

New Jersey Environmental Infrastructure Trust

**ANNUAL
REPORT
2009**

Did You Know?



The Financing Program has issued more than \$5.34 billion in loans since 1987.



More than 861 clean water, drinking water, land acquisition and landfill cleanup projects have been funded.



Taxpayers and ratepayers have saved nearly \$2 billion in finance costs. (\$1,933,443,665)



Drinking water loans are available for small system operators such as nursing homes, condominium and homeowner associations.



Current financing program loan rates are as low as 0.844%.



The Financing Program has issued more than \$88 million in loans to preserve over 3,000 acres of open space.



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Chris Christie
Governor
State of New Jersey

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MESSAGE FROM THE TRUST

**To: The Honorable Chris Christie
Governor of the State of New Jersey
The Honorable Members of the New Jersey Legislature**

The 2009 Financing Program was the most ambitious financing program in the Trust's history. During this year, 182 clean water and drinking water projects were financed. The combination of the Trust's bond sales and capitalization funds from the Department of Environmental Protection (DEP) provided more than \$717 million in low-cost loans to infrastructure borrowers. This marked the largest financing program in the Trust's history, an accomplishment that stands as a testament to the Trust's and the DEP's dedication to protecting and improving New Jersey's water resources. Consequently, over 15,000 construction jobs were generated throughout the State as a result of the 2009 Financing Program, a significant contribution to New Jersey's economic recovery.

The 2009 Financing Program was structured under both the Traditional Financing Program and the American Recovery and Reinvestment Act (ARRA) Program. The Traditional Financing Program offered loans at 25-50% of the market rate and funded 101 projects for loans totaling in excess of \$379 million. The ARRA Financing Program also offered loans at 25% of the market rate and provided principal forgiveness of up to \$5 million per borrower for approved clean and drinking water loans. A total of 81 ARRA projects received loans totaling nearly \$338 million. Of the 182 projects, 130 targeted wastewater, stormwater and non-point source pollution by improving sewage treatment facilities, maintaining wastewater collection and conveyance systems, and reducing pollution caused by stormwater runoff. Additionally, 52 projects helped municipalities and private water purveyors meet the requirements of the Safe Drinking Water Act.

Working in partnership with the DEP, the Trust leverages state funds and repayments of federal funds with its own bond proceeds to make loans at the lowest possible cost. For 23 years, the Financing Program has been funding projects to improve water quality and has issued loans of more than \$5.34 billion for 861 infrastructure projects. This has saved taxpayers and ratepayers almost \$2 billion in finance costs.

The Trust continues to focus on the following objectives:

- Provide an effective, efficient financing program for clean water and drinking water projects;
- Provide financing to borrowers at a cost that is much lower than they could achieve on their own; and
- Facilitate access to capital markets for all participants - especially those that may have low credit ratings or are unfamiliar with the debt financing process.

2010 Financing Program

The 2010 Financing Program will offer low-interest loans of one-half of the prevailing market rate to a majority of projects receiving long-term loans in 2010. Projects that promote smart growth will be offered loans at a quarter of the market rate in accordance with the State's Smart Growth Initiative, a strategy aimed at improving public health in urban area environments and curbing the development of forests, open space, and farmland. Inclusive to the 2010 Financing Program is the Green Project Reserve (GPR), which will provide 25% market rate (75% interest free) loans for green projects, a comparable rate to smart growth projects. In total, the GPR will equal 20% of the FFY2011 clean water and drinking water state capitalization grant.

Green Projects

Green projects consist of clean water and drinking water projects that implement green infrastructure and water or energy efficiency improvements (those that reduce greenhouse gas emissions, for example). Green infrastructure

includes such practices as replacing existing pavement with porous pavement, utilizing bioretention, constructing green roofs, creating rain gardens, and other practices that mimic natural hydrology and reduce effective imperviousness. By offering low-interest loans for projects of this nature, the NJEIFP continues to advance the Trust's and the DEP's shared mission of environmental protection and sustainable development.

Principal Forgiveness Loans

Approximately \$135 million is available for combined Clean Water and Drinking water principle forgiveness loans in the 2010 Financing Program, of which \$33.75 million is available for principal forgiveness. These loans will be structured as follows: half of the loan consists of an interest-free, Department administered Fund loan, while the other half is a market-rate loan from the Trust. Projects eligible for Principal Forgiveness may have a portion of the Fund loan forgiven, represented as 25% of the combined Trust and Fund loan.

Brownfield Remediation Projects

The 2010 Financing Program is also allocating \$30 million in Fund loans as "Brownfield Set-Aside," representing projects where a government unit serves as the applicant on behalf of a private entity for a remediation or redevelopment project. It is anticipated that loan requests for Brownfield Set-Aside will total between \$50 and \$60 million. Accordingly, projects will be prioritized through a ranking system, the methodology of which is determined within the NJEIFP's Financing Program.

Dennis Hart Leaves the Trust; Maryclaire D'Andrea Steps Up as Acting Executive Director

After serving as Executive Director of the NJEIT for over 6 years, Dennis Hart has accepted a position of Managing Director within the Construction Industry Advancement Program of New Jersey (CIAP), a non-profit trusteeship that provides service, research, and education across the State. Beginning his work with the Trust in July of 2003, Mr. Hart saw to the many successes enjoyed by the organization, including the NJEIFP's most prolific years in financing environmental infrastructure projects. Throughout the 2005-07 financial cycles, loans totaling in excess of \$450 million were received by borrowers, highlighting a substantial increase from previous years. Additionally, he is responsible for the expansion of NJEIFP funding to include projects involving land acquisition and redevelopment. Mr. Hart's impact on the Trust has been far-reaching and will most certainly be long-lasting. After his departure on January 21st, 2010, the capacity of Acting Executive Director was filled by Maryclaire D'Andrea. Throughout her 22 years of service to the Trust, Mrs. D'Andrea has been instrumental in engineering and implementing many of the Trust's successful programs, including the Direct Loan Program. She has also served on the Brownfield Redevelopment Interagency Team and was liaison to the Division of Minority and Women Business Development.

As the first financial professional hired by the Trust, Mrs. D'Andrea played a critical role in establishing the accounting system that is still used today. Her contributions and continual involvement with the Trust reflect Mrs. D'Andrea's passion and innovation, making her an invaluable personality within the organization. Most recently, she has held such positions as Chief Financial Officer and Assistant Director.

As the Trust enters its 24th year, its ongoing record of providing the lowest cost financing available for clean water and drinking water projects will continue to improve and enhance New Jersey's environment. The Trust looks forward to working closely with you to further its role of protecting our precious water resources. Thank you for your guidance and support.



Robert A. Briant, Sr.
Chairman



Maryclaire D'Andrea
Acting Executive Director

BOARD OF DIRECTORS AND EXECUTIVE DIRECTOR



Robert A. Briant, Sr.
Chairman



Maryclaire D'Andrea
Acting Executive Director



Warren H. Victor
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*Commissioner,
NJ Department of
Environmental
Protection*



Lori Grifa
*Commissioner,
NJ Department of
Community Affairs*

BENEFITS OF THE FINANCING PROGRAM

Environmental Infrastructure Financing Program loans offer the lowest interest rates available. This low rate is a result of the program's financing structure. Under the program, participants finance project costs from a Trust interest-bearing loan and a DEP zero-percent interest loan. The Trust's interest bearing loans are financed from the sale of Revenue Bonds. The DEP's zero percent loans are financed with federal grants to the State's Clean Water and Drinking Water State Revolving Fund programs, a portion of the state match, proceeds from the sale of State General Obligation Bonds and loan repayments. This provides borrowers with a loan that is half the prevailing market rate. Projects that promote smart growth through land preservation or urban development are eligible for loans that are one quarter the market rate.

In addition to interest rates, there are other factors that increase overall loan costs at traditional lending institutions. Some of these include debt service, bond insurance and arbitrage management. These additional costs are not passed on to Financing Program borrowers. In fact, all fund loan repayments are held as security for additional coverage for bond debt service payments. This has earned the Trust AAA ratings for its bonds since 1995. This year's bonds received a natural AAA rating from Fitch Ratings, Moody's Investor Service and Standard and Poors. With this rating, the Trust's bonds sell at lower rates, which translates into lower costs for borrowers.

When the following additional cost-saving measures are considered, loan costs are actually lower than the Trust's posted interest rates:

Earnings credits – Earnings from all bond proceeds are distributed to borrowers as credits toward their debt service payments.

Capitalized interest – Loans may include all or part of construction period interest costs for up to three years. Additionally, borrowers may defer repayment of principal and interest until completion of the project.

No need for bond insurance – The security provided by the Trust's natural AAA financial structure saves borrowers the expense of purchasing costly bond insurance.

Defrayed financing costs – Pooling multiple loans into a larger bond issue provides economies of scale. This means each borrower only pays its share of the Trust's bond issuance costs.

Generous allowable costs – Project costs, including planning and design, engineering, local financing and curb-to-curb right-of-way restoration may be financed at half the market interest rate. In smart growth areas, reserve capacity costs such as excess project capacity may also be financed.

No front-loading requirement – Local government units issuing their own general obligation debt are required to “front load” their repayment schedule. This ensures that debt service payments are larger in the early years of the loan, and grow smaller over time. We provide a level debt service throughout the life of the loan.

No arbitrage worries – We assume responsibility for complying with federal arbitrage rebate requirements.

Flexible timing – Shorter term financing is available for borrowers who do not want a 20-year obligation.

Net funding – Each borrower submits a loan drawdown schedule. Funds are invested by the Trust and accrue earnings. These earnings are used to further lower the loan amount.

Refunding – The Trust continually monitors market conditions to assess when interest rates meet the Trust’s savings threshold for refunding prior bonds. All savings realized from bond refundings are passed on to borrowers, further lowering loan costs.

No secondary disclosure requirements – Due to our size, no single borrower is a material obligated entity. This means our borrowers are not required to fulfill secondary disclosure requirements.

Interim financing – Interim financing allows borrowers to access interest-free capital prior to the Trust’s regular November loan closing. This eliminates the need for short-term financing.

Debt Service Reserve Fund – Debt service reserve funds are either not needed or are provided by the Trust for government borrowers.

Timely decisions – The DEP prioritizes Financing Program projects reviews to ensure permits are reviewed in time for loan closing.

PROJECTS ELIGIBLE FOR FINANCING

The New Jersey Environmental Infrastructure Financing Program's initial focus was the financing of various clean water projects such as wastewater treatment and conveyance systems and combined sewer overflows. After making significant gains in this area, the program has since been expanded to include many other water quality enhancing projects.

The following project categories reflect how the program can be used to protect and improve New Jersey's environment.

Wastewater

Almost any project associated with sewage collection, treatment or disposal is eligible for financing, including correction of inflow/infiltration problems, sludge management and combined sewer overflows.

Drinking Water

Eligibility applies to projects that address federal safe drinking water health standards. This includes replacement, source development and rehabilitation, treatment to comply with primary/secondary drinking water standards, storage to prevent contamination from entering the water system, and transmission lines/distribution systems to prevent contamination or to improve pressure to safe levels.

Stormwater

Eligible projects include construction, expansion or replacement of stormwater management systems, construction or expansion of basins, replacement of storm drains, and rehabilitation of tide gates and extension of outfall points.

Green Projects

Green projects consist of clean water and drinking water projects that implement green infrastructure and water or energy efficiency improvements (those that reduce greenhouse gas emissions, for example). Green infrastructure includes such practices as replacing existing pavement with porous pavement, utilizing bioretention, constructing green roofs, creating rain gardens, and other practices that mimic natural hydrology and reduce effective imperviousness.

Runoff Control

Projects such as manure/feedlot management, stream and lake bank stabilization, lake dredging and restoration and salt dome construction are some of the eligible project types.

Equipment Purchases

Items such as street sweepers, sewer flushing and cleaning equipment, dump trucks, crawler loaders, skimmer boats, aquatic weed harvesters and outfall netting may be financed under the program.

Landfill Construction and Closure (publicly owned)

Aspects of sealing an old landfill or constructing a new cell in an active one relating to prevention, reduction or control of leachate, its storage and/or treatment are eligible for financing. Other eligible activities include capping systems, liners, leachate collection systems, treatment systems, sewer connections, barge shelters, containment booms, litter fences, gas collection and treatment systems, monitoring wells and reclamation or reduction activities.

Brownfield Remediation

The cleanup of abandoned and contaminated industrial sites is eligible for financing if a local or county government assumes the responsibility for the loan. The program will finance the removal of contaminated soil, capping and stormwater controls.

Open Space Acquisition

Preserving open land that will contribute to maintaining or enhancing the quality of surface or ground water may be financed under the program. Eligible areas include stream headwaters, stream corridors, wetlands and aquifer recharge areas. Financing for land is compatible with the Green Acres Program, the Garden State Preservation Trust and with open space programs financed by local and county open space taxes.

Septic Systems

Failing septic systems can contaminate ground water and surface water, creating a public health hazard. Although individual septic systems are usually privately owned, situations involving numerous system failures may be eligible for funding. In such cases, a governing body or utilities authority may establish a Septic Management District to apply for financing the planning and corrective measures. Eligible projects include the purchase and installation of traditional or alternative septic systems (to replace failing systems), rehabilitation of an existing system or construction of community systems.

Projects not listed above, that provide a water quality benefit, should be brought to the attention of the Trust and DEP who will determine financing eligibility.

