the record.

Adopted Date: February 12, 2015

Motion Made By: Robert Braint, Jr.

Motion Seconded By: Christine Campbell

Ayes: 5

Nays: 0

Abstentions: 0

**RESOLUTION NO. 15-07**

**RESOLUTION ACKNOWLEDGING RECEIPT OF THE  
EXECUTIVE DIRECTOR'S REPORT CONCERNING THE TERMS OF THE SALE OF  
THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST REFUNDING BONDS,  
SERIES 2015B-R (AMT) (the "Series 2015B-R Bonds")**

**BE IT RESOLVED**, that, in connection with the sale on February 4, 2015 of the Series 2015B-R Bonds, the New Jersey Environmental Infrastructure Trust (the "Trust") hereby acknowledges receipt of the Executive Director's Report concerning the terms of the sale and ratifies all actions taken which includes copies of the following:

Notice of Sale and Summary of the Notice of Sale  
Preliminary Official Statement  
Series 2015B-R Bond Bids  
Mark-up of the Changed Pages from the Preliminary Official Statement

Adopted Date: February 12, 2015

Motion Made By: Christine Campbell

Motion Seconded By: Roger Ellis

Ayes: 5

Nays: 0

Abstentions: 0

# MEMORANDUM

**DATE:** February 4, 2015

**TO:** Board Members  
New Jersey Environmental Infrastructure Trust

**FROM:** David E. Zimmer  
Executive Director

**SUBJECT:** NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
BOND SALE REPORT

## **REFUNDING BOND SERIES 2015B-R (AMT)** (2004B and 2005B Financing Programs)

This Report summarizes the actions taken by the New Jersey Environmental Infrastructure Trust (“Trust”) pursuant to the New Jersey Environmental Infrastructure Trust Act, P.L. 1985, c. 334 (N.J.S.A. 58:11B-1 et seq.) and Resolution No. 14-38 of the Trust adopted on July 1, 2014 regarding its recent sale of refunding bonds Series 2015B-R (AMT) (2004B and 2005B Financing Programs).

The Trust continually reviews its outstanding bond issues to determine which bonds, if any, may be refinanced in the current interest rate environment to achieve debt service savings for the benefit of Program participants. Based on a review of current market conditions, a determination was made that savings can be realized through the current refunding of each of the bond series listed below for borrowers located throughout the State.

Under economically favorable interest rate environments, the Trust may proceed with a “Current” Refunding (Trust bonds are refunded on or fewer than 90 days prior to their call date). At its July 1, 2014 Board meeting, the Trust authorized the Current Refunding of the bonds as summarized below:

<b>Prior Series</b>	<b>New Series</b>	<b>Refunded Maturities</b>	<b>Number of loans</b>
2004B	2015B-R	2015-2024	7
2005B	2015B-R	2015-2025	2

The Executive Director, in consultation with the Chairman, selected February 4, 2015 at 10:45 a.m. at the Trust's administrative offices located at 3131 Princeton Pike, Building 4, Suite 216,

Lawrenceville, New Jersey 08648 for the receipt of electronic and the opening of said proposals for the purchase of the Trust's Environmental Infrastructure Refunding Bonds, Series 2015B-R (AMT) (2004B and 2005B Financing Programs).

The Notice of Sale of said Series 2015B-R Refunding Bonds, substantially in the form as approved by the Trust, was duly published in The Times, Trenton; The South Jersey Times, Cherry Hill, and The Star Ledger, Newark, three newspapers published in the State of New Jersey, on January 27, 2015. Said Notice of Sale also was published in The Bond Buyer, a publication carrying municipal bond notices and devoted primarily to financial news published in the City of New York, and The Bond Buyer's online service, also on January 27, 2015.

The Trust offered for sale the Refunding Bonds on February 4, 2015 wherein the following individuals were present:

Lauren Kaltman, Chief Financial Officer, NJEIT  
John Hansbury, Chief Budget Officer, NJEIT  
Richard Nolan, McCarter & English, Bond Counsel  
Geoffrey Stewart, Public Financial Management, Financial Advisor  
Ty Savastio, Public Financial Management, Financial Advisor  
Chris DeStefano, Public Financial Management, Financial Advisor

The Trust sold the Series 2015B-R on an AMT basis in the aggregate principal par amount of \$9,210,000.

As required, the Refunding Bonds were sold on a competitive basis on February 4, 2015. Closing is scheduled for February 19, 2015.

A total of seven (7) electronic bids were received by the Trust for the Series 2015B-R Refunding Bonds, with one bid (PNC) determined to be non-compliant with the terms and requirements of the Notice of Sale. The winning bid was submitted by Bank of America Merrill Lynch with a True Interest Cost ("TIC") of 1.802634%. The Series 2015B-R Refunding Bonds refunded 9 loans for 7 borrowers, and produced an estimated net present value (NPV) debt service savings of \$1.52 million, which is 12.9% of the refunded par amount after expenses.

The proceeds of the Refunding Bonds, including any original issue premium, will be used to redeem the outstanding Prior Bonds (as set forth in the table above) as well as to pay a portion of the costs of issuance and the underwriters discount associated with the transaction. A list of the participating borrowers and their corresponding debt service savings has been attached for your review.

By any measure, the Trust's Refunding Series was a resounding financial success for all individual Program Borrowers as well as the State as a whole. The estimated \$1.5 million reduction in total debt service payments achieved after expenses illustrates the Trust's continued efforts to serve the tax payers and rate payers of New Jersey by ensuring that the NJEIT Financing Program provides the lowest interest rate loans for environmental infrastructure projects critical to protecting the public health and the environment of the Garden State.

