

NEW JERSEY
ENVIRONMENTAL
INFRASTRUCTURE
TRUST

2005
ANNUAL REPORT

Did You Know?

- 💧 The Financing Program has issued over \$3 billion in loans since 1987.
- 💧 Over 500 clean water, drinking water, land acquisition and landfill cleanup projects have been funded.
- 💧 Taxpayers and ratepayers have saved over \$800 million in finance costs.
- 💧 Current finance program loan rates are as low as 1.07%.
- 💧 The Financing Program has issued loans in excess of \$ 70 million to preserve over 2400 acres of open space.



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Jon Corzine
Governor
State of New Jersey

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MESSAGE FROM THE TRUST



**To: The Honorable Jon Corzine
Governor of the State of New Jersey**

The Honorable Members of the New Jersey Legislature

The 2005 Financing Program was the most successful ever - over \$491 million in low-cost loans were issued for 47 clean water, drinking water and open space acquisition projects. Twenty eight of the projects target 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. Twelve projects will help municipalities and private water purveyors meet the requirements of the Safe Drinking Water Act. Six projects will help preserve 348 acres and one project will eliminate thousands of gallons of water pollution through the remediation of four landfills.

As the first program of its kind in the country, the Trust has played a major role in helping New Jersey protect and improve its water quality. This role remains critical with current estimates showing a need of over \$12 billion in funding for clean water and drinking water projects across the state.

Working in partnership with the Department of Environmental Protection (Department), the Trust leverages state funds, federal funds and loan repayments with its own bond issue proceeds to make loans at the lowest possible cost. For 19 years, the Financing Program has been funding projects to improve water quality and has issued loans of over \$3 billion for more than 500 projects. This has saved taxpayers and ratepayers over \$800 million in finance costs.

This year, the Trust sold over \$231 million in bonds in two separate bond sales. On October 19, the Trust sold over \$124 million in bonds to help finance 48 environmental protection projects worth more than \$280 million. These bonds received a AAA rating from FitchRatings, Moody's Investor Service and Standard and Poors, attracting a record 9 bidders for the Series A sale. The sale was completed in two series:

Series 2005A - \$121,110,000: Interest Rate – 4.259%

Series 2005B - \$3,045,000: Interest Rate – 4.621%

On December 1, the Trust sold \$107 million in bonds for a large brownfields restoration project known as Bergen County Improvement Authority – EnCap Golf Holdings, LLC. This single-issue sale was not part of the Trust's regular pool program and was the Trust's first use of variable rate demand bonds. The Department issued \$104 million in funding for its portion of eligible costs.

This year marked the third loan cycle in which the Financing Program offered a lower-interest rate program with a "75/25" split of the DEP/Trust shares for projects that promote smart growth, providing these projects with financing at a quarter of the prevailing market rate. Since Trust bonds sold at 4.26% interest this year, traditional program borrowers will pay 2.14% interest on their loans while the smart growth project borrowers will pay only 1.07%.



The Trust continues to focus on the following objectives:

- Provide a credible and effective financing program for clean water and drinking water projects;
- Provide financing for projects at a cost much lower than individual program participants could achieve on their own; and
- Enable participants to achieve better access to capital markets. For participants that find it difficult and expensive to gain access to capital markets on their own, either because their credit ratings are low or because the debt financing process is unfamiliar, the Financing Program facilitates access to capital.

Direct Loan Program

The Trust issued two direct loans in 2005. Direct loans are particularly suited to small, private borrowers such as homeowners associations and trailer parks. Including them in a bond pool with larger private or public borrowers is often not practical. Cape May Point Borough and East Newark Borough were issued direct loans in 2005.

Interim Financing Program

The Trust's Interim Financing Program continues to be successful. This program allows borrowers that have been certified by both the Department of Environmental Protection and the Trust, to secure short-term, zero-interest financing from December to the closing of a long-term loan in November. In the 2005 program, there were eight participants, the Bergen County Improvement Authority/Encap Golf Holdings, LLC (\$40 million) for landfill remediation, the Rahway Valley Sewerage Authority (\$18 million) for a new gravity relief sewer, Mt. Laurel Township MUA (\$6.25 million) for water treatment plant upgrades, Hamilton Township (\$5.37 million) for land acquisition, NJ Water Supply Authority (\$2.7 million) for land acquisition, Monmouth County BOA (\$700,000) for outfall repairs, Cherry Hill Township (\$2 million) for land acquisition and Clementon Borough (\$1.2 million) for land acquisition.

