



New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 4 Suite 216
Lawrenceville, NJ 08648-2201



Robert A. Briant, Jr., Vice Chairman
Roger Ellis, Treasurer
Mark Longo, Secretary
Ford M. Scudder, Acting State Treasurer
Bob Martin, DEP Commissioner
Charles A. Richman, DCA Commissioner
David E. Zimmer, Executive Director

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

AUG 11 2016

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 11, 2016 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



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August 11, 2016

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

OPEN PUBLIC MEETING

MINUTES – August 11, 2016

1. CALL TO ORDER:

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, August 11, 2016 in the conference room of 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Vice Chairman Briant called the meeting to order at 10:00 a.m.

2. OPEN PUBLIC MEETING ACT STATEMENT:

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

3. ROLL CALL:

Ms. Melissa Pierce conducted roll call to which Mr. Briant, Mr. Longo, Mr. Ellis, Mr. Kennedy, Mr. Griffin, and Mr. Cunningham all responded affirmatively.

DIRECTORS

Robert A. Briant, Jr., Vice Chairman
Mark Longo, Secretary (*)
Roger Ellis, Treasurer
Dan Kennedy
(for DEP Commissioner Martin)
Michael Griffin
(for Acting State Treasurer Scudder)
Timothy Cunningham
(for DCA Commissioner Richman)

OTHERS

David Zimmer, Executive Director
Frank Scangarella, Assistant Director
Lauren Seidman Kaltman, Chief Financial Officer
Judy Karp, Compliance 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
Eugene Chebra, Municipal Finance & Construction
George Rolon, Construction Project Manager

(*) Participated via teleconference

4. APPROVAL OF THE MINUTES:

Vice Chairman Briant opened discussion of the minutes of the Thursday, July 14, 2016 Trust Board meeting.

There were no comments or questions. Vice Chairman Briant 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 1 abstention from Mr. Cunningham due to his absence from the July meeting.

5. ANNOUNCEMENTS:

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

- On August 9, 2016, Trust and DEP Engineering staff met with representatives from the Lambertville MUA to discuss permitting and financing for a potential NJEIFP project;
- On July 22, 2016, Executive Director Zimmer, Assistant Director Scangarella, and DEP Bureau Chief Eugene Chebra, held a conference call with representatives from the Passaic Valley Sewerage Commission to discuss financing Sandy-related SAIL and traditional SRF projects;
- On July 21, 2016, all members of Trust staff participated in a required, three-year ethics training session which was conducted by Sherry Wilson, of the State Ethics Office;
- On July 19, 2016, Executive Director Zimmer met with senior managers from New Jersey American Water Company to discuss updates to the Financing Program and potential NJAWC projects;
- On July 18, 2016, Executive Director Zimmer, Financial Advisor Geoff Stewart, and Bond Counsel Richard Nolan participated in the Jersey Water Works NJ Green Bond Market Forum with executives from other NJ Financing Authorities and investors at the Newark Regional Partnership Offices;
- The next Trust Board meeting is scheduled for Thursday, September 15, 2016 at 10:00 am at the Trust's offices.

A copy of the announcements are available on the Trust's website under the Recent Board Meeting Documents tab. <http://njeit.org/board-meetings> (locate "Meeting Date", then select "Minutes", the announcements will be at the end of the file.)

There were no comments or questions.

6. PUBLIC COMMENTS:

Vice Chairman Briant invited comments from the public. There were no comments.

7. UNFINISHED BUSINESS:

- A. Mr. Chebra, of the NJDEP’s Municipal Finance and Construction Element, reported that there are 195 active projects totaling \$919,868,010 and 1,120 closed projects with loans outstanding totaling \$5,336,557,727 for a grand total of 1,315 projects at \$6,256,425,737.
- B. Mr. Chebra discussed the SFY2017 Combined Financing Loan Programs:

SFY2017 Clean Water Financing Program:

Certified; Received Long-Term Loan	0 Projects Totaling	\$ -
Certified; Received Construction Loan	24 Projects Totaling	\$174,414,368
Certified; Construction Loan Pending	20 Projects Totaling	\$53,343,926
Project Received Authorized to Advertise; approval expected by 6/30/17	15 Projects Totaling	\$212,400,000
Project Planning & Design Loan	9 Projects Totaling	\$29,150,000
Project Approval expected by 6/30/17	111 Projects Totaling	\$1,161,365,000
Project Approval not expected by 6/30/17	38 Projects Totaling	\$423,270,000
Total Clean Water Projects	217 Projects Totaling	\$2,053,943,294

SFY2017 Drinking Water Financing Program:

Certified; Received Long-Term Loan	0 Projects Totaling	\$ -
Certified; Received Construction Loan	17 Projects Totaling	\$66,451,073
Certified; Construction Loan Pending	13 Projects Totaling	\$8,236,026
Project Received Authorized to Advertise; approval expected by 6/30/17	12 Projects Totaling	\$72,800,000
Project Planning and Design Loan	0 Projects Totaling	\$ -
Project Approval expected by 6/30/17	69 Projects Totaling	\$405,046,000
Project Approval not expected by 6/30/17	30 Projects Totaling	\$156,851,363
Total Drinking Water Projects	141 Projects Totaling	\$709,384,462

SFY2017 Grand Totals:

Clean & Drinking Water Program Totals:	358 Projects	\$2,763,327,756
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There were no comments or questions.

- C. Executive Director Zimmer reported that there were no outstanding Requests For Proposals (RFPs).
- D. Executive Director Zimmer next reported on the status of the Construction Loan Program:
- The Trust received 3 new applications for short-term loan financing since the July Board meeting totaling \$8.5 million.
 - The Trust has received 55 Construction Loan applications to-date totaling \$213.9 million.

- The Trust closed 4 Construction Loan applications totaling \$14.2 million since the July Board meeting.
 - The Trust has closed 37 Construction Loan applications to-date totaling \$152.3 million.
- The Trust disbursed \$5.2 million to 11 Loan recipients since the July Board meeting.
 - 37 Loan recipients have received Construction Loan disbursements from the Trust to-date totaling \$36.8 million.

The Construction Loan report was provided to the Board of Directors of the Trust in satisfaction of the requirements of Section 11 of the authorizing Resolution No. 16-22 adopted on May 12, 2016.

There were no comments or questions.

- E. Executive Director Zimmer requested the Trust’s Chief Financial Officer, Lauren Kaltman to discuss the status of the Aged Inventory Report. Ms. Kaltman reported that, in the previous quarter, the Program closed out five out of twelve projects issued prior to 2008, all projects from 2009 are closed, and two projects are expected to close within the next quarter.

8. NEW BUSINESS:

- A. Executive Director Zimmer requested that the Trust’s Chief Budget Officer, John Hansbury, introduce Resolution No. 16-35 accepting the June 2016 Treasurer’s Report.

Revenues earned in June 2016:	\$ 505,704		
YTD Total Revenues Earned:	\$ 7,160,327	113	% of Budget
YTD Total Revenues Budgeted:	\$ 6,355,046		
Expenses Incurred in June 2016:	\$ 440,773		
YTD Total Expenses Incurred:	\$ 5,429,232	78.4	% of Budget
YTD Total Expenses Budgeted:	\$ 5,876,010		
<hr/>			
Difference YTD v. Budgeted YTD:	\$1,252,059		Excess cash flow

Executive Director Zimmer requested clarification on the Report, particularly with regard to the drop in total annual expenses. Mr. Hansbury responded that these lower expenses resulted from 2 open salary positions, lower SAIL Loan Program expenses and lower Special Counsel fees.

Mr. Hansbury asked if there were any other comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Ellis and seconded by Mr. Griffin. The motion was carried 6 to 0 with 0 abstentions.