**Attachments**

Series 2015B-R Refunding Bond Bids (Attachment A)

Series 2015B-R Savings by Borrower (Attachment B)

**Links**

Notice of Sale <http://www.i-dealprospectus.com/PDF.asp?doc=65936>

Preliminary Official Statement <http://www.i-dealprospectus.com/PDF.asp?doc=65941>

PARITY Result Screen

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11:27:19 a.m. EDST
Upcoming Calendar
Overview
Compare
Summary

**Bid Results**

**New Jersey Env Infra Tr**  
**\$9,500,000 Environmental Infrastructure Refunding Bonds,**  
**Series 2015B-R (AMT)**

The following bids were submitted using **PARITY**<sup>®</sup> and displayed ranked by lowest TIC.  
 Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	<a href="#">PNC Capital Markets</a>	1.647728
<input type="checkbox"/>	<a href="#">Bank of America Merrill Lynch</a>	1.802634
<input type="checkbox"/>	<a href="#">Morgan Stanley &amp; Co. LLC</a>	1.809783
<input type="checkbox"/>	<a href="#">J.P. Morgan Securities LLC</a>	1.831406
<input type="checkbox"/>	<a href="#">Hutchinson, Shockey, Erley &amp; Co.</a>	1.862685
<input type="checkbox"/>	<a href="#">Janney Montgomery Scott LLC</a>	1.864739
<input type="checkbox"/>	<a href="#">Roosevelt &amp; Cross, Inc.</a>	2.232209

\*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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## Series 2015 B-R (AMT) Savings

Borrower	Refunded Bond	Net PV Savings	Percent of Total Savings	Net PV After Additional Cost of Issuance*
Aqua New Jersey Inc.	2004B	\$ 133,262	7.65%	\$ 116,424
Middlesex Water Co. -017	2004B	\$ 337,672	19.39%	\$ 295,005
Middlesex Water Co. -008	2004B	\$ 416,236	23.91%	\$ 363,643
New Jersey American Water Co.	2004B	\$ 8,935	0.51%	\$ 7,806
North Hudson SA	2004B	\$ 238,236	13.68%	\$ 208,134
Shorelands Water Co.	2004B	\$ 303,375	17.42%	\$ 265,043
South Jersey Water Supply Co.	2004B	\$ 19,170	1.10%	\$ 16,748
Pennsgrove Water Supply Co.	2005B	\$ 63,967	3.67%	\$ 55,884
North Hudson SA	2005B	\$ 220,276	12.65%	\$ 192,443
<b>Total</b>		<b>\$ 1,741,129</b>		<b>\$ 1,521,129</b>

\*Additional Cost of Issuance is estimated at \$220,000

**RESOLUTION NO. 15-08**  
**RESOLUTION APPROVING**  
**THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**  
**DISASTER RELIEF EMERGENCY FINANCING PROGRAM**  
**PROJECT ELIGIBILITY LIST**

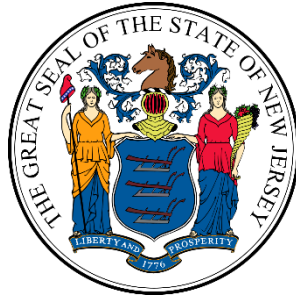
**WHEREAS**, pursuant to N.J.S.A. 8:11B-9.5c, the New Jersey Environmental Infrastructure Trust (the "Trust") is required to submit to the Legislature a project priority list (hereinafter referred to as the "Disaster Relief Emergency Financing Program Eligibility List") for those projects or project sponsors eligible for a short-term or temporary loan from the Disaster Relief Emergency Financing Program Fund, at least once in each fiscal year;

**NOW THEREFORE, BE IT RESOLVED**, that the Trust Board of Directors hereby approves the Disaster Relief Emergency Financing Program Eligibility List set forth as Appendix A. ; and

**BE IT FURTHER RESOLVED**, that the Executive Director, in consultation with the Chairman or Vice Chairman, is hereby authorized and directed to take such other actions as are necessary or desirable to publish, file and distribute the Disaster Relief Emergency Financing Program Eligibility List.

Adopted Date:	February 12, 2015
Motion Made By:	Robert Briant, Jr.
Motion Seconded By:	Christine Campbell
Ayes:	5
Nays:	0
Abstentions:	0





# **NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM**

## **DISASTER RELIEF EMERGENCY FINANCING PROGRAM PROJECT ELIGIBILITY LIST**

**Submitted to the State Legislature by**

- ▶ The New Jersey Environmental Infrastructure Trust

**FEBRUARY 12, 2015**

# **New Jersey Environmental Infrastructure Trust**

## **Public Board Members**

Warren H. Victor, Chairman  
Robert A. Briant, Jr., Vice Chairman  
Roger Ellis, Treasurer  
Mark Longo, Secretary

## **Ex-Officio Members**

Andrew P. Sidamon-Eristoff, New Jersey State Treasurer  
Bob Martin, NJDEP Commissioner  
Richard E. Constable, III DCA Commissioner

## **Executive Director**

David E. Zimmer, CFA

## **Mailing Address:**

3131 Princeton Pike  
Building 4, Suite 216  
Lawrenceville, NJ 08648  
609-219-8600



Warren H. Victor, Chairman  
Robert A. Briant, Jr., Vice Chairman  
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Bob Martin, DEP Commissioner  
Richard E. Constable, III, DCA Commissioner

David E. Zimmer, CFA, Executive Director

**February 12, 2015**

**TO: Honorable Members of the New Jersey State Legislature**

**FROM: Warren H. Victor, Chairman of the Board, New Jersey Environmental Infrastructure Trust**

**SUBJECT: Disaster Relief Emergency Financing Program Project Eligibility List**

### **Introduction**

The New Jersey Environmental Infrastructure Trust (Trust) is pleased to present the New Jersey Legislature (Legislature) with this report summarizing projects eligible to participate in the Disaster Relief Emergency Financing Program, also known as the “Statewide Assistance Infrastructure Loan Program” or “SAIL” pursuant to *N.J.S.A. 58:11B-9.5*. This report also summarizes SAIL funded projects to date.