2008 PROJECT DESCRIPTIONS

DRINKING WATER PROJECTS

Aqua NJ (Blackwood) Inc. - \$1,196,000 (2 projects) - New radium removal for wells.

Beachwood Borough - \$2,530,000 (3 projects) - Construction of water storage tank and replacement of water mains.

Borough of Ramsey - \$249,240 - Construction of an arsenic treatment system.

East Windsor MUA- \$11,000,000 (3 projects) - Improvements to well.

Flemington Borough - \$1,739,000 (2 projects) - Construction of arsenic treatment system.

Gloucester City - \$10,295,000 - Water treatment plant upgrades.

Jersey City MUA- \$3,105,000 - Treatment plant improvements, replacement of valves and cleaning and lining of water mains.

Lake Tamarack Water Corp. - \$96,120 - Rehabilitation of water storage tanks.

Lakewood Township MUA - \$2,415,000 (6 projects) - Storage tank replacement, water treatment plant upgrades, well construction, well pump installation, construction of water mains and building renovations.

Mantua Township MUA- \$4,600,000 - Water main construction.

Middlesex Water Company, Inc. - \$4,025,000 - Cleaning and lining of water mains.

Milltown Borough - \$2,302,000 - Cleaning and lining of water mains.

Newark City - \$11,257,000 - Cleaning and lining of water mains

Old Bridge MUA- \$2,537,000 (2 projects) - Upgrades to the Booster Station.

Orange Township City - \$9,618,000 - Upgrades to treatment and pumping facility.

Rosemont Water Co. - \$120,782 - Drinking water treatment system improvements.

Ship Bottom Borough - \$1,353,000 - Replacement of water mains.

Stafford Township - \$7,557,000 (2 projects) - Construction of new water mains.

Burlington City - \$9,093,000 - Construction of a new pump station and force main.

Camden City - \$3,871,000 - Sewer system relocation and replacement.

Camden County MUA - \$24,588,000 - Construction of a new sludge drying facility.

Cinnaminson Sew. Auth. - \$790,000 (2 projects) - Force main replacements.

Clinton Township Sew. Auth. - \$1,739,000 - Rehabilitation of pump stations.

East Windsor MUA - \$14,115,000 - Upgrades to the wastewater treatment plant.

Evesham Municipal UA - \$3,007,000 - Wastewater treatment plant upgrade.

Gloucester County UA - \$1,497,000 (2 projects) - Wastewater treatment upgrades.

Gloucester Twp. MUA - \$3,002,000 (2 projects) - Sewer system rehabilitation project.

Haddon Township - \$7,343,000 - Rehabilitation of sanitary sewers.

Leonia Borough - \$315,000 - Construction of a salt storage facility.

Medford Township - \$8,109,000 - Wastewater Treatment plant improvements.

Middletown Township Sew. Auth. - \$17,544,000 - Wastewater treatment plant improvements.

NJ Water Supply Auth. - \$3,000,000 - Land acquisition.

North Hudson Sew. Auth - \$1,144,000 (2 projects) - Emergency repairs and wastewater treatment plant improvements.

Ocean County UA - \$1,495,000 (5 projects) - Repairs, replacements and improvements for three sewage treatment plants.

Paterson City - \$20,662,000 - Combined sewer overflow upgrades.

Princeton (PSOC) Borough - \$2,325,000 - Rehabilitation of collection system.

Princeton (PSOC) Township - \$2,325,000 - Rehabilitation of the collection system.

Runnemede Borough - \$1,971,000 (2 projects) - Upgrade of the sanitary sewer pump stations.

Ship Bottom Borough - \$848,000 - Replacement of sewer mains.

Township of Ocean - \$499,550 - Equipment purchases.

Western Monmouth UA - \$8,227,000 - Wastewater treatment plant upgrades.

Willingboro MUA - \$5,819,000 - Emergency repair to the sanitary sewer system.

CLEAN WATER PROJECTS

Bayonne Local Redev. Auth. - \$11,700,000 (2 projects) - Improvements to the stormwater system and construction of sanitary sewer lines.

Bellmawr Borough - \$9,082,000 - Construction of new storm sewer.

Bergen County UA. - \$30,544,000 (2 projects) - Installation of relief sewers and force main improvements.

Bergen County UA - \$2,400,000 - Storm water improvements.

Berkeley Township - \$12,609,000 - Construction of stormwater controls.

2009 PROJECT DESCRIPTIONS

DRINKING WATER PROJECTS

Aqua New Jersey Inc. - \$2,119,166 (2 projects) - Installation of radium removal system at well #12 (Hamilton, Mercer County) and tri-county regional pipeline interconnection.

Atlantic City MUA - \$5,076,156 (3 Projects) - Replacement of concrete cradles and 1,640' water main replacement and creation of new drinking water wells.

Bayonne MUA - \$1,696,480 - Aqueduct rehabilitation.

Beach Haven Borough - \$1,773,343 (2 Projects) - Drinking water well and storage tank rehabilitation.

Belmar Borough - \$318,403 - Water main upgrades.

Bridgeton City - \$2,696,107 (2 projects) - Construction of a water storage tank and reservoir rehabilitation.

Brigantine City - \$1,242,000 - New storage tank.

Camden City - \$3,990,000 (2 projects) - Water treatment plant upgrades and water meters.

Deptford Township MUA - \$2,199,543 - Water main replacement & new valve.

Dover Town - \$610,000 - Low service area tank replacement.

Flemington Borough - \$320,000 (supplemental) - Radium removal.

Glen Ridge Borough - \$1,404,383 - Water meters.

Harrison Town - \$720,011 - 626' water main to serve the Harrison Commons redevelopment.

Hightstown Borough - \$1,935,000 - Water mains.

Hudson County Improv. Auth. - \$1,820,154 (Advance) - 2,167' potable water mains.

Jersey City MUA - \$10,376,040 - Water treatment plant upgrade.

Keansburg Borough - \$2,619,000 - Water treatment plant improvements.

Kearny Town - \$1,480,500 - Water mains.

Lake Tamarack Water Corp. - \$96,120 - Water storage tank rehabilitation.

Little Egg Harbor MUA - \$435,106 - Water main.

Long Beach Township - \$2,012,000 - Replacement of 12,000 LF of undersized water mains.

Manasquan Borough - \$6,279,000 - Wastewater treatment plant improvements.

Manchester UA - \$5,116,930 - (3 Projects) - Replacement of water mains and cleaning and lining of water mains, and water distribution system improvements.

Montclair Township - \$734,657 - Water treatment plant upgrades.

Newark City - \$4,933,138 - Rehabilitation of cleaning and lining of 85,000' cast iron water distribution mains.

Ocean Gate Borough - \$639,152 (2 projects) - Wind turbine, and storage tank rehabilitation.

Roosevelt Borough - \$540,000 (2 Projects) - Water tower rehabilitation and water treatment plant improvements.

Salem City - \$11,602,416 - New wastewater treatment plant.

Southeast Monmouth MUA - \$7,984,518 (2 Projects) - Rehabilitation of the ozone system and instrumentation.

Stafford Township - \$5,825,271 (2 projects) - New water mains for existing homes (Phase 5), and purchase of water meters and transmitters.

Stillwater Township WD#1 - \$240,833 - Radium removal system.

Stone Harbor Borough - \$623,774 - Replacement of water main.

Sussex Borough - \$597,000 - Water storage tank upgrades.

Trenton City - \$8,550,000 - Addition of 2 natural gas generators at the central pumping station.

Valley View Health Care RC - \$24,252 - Installation of a dual-train arsenic removal system.

Vineland City - \$4,885,000 (2 Projects) - Treatment for radium removal for wells #9 & #13

Willingboro MUA - \$2,477,480 - Solar panels.

Woodbury City - \$2,956,013 - Finished water storage reservoir and water mains.

CLEAN WATER PROJECTS

Asbury Park City - \$14,389,737 - Sewer rehabilitation.

Atlantic County UA - \$7,910,000 - Wastewater treatment plant improvements.

Atlantic Highlands Reg. Sew. Auth. - \$915,000 - Sewer rehabilitation.

Bayonne MUA - \$9,256,000 (2 projects) - Installation of 850' storm water sewer system with catch basins, pump station and 945' force main, and the construction of a wind turbine.

Bayshore Reg. Sew. Auth. - \$7,700,000 - Wind turbine and sewage treatment plant improvements.

2009 PROJECT DESCRIPTIONS

CLEAN WATER PROJECTS (CONTINUED)

Beach Haven Borough - \$4,082,251 - Installation of 2,500 residential water meters.

Belmar Borough - \$666,000 - Sewer rehabilitation.

Bergen County UA - \$5,199,513 (2 Projects) - Wastewater treatment plant improvements.

Berkeley Heights Township - \$1,802,980 - Installation of de-nitrification, improve sludge digestion and rehabilitation of other processes to wastewater treatment facility.

Berkeley Township - \$1,007,600 - Stormwater management.

Beverly Sew. Auth. - \$371,996 - Sewage treatment facility upgrades.

Bordentown Sew. Auth. - \$2,966,612 (2 projects)- Wastewater treatment plant improvements, and sewer rehabilitation

Bound Brook Borough - \$148,161 - Sanitary sewer system rehabilitation.

Brick Township - \$2,097,600 (2 Projects) - Pump station and sewer main rehabilitation.

Bridgeton City \$3,167,600 - Construction of new radium removal treatment plant.

Bridgewater Township - \$718,444 - Sewer rehabilitation.

Burlington Township - \$595,432 - Sanitary sewer rehabilitation.

Camden City - \$8,820,170 - Sewer rehabilitation.

Camden County MUA - \$8,283,000 - Wastewater treatment plant improvements.

Cape May County MUA - \$230,280 - Water main rehabilitation.

Carney's Point Township - \$502,733 - Stormwater pumping station upgrades.

Carteret Borough - \$4,030,000 - Pump Station I sewer rehabilitation.

Chatham Borough - \$1,665,000 - Sewer rehabilitation.

Clifton City - \$988,000 - Pump station replacement.

Collingswood Borough - \$728,000 - Pump station rehabilitation.

Deptford Township MUA - \$3,555,779 - Pump station and collection system.

Dumont Borough - \$3,800,000 - Stormwater management.

East Orange Water Comm. - \$3,040,500 - Infiltration and inflow correction

East Windsor MUA - \$1,756,880 - Wastewater treatment plant improvements.

Eatontown Sew. Auth. - \$4,427,114 - Sewer rehabilitation, pump station

Edgewater Borough - \$695,000 - Stormwater management.

Elizabeth City - \$7,941,881 (2 projects) - Installation of 3,502' Storm sewers, 1,300' storm conduit, and catch basin upgrades, and combined sewer overflow abatement.

EUCJM ~ Elizabeth City - \$4,193,069 - Wastewater treatment plant improvements.

EUCJM ~ Irvington Township - \$1,524,817 - Wastewater treatment plant improvements.

EUCJM ~ Newark City - \$922,583 - Wastewater treatment plant improvements

EUCJM ~ South Orange Village Twp - \$404,540 - Wastewater treatment plant improvements

EUCJM ~ West Orange Township - \$1,105,875 - Wastewater treatment plant improvements.

EUCJM ~ Hillside Township - \$491,705 - Wastewater treatment plant improvements.

Evesham Township MUA - \$1,107,450 - Infiltration basins.

Galloway Township - \$593,090 - Pump station rehabilitation.

Gibbsboro Borough - \$1,039,614 - Sewer rehabilitation.

Gloucester CUA - \$1,510,957 (2 projects) - Force Main improvements, and wastewater treatment plant improvements..

Gloucester Township MUA - \$2,205,000 - Pump station, force main.



2009 PROJECT DESCRIPTIONS

CLEAN WATER PROJECTS (CONTINUED)

Haledon Borough - \$1,537,000 - Sewer improvements.

Hamilton Township - \$481,651 - Wastewater treatment plant improvements.

Harrison Town - \$3,593,485- Installation of 733' sanitary sewer extension and 3,300 storm sewer and sanitary sewer improvements.

Hawthorne Borough - \$685,000 - Force Main replacement.

Hillsborough Township - \$5,895,914 - Sewer extension.

Hudson County Improv. Auth. (Advance) - \$15,022,393 - Site remediation including installation of environmental cap.

Hudson County Improv. Auth. (Bayonne Crossing) - \$17,375,060 - Site remediation including cap and wastewater collection and soil venting system.

Jersey City MUA - \$4,731,646 - Sewer rehabilitation.

Jersey City MUA \$2,041,195 (Supplemental loan) - Sanitary sewer and pump station improvements.

Lambertville Sew. Auth. - \$7,120,000 - Wastewater treatment plant improvements.

Linden City - \$1,602,480 - Installation of active gas extraction, collection and control system at landfill.

Long Beach Township - \$2,375,000 (2 projects) - Replacement of 3,900' gravity sewer main and manholes, and sewer rehabilitation..

Long Branch Sew. Auth. - \$13,735,000 - Sewer rehabilitation.

Long Branch Sew. Auth. - \$4,701,241 - Wastewater treatment plant improvements.

Long Hill Township - \$1,516,000 - Pump station rehabilitation.

MCJM ~ Chatham Borough - \$1,047,668 - Wastewater treatment plant improvements.

MCJM - Madison Borough - \$1,635,000 - Wastewater treatment plant improvements.

Medford Township - \$6,878,000 (4 Projects) - Various upgrades to sewage treatment facility, and wastewater treatment plant improvements.