Open Space Acquisition

Preserving New Jersey's dwindling open space has never been more important. The Trust continues to make significant strides in this area by issuing loans for the preservation of 350 acres of land in 2005. Since 2001, the Trust's loans of over \$70 million have helped preserve 2,444 acres of open space land.

As the Trust enters its 19th 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

Dennis Hart
Executive Director

BOARD OF DIRECTORS AND EXECUTIVE DIRECTOR



Robert A. Briant, Sr.
Chairman



Warren H. Victor
Vice-Chairman



Eileen Swan
*Treasurer**



Gerald T. Keenan
Secretary



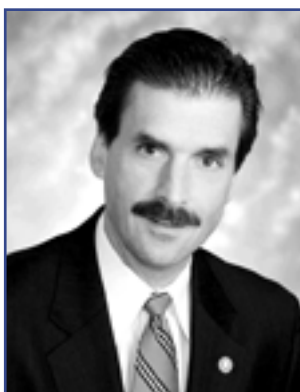
Bradley Abelow
*State Treasurer,
Department of
Treasury*



Lisa Jackson
*Commissioner,
NJ Department of
Environmental
Protection*



Susan Bass Levin
*Commissioner,
NJ Department of
Community Affairs*



Dennis Hart
Executive Director

**Eileen Swan resigned from the
Board effective February 9, 2006*

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 allowable project costs from 1) an interest-bearing loan from the Trust, and 2) a zero percent interest loan from the Department. The Trust's interest bearing loans are financed from the sale of Revenue Bonds. The Department'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 higher interest rates, there are other factors that increase traditional borrowing costs. Some of these include debt service, reserve funds, bond insurance and arbitrage management. These additional costs are not passed on to Financing Program borrowers. In fact, loan repayments are used as additional coverage for the Trust's bonds. This has earned the Trust AAA ratings for its bonds since 1995. This year's bonds received a natural AAA, Aaa, and AAA rating respectfully, from Fitch Ratings, Moody's Investor Service and Standard and Poors. With these ratings, the Trust's bonds sell at lower rates, which translates into lower costs for borrowers.

The following describes additional cost-saving measures for Financing Program borrowers:

Earnings Credits – Earnings from all bond funds, such as the project fund, and the debt service reserve funds, are distributed to borrowers as credits toward their debt service payments.

State-funded Debt Service Reserve Fund – The state, through the use of federal/state funds and other sources, provides a debt service reserve fund equal to one year's debt service on each of the Trust's bond series.

Capitalized Interest – Loans may include all or part of construction period interest costs. Additionally, borrowers may defer repayment on principal until completion of the capitalized interest period. This feature is not available to municipalities who decide to seek financing on their own.

Bond Insurance - The security provided by the Trust's 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. As a result, program costs are allocated to each borrower’s pro-rated share of a bond series. This means each borrower only pays its share of the Trust’s bond issuance costs.

Generous Allowable Costs – Associated 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 be financed through the program.

No Front-Loading Requirement – State bond law requires local government units issuing their own general obligation debt 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. The Financing Program provides for level debt service throughout the life of the loan. This is particularly helpful when financing a non-revenue-producing project.

No Arbitrage Worries – The Trust assumes responsibility for complying with federal arbitrage rebate requirements, relieving borrowers of the cost and responsibility of this duty.

Flexible Timing – Shorter term financing is available for borrowers who wish to avoid 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 a borrower’s loan amount.

No Secondary Disclosure Requirements – Due to the size of the Financing Program, no single borrower is a material obligated entity. As a result, Financing Program borrowers are not required to fulfill secondary disclosure requirements.

Interim Financing – Interim financing allows borrowers to access capital prior to the Trust’s regular November loan closing. It is available to borrowers that have been granted all required DEP approvals, have been granted pre-award approval by the DEP and the Trust and are ready to start their project. Interim financing eliminates a borrower’s need to seek short-term financing. To date, interim loans have been issued with a zero percent interest rate with no fees.