### **Statewide Assistance Infrastructure Loan Financing Program (SAIL)**

The legislation enacting SAIL was signed into law by Governor Christie in August of 2013 (P.L.2013, c.93). SAIL is specifically designed to offer municipalities and certain private water purveyors, quick access to temporary, low-cost, short-term funds as bridge loans in the aftermath of a disaster in lieu of federal program grants offered in the form of reimbursements. By their nature, such federal grant programs require communities to advance the cost of projects prior to the grant disbursement.

The expense of rebuilding the affected critical infrastructure components in the State can be a healthy undertaking and has the potential to strain the financial resources of many hard hit communities. Unique in the country as a method to provide bridge loan financing to targeted FEMA municipal recipients for environmental infrastructure projects, New Jersey’s SAIL Program is designed to alleviate these financial stress points.

Since being signed into law, the DEP and the Trust have worked with a number of essential stakeholders including a variety of potential borrowers as well as FEMA, NJOEM and the NJBA, to develop the SAIL Program and associated processes necessary to ensure its effective execution.

The first SAIL Program loan was issued to the South Monmouth Regional Sewerage Authority (SMRSA) on February 7, 2014 for the relocation of the Lake Como Pump Station (Lake Como Township) from a flood hazard area at a cost of \$2.9 million in short-term funding. The duration of the SAIL Loan is approximately 15 months expiring on June 30, 2015, providing funding throughout project construction. The SAIL Loan interest rate, at 25% of the AAA short-term market interest rate, is 0.045%.

The Program issued a second SAIL loan on September 23, 2014 in the amount of approximately \$1.5 million, again to SMRSA, for the replacement of its Pitney Avenue Pump Station. SMRSA's second SAIL loan was issued at an interest rate equivalent to twenty five percent (25%) of the 1-year AAA market rate resulting in an effective pass-through interest rate of 0.0325%. The loan expires on September 22, 2015, and will provide funding through to project construction completion. A third SAIL loan totaling approximately \$6.3 million to the Kearny Municipal Utilities Authority for the replacement of two pump stations is expected to close in February. To date, the Trust has disbursed a total of \$1.79 million to SMRSA for the Lake Como Station Project.

We look forward to meeting with the Legislature to discuss this year's SAIL Financing Program. We and our staff remain available to answer any questions you may have regarding the SAIL projects set forth in the eligibility list contained within this Report.

Thank you for your time and continued support for this worthwhile, infrastructure financing program.



Warren H. Victor, Chairman  
NJ Environmental Infrastructure Trust

# DISASTER RECOVERY EMERGENCY FINANCING PROGRAM PROJECT ELIGIBILITY LIST

## FINANCING PROGRAM BACKGROUND

### INTRODUCTION

This Disaster Recovery Emergency Financing Program Eligibility List (Eligibility List) is submitted to the New Jersey State Legislature (Legislature) in accordance with *N.J.S.A. 58:11B-9.5*. It has been prepared by the New Jersey Environmental Infrastructure Trust (“Trust”) which funds and manages the “Disaster Relief Emergency Financing Program” also known as the “Statewide Assistance Infrastructure Loan Program” or “SAIL.” This report sets forth the projects potentially eligible to receive short-term loans for environmental infrastructure projects to repair damage incurred during disasters and/or improve the resiliency of infrastructure in future disasters and summarizes SAIL Loans issued to date. Legislative notification of SAIL projects is a prerequisite to SAIL funding pursuant to *N.J.S.A. 58:11B-9.5* and this report is submitted to the legislature in satisfaction of this obligation.

## SAIL FINANCING PROGRAM SUMMARY

### OVERVIEW

Authorized in SFY2014, the Trust developed and implemented the SAIL Program to assist those communities, in counties which were impacted by a declared disaster, to finance environmental infrastructure projects to repair impacted systems or improve resiliency to systems that might have otherwise been impacted by such disasters.

SAIL loans are available to local government units seeking short-term funding assistance to address immediate cash flow needs for their disaster related water infrastructure projects whether it be for local match requirement and/or in anticipation of reimbursement through federal grant programs such as the Federal Emergency Management Act (FEMA) and Housing and Urban Development Community Development Block Grants (CDBG). SAIL Loans are typically fixed 25% market rate short term loans, the market rate of which is determined at SAIL loan closing. SAIL loans may be issued for terms not to exceed three fiscal years (up to 47 months).