- B. Executive Director Zimmer requested Trust's Chief Financial Officer, Lauren Kaltman, introduce Resolution No. 16-36 authorizing the Trust to waive the billing of SAIL Borrowers for indirect Project Management fees for contract work provided by Grant Thornton in SFY2016 totaling \$35,847.15. Prior Resolution No. 13-73, which was approved by the Board on December 12, 2013, authorized the expenditure of up to \$2 million per State Fiscal Year in order to fund all or a portion of underwriting fees and costs of issuance incurred by the Trust in connection with the implementation and administration of SAIL. Consistent with last year, when the Board waived SAIL project management fees totaling \$80,636.34, the waiving of these fees in SFY2016 will continue to help facilitate the SAIL Program for the affected communities.

Ms. Kaltman asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Longo and seconded by Mr. Cunningham.
The motion was carried 6 to 0 with 0 abstentions.

- C. Executive Director Zimmer requested the Trust's Construction Project Manager, George Rolon, introduce Resolution No. 16-37 authorizing an additional one-year extension of the contract for engineering services with Grant Thornton, LLC through November 8, 2017. Grant Thornton and its subcontractor, Tetra Tech, have provided satisfactory services since the inception of the contract, and staff recommended that the Board approve the one-year extension.

Mr. Rolon asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Cunningham and seconded by Mr. Kennedy.
The motion was carried 6 to 0 with 0 abstentions.

- D. Executive Director Zimmer requested the Trust's Assistant Director, Frank Scangarella introduce Resolution No. 16-38 authorizing a loan to the Passaic Valley Sewerage Commission ("PVSC") in the amount of \$19,500,000 for construction-related expenses for project S340689-38. Pursuant to Resolution No. 16-22, adopted by the Trust Board in May 12, 2016, each construction loan is limited to a maximum principal amount of \$10,000,000, without additional Board action. The project involves the concrete rehabilitation and protective coating of the final clarifiers at PVSC's treatment facility in Newark. This Resolution authorizes the Trust to make available to PVSC, the total loan amount requested.

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

The resolution was moved for adoption by Mr. Kennedy and seconded by Mr. Ellis.
The motion was carried 6 to 0 with 0 abstentions.

- E. Executive Director Zimmer introduced Resolution No. 16-39 amending and restating Resolution No. 14-08 authorizing SAIL Loans to PVSC. Previously approved by the Board on February 20, 2014,

Resolution No. 14-08 recognized and addressed the unique circumstances and challenges which PVSC faced at that time in authorizing bonding issues. This resolution certifies 9 projects listed on the Project Priority List, sets the parameters for SAIL Loans to PVSC, and ratifies the MOA between PVSC and the Trust.

Executive Director Zimmer asked if there were any comments or questions.

DEP Assistant Commissioner Kennedy spoke to recognize the leadership of the Trust and the efforts of staff at the Trust and DEP in successfully managing the large capital needs of PVSC for disaster related projects to this point. Mr. Kennedy pointed out the unique and challenging circumstances involving these projects, and on behalf of the Board, thanked Executive Director Zimmer and all staff for their initiative. Vice Chairman Briant seconded Mr. Kennedy's comments and asked if there were any additional questions or comments.

Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Cunningham and seconded by Mr. Kennedy. The motion was carried 6 to 0 with 0 abstentions.

- F. Executive Director Zimmer introduced Resolution No. 16-34 recognizing the committed service of Dr. James Requa.

After comments from Executive Director Zimmer and Vice Chairman Briant regarding Dr. Requa's service to the Trust, Vice Chairman Briant read the Resolution in its entirety and presented a plaque to Dr. Requa.

The motion was seconded by Mr. Cunningham, who congratulated and thanked Dr. Requa on behalf of Commissioner Richman and the DCA.

The motion was carried 6 to 0 with 0 abstentions.

9. EXECUTIVE SESSION:

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

Vice Chairman Briant asked Executive Director Zimmer if there was any further action required by the Board. Mr. Zimmer answered there was not.

Vice Chairman Briant then asked for a motion for adjournment.

Mr. Ellis moved to adjourn the meeting. The motion was seconded by Mr. Kennedy. The motion was carried 6 to 0 with 0 abstentions.

The meeting was adjourned at 10:44 a.m.