Merchantville Borough - \$1,786,000 - Sanitary sewer system rehabilitation including relining of 55,500' of sewer lines and manholes.

Middlesex County UA - \$43,649,538 (2 projects, supplemental loans) - Construction of three new landfill cells at existing landfill, and construction of a 4,000' tunnel for two 60" force mains under the Raritan River.

Middlesex County UA - \$28,696,176 (2 projects) - Wastewater treatment plant improvements.

Millville City - \$4,071,200 - Wastewater treatment plant improvements.

Montville Township - \$1,905,000 - Sewer rehabilitation.

Montgomery Township - \$16,987,150 - Wastewater treatment plant improvements.

Montgomery Township - \$14,586,046 - Wastewater treatment plant improvements.

Mount Holly MUA - \$1,960,000 - Pump station upgrade.

Mount Laurel MUA - \$1,283,000 - Sewer rehabilitation.

Mount Laurel Twp MUA - \$4,438,400 - Installation of a 529 kw photovoltaic generation system to offset cost of sewage pump station operations.

Neptune Township - \$1,288,500 - Infiltration and inflow correction.

Newark City - \$18,777,994 (2 projects) - Rehabilitation of brick sewer system including sewer relining 12,000' combined sanitary storm sewers; construction of solid floatable control facilities at two outfall locations; and equipment purchase.

NJ Sports and Exp. Auth. - \$752,268 - Stormwater improvements.

NJ Water Supply Auth. - \$600,986 - Land aquisition.

North Bergen MUA - \$9,062,904 - Combined sewer overflow abatement.

North Hudson Sew. Auth. - \$31,161,487 (3 projects) - Various sewer improvements, and wastewater treatment facility improvements, outfall rehabilitation, and security upgrades.

Ocean County UA - \$14,170,881 (5 Projects) - Sewer intercept and pump station rehabilitation; various wastewater treatment facility improvements, rehabilitation of existing ocean outfalls, and installation of SCADA system.

Ocean Township Sew. Auth. - \$3,546,200 - Wastewater treatment plant improvement / outfall repairs.

Oceanport Borough (NJSEA) - \$22,513,039 - Rehabilitation of existing storm water improvement system.

Old Bridge MUA - \$1,250,066 (Supplemental loan) - Sewer main replacement.

Parsippany~Troy Hills Township - \$25,519,180 (2 projects) - Wastewater treatment plant improvements, and pump station upgrades.

2009 PROJECT DESCRIPTIONS

CLEAN WATER PROJECTS (CONTINUED)

Passaic Valley Sew. Comm. - \$31,702,276 - Combined sewer overflow abatement.

Passaic Valley Sew. Comm. - \$17,383,494 - Combined sewer overflow abatement.

Paterson City - \$2,097,000 - Combined sewer overflow abatement.

Pennsauken Sew. Auth. - \$932,000 - Sewer rehabilitation.

Peq. Lincoln Pk, Fairfield Sew. Auth. - \$6,677,000 - UV disinfection.

Phillipsburg Town - \$5,656,880 - Wastewater treatment plant improvements.

Point Pleasant Beach Borough - \$1,684,560 - Lake dredging.

Pompton Lakes Borough MUA - \$3,093,294- Improvements to wastewater treatment facility, and replacement of sewage grinder and metal stairs.

Princeton (PSOC) Borough - \$2,655,442 - Sewer rehabilitation.

Princeton (PSOC) Township - \$3,069,756 - Sewer rehabilitation.

Rahway City - \$348,970 - Dock Street pumping station improvements.

Ramsey Borough - \$386,325 - Sewage pumping station upgrades.

Red Bank Borough - \$2,720,303 - Improvements to two wastewater treatment facilities.

Rockaway Valley Reg. Sew. Auth. - \$2,830,000 - Infiltration and inflow correction.

Salem City - \$1,368,252 - Wastewater treatment plant / pump station replacements.

Secaucus MUA - \$2,746,164 - Wastewater treatment plant improvements.

Somerset Raritan Valley Sew. Auth. - \$5,089,774 - Installation of 4,300' wastewater treatment facility outfall.

Stone Harbor Borough - \$2,540,982 - Sewer rehabilitation.

Stony Brook Reg. Sew. Auth. - \$3,313,831 - Replace mechanical surface aerators at wastewater treatment facility.

Toms River Munic. UA - \$10,120,000 - Sewer rehabilitation.

Wanaque Valley Reg. Sew. Auth. - \$3,450,000 - Wastewater treatment plant improvements.

West Milford Township MUA - \$4,726,000 - Improvements to wastewater treatment facility.

Western Monmouth UA - \$2,117,480 - Wastewater treatment plant improvements.

Westwood Borough - \$1,067,708 - Sewer main replacement.

Wildwood Crest Borough - \$4,635,569 - Sewer rehabilitation.

Willingboro MUA - \$7,014,448 - Wastewater treatment plant improvements.



NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM: BORROWERS, LOANS, AND SAVINGS, 1987-2009

Participant	Total Original Loan	Program Savings
2117 Mt. Ephraim Inc.	\$397,969	\$151,453
Allamuchy Twp	\$7,494,437	\$3,761,533
Aqua New Jersey, Inc.	\$6,505,624	\$2,274,508
Asbury Park City	\$25,055,578	\$7,256,897
Atlantic City MUA	\$13,123,435	\$5,974,375
Atlantic County UA	\$38,963,609	\$16,298,252
Atlantic Highlands Boro	\$1,783,942	\$379,758
Barnegat Twp	\$2,771,805	\$1,177,405
Barrington Boro	\$1,019,712	\$310,735
Bayonne City RA	\$4,563,800	\$2,249,492
Bayonne MUA	\$30,640,022	\$12,098,710
Bayonne Redevelopment Agency	\$31,208,249	\$18,330,523
Bayshore RSA	\$56,107,957	\$25,802,333
Bayview Water Company	\$1,600,000	\$620,466
Beach Haven Boro	\$5,881,695	\$800,403
Beachwood Boro	\$3,786,344	\$1,457,804
Bellmawr Boro	\$13,445,551	\$3,953,020
Bergen County	\$7,383,149	\$1,486,474
Bergen County IA (ENCAP)	\$211,321,814	\$2,708,186
Bergen County UA	\$127,062,644	\$70,277,834
Bergenfield Boro	\$1,130,000	\$336,968
Berkeley Heights Twp	\$15,036,610	\$5,925,610
Berkeley Twp	\$3,140,003	\$899,625
Berkeley Twp MUA	\$4,079,233	\$1,122,691
Berkeley Twp SA	\$21,109,752	\$6,864,227
Berlin Boro	\$4,823,632	\$1,369,223
Bernardsville Boro	\$6,824,630	\$2,802,965
Bethlehem Twp	\$987,100	\$416,920
Beverly SA	\$371,996	\$49,316
Bordentown SA	\$2,949,959	\$1,063,505
Bound Brook Boro	\$148,161	\$14,004
Brick Twp	\$2,573,862	\$674,835
Brick Twp MUA	\$31,807,430	\$9,619,826
Bridgeton City	\$10,158,187	\$3,138,663
Bridgewater Twp	\$1,770,319	\$345,477
Brigantine City	\$6,031,017	\$1,235,600
Brookwood Musconetcong River POA	\$1,039,200	\$280,989
Buena Boro MUA	\$1,683,486	\$501,990
Burlington City	\$20,080,143	\$8,455,121
Burlington County BCF	\$89,521,293	\$31,666,619
Burlington Twp	\$9,309,122	\$3,502,870
Byram Twp	\$1,802,284	\$620,455
Caldwell Boro	\$36,746,860	\$12,434,756
Camden City	\$102,697,059	\$43,224,875
Camden County MUA	\$387,163,597	\$218,274,980
Cape May City	\$2,082,149	\$551,408

Participant	Total Original Loan	Program Savings
Cape May County MUA	\$26,436,288	15,738,845
Cape May Point Boro	\$161,766	18,145
Carneys Point Twp SA	\$7,012,733	3,881,860
Carteret Boro	\$4,007,500	404,141
Carteret RA (Titan-PDC Carteret, LLC)	\$38,472,833	12,556,468
Cedar Glen Homes, Inc.	\$846,401	261,465
Cedar Glen West, Inc.	\$432,666	82,333
Cedar Grove	\$9,123,321	3,815,309
Chatham Boro	\$9,615,446	\$3,567,288
Chatham Twp	\$1,789,863	\$515,092
Cherry Hill Twp	\$6,142,348	\$2,898,123
Chester Boro	\$1,394,451	\$441,398
Chesterfield Twp	\$1,157,638	\$380,864
Cinnaminson SA	\$4,960,510	\$1,452,247
Clementon Boro	\$1,195,000	\$574,537
Cliffside Park Boro	\$1,105,000	\$156,950
Clinton Twp SA	\$2,085,074	\$683,256
Clinton Twp	\$4,781,572	\$1,857,112
Collingswood Boro	\$1,299,513	\$232,414
Consumers NJWC	\$3,473,961	\$1,516,073
Continental Communities L.L.C.	\$1,956,690	\$560,528
Cranford Twp	\$7,350,728	\$1,939,484
Cumberland County UA	\$1,950,000	\$508,740
Delanco SA	\$1,076,866	\$303,048
Delran SA	\$13,694,636	\$6,027,631
Denville Twp	\$18,205,604	\$7,548,170
Deptford Twp MUA	\$5,726,491	\$588,933
Dover Town	\$1,362,266	\$256,350
Dumont Boro	\$7,062,000	\$1,518,379
Dunellen Boro	\$1,845,475	465,333
East Brookwood Estates POA	\$1,357,000	\$401,480
East Newark Boro	\$579,562	\$213,163
East Orange City	\$3,025,375	\$312,233
East Rutherford Boro	\$896,793	\$121,320
East Windsor MUA	\$52,527,046	\$24,211,705
East Windsor Twp	\$868,171	\$409,247
Eatontown SA	\$4,400,336	\$437,240
Edgewater Boro	\$3,298,741	\$1,254,055
Edgewater MUA	\$1,771,496	\$532,909
Edgewater Park SA	\$311,957	\$82,341
Edison Twp	\$3,299,256	\$870,496
Egg Harbor Twp MUA	\$980,000	\$75,067
Elizabeth City	\$48,674,723	\$18,449,230
Elmwood Park Boro	\$8,874,766	\$2,433,250
Essex County UA	\$2,135,414	\$792,309
Evesham MUA	\$15,127,502	\$4,515,055

Participant	Total Original Loan	Program Savings
Evesham Twp	\$2,643,250	\$1,035,826
Ewing Twp	\$4,236,765	\$1,327,080
Ewing-Lawrence SA	\$2,779,060	\$798,058
Flemington Boro	\$3,855,496	\$1,201,301
Florence Twp	\$20,837,659	\$8,874,057
Florham Park SA	\$3,554,134	\$878,068
Fort Lee Boro	\$6,952,250	\$1,710,372
Franklin Boro	\$550,000	\$173,356
Franklin Twp SA	\$27,314,393	\$7,424,311
Galloway Twp	\$594,817	\$77,826
Garfield City	\$6,122,693	\$1,703,715
Gibbsboro Boro	\$2,097,711	\$461,631
Glen Ridge Boro	\$6,130,517	\$1,646,809
Gloucester City	\$14,788,317	\$4,862,047
Gloucester County UA	\$44,428,598	\$15,359,078
Gloucester Twp MUA	\$12,461,528	\$3,323,283
Hackensack City	\$4,830,595	\$1,368,337
Hackettstown MUA	\$12,154,566	\$5,556,642
Haddon Twp	\$6,387,500	\$2,034,221
Hainesport Twp	\$13,711,900	\$3,984,430
Haledon Boro	\$1,538,000	\$185,002
Hamilton Twp	\$5,945,429	\$2,643,882
Hammonton	\$13,170,000	\$5,671,864
Hanover SA	\$16,114,729	\$5,971,275
Harrison Town	\$5,622,704	\$937,934
Harrison Twp	\$6,810,754	\$2,345,403
Harvey Cedars Boro	\$1,676,634	\$475,561
Hawthorne Boro	\$9,272,567	\$3,177,987
High Bridge Boro	\$926,941	\$450,409
Hightstown Boro	\$5,872,938	\$1,841,887
Hillsborough Twp	\$5,951,936	\$926,246
Hillside Twp	\$1,307,873	\$593,312
Holmdel Twp	\$5,902,119	\$2,077,854
Hopatcong Boro	\$17,124,545	\$6,093,686
Hudson CIA	\$35,543,208	\$3,902,587
Irvington Twp	\$3,885,832	\$1,829,037
Island Heights Boro	\$403,500	\$115,170
Jackson Twp MUA	\$18,443,109	\$7,859,753
Jefferson Township	\$1,387,350	\$392,296
Jersey City MUA	\$63,227,485	\$24,292,411
Keansburg Boro	\$5,790,422	\$2,512,423
Kearny Town	\$23,000,066	\$9,652,000
Lake Tamarack WC	\$96,120	\$21,681
Lakewood Twp MUA	\$22,830,810	\$10,666,767
Lambertville SA	\$10,262,679	\$5,176,139
Lavalette Boro	\$1,616,960	\$529,103