### LOAN PREREQUISITES

SAIL Loan prerequisites include:

- a. Submission of a Letter of Intent and environmental planning documents;
- b. Issuance of applicable project permits;
- c. Approval of construction design documents and State and Trust loan applications;
- d. If an applicant seeks SAIL financing for short-term cash flow needs in anticipation of federal reimbursement (e.g., FEMA), the application review will also require satisfaction of the requirements of the federal program from which reimbursement is or will be sought;
- e. A certification by the Commissioner of the Department of Environmental Protection that the Project is necessary and appropriate to

- i. repair damage to a wastewater treatment system or water supply facility directly arising from an act of terrorism, seismic activity or weather conditions that occurred within the prior three State Fiscal Years and that gave rise to a declaration by the Governor of the State (the “Governor”) of a state of emergency, provided that such wastewater treatment system or water supply facility is located in a county included in the Governor’s state of emergency declaration, or
  - ii. mitigate the risk of future damage to a wastewater treatment system or water supply facility from an act of terrorism, seismic activity or weather conditions comparable in scope and severity to an act of terrorism, seismic activity or weather conditions that occurred within the prior three State Fiscal Years and that gave rise to a declaration by the Governor of a state of emergency, provided that such wastewater treatment system or water supply facility is located in a county included in the Governor’s state of emergency declaration;
- f. The Project is listed on the SAIL Disaster Relief Emergency Financing Program funding Eligibility List submitted to the Legislature. The current SAIL Eligibility List is included in Appendix A of this Report and submitted to the legislature pursuant to *N.J.S.A. 58:11B-9.5(c)*;
  - g. The proposed Borrower has submitted a complete application for the Project to the Trust; and
  - h. The Board of Directors of the Trust has certified the Project.

Projects are funded in the order of approval. To the extent funds become limited, funding will be allocated on a first applied, first approved basis.

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## LOAN PACKAGES

The repair of facilities damaged during disasters is often impossible without utilization of State and federal grant programs. However, proceeding with the immediate repair of damaged facilities absent compliance with unique requirements of each program jeopardizes funding for such activities. A primary objective of SAIL is to reduce the complexity of funding projects through multiple funding sources by providing funds for all aspects of project needs, and providing expertise in compliance with state and federal funding programs, which permits project sponsors to focus their efforts on project construction

Often, a project sponsor will secure short-term SAIL financing to meet cash flow needs in anticipation of reimbursement of federal funds (FEMA/HUD) as well as long-term financing for non-reimbursable costs (typically local share). These SAIL projects will be certified for compliance with SAIL and NJEIFP program requirements as well as the program requirements of the applicable federal program from which reimbursement is sought. Accordingly, the review and approval of such projects must contemplate satisfaction of multiple federal funding programs. These borrowers receive a SAIL loan for both reimbursable and eligible non-reimbursable project costs and one or more long-term loans for project costs for which federal reimbursement are not received. The structure of such loans will reflect the underlying short-term loan vehicle (IFP Loan or SAIL Loan) as well as the long-term loan vehicle (Base SFY2016 NJEIFP, Sandy NJEIFP, Trust Only Loan or combination thereof).

FEMA funding eligibility is at risk if EPA capitalization grants are utilized for any portion of long-term loans. Therefore, significant resources are being committed to ensure consistency of funding sources. Moreover, given the need for project expenses to meet FEMA / HUD requirements as a condition of reimbursement, and the need to have such applications approved expeditiously, the program has retained an outside engineering consulting firm to assist in the review of construction design and eligible costs, conduct site visits and review disbursements. Unreimbursed amounts will be paid for by SAIL program borrowers which will be incorporated into the long-term financing program package.

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## LOAN FUNDING SOURCES / INTEREST RATES

Each SAIL Loan will be funded through a combination of DEP funds and Trust funds. The source of funds for DEP funding consists of prior loan repayments (capitalization grants previously issued as project loans and subsequently repaid) and the source of funds for Trust funding consists of Trust operating funds or lines of credit. Typically, 75% of each SAIL loan will consist of a DEP zero interest loan and 25% of each Loan will consist of a Trust market rate loan, resulting in an effective market rate of 25% for each loan. SAIL Loans may be made for up to three fiscal years and are intended to be in place for the duration of construction.

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## PROJECT ELIGIBILITY

SAIL loans are available for environmental infrastructure projects with a primary focus on clean water and drinking water construction, rehabilitation and repair of systems which are owned and/or operated by local government units and public water utilities. Projects eligible to receive Clean Water funding are wastewater treatment and storm water management and non-point source pollution control projects, landfill closures, open space land acquisition and conservation, brownfield remediation and well sealing. Projects eligible to receive Drinking Water funds are those that seek to achieve compliance with existing regulations for contaminants with acute or chronic health effects, projects that address the exceedance of a recommended upper limit for a secondary contaminant and those that address water supply issues related to public health protection. Such projects include the rehabilitation or development of sources to replace contaminated water sources, install or upgrade treatment and storage facilities, install or replace transmission and distribution pipes to prevent contamination or improve water pressure to safe levels, and install and enhance upgrades to security measures.

In an effort to encourage timely completion of environmental infrastructure projects, SAIL Loans are issued on a first-come first served basis.

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## STATUS OF EXISTING SAIL PROJECT APPLICATIONS

The Project Eligibility list consists of twenty seven (27) projects at a total estimated cost of \$324,429,798. Of that total, twenty two (22) projects at a total cost of \$171 million reflect projects identified in Letters of Intent received in October of 2014. Details regarding these projects is set forth in Appendix A of the Report, and are submitted to the legislature in satisfaction of N.J.S.A. 58:11B-9.5.