In Honor of
James Requa

RESOLUTION NO. 16 - 34

WHEREAS, James Requa was appointed by the Commissioner of the Department of Community Affairs (“DCA”) to serve as DCA’s representative on the Board of Directors of the New Jersey Environmental Infrastructure Trust (“Trust”) from 2010 through 2016; and

WHEREAS, Mr. Requa also served as the DCA’s representative on the Clean Water Council of New Jersey, an advisory board to the New Jersey Department of Environmental Protection, to improve the Water Pollution Control Program in New Jersey; and

WHEREAS, Mr. Requa’s knowledge and expertise in state and local government, as well as in environmental issues, contributed to the efficient operation of the Trust, particularly regarding local borrower issues; and

WHEREAS, Mr. Requa has consistently distinguished himself as a friend of the environment and the Trust through his faithful, dedicated and cooperative public service to the people of the State of New Jersey; and

WHEREAS, it is the desire of the Board of Directors to acknowledge Mr. Requa’s lasting contributions and professionalism to the Trust and express its appreciation;

NOW, THEREFORE, BE IT RESOLVED, that the Trust’s Board of Directors extends its heartfelt gratitude to James Requa for his many years of service to the State of New Jersey, and commends him for his professionalism, and dedication to public service; and

BE IT FURTHER RESOLVED, that the Board of Directors and the entire Trust staff extend their sincere best wishes in his pursuit of future endeavors.

Adopted Date:	August 11, 2016
Motion Made By:	Mr. Robert Briant, Jr., Vice-Chairman
Motion Seconded By:	Mr. Timothy Cunningham
Ayes:	6
Nays:	0
Abstentions:	0

RESOLUTION NO. 16 - 35

**RESOLUTION AUTHORIZING APPROVAL OF THE
JUNE 2016 TREASURER'S REPORT**

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has reviewed the Treasurer's Report for June 2016; 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 June 2016 and requests that the same be entered into the record.

Adopted Date: August 11, 2016

Motion Made By: Roger Ellis

Motion Seconded By: Michael Griffin

Ayes: 6

Nays: 0

Abstentions: 0

RESOLUTION NO. 16 - 36

**RESOLUTION
AUTHORIZING REALLOCATION OF CERTAIN
DISASTER RELIEF EMERGENCY FINANCING PROGRAM EXPENSES**

WHEREAS, the New Jersey Environmental Infrastructure Trust (Trust) is authorized to make and enter all contracts necessary or incidental to the performance of its duties pursuant to N.J.S.A. 58:11B-5(d); and

WHEREAS, on August 8, 2013, the Board of Directors of the Trust (Board) authorized the Disaster Relief Emergency Financing Program (a.k.a. "Statewide Infrastructure Loan Program" or "SAIL Program") in Resolution No. 13-47, wherein authorization was given to issue loans to qualified borrowers through the SAIL Program; and

WHEREAS, on December 12, 2013, the Board approved Resolution No. 13-66 authorizing the Executive Director to, among other things, execute an agreement with Grant Thornton for engineering consulting services for projects seeking financing through the SAIL Program for costs sought to be reimbursed by FEMA (Contract);

WHEREAS, on December 12, 2013, the Board approved Resolution 13-73 authorizing the Executive Director to expend Available Trust Revenues of up to \$2 million per State Fiscal Year in order to fund all or a portion of (i) underwriting fees and costs of issuance incurred by the Trust in connection with the implementation and administration of the SAIL Program, among other things; and

WHEREAS, in SFY2016, the Trust has incurred and paid, on behalf of current SAIL Program participants, a total of \$35,847.15 to Grant Thornton through June 30, 2016, pursuant to the Contract for Project Management tasks related to eight (8) SAIL Program projects, in anticipation of allocating and collecting each SAIL Program participant's pro-rata portion of these expenses upon completion of that project; and

WHEREAS, it is appropriate, pursuant to Section 3 of Resolution No. 13-73, for the Trust to facilitate the SAIL Program by providing forgiveness of the above incurred administrative expenses that have not as yet been billed to the SAIL Program participants.