Participant	Total Original Loan	Program Savings
Lawrence Twp	\$1,175,095	303,902
Lebanon Twp	\$1,106,401	\$570,755
Leonia Boro	\$770,607	\$233,277
Linden City	\$17,530,919	\$3,864,799
Linden Roselle SA	\$13,897,579	\$4,269,269
Linwood City	\$475,000	\$25,561
Little Egg Harbor MUA	\$435,106	\$63,390
Livingston	\$17,209,276	\$6,820,201
Lodi Boro	\$140,650	\$24,031
Logan Twp MUA	\$2,975,000	\$846,662
Long Beach Twp	\$12,109,797	\$2,744,651
Long Branch SA	\$42,793,640	\$16,504,679
Long Hill Twp	\$13,383,597	\$4,416,769
Longport Boro	\$3,883,629	\$1,200,465
Lopatcong Boro	\$200,000	\$13,511
Lower Twp MUA	\$5,134,300	\$1,968,266
Lumberton Twp	\$2,072,303	\$543,066
Magnolia Boro	\$14,728,544	\$6,030,072
Manasquan Boro	\$9,370,217	\$2,196,117
Manchester Twp	\$3,507,498	\$1,870,176
Manchester UA	\$5,166,375	\$3,328,736
Mantua Twp MUA	\$3,997,023	\$1,298,775
Manville Boro	\$6,731,831	\$2,867,038
Maple Shade Twp	\$28,994,907	\$10,143,388
Maplewood Twp	\$394,262	\$130,508
Margate City	\$937,449	\$256,510
Matawan Boro	\$2,725,000	\$705,039
Medford Twp	\$17,657,817	\$6,927,755
Mercer County	\$991,599	\$259,281
Mercer County IA	\$2,157,252	\$617,113
Merchantville Boro	\$2,688,640	\$536,092
Merchantville-Pennsauken	\$5,892,308	\$1,576,341
Middle Twp	\$347,597	\$91,056
Middlesex Boro	\$1,694,828	\$468,006
Middlesex County UA	\$318,334,820	\$88,144,868
Middlesex Water Company	\$38,810,909	\$13,985,687
Middletown Twp SA	\$15,222,686	\$4,769,826
Millburn Twp	\$2,076,373	\$520,166
Milltown Boro	\$1,480,700	\$479,143
Millville City	\$19,675,429	\$8,224,280
Mine Hill Twp	\$1,804,557	\$684,373
Monmouth County BOA	\$1,818,952	\$504,290
Monmouth County IA	\$1,350,828	\$149,490
Montclair State University	\$2,628,290	\$693,326
Montclair Twp	\$7,393,386	\$1,848,040
Montgomery Twp	\$31,859,897	\$9,903,909

Participant	Total Original Loan	Program Savings
Montville Twp	\$4,201,069	\$1,106,158
Montville Twp MUA	\$6,647,108	\$2,870,364
Moonachie Boro	\$407,701	\$60,088
Morris Twp	\$35,062,126	\$12,591,160
Morristown	\$56,186,196	\$27,731,042
Mount Holly MUA	\$26,287,025	\$6,800,917
Mt Laurel Twp MUA	\$54,094,525	\$24,173,830
Mt Olive Twp	\$29,258,314	\$10,210,075
Mt. Arlington Boro	\$9,938,480	\$3,330,435
Mt. Holly Water Company	\$13,189,909	\$5,414,931
Musconetcong SA	\$24,554,295	\$9,593,069
Neptune Twp	\$1,281,375	\$132,240
New Brunswick City	\$37,676,776	\$15,161,341
New Jersey City University	\$2,969,880	\$1,396,222
New Providence Boro	\$6,280,000	\$2,192,251
Newark City	\$143,841,095	\$58,879,057
Newton	\$12,722,306	\$5,978,789
NJ American Water Company	\$40,278,750	\$16,333,212
NJ Sports & Exposition Authority	\$744,201	\$42,499
NJ Water Supply Authority	\$13,840,412	\$4,619,310
North Arlington	\$507,322	\$253,834
North Bergen MUA	\$51,931,981	\$27,145,265
North Brunswick Twp	\$19,791,186	\$6,494,598
North Hudson SA	\$147,140,615	\$66,952,109
North Jersey District WSC	\$20,708,745	\$3,354,397
North Plainfield Boro	\$2,154,442	\$612,880
North Wildwood City	\$5,755,952	\$1,489,990
Northeast Monmouth County RSA	\$49,357,977	\$20,258,272
Northwest Bergen County UA	\$23,682,208	\$6,478,318
Nutley Twp	\$3,590,000	\$932,550
Oaklyn Boro	\$1,298,868	\$397,829
Ocean County UA	\$207,922,087	\$54,614,677
Ocean Gate Boro	\$854,092	\$120,594
Ocean Twp	\$499,550	\$21,508
Ocean Twp SA	\$23,654,504	\$6,440,018
Oceanport Boro	\$23,149,779	\$5,167,513
Old Bridge MUA	\$30,407,398	\$9,402,587
Old Bridge Twp	\$9,148,278	\$3,189,967
Old Tappan Boro	\$12,773,936	\$4,349,156
Orange Twp City	\$11,595,473	\$3,568,778
Paramus	\$1,661,330	\$702,260
Parsippany - Troy Hills Twp	\$25,862,149	\$7,650,287
Passaic Valley SC	\$178,615,687	\$73,469,486
Passaic Valley WC	\$78,710,953	\$19,941,600
Paterson City	\$25,375,227	\$13,665,626
Pemberton Twp	\$714,000	\$162,527

Participant	Total Original Loan	Program Savings
Pennsauken SA	\$929,000	\$98,667
Pennsgrove Water SC	\$2,219,940	\$908,211
Pennsville Twp	\$6,456,745	\$1,683,482
Pequannock River Basin RSA	\$12,913,542	\$6,403,978
Pequannock, Lincoln Park & Fairfield SA	\$22,637,263	\$9,688,003
Perth Amboy City	\$5,071,142	\$2,288,702
Phillipsburg	\$29,802,375	\$14,424,552
Pine Hill Boro MUA	\$3,099,172	\$890,603
Plainfield Area RSA	\$8,009,080	\$2,345,148
Point Pleasant Beach Boro	\$2,272,812	\$351,419
Pompton Lakes Boro MUA	\$13,182,595	\$5,611,783
Princeton Boro	\$13,860,291	\$4,502,650
Princeton Twp	\$14,271,027	\$4,539,621
Rahway City	\$2,355,475	\$642,817
Rahway Valley SA	\$189,532,656	\$67,817,042
Ramsey Boro	\$1,999,175	\$503,241
Randolph Twp	\$13,533,063	\$5,570,398
Raritan Twp MUA	\$12,360,399	\$5,641,645
Readington Twp.	\$2,415,097	\$805,852
Red Bank Boro	\$2,720,227	\$331,036
Ridgefield Boro	\$990,000	\$278,185
Ridgefield Park	\$2,133,780	\$676,149
Ridgewood Village	\$18,932,172	\$5,054,718
River Edge Boro	\$566,627	\$169,195
Riverside SA	\$6,692,743	\$1,784,173
Riverside Water Reclm Auth	\$1,589,040	\$462,443
Rockaway Valley RSA	\$16,276,815	\$4,671,033
Roosevelt Boro	\$540,000	\$66,408
Rosemont WC	\$120,782	\$34,342
Roxbury Twp	\$34,388,746	\$14,150,319
Runnemede SA	\$3,619,106	\$1,140,100
Saddle River Boro	\$4,118,009	\$1,207,887
Salem City	\$12,963,001	\$7,211,047
Sayreville Boro	\$18,890,000	\$6,421,055
SE Monmouth MUA	\$7,938,389	\$797,736
Sea Girt Boro	\$3,675,882	\$988,504
Seaside Park Boro	\$7,956,964	\$2,459,728
Secaucus	\$3,325,000	\$1,382,012
Secaucus MUA	\$2,729,623	\$1,642,508
Ship Bottom Boro	\$3,834,455	\$1,312,556
Shorelands Water Company, Inc.	\$5,630,000	\$1,968,855
Somerdale Boro	\$830,528	\$237,109
Somerset Raritan Valley SA	\$58,136,795	\$17,730,033
South Hackensack Twp	\$1,441,280	\$420,083
South Jersey Water Supply Company	\$371,098	\$130,827
South Monmouth Regional SA	\$5,996,270	\$1,651,995

Participant	Total Original Loan	Program Savings
South Orange	\$408,405	\$265,914
South River Boro	\$6,112,500	\$1,782,306
Stafford MUA	\$4,368,651	\$1,287,898
Stafford Twp	\$35,460,402	\$9,559,317
Stillwater Twp WD#1	\$240,833	\$54,757
Stockton Boro	\$1,566,599	\$474,785
Stone Harbor Boro	\$4,970,299	\$845,072
Stony Brook RSA	\$8,825,373	\$2,208,903
Sussex Boro	\$597,000	\$62,551
Sussex County MUA	\$11,497,587	\$2,429,299
Swedesboro Boro	\$95,589	\$13,313
Tewksbury Twp	\$413,961	\$129,626
Toms River MUA	\$10,105,000	\$1,159,787
Trenton City	\$115,961,060	\$39,027,618
Tuckerton Boro	\$1,811,164	\$518,252
Union Beach Boro	\$600,000	\$176,378
Union Twp	\$1,628,130	\$667,141
Valley View Health Care RC	\$24,252	\$5,124
Verona Twp	\$22,863,811	\$10,171,755
Vineland City	\$4,858,750	\$2,937,454
Vorhees Twp	\$6,349,596	\$2,702,679
Waldwick Boro	\$1,655,000	\$428,680
Wall Twp	\$6,966,095	\$2,163,529
Wanaque Valley RSA	\$3,432,500	\$2,077,688
Warren County Pequest River MUA	\$6,354,515	\$1,723,830
Warren Twp SA	\$6,524,752	\$3,172,948
Washington Boro	\$17,233,521	\$5,838,657
Washington Twp	\$1,360,000	\$362,547
Washington Twp MUA	\$15,789,784	\$5,203,170
Watchung Boro	\$2,243,883	\$720,823
Waterford Twp MUA	\$5,454,244	\$1,794,442
Wayne Twp	\$14,759,658	\$7,957,599
West Deptford Twp	\$16,999,696	\$4,377,545
West Milford Twp MUA	\$10,378,765	\$2,900,151
West Orange Twp	\$5,222,006	\$1,994,442
West Paterson Boro	\$5,183,430	\$1,891,357
West Windsor Twp	\$3,269,984	\$858,660
Western Monmouth UA	\$9,149,978	\$2,745,576
Westville Boro	\$1,099,160	\$342,424
Westwood Boro	\$6,030,781	\$1,319,773
Wharton Boro	\$465,596	\$125,905
Wildwood City	\$1,246,500	\$334,907
Wildwood Crest	\$4,611,677	\$472,777
Willingboro MUA	\$13,961,946	\$7,471,878
Winslow Twp	\$9,834,832	\$2,648,903
Wonder Lakes Properties, Inc.	\$144,920	\$4,000
Woodbridge Twp	\$884,595	\$192,701
Woodbury City	\$5,879,898	\$1,104,689
Woodbury Heights Boro	\$941,910	\$281,539
Woodstown SA	\$6,379,625	\$2,783,793

INDEPENDENT AUDITOR'S REPORT



**The Board of Directors
New Jersey Environmental Infrastructure Trust:
(A Component Unit of the State of New Jersey)**

We have audited the accompanying balance sheets of the New Jersey Clean Water and Drinking Water State Revolving Fund Program (the "Program"), as of June 30, 2009 and 2008, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note A to the financial statements, the financial statements referred to above are intended to present the financial position and the changes in financial position and cash flows of the Program. They do not purport to, and do not, present fairly the financial position of the State of New Jersey Department of Environmental Protection or The New Jersey Environmental Infrastructure Trust as of June 30, 2009 and 2008, and the changes in their financial position and their cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Program as of June 30, 2009 and 2008, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

(continued on next page)

In accordance with Government Auditing Standards, we have also issued our report dated March 25, 2010, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 5 through 8 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Program taken as a whole. The balance sheets and statements of revenues, expenses and changes in net assets for the Clean Water and Drinking Water State Revolving Fund and the combining balance sheet and statement of revenues, expenses and changes in net assets by bond issue on pages 29 through 40 are not a required part of the basic financial statements and are not required by accounting principles generally accepted in the United States of America. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mercader, PC
Certified Public Accountants

October 22, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2009

This section of the annual financial report of the Trust presents our discussion and analysis of the Trust's financial performance during the fiscal year ended June 30, 2009. Please read this section in conjunction with the Trust's financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The Trust's net assets increased by \$6,117,103, or 2%
- Cash and investments decreased by \$40,774,858, or 5%
- Bonds payable increased by \$57,862,143, or 16%

The increase in the Trust's net assets is due to the Trust 2008 Bond Sale and the resultant interest income received from loans made. The Trust was not required to establish a Debt Service Reserve Fund for the 2008 Trust Bonds. The decrease in cash and investments is a result of the final maturity paid on the original 1987 and 1988 and refunding done in 2008. No refunding was done in 2009, therefore no excessive principal payments were made. The increase in Bonds payable is due to the issuance of the 2008 Trust Bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This comprehensive annual financial report consists of two parts, the Management's Discussion and Analysis and the basic financial statements, including notes. The Trust is an independent State financing authority. The accounting policies of the Trust conform to accounting principles generally accepted in the United States as applicable to enterprise funds.

The Trust's financial statements report information about the Trust using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about the Trust's activities. The balance sheet includes all of the Trust's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to bondholders (liabilities). All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net assets. The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Trust's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and non-capital financing activities and provides answers to such questions as where cash came from, what cash was used for, and what the change in cash balance was during the reporting period.