As of February 1, 2015, applications for SAIL financing have been received for seven (7) SAIL projects at an estimated cost of \$142,443,196 million. These projects will all improve the resiliency of waste water facilities adversely impacted during Superstorm Sandy. These SAIL loans will facilitate the cash flow needs of the borrowers and minimize the financial stress on the affected community's rate payers and taxpayers as well as allow the undertaking of construction projects months in advance of when such projects might have otherwise begun. SAIL participants also enjoy a number of unique benefits. First, there is an abbreviated application review period for Applicants. Later, Borrowers benefit from a streamlined FEMA reimbursement process: (1) SAIL reimburses borrowers within an average of eight (8) days of receipt of requests for reimbursement, which is a marked improvement relative to project sponsors seeking reimbursement individually; and (2) SAIL staff possess an expertise in FEMA and guide borrowers in the proper structuring of reimbursement requests to reduce the frequency of unreimbursed costs.

Engineering design has been received for seven (7) contracts within five (5) projects at a total cost of \$142,527,827. Two (2) contracts at a total cost of \$39,672,908 have been authorized to solicit construction bids. It is anticipated that authorizations to solicit construction bids for an additional three (3) contracts at a total cost of \$14,386,839 will be issued by June 30, 2015.

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## STATUS OF EXISTING SAIL PROJECT CONSTRUCTION

A status of all projects funded through SAIL is set forth in Appendix B. SFY 2015 was the charter year for the SAIL Program. The first project funded through SAIL was the South Monmouth Regional Sewerage Authority (SMRSA) for the relocation of the Lake Como Pump Station (Lake Como Township) from a flood hazard area at a cost of \$2.9 million in short-term funding. The duration of the SAIL Loan is approximately 15 months, commencing on February 7, 2014 and expiring on June 30, 2015, providing funding throughout project construction.

The SAIL Loan consisted of a Trust only loan with funding sources from the DEP and the Trust: seventy five percent (75%) and twenty five percent (25%) of the loan respectively. The loan interest rate, at 25% of the AAA short-term market interest rate, is 0.045%. The source of funds for DEP funding consists of prior loan repayments (capitalization grants previously issued as project loans and subsequently repaid) and the source of funds for Trust funding consists of Trust operating revenues.

The Program issued a second SAIL loan in FY2015 in the amount of approximately \$1.5 million, again to SMRSA, for the replacement of its Pitney Avenue Pump Station. SMRSA's second SAIL loan was issued at an interest rate equivalent to twenty five percent (25%) of the 1-year AAA market rate resulting in an effective pass-through interest rate of 0.0325%. The loan was issued on September 23, 2014 and expires on September 22, 2015, and will provide funding through to project construction completion. A third SAIL loan totaling approximately \$6.3 million to the Kearny Municipal Utilities Authority for the replacement of two pump stations is expected to close in February.

To date, the Trust has received 6 requisitions and disbursed a total of \$1.79 million to SMRSA for the Lake Como Station Project. The average rate of processing and approving expense disbursements to borrowers is less than ten days from receipt of requisition, a significant improvement relative to sub-grantees' direct submissions to FEMA and a central benefit of the SAIL Program. The Trust reviews each requisition submission in detail with the New Jersey Office of Emergency Management (OEM). OEM reimbursed 90% of the first requisition (\$160,000) within 45 days of receipt.

## APPENDICES INDEX

Appendix A: Statewide Assistance Infrastructure Loan (Disaster Relief Emergency Financing Program) Eligibility List

Appendix B: Statewide Assistance Infrastructure Loans Issued to Date



**Appendix A**  
**Statewide Assistance Infrastructure Loan Program**  
**(Disaster Relief Emergency Financing Program)**  
**Project Eligibility List**

<b>Sponsor</b>	<b>Project No.</b>	<b>Summary</b>	<b>Est. Amount</b>
Barnegat Township	S340620-07	Emergency generators for the three (3) existing sewage pump stations near the bayfront area to allow the pump stations to operate during a power outage; raise the electrical power breakers and control panels at the same three pump stations to above the flood elevation.	\$580,000
Bayshore Regional Sewer Authority	S340697-05	Restoration and Mitigation of Various Plant Buildings (dry flood-proofing of Admin Bldg., Mitigation of Laboratory/Office Bldg., Electrical & Mechanical Room dry flood-proofed, mitigation of Odor Control Bldg., & Odor Control Scrubbers 1 – 5, mitigation scope dry flood-proofing of Primary Sludge PS #2, Return Sludge PS #2, mitigation technique for the Hypochlorite Bldg. is to dry flood-proof the control room, proposed wet flood-proofing mitigation for the Fire Water PS, mitigation & restoration work for both the Main and the Return Sludge Pump Stations. Return Sludge Bldg. (Bunker) & Return Sludge Station #1.	\$42,791,000
Bayshore Regional Sewer Authority	S340697-06	Permanent restoration and mitigation of the existing Blower Building No. 1 and existing Blower Building No. 2 at the Bayshore Regional Sewerage Authority's (BRSA) Water Pollution Control Plant as well as the permanent restoration and mitigation of the treatment plant's power distribution system.	\$8,121,280
Bergen County Utilities Authority	S340386-14	Restoration and mitigation measures of plant-wide treatment components as a result of Superstorm Sandy.	\$54,645,400
Bergen County Utilities Authority	S340386-15	Restoration and mitigation measures for the plant-wide anaerobic digesters, switch gear, substation, generators and co-generation components as a result of Superstorm Sandy.	\$42,543,100
Bergen County Utilities Authority	S340386-16	Restoration of plant-wide treatment components as a result of Superstorm Sandy.	\$19,907,200
Bergen County Utilities Authority	S340386-18	Restoration and mitigation measures of plant-wide treatment components as a result of Superstorm Sandy.	\$2,545,600