NOW THEREFORE, BE IT RESOLVED, that the Board directs the Executive Director to account for Contract disbursements to Grant Thornton for SAIL Program Management administration services, which have not yet been billed or allocated by the Trust to SAIL Program participants, as SAIL Program administrative expenses pursuant to Resolution 13-73, subject to the discretion of the Chairman or Vice Chairman of the Trust; and

BE IT FURTHER RESOLVED, that the Board directs the Executive Director to account for Contract disbursements to Grant Thornton for SAIL Program Management administration

services, which shall be incurred in State Fiscal Year 2017 on behalf of SAIL Program participants in an amount not to exceed \$100,000 as the invoices are reviewed by Trust staff.

Adopted Date: August 11, 2016

Motion Made By: Mark Longo

Motion Seconded By: Timothy Cunningham

Ayes: 6

Nays: 0

Abstentions: 0

RESOLUTION NO. 16 - 37

**RESOLUTION AUTHORIZING A ONE-YEAR EXTENSION OF THE
ORIGINAL CONTRACT FOR ENGINEERING CONSULTING
SERVICES CONTRACT WITH GRANT THORNTON, LLC**

WHEREAS, in Resolution No. 13-47, the Board of Directors (“Board”) of the New Jersey Environmental Infrastructure Trust (“Trust”) authorized the Disaster Relief Emergency Financing Program wherein authorization was given to issue loans to qualified borrowers through the Statewide Assistance Infrastructure Loan Program (SAIL Program); and

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

WHEREAS, pursuant to Trust Resolution No. 13-56, the Board authorized the Executive Director of the Trust to solicit proposals through the Treasury for engineering consulting services for projects seeking financing through SAIL for costs sought to be reimbursed by FEMA; and

WHEREAS, the Trust competitively procured consulting engineering services through distribution of a Request for Quote (“RFQ”) to a pool of prequalified contractors in Pool 3 – Integrity Monitoring/Anti-Fraud, and, upon receipt of four (4) proposals that were submitted in response to the RFP, the members of the selection committee independently ranked all four (4) proposals received based on value, price and other factors; and

WHEREAS, pursuant to Resolution 13-66, the Board authorized the Chairman or Vice Chairman of the Trust to execute an agreement with the highest ranked firm, Grant Thornton, LLP in accordance with the terms and conditions of form of agreement attached to the RFP; and

WHEREAS, on January 8, 2014, an agreement was entered between the Trust and Grant Thornton (“Original Contract”) to provide technical and engineering oversight consulting services for a term ending November 8, 2016; and

WHEREAS, the Original Contract approved by the Board pursuant to Resolution 13-66 contains a provision for an extension for up to one-year, subject to Board approval; and

WHEREAS, Grant Thornton provides essential functions in the review of projects in the SAIL Program evaluating project costs, engineering design, project construction and requisitions for compliance with applicable FEMA eligibility standards; and

WHEREAS, it is the desire of the Board to exercise the one-year option for renewal of its Original Contract with Grant Thornton as outlined in the Original Contract as the Board deems the continuation of utilizing Grant Thornton's services, for review of SAIL Program projects, to be appropriate.

NOW THEREFORE, BE IT RESOLVED, the Board hereby approves and authorizes the renewal of the Trust's Original Contract with Grant Thornton for an additional term of one-year, terminating on November 8, 2017, pursuant to the terms and conditions set forth in the original agreement; and

BE IT FURTHER RESOLVED THAT the Vice Chairman of the Trust is hereby authorized to execute a letter agreement with Grant Thornton substantially under the terms and conditions of the Original Contract. The terms and conditions of the amended agreement shall include, but not be limited to:

a. the provision of services as outlined in the Trust's RFP distributed on November 4, 2013, the RFP Addendum dated November 13, 2013, and the proposal submitted by Grant Thornton dated November 19, 2013; and

b. the payment of all fees for all services as detailed in the November 19, 2013 submittal; and

c. the term of the contract shall be for a period of one-year, terminating on November 8, 2017, with no option for further renewal; 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 Vice Chairman of the Trust.

