

**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



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