Camden City	0408001-022	Installation of replacement potable wells with unacceptable low yields. The project will also reduce the energy consumed by decreasing the intake head. Elevation of the well heads above the hundred year will harden and protect the asset in case of future flooding.	\$1,200,000
East Orange City	0705001-500	Replace two existing emergency diesel engines which only partially power East Orange Water Commission (EOWC) water system facilities, with a new, larger 2-megawatt (MW) generator that will enable EOWC to provide full backup power to its well pumps and White Oak Ridge Pumping Station, as well as a proposed centralized air stripper facility to treat its 18 wells. This project will enable the EOWC to deliver its full allocation capacity of up to 11.2 million gallons per day during commercial power outages, and thus eliminate the need for water purchases from other purveyors during these periods, resulting in significant cost savings while improving water system reliability and resiliency during a storm or other power outage-related event.	\$4,484,440
Kearny Municipal Utilities Authority	S340259-07	Project is for the Kearny Point & Harrison Avenue Pump Stations owned by Kearny MUA and includes repairs to the facilities due to the damages incurred during Superstorm Sandy, provide mitigation measures to increase the resiliency of the pump station for the future and replace some of the equipment that are at the end of their useful life.	\$7,077,000
Long Beach Township	1517001-502	Remove & replace the deteriorated raw water concrete reservoir and replace with a new above ground steel tank of equal volume and associated aerator; demolish and reconstruct the filter room and pumps to the 500 year flood elevation; raise Well #4 and construct a new building to meet the 500 year flood elevation, and install a new Scada system.	\$2,673,640
Manasquan Borough	1327001-002	A project to improve resiliency of environmental infrastructure in future disasters and to improve the quality of the Borough's drinking water. The project includes construction of a 600 LF, 8 in. water main on Perrine Blvd to connect two water mains and loop the existing system. To protect and increase the resiliency of the existing and new infrastructure and minimize storm-related damages, the project area will be elevated as much as possible; Perrine Blvd and the bulkheads in the project area will be elevated and reconstructed. Improvements associated with the project include: concrete curb and gutter work; stormwater conveyance and water quality enhancement activities such as structures, pipes, and inlets; improvements and restoration of the bulkhead and road; and reinstallation of water and electric service at the bulkhead and marina.	\$990,000

Manasquan Borough	S340450-01	A resiliency project for systems adversely impacted by Superstorm Sandy; the pump station electric system and controls were compromised during the storm and bulkheads were undermined. The project includes: elevation of the E Virginia Ave pump station using FEMA obligated funds to mitigate impacts of future flooding during high tides and storm events; infrastructure protection and stormwater conveyance measures; an enclosure for the elevated pump station; and reconstruction and elevation of bulkheads at Borough property along Perrine Blvd. Improvements will be made to fill in between the reconstructed bulkheads and roads as well as to reinstall water and electric service to the marina.	\$5,169,100
Marlboro Township	1328002-501	Purchase of a 1.0 Megawatt Portable Generator to provide power to either the Harbor Road or Tennent Road Water Treatment.	\$1,450,000
Middlesex County Municipal Utilities Authority	S340699-12	The MUA is intending to replace and protect equipment for mitigation and restoration purposes at the Sayreville Pump Station. The equipment that is being replaced was damaged during Hurricane Sandy and had its reliability significantly reduced. Costs included in this application represent both restoration & mitigation costs for the pump station.	\$77,009,000
Middlesex County Municipal Utilities Authority	S340699-13	Project's scope of work includes the restoration of the MUA's Edison Pump Station process equipment, controls, power distribution equipment, building contents, and building elements that were damaged by the Hurricane Sandy event; the replacement of an existing temporary bypass pumping system with the installation of a permanent bypass pumping system capable of handling 50-MGD wastewater flows; and the construction of flood hazard mitigation measures including flood-proofing of the Pump Station buildings & northwest tunnel access shaft to the 100-year flood elevation.	\$15,884,000
Newark City	0714001-500	Provide standby emergency generators at two water transfer pump stations of City of Newark to be able, during power outage events such as Superstorm Sandy, to provide water to Newark's Cedar Grove balancing reservoir and other water purveyors through interconnections at Wayne and Clifton.	\$1,200,000
North Jersey District Water Supply Commission	1613001-034	Resiliency against an act of terrorism	\$1,378,000
North Jersey District Water Supply Commission	1613001-033/503	Resiliency against an act of terrorism	\$3,724,500

Passaic Valley Sewerage Commission	S340689-25	Rehabilitation of the PVSC Administration Building which was flood damaged due to Superstorm Sandy.	\$10,625,000
Passaic Valley Sewerage Commission	S340689-30	In order to ensure that the sump pumps and dewatering pumps located throughout the utility tunnels, galleries and basements at the PVSC Wastewater Treatment Plant will be capable of continued operation should flooding conditions occur again (as they did with Superstorm Sandy), this project proposes to provide a stand-by power electrical system setup where a roll-in stand-by generator system (brought to certain locations) can be tied into temporary stand-by power electrical distribution to power sump pumps and de-watering pumps located in tunnels, basements, and galleries throughout the PVSC facility. The stand-by generator systems' equipment (generators, automatic transfer switches, electrical panel boards, controls, etc.) will be located above elevation 13 in order to install them above the flood plain. To accomplish this, electrical equipment will be located outside of building walls or indoor electrical room at or above elevation 13.	\$1,799,918
Passaic Valley Sewerage Commission	S340689-33	Furnish all labor, materials and equipment and other facilities required to segment the utility tunnel system by the installation of watertight doors in bulkhead walls at various locations within the tunnel and to install watertight doors at access locations to process areas. The scope also includes HVAC work to provide ventilation to the segmented areas and associated electrical and above grade site work.	\$6,028,420
Perth Amboy City	S340435-11	The replacement of 3 existing pumps with dry pit submersible pumps, relocate all essential electrical equipment to the second floor mezzanine, modify the bar screens/wet well room to flood protect it from external flood waters and sewer system surcharging, installation of flood walls to protect boiler system and stand-by generator to reduce flood damage risk and vulnerability and enhance the resiliency to a future natural disaster.	\$895,200
Rahway Valley Sewer Authority	S340547-16	Modifications to the controls in order to allow for black start of the Cogeneration Engines; installation of a redundant electric distribution bus; installation of heat exchangers that would allow for recovery of exhaust heat from the Cogeneration Engines for use in the plant hot water loop; installing flood proof doors on the Administration Building in order to prevent flooding of the building basement; and the installation of a tide gate in order to prevent the backflow of water from the Rahway River through the plant's emergency outfall.	\$1,020,000