Adopted Date: August 11, 2016

Motion Made By: Timothy Cunningham

Motion Seconded By: Dan Kennedy

Ayes: 6

Nays: 0

Abstentions: 0

RESOLUTION NO. 16 - 38

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
AUTHORIZING PASSAIC VALLEY SEWERAGE COMMISSION
STATE FISCAL YEAR 2017 CONSTRUCTION LOAN**

WHEREAS, the New Jersey Environmental Infrastructure Trust (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 (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 (Regulations), is authorized, pursuant to an interim financing program (Construction Financing Program), to make loans (Construction Loan) for terms not to exceed three full state fiscal years to eligible project sponsors (Borrower) for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Construction 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 a Construction Loan pursuant to the Construction 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 that has been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20; (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 (Department) and Trust monies; and (v) the proposed project sponsor has not previously received a Construction Loan through the Construction Financing Program for the same project scope; and

WHEREAS, the Board of Directors of the Trust (Board) duly adopted Resolution No. 16-22 on May 12, 2016 entitled “Amended and Restated Resolution Authorizing Various Short-Term Financing Programs for State Fiscal Year 2017” (Authorizing Resolution) in order to provide funding for the implementation of various short-term loan programs during State Fiscal Year 2017 including the Construction Financing Program (SFY2017 Construction Loan Program); 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 SFY2017 Construction 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 4 of the Trust Authorizing Resolution, any Construction Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the SFY2017 Construction 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; and

WHEREAS, the Passaic Valley Sewerage Commission (PVSC) has requested from the Trust a loan from the SFY2017 Construction Loan Program, in anticipation of a long-term loan from each of the Trust and the New Jersey Department of Environmental Protection (Department) as part of the SFY2017 New Jersey Environmental Infrastructure Financing Program (NJEIFP), for the purpose of completing an environmental infrastructure project to be constructed in Newark and designated by the Department as Project # S340689-38 (PVSC Project); and

WHEREAS, pursuant to the construction schedules with respect to the PVSC Project, a construction loan not to exceed three full fiscal years will be made available for the PVSC Project for construction, all or a portion of which will be completed prior to PVSC's receipt of The Trust and Department long-term NJEIFP loans, thereby resulting in a request by PVSC for a Construction Loan from the SFY2017 Construction Loan Program in an amount not to exceed \$19,500,000; and

WHEREAS, with respect to the limitation established in Section 4 of the Authorizing Resolution providing that any Construction Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the SFY2017 Construction 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, 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 SFY2017 Construction Loan Program, to the aforementioned project sponsors in amounts not to exceed \$19,500,000 for the purpose of completing the PVSC Project; and

WHEREAS, it is the desire of the Trust that, other than the exception to Section 4 of the Authorizing Resolution described in the immediately preceding recital, each project sponsor 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 4 of the Authorizing Resolution providing that a Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the SFY2017 Construction Loan Program shall not exceed \$10,000,000 in principal amount, the Board, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to such limitations established in Section 4 of the Authorizing Resolution, a Construction Loan, as part of the SFY2017 Construction Loan Program, to PVSC in an amount not to exceed \$19,500,000 for

the purpose of completing the following PVSC Project.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
Passaic Valley Sewerage Commission	S340689-38	Concrete rehabilitation and protective coating of the final clarifiers at the PVSC treatment facility	\$19,500,000

Section 2. Other than the exception created by the provisions of Section 1 of this Resolution, the Construction Loan made to the aforementioned project sponsor as part of the SFY2017 Construction 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 11, 2016

Motion Made By: Dan Kennedy

Motion Seconded By: Roger Ellis

Ayes: 6

Nays: 0

Abstentions: 0

RESOLUTION NO. 16 - 39

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

WHEREAS, the New Jersey Environmental Infrastructure Trust (the “Trust”), pursuant to and in accordance with the “New Jersey Environmental Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented (the “Act”), is authorized, pursuant to a Disaster Relief Emergency Financing Program, also known as the “Statewide Assistance Infrastructure Loan Program” or “SAIL”, to make loans (each, a “Relief Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of eligible environmental infrastructure projects (each, a “Project”), provided that each such Relief Loan made by the Trust to a Borrower and each such Project satisfies the requirements of the Act; and