FINANCIAL ANALYSIS OF THE TRUST

Since the purpose of the Trust is to improve the environment by making loans to government entities and water purveyors throughout the State, the Trust must sell bonds in order to provide the necessary funding for these projects. Therefore, when reviewing the Trust's balance sheet, our performance can be measured by our liabilities, not our assets. The bonds payable reflects the amount of bonds outstanding. The current assets consist of committed funds that have not been requested by the borrowers. The due from borrowers is the amount of loans net of funds not yet requisitioned. As a result, analyzing the assets would not be the appropriate measurement of the Trust's success. In addition, the Trust does not hold any capital assets. All capital assets are held by the borrowers.

Net Assets--The following table summarizes the changes in net assets between June 30, 2009 and 2008:

	2009	2008	Percent Increase (Decrease)
Current assets	\$ 794,414,351	\$ 798,382,962	0%
Non-current assets	1,073,875,168	999,911,805	7%
Total assets	1,868,289,519	1,798,294,767	4%
Bonds payable	1,455,359,359	1,397,497,216	4%
Other liabilities	31,261,507	25,246,001	24%
Total liabilities	1,486,620,866	1,422,743,217	4%
Restricted net assets	352,764,044	349,824,679	1%
Unrestricted net assets	28,904,609	25,726,871	12%
Total net assets	\$ 381,668,653	\$ 375,551,550	2%

The table above illustrates that the Trust's net assets have increased from \$375,551,550 to \$381,668,653. Net assets increased as a result of the 2008A bond issuance and the interest income received from loans made, as well as savings from the 2007 and 2008 bond refundings. The total amount deposited to the Project Fund from bond proceeds was \$119,843,217. The remaining amount is unrestricted funds. At June 20, 2009, bonds payable amount to \$1,455,359,359. During the year, the Trust issued bonds in the amount of \$128,450,000 and retired \$70,025,000.

The following table summarizes the changes in net assets between fiscal years 2009 and 2008:

	2009	2008	Percent Increase (Decrease)
Operating revenues	\$ 75,628,269	\$ 62,619,738	21%
Net interim financing activity	5,027,026	656,425	666%
Total revenues	80,655,295	63,276,163	27%
Interest expense	61,264,022	64,154,137	(5%)
Administrative expenses	3,274,170	3,175,712	3%
Transfer to (from) state	10,000,000	(591,959)	1,789%
Total expenses	74,538,192	66,737,890	12%
Change in net assets	\$ 6,117,103	\$ (3,461,727)	277%

While the balance sheets show the change in financial position of net assets, the statements of revenues, expenses, and changes in net assets illustrate the investment income and interest repayments from the borrowers as compared to the interest expense payments made on the outstanding bonds. The difference represents investment income earned on the Project Fund investments and the Debt Service Fund. In both cases, these funds are credited to the borrowers through reduced interest payments; the Trust does not benefit from this income. The Trust collects an administrative fee from all borrowers for the duration of their loans. This covers the operating expenses of the Trust.

“Net Interim Financing Activity” represents the balance in the Interim Financing Program Account. The balance is the net of the redeemed interim loans from the 2008 Financing Program and the outstanding interim loans for the 2009 Financing Program as of June 30, 2009. The interim Financing Account was initially funded by a transfer from the state. The source of the transfer was repayments from prior loans made by the New Jersey Department of Environmental Protection under the Environmental Infrastructure Financing Program. “Transfer to (from) State” is a transfer of funds back to the State.

OTHER FINANCIAL INFORMATION

During fiscal year 2009, the Trust sold, by competitive bid, Series 2008A bonds to capitalize the 2008 NJ Environmental Infrastructure Financing Program. As a result of the issues, 43 projects received funding. Under the Trust Direct Loan Program, three projects received funding during this fiscal year.

The Environmental Infrastructure Bonds Series 2008A was sold to JP Morgan Securities, Inc., which was the low bidder with a true interest cost of 4.79%. The bond series was tax-exempt and uninsured and was rated AAA, Aaa and AAA by Fitch Investors Services, Inc., Moody's Investors Service, and Standard & Poor's Corp., respectively.

Loans to borrowers in the 2008 program combine proceeds of the bond sale, lent at market rate, with interest-free loans from the State of New Jersey, Department of Environmental Protection Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Thus, most public borrowers will pay a composite interest rate on their loans of 2.40%.

CONTACTING THE TRUST'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, borrowers, investors and creditors with a general overview of the Trust's finances and to demonstrate the Trust's accountability for the State appropriations and bond proceeds it receives. If you have any questions about this report or need additional financial information, contact the Environmental Infrastructure Trust's Acting Executive Director at:

3131 Princeton Pike, Building 6, Suite 201
Lawrenceville, New Jersey 08648

BALANCE SHEETS

	June 30,	
	2009	2008
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 23,700,252	\$ 24,112,094
Other assets	2,956,768	2,551,587
Restricted assets		
Cash and cash equivalents	307,565,718	334,629,460
Investments	343,440,849	337,348,642
Interest receivable	31,602,157	20,775,824
Loans receivable	85,148,607	78,965,355
Total Current Assets	<u>794,414,351</u>	<u>798,382,962</u>
Non-current Assets		
Fixed assets	51,310	26,884
Restricted assets		
Investments	46,519,315	65,910,796
Loans receivable	1,018,434,563	924,889,215
Deferred issuance costs	8,869,980	9,084,910
Total Non-current Assets	<u>1,073,875,168</u>	<u>999,911,805</u>
Total Assets	<u>\$ 1,868,289,519</u>	<u>\$ 1,798,294,767</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 715,638	\$ 1,037,874
Accrued interest payable	30,545,869	24,208,127
Current portion of bonds payable	80,835,000	75,970,277
Total Current Liabilities	<u>112,096,507</u>	<u>101,216,278</u>
Non-current Liabilities		
Bonds payable	1,374,524,359	1,321,526,939
Total Non-current Liabilities	<u>1,374,524,359</u>	<u>1,321,526,939</u>
Total Liabilities	<u>1,486,620,866</u>	<u>1,422,743,217</u>
Net Assets		
Restricted for debt service	244,458,364	238,254,705
Restricted for Interim Financing Trust Loan Program	108,305,680	111,569,974
Unrestricted	28,904,609	25,726,871
Total Net Assets	<u>381,668,653</u>	<u>375,551,550</u>
Total Liabilities and Net Assets	<u>\$ 1,868,289,519</u>	<u>\$ 1,798,294,767</u>

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	Year ended June 30,	
	2009	2008
Operating revenues		
Investment income	\$ 7,619,122	\$ 15,405,859
Interest income from loans	62,384,852	41,638,323
Administrative fees	5,624,295	5,575,556
Total operating revenues	<u>75,628,269</u>	<u>62,619,738</u>
Operating expenses		
Interest expense	61,264,022	64,154,137
Administrative expenses	3,274,170	3,175,712
Total operating expenses	<u>64,538,192</u>	<u>67,329,849</u>
Operating income (loss)	<u>11,090,077</u>	<u>(4,710,111)</u>
Non-operating revenues (expenses)		
Net interim financing activity	5,027,026	656,425
Transfer (to) from state	(10,000,000)	591,959
Total non-operating (expenses) revenues	<u>(4,972,974)</u>	<u>1,248,384</u>
Change in net assets	6,117,103	(3,461,727)
Net assets, beginning of year	<u>375,551,550</u>	<u>379,013,277</u>
Net assets, end of year	<u>\$381,668,653</u>	<u>\$375,551,550</u>

STATEMENTS OF CASH FLOWS

	Year ended June 30,	
	2009	2008
Cash flows from operating activities		
Cash received for administrative fees	\$ 5,158,388	\$ 5,024,402
Cash payments for goods and services	2,049,695	1,589,489
Cash payments for salaries	(1,385,886)	(1,487,730)
Disbursement of loan funds to borrowers	(170,187,451)	(183,281,527)
Principal received from loans to borrowers	70,313,711	87,612,191
Interest received from loans to borrowers	49,914,602	41,585,362
Interest paid on bond maturities	(63,399,998)	(63,103,993)
Interest on investments	9,465,368	14,184,899
Net cash used in operating activities	<u>(98,071,570)</u>	<u>(97,876,907)</u>
Cash flows from noncapital financing activities		
Proceeds from sale of bonds	132,802,998	372,245,000
Principal paid on bond maturities	(70,025,000)	(266,112,965)
Deferred gain on bond refunding		36,942,115
Issuance and servicing costs paid	(464,065)	(727,912)
State appropriations (paid) (net) received	(4,972,974)	1,248,384
Net cash provided by noncapital financing activities	<u>57,340,958</u>	<u>143,594,622</u>
Cash flows from capital and related financing activities		
Acquisition of fixed assets	(36,727)	(1,799)
Net cash used in capital and related financing activities	<u>(36,727)</u>	<u>(1,799)</u>
Cash flows from investing activities		
Purchase of investments	(324,395,700)	(297,005,720)
Proceeds from sale and maturity of investments	337,687,455	232,377,626
Net cash provided by (used in) investing activities	<u>13,291,754</u>	<u>(64,628,094)</u>
Net decrease in cash and cash equivalents	(27,475,586)	(18,912,178)
Cash and cash equivalents at beginning of year	358,741,556	377,653,732
Cash and cash equivalents at end of year	<u>\$ 331,265,970</u>	<u>\$ 358,741,554</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income (loss)	\$ 11,090,077	\$ (4,710,111)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation	12,301	9,872
Net unrealized gain on investments	7,519	(1,108,045)
Amortization of bond discounts and premiums	(2,905,418)	(3,135,400)
Amortization of deferral on bond refunding	(2,010,437)	(844,668)
Amortization of deferred issuance costs	678,996	909,870
Change in assets and liabilities:		
Increase in other assets	(405,181)	(709,680)
Increase in interest receivable	(10,826,334)	855,303
Increase in loans receivable	(99,728,599)	(96,528,899)
Increase in accounts payable	(322,235)	204,696
Increase in accrued interest payable	6,337,741	7,180,155
Net cash used in operating activities	<u>\$ (98,071,570)</u>	<u>\$ (97,876,907)</u>
Displayed as		
Cash and cash equivalents - unrestricted	\$ 23,700,252	\$ 24,112,094
Cash and cash equivalents - restricted	307,565,718	334,629,460
	<u>\$ 331,265,970</u>	<u>\$ 358,741,554</u>

NOTES TO FINANCIAL STATEMENTS

A. ORGANIZATION AND FUNCTION OF THE TRUST

The New Jersey Wastewater Treatment Trust was created by the Legislature of the State of New Jersey (the “State”) in November 1985 as an independent State financing authority. The NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST (the “Trust”) leverages federal and state dollars to finance environmental infrastructure projects. It issues revenue bonds in order to make loans to local governments and private water companies for the construction and rehabilitation of eligible projects. The Trust is a component unit of the State of New Jersey, and accordingly, the financial statements of the Trust are included in the financial statements of the State of New Jersey.

In addition to the Trust loan, the borrowers receive a zero percent interest-free loan administered by the New Jersey Department of Environmental Protection (the “Department”). The sources for the loans are state general-obligation bond issues that were approved to capitalize the various loan funds and the Federal Capitalization Grant under the Clean Water Act and the Drinking Water Act (the “Funds”). The accompanying financial statements do not include any assets, liabilities or fund balances of the Funds. Under the terms of the Trust agreement, the assets of the Trust cannot be used to satisfy the obligations of the Funds.

The Trust may finance up to 50% of the allowable project costs. The Fund may finance up to 75% of the allowable project costs. The Trust lends its share of allowable costs to borrowers for various terms to a maximum of 20 years at a rate equal to or less than the interest rate on its Revenue bonds. Such loan repayments will be used to pay debt service on Trust Revenue bonds. The Trust maintains an internally designated State Revolving Fund, which consists of Clean Water and Drinking Water projects, to separately account for the portion of these Trust loan financings that have been matched by federal sources from the Fund.

The Trust is administered by an Executive Director and staff, under the guidance of the Board of Directors, that appoint trustees (currently both U.S. Bank and the Bank of New York Mellon) and loan servicers (currently U.S. Bank, the Bank of New York Mellon and TD Bank). The initial proceeds from a bond issuance are invested and held by the trustee. The Trust authorizes the trustee to disburse funds to the borrowers based on a review and approval process to verify that the disbursed funds are within the drawdown limits outlined in the loan agreements. The loan servicer receives all repayments of principal and interest from the borrowers and forwards such funds to the trustee and the Master Program Trustee (U.S. Bank) or the Department, as appropriate. The trustee invests the monies received in the applicable fund (see Note C). For the 2004 bond issues and for future issues, the Trust’s accounting staff will act as loan servicer.

As a public body under existing statute, the Trust is exempt from both federal and state taxes.

B. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Trust conform with accounting principles generally accepted in the United States of America as applicable to enterprise funds. The following is a summary of the more significant accounting policies:

Basis of Accounting

The accrual basis of accounting is followed by the Trust.

In its accounting and financial reporting, the Trust follows the pronouncements of the Governmental Accounting Standards Board (“GASB”). In addition, the Trust follows the pronouncements of all applicable Financial Accounting Standards Board (“FASB”) Statements and Interpretations, Accounting Principles Board (“APB”) Opinions, and Accounting Research Bulletins (“ARBs”) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Trust has elected to follow GASB pronouncements issued after November 30, 1989.