Roselle Borough	S340332-02	Sanitary sewer system improvements to sanitary sewer mains including the cleaning, television inspection and lining of approximately 3 miles of sanitary sewer pipe. The bulk of the sanitary sewer system consists of terra cotta or clay pipe that will be inspected and lined. Decrease the amount of I/I that enters the system by utilizing cured-in-place (CIP) lining techniques for the majority of the project where improvements are warranted. Where lining is not an option due to pipe section collapses, in-kind sanitary sewer pipe replacement within the existing trench box shall be performed. Sanitary manhole rehabilitation is anticipated in order to stabilize structures where needed.	\$3,562,000
Sea Girt Borough	S340468-01	Repairs and upgrades to the stormwater drainage system, including the upgrading of pipe sizes and the extension of Baltimore Blvd. and Neptune Place outfall pipes.	\$4,356,000
South Monmouth Regional Sewer Authority	S340377-05	Various mechanical, structural and electrical improvements to the existing Belmar Pump Station including replacement of the existing pumping equipment with new dry pit submersibles; construction of a new below ground grinder chamber; demolition of the existing pump station building; and installation of internal bracing of the below ground walls. Additionally, the Authority proposes to install a mobile enclosure that would house the critical electrical and control equipment required to operate the pump station.	\$2,770,000
<b>No. of Projects: 27</b>		<b>Total Estimated Cost:</b>	<b>\$324,429,798</b>

**Appendix B**  
**Statewide Assistance Infrastructure Loan Program**  
 (Disaster Relief Emergency Financing Program)  
**LOANS ISSUED TO DATE**

<b>Sponsor</b>	<b>Project No.</b>	<b>Project Name</b>	<b>Loan Amount</b>
South Monmouth RSA	S340377- 03	<u>Lake Como Pump Station.</u> The Authority is making various mechanical, structural and electrical improvements to multiple existing sanitary sewer pump stations damaged by Superstorm Sandy. Improvements include replacement and/or relocation of the control building, replacement of mechanical and electrical equipment/emergency generators, pumps, piping and other ancillary equipment, modifications to existing gravity sewer and force main connections and storm proofing of the pump stations for future protection.	\$2,950,391
South Monmouth RSA	S340377- 04	<u>Pitney Pump Station Improvements.</u> The Authority is making various mechanical, structural and electrical improvements to three (3) existing sanitary sewer pump stations that were damaged by Superstorm Sandy. Improvements include replacement and/or relocation of the control building, replacement of mechanical and electrical equipment, modifications to existing gravity sewer and force main connections and stormproofing of the pump stations for future protection.	\$1,532,225
<b>No. of Projects: 2</b>		<b>Total Loan Amount:</b>	<b>\$4,482,616</b>

# **New Jersey Environmental Infrastructure Trust**

**Address:** 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, NJ 08648

**Phone:** (609) 219-8600 – **Fax:** (609) 219-8620

**Web site:** [www.njeit.org](http://www.njeit.org)

**RESOLUTION NO. 15 - 09**

**RESOLUTION CERTIFYING A  
STATEWIDE ASSISTANCE INFRASTRUCTURE LOAN (SAIL) TO  
THE BAYSHORE 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 issuance of a Relief Loan, which conditions include, without limitation, the certification of the Project by the Board;

**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. S340697-05(S1), to be undertaken by the Bayshore Regional Sewerage Authority, for financing pursuant to SAIL in accordance with the provisions of the Act and this Resolution.

Adopted Date: February 12, 2015

Motion Made By: Robert Braint Jr.

Motion Seconded By: Christine Campbell

Ayes: 5

Nays: 0

Abstentions: 0



**RESOLUTION NO. 15-10**

**RESOLUTION APPROVING THE APPLICATION OF INTERPRETATION NO. 2 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD FOR THE DISCLOSURE OF THE TRUST'S CONDUIT DEBT OBLIGATIONS**

**WHEREAS**, the New Jersey Environmental Infrastructure Trust is required to produce audited financial statements in accordance with GAAP pursuant to N.J.S.A. 58:11B-24 and Executive Order No. 37 (Corzine); and

**WHEREAS**, the Government Accounting Standards Board (GASB) was created to establish generally accepted accounting principles (GAAP) for state and local government entities; and

**WHEREAS**, in August of 1995, GASB issued Interpretation No. 2 of the GASB relating to the Disclosure of Conduit Debt Obligations; and

**WHEREAS**, the Trust's Bonds clearly fall within the definition of Conduit debt as defined within Interpretation No. 2; and

**WHEREAS**, Interpretation No.2 states that conduit debt obligations should be disclosed in the notes to the financial statements of the issuing entity rather than recorded in the balance sheets. The disclosures should include (i) a general description of the conduit debt transactions (ii) the aggregate amount of all conduit debt obligations outstanding at the balance sheet date, and (iii) a clear indication that the issuer has no obligation for the debt beyond the resources provided by related leases and loans; and

**WHEREAS**, the adoption of the policy would allow the Trust's financial statements to more clearly reflect Trust operations while also underscoring the conduit nature of the Trust's bonds to the financial community;

**NOW THEREFORE, BE IT RESOLVED**, the Trust will implement Interpretation No. 2 of GASB reporting the Trust's bonds and related assets in the notes section of the financials.