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

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

WHEREAS, the Passaic Valley Sewerage Commissioners (“PVSC”), is a public body corporate and politic with corporate succession duly created and validly existing pursuant to N.J.S.A. 58:14-1 *et seq.*, as amended and supplemented; and

WHEREAS, with respect to each of the PVSC projects that are identified in the Project Priority List set forth in the Trust’s State Fiscal Year 2017 May Report (specifically, projects numbered S340689-23, 25, 30, 33, 37, 40, 41, 42, and 43) (collectively, the “PVSC Projects”), PVSC has applied to the Trust for financing through SAIL for (i) approximately ten percent (10%) of the total project cost thereof (with the aggregate total project costs estimated to equal \$508,000,000), with such ten percent (10%) of each total project cost relating to the “match” that is required by FEMA to be contributed by a FEMA grant recipient to the cost of a given project (the “Local Share Costs”), and (ii) any additional non-FEMA eligible costs that are otherwise allowable and eligible under the SAIL Program (the “Non-FEMA Eligible Costs”); and

WHEREAS, the Trust desires to certify the PVSC Projects for financing through SAIL pursuant to the provisions of the Act and the SAIL Program Resolution, subject to the receipt by the Trust of the certification thereof by the Commissioner of the NJDEP; and

WHEREAS, the Trust desires to extend Relief Loans to PVSC (each a “PVSC Relief Loan”) in an aggregate principal amount not to exceed \$50,800,000 for the purpose of financing the Local Share Costs of the PVSC Projects, provided, however, that such aggregate principal amount may be increased by an amount that shall not exceed \$10,000,000 for each PVSC Project that is the subject of a PVSC Relief Loan to the extent that (i) Non-FEMA Eligible Costs are incurred by PVSC in connection with a given PVSC Project and (ii) such Non-FEMA Eligible Costs relating to such PVSC Project are eligible for funding under the SAIL Program; and

WHEREAS, the terms and conditions of the PVSC Relief Loans shall be as set forth in the Memorandum of Agreement, dated July 20, 2016 (“MOA”; a copy of which is attached hereto as Exhibit B), by and between the Trust and PVSC, and it is the desire of the Board to ratify the MOA and the terms and provisions thereof; and

WHEREAS, the Board adopted Resolution No. 14-08 on February 20, 2014 (the “Original PVSC Authorizing Resolution”; a copy of which is attached hereto as Exhibit C), which PVSC Authorizing Resolution certified certain PVSC projects for funding through SAIL and approved certain structural features relating to Relief Loans to PVSC, in the context of SAIL parameters established by the SAIL Program Resolution; and

WHEREAS, it is the desire of the Board to amend and restate in its entirety the Original PVSC Authorizing Resolution (i) to address certain changed facts and circumstances relating to PVSC and the PVSC Projects, and (ii) to ensure that SAIL and the PVSC Relief Loans effectively respond to the unique applicant needs that are presented by PVSC, in the context of SAIL parameters established by the SAIL Program Resolution.

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

Section 1. The Board hereby amends and restates the Original PVSC Authorizing Resolution in its entirety pursuant to the terms and provisions hereof.

Section 2. The MOA, and the terms and provisions thereof in the form attached hereto as Exhibit B, are hereby ratified and approved by the Board for the purpose of authorizing the PVSC Relief Loans to PVSC pursuant to the terms hereof.

Section 3. Subject to the prior receipt by the Trust of the certification thereof by the Commissioner of the NJDEP, the Board hereby certifies the PVSC Projects for financing pursuant to SAIL in accordance with the provisions of the Act, the SAIL Program Resolution and this Amended and Restated Resolution (including the terms of the MOA approved hereby).