As required by Executive Order #122 (McGreevey), the Trust financial statements are audited in compliance with Generally Accepted Government Auditing Standards (“GAGAS”), issued by the Comptroller General of the United States, on behalf of the United States Government Accountability Office (“GAO”).

Cash and Cash Equivalents and Investments

Investments are purchased with the intent to hold to maturity. Investments, which consist primarily of U.S. Government obligations, are stated at fair value and mature in periods ranging from one to ten years. Cash equivalents include funds invested in the New Jersey Cash Management Fund, First American Government Obligation and the Goldman Treasury Obligation Money Market Fund..

Deferred Issuance Costs

Bond issuance costs, primarily underwriting discounts, are amortized over the life of the related issue using the effective interest method.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. CASH AND CASH EQUIVALENTS AND INVESTMENTS

New Jersey statutes permit the deposit of public funds into the State of New Jersey Cash Management Fund (the “NJCMF”) or into institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (“FDIC”) or by any other agencies of the United States that insure deposits.

C. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

- (a) The market value of the collateral must equal 5% of the average daily balance of public funds; or
- (b) If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Custodial Credit Risk

The Trust does not have a policy for custodial credit risk. However, the NJCMF is a pooled investment. GASB 40 states that pooled investments are excluded from custodial credit risk disclosure.

Cash and cash equivalents and investments are substantially restricted under the terms of the Trust's bond resolutions for the payment of bond principal and interest expense and the extension of project loans. The bond resolutions limit investments to obligations of the U.S. government or its agencies, investments in certain certificates of deposit of commercial banks that are members of the Federal Reserve System, investments in cash management pools that restrict investments to U.S. government securities, money market funds that invest in high-grade AAA-rated securities, and direct and general obligations of any state that meets the minimum requirements of the resolution.

The amounts deposited in these accounts at June 30, 2009 and 2008, are as follows:

	2009	2008
Operating Checking (Wachovia)	\$ 61,270	\$ 119,354
Cash Management Fund	1,158,494	1,522,028
Investments (categorized as cash equiv)	21,094,867	22,382,452
First American Treasury (US Bank MM)	200,681,165	275,258,675
Trust US Treasury (BONY MM)	108,270,174	59,459,045
TOTAL	<u>\$ 331,265,970</u>	<u>\$ 358,741,554</u>

Pursuant to the bond resolutions, the Trust is required to maintain certain invested reserves with the trustees to fund potential deficiencies in principal and interest required to be paid in succeeding fiscal years. The funds known as the debt service reserve requirement aggregated \$249,334,753 and \$247,140,510 at June 30, 2009 and 2008, respectively, and are included in net assets restricted for debt service.

As of June 30, 2009, the Trust had the following investments and maturities:

June 30, 2009					
Investment Type	Fair Value	Investment Maturity (In Years)			
		Less than 1	1-5	6-10	More than 10
US Treasury Bills	\$102,103,051	\$102,103,051	\$ -	\$ -	\$ -
US Treasury Bonds	-	-	-	-	-
US Treasury Notes	36,320,217	12,788,823	23,531,394	-	-
US Treasury SLUGs	43,669,386	24,315,088	19,354,298	-	-
US Gov't Other	207,377,098	203,743,475	3,633,623	-	-
Uninvested Cash	490,412	490,412	-	-	-
	<u>\$389,960,164</u>	<u>\$343,440,849</u>	<u>\$ 46,519,315</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2008					
Investment Type	Fair Value	Investment Maturity (In Years)			
		Less than 1	1-5	6-10	More than 10
US Treasury Notes	\$ 41,906,753	\$ 5,579,017	\$ 36,327,736	\$ -	\$ -
US Treasury SLUGs	148,502,293	119,781,033	28,721,260	-	-
US Gov't Other	212,327,405	211,465,605	861,800	-	-
Uninvested Cash	522,987	522,987	-	-	-
	<u>\$403,259,438</u>	<u>\$337,348,642</u>	<u>\$ 65,910,796</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

The Trust's restricted investment policies are disclosed above under the custodial credit risk section. Investments of the Trust are guaranteed by the U.S. government.

Interest Rate Risk

The Trust does not have a policy to limit interest rate risk. However, the Trust's investments are limited to U.S. obligations with fixed interest rates.

D. BONDS PAYABLE

Changes in bonds payable for the year ended June 30, 2009, were as follows:

	Balance at June 30, 2008	Issued	Retired	Balance at June 30, 2009	Amount Due Within One Year
1995 Series					
Series A Bonds, insured, maturing serially through 2013, at interest rates from 4.60% to 5.25%	\$ 805,000	\$ -	\$ 120,000	\$ 685,000	\$ 125,000
Series B Bonds, insured, maturing serially through 2009, at interest rates from 6.2% to 6.70%; \$1,015,000 term bond maturing in 2015 with mandatory redemptions commencing in 2010 in annual amounts ranging from \$140,000 to \$200,000 at 7.00%	1,275,000	-	125,000	1,150,000	135,000
1997 Refunding Series					
Series A Bonds, insured, maturing serially through 2009, at interest rates from 5.00% to 7.00%	3,120,000	-	3,120,000	-	-
Series B Bonds, uninsured, maturing serially through 2009, at interest rates from 5.00%	2,955,000	-	2,955,000	-	-
Series C Bonds, uninsured, maturing serially through 2010, at interest rates from 5.00% to 7.00%	12,915,000	-	6,245,000	6,670,000	6,670,000
Series D Bonds, insured, maturing serially through 2011, at interest rates from 5.00% to 7.00%	4,795,000	-	1,080,000	3,715,000	1,155,000
1997 Series					
Series 1997 Bonds, uninsured, maturing serially through 2014, at interest rates from 4.00% to 5.00%; \$7,985,000 term bond maturing in 2017 with mandatory redemptions commencing in 2015 of \$2,979,250, in 2016 of \$2,980,250 and 2017 of \$2,829,750	1,930,000	-	1,930,000	-	-
1998 Refunding Series					
Series C Bonds, uninsured, maturing serially through 2011, at interest rates from 4.10% to 5.00%	16,420,000	-	3,810,000	12,610,000	4,000,000
Series D Bonds, uninsured, maturing serially through 2012, at interest rates from 4.10% to 5.0%	2,865,000	-	665,000	2,200,000	695,000
Series E Bonds, uninsured, maturing serially through 2012, at interest rates from 4.10% to 5.0%	6,620,000	-	1,540,000	5,080,000	1,610,000
Series F Bonds, insured, maturing serially through 2014, at interest rates from 4.3% to 5.0%	7,160,000	-	1,060,000	6,100,000	1,105,000
Series G Bonds, insured, maturing serially through 2014, at an interest rate of 5.0%	11,240,000	-	1,655,000	9,585,000	1,735,000
1998 Series					
Series A Bonds, uninsured, maturing serially through 2016, at interest rates from 4.00% to 4.5%; \$7,025,000 term bond maturing in 2018 with mandatory redemptions commencing in 2017 of \$3,734,400 and 2018 of \$3,595,000	6,640,000	-	2,430,000	4,210,000	345,000
Series B Bonds, uninsured AMT, maturing serially through 2016, at interest rates from 4.25% to 4.50%; \$1,250,000 term bond maturing in 2018 with mandatory redemptions commencing in 2017 of \$610,000 and 2018 of \$640,000	5,700,000	-	410,000	5,290,000	435,000
1999 Series					
Series A Bonds, uninsured, maturing serially through 2019, at interest rates from 4.75% to 5.70%	5,010,000	-	2,445,000	2,565,000	2,565,000
Series B Bonds, uninsured AMT, maturing serially through 2019, at interest rates from 5.25% to 5.75%	1,785,000	-	110,000	1,675,000	115,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2008	Issued	Retired	Balance at June 30, 2009	Amount Due Within One Year
2000 Series					
Series A Bonds, uninsured, maturing serially through 2020 at interest rates from 5.00% to 5.25%	\$ 22,445,000	\$ -	\$ 4,075,000	\$ 18,370,000	\$ 4,275,000
Series B Bonds, uninsured, maturing serially through 2020, at interest rates from 5.00% to 5.50%	5,385,000	-	300,000	5,085,000	320,000
2001 Refunding Series					
Series A Bonds, insured, maturing serially through 2009, at interest rates from 4.60% to 5.25%	555,000	-	555,000	-	-
Series B Bonds, uninsured, maturing serially through 2010, at interest rates from 3.75% to 5.25%	1,240,000	-	600,000	640,000	640,000
2001 Series					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates from 4.00% to 4.75%	50,105,000	-	6,220,000	43,885,000	6,575,000
Series B Bonds AMT, uninsured, maturing serially through 2021, at interest rates from 4.00% to 5.00%	23,985,000	-	1,225,000	22,760,000	1,285,000
Series C Bonds (federally taxable), uninsured, maturing serially through 2021, at interest rates from 5.5% to 6.6%	1,100,000	-	55,000	1,045,000	55,000
2002 Series					
Series A Bonds, uninsured, maturing serially through 2022, at interest rates from 3.00% to 5.25%	30,770,000	-	3,735,000	27,035,000	3,900,000
Series B Bonds, uninsured, maturing serially through 2022, at interest rates from 4.00% to 5.00%	19,910,000	-	985,000	18,925,000	1,025,000
2003 Refunding Series					
Series A Bonds, insured, maturing serially through March 2013, at interest rates from 4.60% to 5.25%	21,790,000	-	4,055,000	17,735,000	4,260,000
2003 Series					
Series A Bonds, uninsured, AMT, maturing serially through 2023, at interest rates from 3.00% to 5.00%	59,290,000	-	2,880,000	56,410,000	3,040,000
2004 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2015, at interest rates from 5.00% to 5.25%	14,890,000	-	1,550,000	13,340,000	1,630,000
2004 Series					
Series A Bonds, uninsured, maturing serially through 2024, at interest rates from 3.00% to 4.375%	68,650,000	-	4,495,000	64,155,000	4,720,000
Series B Bonds AMT, uninsured, maturing serially through 2024, at interest rates from 3.00% to 5.50%	17,095,000	-	730,000	16,365,000	755,000
2005 Series					
Series A Bonds, uninsured, maturing serially through 2025, at interest rates from 4.00% to 5.00%	117,915,000	-	3,620,000	114,295,000	4,695,000
Series B Bonds AMT, uninsured maturing serially through 2025, at interest rates from 4.00% to 4.70%	3,045,000	-	115,000	2,930,000	120,000
2005 BCIA/ENCAP Golf Holdings					
Variable rate bond series maturing through 2025, with weekly interest rate calculations	107,015,000	-	-	107,015,000	6,295,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2008	Issued	Retired	Balance at June 30, 2009	Amount Due Within One Year
2006 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2020, at interest rate of 5.00%	\$ 39,580,000	\$ -	\$ -	\$ 39,580,000	\$ -
Series B Bonds, uninsured, maturing serially through 2019, at interest rates from 4.00% to 5.00%	33,000,000	-	-	33,000,000	-
Series C Bonds, uninsured, maturing serially through 2017, at interest rates from 4.0% to 5.0%	17,410,000	-	-	17,410,000	1,635,000
Series D Bonds, uninsured, maturing serially through 2016, at interest rates from 4.0% to 5.0%	22,495,000	-	2,100,000	20,395,000	2,185,000
2006 Series					
Series A Bonds, uninsured, maturing serially through 2026, at interest rates from 4.00% to 5.00%	148,850,000	-	1,980,000	146,870,000	2,460,000
Series B Bonds, uninsured, maturing serially through 2026, at interest rates from 4.00% to 5.00%	22,130,000	-	785,000	21,345,000	810,000
2007 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates of 5.00% to 5.25%	51,940,000	-	-	51,940,000	-
Series B Bonds, uninsured, maturing serially through 2022, at interest rates from 4.00% to 5.25%	37,440,000	-	-	37,440,000	-
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.0%	38,830,000	-	-	38,830,000	-
Series D Bonds AMT, uninsured, maturing serially through 2016, at interest rate of 5.0%	2,865,000	-	265,000	2,600,000	275,000
2007 Series					
Series A Bonds, uninsured, maturing serially through 2027, at interest rates from 3.40% to 5.00%	216,105,000	-	-	216,105,000	7,090,000
2008 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2018, at interest rates of 3.25% to 4.50%	25,065,000	-	-	25,065,000	2,100,000
2008 Series					
Series A Bonds, uninsured, maturing serially through 2028, at interest rates from 5% to 5.50%	-	128,450,000	-	128,450,000	-
Total	1,312,130,000	\$ 128,450,000	\$ 70,025,000	1,370,555,000	80,835,000
Plus					
Unamortized net premiums	51,638,923			53,086,503	
Unamortized deferral on refunding	33,728,293			31,717,856	-
	<u>\$ 1,397,497,216</u>			<u>\$ 1,455,359,359</u>	<u>\$ 80,835,000</u>