Adopted Date: February 12, 2015

Motion Made By: Robert Briant Jr.

Motion Seconded By: Christine Campbell

Ayes: 5

Nays: 0

Abstentions: 0

**RESOLUTION NO. 15-11**

**RESOLUTION OF THE TRUST APPOINTING COHNREZNICK  
FOR INTERNAL CONTROLS AUDITING SERVICES**

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

**WHEREAS**, in Trust resolution No. 14-48, the Board authorized the Executive Director to solicit proposals for Internal Controls Auditing Services; and

**WHEREAS**, the Trust competitively procured proposals through formal advertisement and distribution of a January 9, 2015 Request for Proposals (RFP) to a list of thirteen (13) firms; and

**WHEREAS**, the Trust received three (3) proposals in response to the notice of solicitation; and

**WHEREAS**, the Trust established a Selection Committee consisting of Chief Financial Officer Lauren Kaltman, Chief Budget Officer John Hansbury, Accountant Karen Texany, and Legal Advisor Judy Karp, who independently ranked the proposals based on the criteria and weights set forth in the notice of solicitation; and

**WHEREAS**, the Committee tabulated the member's rankings wherein CohnReznick received the highest total aggregate score; and

**WHEREAS**, the Committee recommends awarding an Internal Controls Auditing Services contract to the Firm for professional internal controls auditing services of the Trust's primary business and accounting processes based on its February 2, 2015 proposal;

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

**BE IT FURTHER RESOLVED** that the Executive Director of the Trust is hereby authorized to execute an agreement with the Firm substantially in the form of the agreement attached to the Request for Proposals. The terms and conditions of the agreement shall include but not be limited to:

- a. the provision of services as outlined in the Trust's RFP and the proposal submitted by the Firm dated February 2, 2015 (Proposal); and
- b. the payment of all fees for all services as detailed in the Firm's Best and Final Offer submitted February 11, 2015; and

- c. the term of the contract shall be for a period of two years subject to a one year extension in the sole discretion of the Trust upon prior Board authorization; and
- d. such other terms and conditions as may be contemplated by the RFP and the materials enclosed therewith as deemed necessary and appropriate by the Executive Director; and

**BE IT FURTHER RESOLVED**, that total expenditures pursuant to this agreement shall not exceed \$330,000 absent separate board authorization.

Adopted Date: February 12, 2015

Motion Made By: Christine Campbell

Motion Seconded By: Roger Ellis

Ayes: 4

Nays: 0

Abstentions: 0

**SUMMARY OF ANNOUNCEMENTS:**

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

- On February 4, 2015 – the Trust successfully sold Bond Series 2015B-R (AMT) for an aggregate principal par amount of \$9,210,000. A full report on the terms of this Bond issue will be presented to the Board later in the Agenda.
- On February 4, 2015 – Executive Director Zimmer met with Assemblyman Benson to discuss the SFY2015 Financing Program.
- On January 29, 2015 – Executive Director Zimmer and Assistant Director Scangarella met with representatives from the NJ Housing and Mortgage Finance Authority (NJHMFA) and MidAtlantic Engineering Partners to discuss potential future projects and available financing opportunities.
- On January 15, 2015 – Executive Director Zimmer and Assistant Director Scangarella testified at the Assembly Environment & Solid Waste Committee hearing regarding bill A-2354.
- Trust senior staff participated in the following client project pre-planning meetings or conference calls to discuss program funding issues:
  - Plumstead Township – New Egypt project financing issues
  - Atlantic County Utilities Authority – SFY2015 Financing Program
  - Trenton Water Works – Hydraulic Power Production project
  - Liberty State Park – SFY2015 Financing Program
  - South Orange – SFY2016 and 2017 Program applications and DEP Violation notices
- [H2LO](#)ans computer system meetings continue between the Trust and DEP technology and process staffs.
- The next Board meeting is scheduled for **Thursday, March 12, 2015** at 10:00 am at the Trust's offices.

## **SUMMARY OF CORRESPONDENCE:**

During the past month, the Trust received or sent the following noteworthy correspondence. Pursuant to the Trust's Green Initiative, the agenda package does not include copies of the following correspondence. Board members should contact the Trust Secretary if they wish to receive hard copies.

- 5.02 Certificates were sent to the following Program borrowers:

2014A	Burlington Twp	Project No. S340712-11/12
2014A	Hammonton Town	Project No. W0113001-006 (PF)
2012A	Linden Roselle SA	Project No. S340299-07 (PF)
2009	Middlesex CUA	Project No. S340699-06-1
- Creditworthiness letter sent to Atlantic City regarding their SFY2015 Financing Program application.

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. <http://www.njeit.org/general-information/general/board-meeting-agendas> (Locate Meeting Date, select Minutes, the announcements will be at the end of the file.)