Section 4. The Board hereby authorizes and approves the PVSC Relief Loans by the Trust to PVSC for the purpose of financing the PVSC Projects, pursuant to and in accordance with the terms and provisions of the Act, the SAIL Program Resolution and this Amended and Restated Resolution (including the terms of the MOA approved hereby), including, without limitation, the provisions of the SAIL Program Resolution relating to the prior satisfaction in full by PVSC of the Relief Funding Eligibility Conditions. The Board hereby further determines that the PVSC Relief Loans shall be made (via one or more loans) by the Trust to PVSC in an aggregate principal amount that shall not exceed \$50,800,000 for the purpose of financing the Local Share Costs of the PVSC Projects, provided, however, that such aggregate principal amount may be increased by an amount that shall not exceed \$10,000,000 for each PVSC Project that is the subject of a PVSC Relief Loan to the extent that (i) Non-FEMA Eligible Costs are incurred by PVSC in connection with a given PVSC Project, and (ii) such Non-FEMA Eligible Costs relating to such PVSC Project are eligible for financing under the SAIL Program .

Section 5. The Board hereby determines that, notwithstanding any provision of the SAIL Program Resolution to the contrary, (i) one hundred percent (100%) of the aggregate principal amount of the PVSC Relief Loans shall be financed with monies received by the Trust pursuant to the Appropriation, and (ii) each PVSC Relief Loan shall bear interest at the rate that has been established by the Board, as of the date of closing with respect to such PVSC Relief Loan, for the short term financing programs of the Trust.

Section 6. Any Authorized Officer is hereby authorized and directed to execute such documents and to take such other actions that such Authorized Officer, in his respective sole discretion after consultation with the Professional Advisors, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

Section 7. This Amended and Restated Resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date: August 11, 2016

Motion Made By: Timothy Cunningham

Motion Seconded By: Dan Kenndy

Ayes: 6

Nays: 0

Abstentions: 0

SUMMARY OF ANNOUNCEMENTS:

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

- On **August 9, 2016**, Trust and DEP Engineering staff met with representatives from the Lambertville MUA to discuss permitting and financing for a potential NJEIFP project;
- On **July 22, 2016**, Executive Director Zimmer, Assistant Director Scangarella, and DEP Bureau Chief Eugene Chebra, hosted a conference call with representatives from the Passaic Valley Sewerage Commission to discuss financing Sandy-related SAIL and traditional SRF projects;
- On **July 21, 2016**, all members of Trust staff participated in a required, three-year ethics training session which was conducted by Sherry Wilson, of the State Ethics Office;
- On **July 19, 2016**, Executive Director Zimmer met with senior managers from New Jersey American Water Company to discuss updates to the Financing Program and potential NJAWC projects;
- On **July 18, 2016**, Executive Director Zimmer, Financial Advisor Geoff Stewart, and Bond Counsel Richard Nolan participated in the Jersey Water Works NJ Green Bond Market Forum with executives from other NJ Financing Authorities and investors at the Newark Regional Partnership Offices;
- Trust senior staff participated in the following client project pre-planning meetings or conference calls to discuss program funding issues:
 - Elmer Borough – NANO Infrastructure Loan
 - North Hudson SA – CSO LTCP
 - Lambertville MUA – Planning Document
- Executive Director Zimmer continues to serve as Co-chair of the Jersey Water Works Finance Committee and co-hosts quarterly meetings;
- Assistant Director Scangarella and the Trust’s I.T. staff continue to meet with the DEP technology and process staffs to further the development of the Financing Program’s H₂LOans computer system;
- Trust senior staff continue to meet with consultants from CohnReznick to discuss testing of the Trust’s Policies and Procedures; and
- Importantly, the next Board meeting is scheduled for **September 15, 2016** at 10:00 a.m. 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	Ocean Twp	W1520001-005
2013A	Collingswood Borough	W0412001-004/005
2014A	Ocean Twp	S340112-04
2014A	Point Pleasant Borough	S340428-01

A copy of the announcements is available on the Trust’s webpage (<https://www.njeit.org>) under the recent Board meeting documents section, the announcements will be at the end of the Minutes for each meeting.