	Balance at June 30, 2007	Issued	Retired	Balance at June 30, 2008	Amount Due Within One Year
1994 Refunding Series					
Series Bonds, insured, maturing serially through 2007, at interest rates from 4.80% to 5.40%	\$ 1,340,000	\$ -	\$ 1,340,000	\$ -	\$ -
Series Bonds, insured, maturing serially through 2007, at interest rates from 5.55% to 6.90%	420,000	-	420,000	-	-
Series Capital Appreciation Bonds, insured maturing serially through 2007, at interest rates from 3.944% to 4.230%	10,792,965	-	10,792,965	-	-
1995 Series					
Series A Bonds, insured, maturing serially through 2013, at interest rates from 4.60% to 5.25%	920,000	-	115,000	805,000	120,000
Series B Bonds, insured, maturing serially through 2009, at interest rates from 6.2% to 6.70%; \$1,015,000 term bond maturing in 2015 with mandatory redemptions commencing in 2010 in annual amounts ranging from \$140,000 to \$200,000 at 7.00%	1,390,000	-	115,000	1,275,000	125,000
1996 Refunding Series					
Series A Bonds, insured, maturing serially through 2007, at interest rates from 6.25% to 7.00%	1,135,000	-	1,135,000	-	-
Series B Bonds, insured, maturing serially through 2007, at interest rates from 6.50% to 6.60%	405,000	-	405,000	-	-
Series C Bonds, insured, maturing serially through 2008, at interest rates from 6.25% to 7.00%	6,735,000	-	6,735,000	-	-
Series D Bonds, insured, maturing serially through 2008, at interest rates from 6.50% to 6.625%	1,490,000	-	1,490,000	-	-
1996 Series					
Series A Bonds, uninsured, maturing serially through 2014, at interest rates from 5.00% to 5.25%; \$6,160,000 term bond maturing in 2016 with mandatory redemptions commencing in 2015 of \$3,323,400 and 2016 of \$3,325,900.	2,270,000	-	2,270,000	-	-

D. BONDS PAYABLE (continued)

	Balance at June 30, 2007	Issued	Retired	Balance at June 30, 2008	Amount Due Within One Year
Series B Bonds, uninsured, maturing serially through 2011, at interest rates from 4.00% to 5.40%; \$1,810,000 term bond maturing in 2016 with mandatory redemptions commencing in 2012 of \$78,760, 2013 of \$80,400, 2014 of \$76,760, 2015 of \$78,120, 2016 of \$79,000	3,195,000	-	3,195,000	-	-
1997 Refunding Series					
Series A Bonds, insured, maturing serially through 2009, at interest rates from 5.00% to 7.00%	6,030,000	-	2,910,000	3,120,000	3,120,000
Series B Bonds, uninsured, maturing serially through 2009, at interest rates from 5.00%	5,725,000	-	2,770,000	2,955,000	2,955,000
Series C Bonds, uninsured, maturing serially through 2010, at interest rates from 5.00% to 7.00%	18,820,000	-	5,905,000	12,915,000	6,245,000
Series D Bonds, insured, maturing serially through 2011, at interest rates from 5.00% to 7.00%	5,805,000	-	1,010,000	4,795,000	1,080,000
1997 Series					
Series 1997 Bonds, uninsured, maturing serially through 2014, at interest rates from 4.00% to 5.00%; \$7,985,000 term bond maturing in 2017 with mandatory redemptions commencing in 2015 of \$2,979,250, in 2016 of \$2,980,250 and 2017 of \$2,829,750	3,750,000	-	1,820,000	1,930,000	1,930,000
1998 Refunding Series					
Series A Bonds, insured, maturing serially through 2008, at interest rates from 5.25% to 5.50%	80,000	-	80,000	-	-
Series B Bonds, uninsured, maturing serially through 2008, at interest rates from 5.25% to 5.50%	500,000	-	500,000	-	-
Series C Bonds, uninsured, maturing serially through 2011, at interest rates from 4.10% to 5.00%	20,215,000	-	3,795,000	16,420,000	3,810,000
Series D Bonds, uninsured, maturing serially through 2012, at interest rates from 4.10% to 5.0%	3,500,000	-	635,000	2,865,000	665,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2007	Issued	Retired	Balance at June 30, 2008	Amount Due Within One Year
Series E Bonds, uninsured, maturing serially through 2012, at interest rates from 4.10% to 5.0%	\$ 8,095,000	\$ -	\$ 1,475,000	\$ 6,620,000	\$ 1,540,000
Series F Bonds, insured, maturing serially through 2014, at interest rates from 4.3% to 5.0%	8,170,000	-	1,010,000	7,160,000	1,060,000
Series G Bonds, insured, maturing serially through 2014, at an interest rate of 5.0%	12,815,000	-	1,575,000	11,240,000	1,655,000
1998 Series					
Series A Bonds, uninsured, maturing serially through 2016, at interest rates from 4.00% to 4.5%; \$7,025,000 term bond maturing in 2018 with mandatory redemptions commencing in 2017 of \$3,734,400 and 2018 of \$3,595,000	34,945,000	-	28,305,000	6,640,000	2,430,000
Series B Bonds, uninsured AMT, maturing serially through 2016, at interest rates from 4.25% to 4.50%; \$1,250,000 term bond maturing in 2018 with mandatory redemptions commencing in 2017 of \$610,000 and 2018 of \$640,000	6,095,000	-	395,000	5,700,000	410,000
1999 Series					
Series A Bonds, uninsured, maturing serially through 2019, at interest rates from 4.75% to 5.70%	7,340,000	-	2,330,000	5,010,000	2,445,000
Series B Bonds, uninsured AMT, maturing serially through 2019, at interest rates from 5.25% to 5.75%	1,890,000	-	105,000	1,785,000	110,000
2000 Series					
Series A Bonds, uninsured, maturing serially through 2020, at interest rates from 5.00% to 5.25%	26,320,000	-	3,875,000	22,445,000	4,075,000
Series B Bonds, uninsured, maturing serially through 2020, at interest rates from 5.00% to 5.50%	5,670,000	-	285,000	5,385,000	300,000
2001 Refunding Series					
Series A Bonds, insured, maturing serially through 2009, at interest rates from 4.60% to 5.25%	1,075,000	-	520,000	555,000	555,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2007	Issued	Retired	Balance at June 30, 2008	Amount Due Within One Year
Series B Bonds, uninsured, maturing serially through 2010, at interest rates from 3.75% to 5.25%	1,810,000	-	570,000	1,240,000	600,000
2001 Series					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates from 4.00% to 4.75%	\$ 118,450,000	\$ -	\$ 68,345,000	\$ 50,105,000	\$ 6,220,000
Series B Bonds (AMT), uninsured, maturing serially through 2021, at interest rates from 4.00% to 5.00%	25,155,000	-	1,170,000	23,985,000	1,225,000
Series C Bonds (Federally Taxable), uninsured, maturing serially through 2021, at interest rates from 5.5% to 6.6%	1,150,000	-	50,000	1,100,000	55,000
2002 Series					
Series A Bonds, uninsured, maturing serially through 2022, at interest rates from 3.00% to 5.25%	81,825,000	-	51,055,000	30,770,000	3,735,000
Series B Bonds, uninsured, maturing serially through 2022, at interest rates from 4.00% to 5.00%	20,860,000	-	950,000	19,910,000	985,000
2003 Refunding Series					
Series A Bonds, insured, maturing serially through 2013, at interest rates from 4.60% to 5.25%	25,650,000	-	3,860,000	21,790,000	4,055,000
2003 Series					
Series A Bonds, uninsured AMT, maturing serially through 2023, at interest rates from 3.00% to 5.00%	62,050,000	-	2,760,000	59,290,000	2,880,000
2004 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2015, at interest rates from 5.00% to 5.25%	16,370,000	-	1,480,000	14,890,000	1,550,000
2004 Series					
Series A Bonds, uninsured, maturing serially through 2024, at interest rates from 3.00% to 4.375%	113,305,000		44,655,000	68,650,000	4,495,000
Series B Bonds AMT, uninsured, maturing serially through 2024, at interest rates from 3.00% to 5.50%	17,805,000		710,000	17,095,000	730,000
2005 Series					
Series A Bonds, uninsured, maturing serially through 2025, at interest rates from 4.00% to 5.00%	121,110,000	-	3,195,000	117,915,000	3,620,000
Series B Bonds AMT, uninsured, maturing serially through 2025, at interest rates from 4.00% to 4.70%	3,045,000	-	-	3,045,000	115,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2007	Issued	Retired	Balance at June 30, 2008	Amount Due Within One Year
2005 BCIA/ENCAP Golf Holdings					
Variable rate bond series maturing through 2025, with Weekly Interest Rate calculations	\$ 107,015,000	\$ -	\$ -	\$ 107,015,000	\$ 5,945,277
2006 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2020, at interest rate of 5.00%	39,580,000	-	-	39,580,000	-
Series B Bonds, uninsured, maturing serially through 2019, at interest rates from 4.00% to 5.00%	33,000,000	-	-	33,000,000	-
Series C Bonds, uninsured, maturing serially through 2017, at interest rates from 4.0% to 5.0%	17,410,000	-	-	17,410,000	-
Series D Bonds, uninsured, maturing serially through 2016, at interest rates from 4.0% to 5.0%	22,495,000	-	-	22,495,000	2,100,000
2006 Series					
Series A Bonds, uninsured, maturing serially through 2026, at interest rates from 4.00% to 5.00%	148,850,000	-	-	148,850,000	1,980,000
Series B Bonds, uninsured, maturing serially through 2026, at interest rates from 4.00% to 5.00%	22,130,000	-	-	22,130,000	785,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2007	Issued	Retired	Balance at June 30, 2008	Amount Due Within One Year
2007 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates of 5.00% to 5.25%	-	51,940,000	-	51,940,000	-
Series B Bonds, uninsured, maturing serially through 2022, at interest rates from 4.00% to 5.25%	-	37,440,000	-	37,440,000	-
Series C Bonds, uninsured, maturing serially through 2022, at interest rate of 5.0%	-	38,830,000	-	38,830,000	-
Series D Bonds AMT, uninsured, maturing serially through 2016, at interest rate of 5.0%	-	2,865,000	-	2,865,000	265,000
2007 Series					
Series A Bonds, uninsured, maturing serially through 2027, at interest rates from 3.40% to 5.00%	-	216,105,000	-	216,105,000	-
2008 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2018, at interest rates of 3.25% to 4.50%	-	25,065,000	-	25,065,000	-
Total	1,205,997,965	<u>\$ 372,245,000</u>	<u>\$ 266,112,965</u>	1,312,130,000	75,970,277
Plus					
Unamortized net premiums	43,632,209			51,638,923	
Unamortized deferral on refunding	8,772,960			33,728,293	
Bonds payable - net	<u>\$1,258,403,134</u>			<u>\$ 1,397,497,216</u>	<u>\$ 75,970,277</u>

D. BONDS PAYABLE (continued)

Each local government or private water company that borrows from the Trust posts a surety bond or letter of credit equal to the loan amount in favor of the Trust that is held by the Trust's trustee. These bonds are not callable or interest-bearing unless the borrower defaults upon its loan. The Trust has no guaranteed the debt of any borrower.

The 2005 BCIA/ENCAP Golf Holdings, LLC is a variable rate interest bond. The interest is being calculated in accordance with the reimbursement and security agreement. Interest on the bonds is calculated at prime plus 1%. Accrued interest is calculated at prime plus 2%.

Annual debt service requirements to maturity for bonds outstanding are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2010	\$ 80,835,000	\$ 61,034,656	\$ 141,869,656
2011	81,755,000	54,995,890	136,750,890
2012	89,590,000	51,154,942	140,744,942
2013	84,555,000	47,198,792	131,753,792
2014	82,750,000	43,429,841	126,179,841
2015 through 2019	417,555,000	162,202,198	579,757,198
2020 through 2024	363,305,000	74,146,667	437,451,667
2025 through 2029	170,210,000	13,916,874	184,126,874
	<u>\$1,370,555,000</u>	<u>\$ 508,079,860</u>	<u>\$ 1,878,634,860</u>
Unamortized net premiums	53,086,503		
Unamortized deferral on refunding	31,717,856		
Bonds payable - net	<u>\$1,455,359,359</u>		

The Trust has no taxing power, and the State of New Jersey is not liable for the Bonds of the Trust. The revenue bonds are not secured by the Trust, only by revenues and repayment of loans and investments. The insured bonds are insured by the Municipal Bond Investors Assurance Corporation, the Financial Guaranty Insurance Company or the AMBAC Indemnity Corporation.

E. ADVANCE REFUNDING

When conditions have warranted, the Trust has sold various issues of bonds to provide for the refunding of previously issued obligations.

The proceeds received from the sales of the bond issues were used to currently refund the outstanding bond issues or to deposit, in an irrevocable escrow fund held by the Escrow Agent, an amount that, when combined with interest earnings thereon, will be at least equal to the sum of the outstanding principal amount of the bonds, the interest to accrue thereon to and including the first optional redemption date thereof, and the premium required to redeem the bonds outstanding on such date. Accordingly, the trust account assets and the liability for defeased bonds are not included in the Trust's financial statements.

F. ADVANCED REFUNDING (continued)

Refunded bonds outstanding at June 30, 2009, are comprised of the following:

Issue	Principal Amount Outstanding June 30, 2009
2008 Refunding	
1998 Series A	\$ 25,065,000
	<u>\$ 25,065,000</u>
2007 Refunding	
2001 Series A	\$ 51,940,000
2002 Series A	37,440,000
2004 Series A	38,830,000
1996 Series B	2,600,000
	<u>\$ 130,810,000</u>
2006 Refunding	
2000 Series A	\$ 39,580,000
1999 Series A	33,000,000
1997 Series	17,410,000
1996 Series A	20,395,000
	<u>\$ 110,385,000</u>
2004 Refunding	
1995 Series A	\$ 13,340,000
	<u>\$ 13,340,000</u>
2003 Refunding	
1993 Series	\$ 17,735,000
	<u>\$ 17,735,000</u>
2001 Refunding:	
1990 Series B-uninsured	\$ 640,000
	<u>\$ 640,000</u>
1998 Refunding:	
1991 Series A	\$ 12,610,000
1992 Series A	2,200,000
1992 Series B	5,080,000
1994 Series A	6,100,000
1994 Series B	9,585,000
	<u>\$ 35,575,000</u>
1997 Refunding:	
1990 Series-uninsured	\$ 6,670,000
1991 Series B-uninsured	3,715,000
	<u>\$ 10,385,000</u>

F. LOANS RECEIVABLE

The Trust provides loans to local governmental units and water purveyors to finance allowable costs of clean water and safe drinking water projects. The various Trust loans are grouped into a pool or pools and funded with the proceeds of Trust bonds or other obligations. Loan repayments are required at such times and in such amounts as will pay the debt service on the bonds as it becomes due. These loans, which are backed by the full faith and credit of each borrower, are repayable over 20 years and bear interest at rates from 3.0% to 7.5% per annum.

The Trust's loans receivable balance of \$1,103,583,170 and \$1,003,854,570 as of June 30, 2009 and 2008, consisted of outstanding loans issued of \$1,417,983,423 and \$1,359,803,652, net of undisbursed loan funds of \$314,400,253 and \$355,949,082 as of June 30, 2009 and 2008, respectively.

Annual maturities for loans receivable are as follow:

<u>Fiscal year June 30,</u>	<u>Principal</u>
2010	\$ 85,148,607
2011	85,942,687
2012	87,815,744
2013	86,959,317
2014	85,509,534
2015 through 2019	438,834,282
2020 through 2024	378,790,417
2025 through 2029	168,982,835
	<u><u>\$1,417,983,423</u></u>

G. NEW JERSEY STATE APPROPRIATION

In prior years, the Trust received State of New Jersey appropriations of money from repayments received from previously issued wastewater loans and bond proceeds. The original source of the loan funds was a set of federal grants to the State of New Jersey to capitalize the State Revolving Fund. During the 2009 and 2008 fiscal years, the Trust received \$0 and \$1,248,384, respectively, from the State for the debt service reserve fund to secure clean water loans.

H. TRANSFER TO STATE OF NEW JERSEY

The Interim Financing Program account was initially funded by a transfer from the State. The source of the transfer was repayments from prior loans made by NJDEP. During the 2009 fiscal year, NJEIT reimbursed this transfer back to the State.

I. INTERIM FINANCING ACTIVITY

“Net Interim Financing Activity” represents the balance in the Interim Financing Program account. The balance is the net of the redeemed interim loans from the 2008 Financing Program and the outstanding interim loans for the 2009 Financing Program as of June 30, 2009.

J. MASTER PROGRAM TRUSTEE

The New Jersey Wastewater Treatment Financing Program instituted the Master Program Trustee. Repayments on all loans made to borrowers by the Department of Environmental Protection since 1989 are now paid to the United States (the “Master Program Trustee”). These funds provide additional security for the 1995 Trust Bonds and for any new Trust Bonds issued thereafter. These funds are held by the Master Program Trustee for up to a period of one year after which time the funds are transferred to the State of New Jersey. The balance in the Master Program Trustee Account as of June 30, 2009 and 2008, was \$33,221,921 and \$32,015,470, respectively. This balance is not an asset of the Trust; however, it is available to pay obligations of the Trust in case of default by program participants. Therefore, this amount is not reflected in the Trust’s financial statements.

K. NET ASSETS

The Trust’s net assets are categorized as follows:

- Restricted for debt service
- Restricted for Interim Financing Trust Loan Program
- Unrestricted

Assets restricted for debt service include net assets that have been restricted in accordance with the terms of an award or agreement or by State law. Assets restricted for interim financing are restricted for short-term financing of allowable costs of environmental infrastructure projects. Unrestricted assets include all other net assets.

L. OTHER MATTER

An Event of Default currently exists under the terms of the Indenture pursuant to which the NJEIT issued its Environmental Infrastructure Revenue Bonds (Bergen County Improvement Authority – EnCap Golf Holdings, LLC Project), Series 2005 (the “NJEIT-EnCap Bonds”). Such Event of Default has created a corresponding Event of Default under the Loan Agreement, pursuant to which the NJEIT loaned the proceeds of the NJEIT-EnCap Bonds to EnCap Golf Holdings, LLC (“EnCap”) for its Meadowlands remediation project. Simultaneously with the issuance of the NJEIT-EnCap Bonds, a Letter of Credit was issued by a bank

(continued on next page)

syndicate to fully secure the payment of the principal of an interest on the NJEIT-EnCap Bonds. The referenced Events of Default were triggered by the failure of EnCap to satisfy various reimbursement obligations to the Letter of Credit Provider. In response to the occurrence of the Event of Default under the Indenture, the Letter of Credit Provider has exercised remedies to which it is entitled thereunder. Specifically, on September 28, 2007, the Letter of Credit Provider directed a mandatory tender of the NJEIT-EnCap Bonds, which mandatory tender was funded by a draw on the Letter of Credit. As a result, the Letter of Credit is no longer outstanding and the Letter of Credit Provider is the holder of 100% of the outstanding NJEIT-EnCap Bonds. Such NJEIT-EnCap Bonds are without recourse to the general funds of the NJEIT. The Letter of Credit Provider bears the risk that EnCap will be unable to repay the Trust Loan and, therefore, the NJEIT-EnCap Bonds. On May 8, 2008, EnCap filed a voluntary position for relief pursuant to Chapter 11 of the United States Bankruptcy Code. An order dismissing the bankruptcy case was entered by the Bankruptcy Court on February 3, 2009. A Final Decree indicating that the case had been fully administered was entered on March 30, 2009. The collateral securing the NJEIT-EnCap Bonds does not secure any of the annual financing programs of the NJEIT. Therefore, the events described above with respect to the NJEIT-EnCap Bonds and EnCap will have no impact upon any of the annual financing programs of the NJEIT and the payment of principal and interest with respect thereto.

M. RECLASSIFICATION

As of June 30, 2008, certain balances in the statement of revenues, expenses and changes in net assets were reclassified to conform with current year presentation. There was no change in net assets as a result of such reclassifications.

N. ROUNDING

Some schedules in the financial statements may have dollar differences due to rounding.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
New Jersey Environmental Infrastructure Trust

We have audited the financial statements of New Jersey Environmental Infrastructure Trust (the "Trust"), a component unit of the State of New Jersey, as of and for the year ended June 30, 2009, and have issued our report thereon dated October 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Trust's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the Trust's internal control.

(continued on next page)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Trust's internal control.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the State of New Jersey, the board of directors, the audit committee, management and others within the Trust and is not intended to be, and should not be, used by anyone other than these specified parties.

Mercaderes, PC
Certified Public Accountants

October 22, 2009

CASE STUDY: RED BULL STADIUM

In 2009, The Hudson County Improvement Authority received loans in excess of \$18 million for wastewater, stormwater and drinking water infrastructure and remediation improvements necessary for the Red Bull Stadium and surrounding redevelopment for residential units, hotel, commercial space and retail space. The two financed projects include the installation of 621-linear feet of 6-inch and 5,046 linear feet of 12-inch potable water mains on Cape May Street and Frank E. Rogers Blvd., and the construction of an environmental cap, sanitary and storm sewers in the town. These projects will improve water quality by reducing stormwater and combined sewer overflow discharged into the Passaic River.



Pictured above is the construction site of the Red Bull Stadium in Harrison, NJ. Below is pictured the Passaic River, which will benefit from infrastructure and remediation improvements as issued through NJEIFP loans.



TRUST STAFF



Seated left to right: Frank Scangarella, Maryclaire D’Andrea, and John Hansbury.

Standing left to right: Maria Andujar, Karen Texany, Adele Lotuaco, Ugorji Ugorji, Josephine Manzo, and Mary Pearsall.

Not Pictured: Trudie Edinger.

Staff

Acting Executive Director.....	Maryclaire D’Andrea
Chief Operating Officer.....	Frank Scangarella
Chief Budget Officer.....	John Hansbury
Administrative Assistant.....	Ugorji Ugorji
Administrative Liaison.....	Trudie Edinger
Accountant.....	Adele Lotuaco
Accountant.....	Maria Andujar
Accountant.....	Karen Texany
Secretary to the Executive Director.....	Josephine Manzo
Secretarial Assistant.....	Mary Pearsall

Meeting Dates

January 21, 2010
February 25, 2010
April 8, 2010
May 6, 2010
June 10, 2010
July 8, 2010
August 12, 2010
September 23, 2010
October 21, 2010
December 9, 2010

2008 and 2009 Advisors

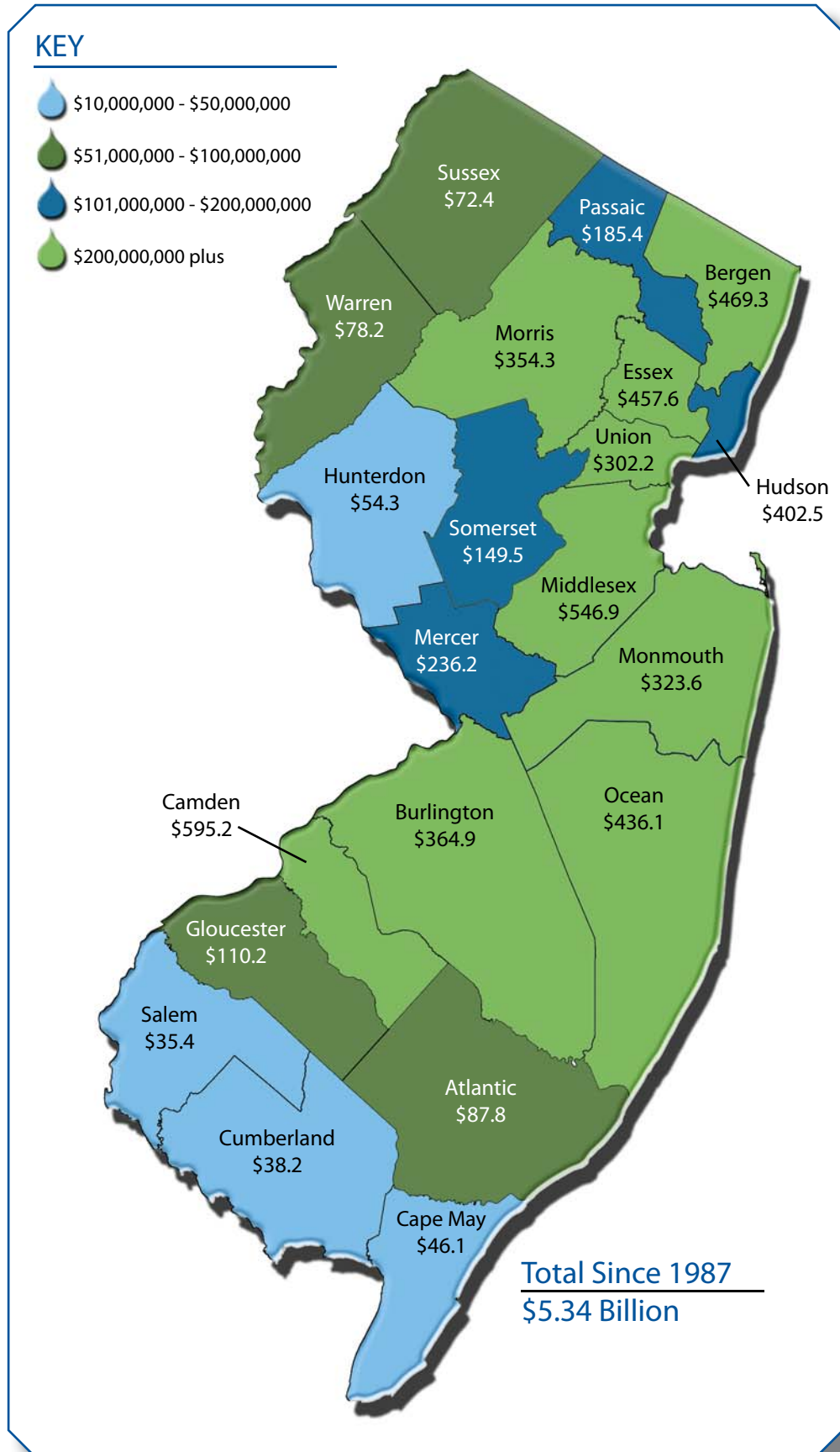
Bond Counsel.....McCarter & English
Financial Advisor.....Public Financial Management, Inc.
General Counsel.....Attorney General of New Jersey
Auditor.....Mercadien, P.C.
Trustee.....Bank of New York Mellon or U.S. Bank
Master Program Trustee.....U.S. Bank

MISSION STATEMENT

The mission of the New Jersey Environmental Infrastructure Trust is to provide low-cost financing for the construction of environmental infrastructure projects that enhance and protect ground and surface water resources, ensure the safety of drinking water supplies, and promote responsible and sustainable economic development.



NJEIFP LOAN HISTORY BY COUNTY





New Jersey Environmental Infrastructure Trust

**Location:
3131 Princeton Pike
Building 6, Suite 201
Lawrenceville, NJ 08648**

Phone: 609-219-8600

Fax: 609-219-8620

Web: www.njeit.org