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

PROJECTS ELIGIBLE FOR FINANCING

The NJ Environmental Infrastructure Financing Program's initial focus was the financing of various clean water projects such as wastewater treatment and conveyance systems. 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 represent how broad the Financing Program has become and reflect the many ways the program can be used to protect and enhance 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.





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 its financing eligibility.

2005 PROJECT DESCRIPTIONS

DRINKING WATER

ATLANTIC CITY MUNICIPAL UTILITIES
AUTHORITY
\$5,543,215 for water treatment plant upgrades.

GLEN RIDGE BOROUGH
\$255,000 Supplemental Loan.

HARVEY CEDARS BOROUGH
\$1,676,634 for construction of water mains.

LONG BEACH TOWNSHIP
\$654,234 for construction of water mains.

MOUNT LAUREL TOWNSHIP MUNICI-
PAL UTILITIES AUTHORITY
\$1,547,246 for aquifer storage and recovery.

MOUNT LAUREL TOWNSHIP MUNICI-
PAL UTILITIES AUTHORITY
\$22,225,000 for water treatment plant up-
grades.

OLD BRIDGE MUNICIPAL UTILITIES
AUTHORITY
\$3,155,940 Supplemental Loan.

PENNSGROVE WATER SUPPLY COMPANY
\$1,253,045 for construction of water mains.

PENNSVILLE TOWNSHIP
\$2,589,807 for installation of water meters.

STAFFORD TOWNSHIP
\$10,190,597 for water treatment plant upgrades

WHARTON BOROUGH
\$465,596 for improvements to water mains.

WILDWOOD WATER UTILITY
\$1,246,500 for replacement of water mains.



2005 PROJECT DESCRIPTIONS

CLEAN WATER PROJECTS

BARNEGAT TOWNSHIP

\$1,991,805 for the extension of sanitary sewer facilities.

BERGEN COUNTY IMPROVEMENT AUTHORITY/ENCAP GOLF HOLDINGS LLC

\$211,321,814 for the remediation of landfills in Bergen County.

BERGEN COUNTY UTILITIES AUTHORITY

\$15,166,578 for Wastewater Treatment Plant Upgrades.

BERKELEY TOWNSHIP SEWERAGE AUTHORITY

\$2,801,780 for the collection of sewer system upgrades.

CAPE MAY POINT BOROUGH

\$161,766 for the replacement of equipment at the pump station.

CHATHAM TOWNSHIP

\$1,245,516 for the construction of a collection system and force main to connect to the existing pump station that will convey flows to the treatment facility.

CHERRY HILL TOWNSHIP

\$2,035,000 for the purchase and preservation of land.

CLEMENTON BOROUGH

\$1,195,000 for the purchase and preservation of land.

CRANFORD TOWNSHIP

\$5,319,052 includes the construction of a storm-water pumping station.

EAST NEWARK BOROUGH

\$724,452 to correct the combined sewer overflows.

EAST RUTHERFORD BOROUGH

\$896,793 for the replacement of sewer lines.

EAST WINDSOR TOWNSHIP

\$868,171 for the purchase and preservation of land.

FLORHAM PARK SEWERAGE AUTHORITY

\$2,733,200 for improvements to the water pollution control facility.

GLOUCESTER COUNTY IMPROVEMENT AUTHORITY

\$8,230,895 for storm water control modifications.



*Atlantic County Utilities Authority
Solar Energy System
\$3.25 million*



CLEAN WATER PROJECTS

HAMILTON TOWNSHIP

\$5,463,778 for the purchase and preservation of land.

KEARNY MUNICIPAL UTILITIES AUTHORITY

\$3,974,500 for improvements to the pumping station.

LINDEN CITY

\$3,735,898 Supplemental Loan.

LONG BEACH TOWNSHIP

\$949,475 for rehabilitation of sanitary sewer system.

MANASQUAN BOROUGH

\$3,095,967 for the purchase and preservation of land.

MIDDLESEX COUNTY UTILITIES AUTHORITY

\$14,000,000 Supplemental Loan.

MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY

\$607,655 for ocean outfall pipe repairs.

NEW JERSEY CITY UNIVERSITY

\$2,969,880 for site remediation for some of the West Campus structures.

NEW JERSEY WATER SUPPLY AUTHORITY

\$3,990,974 for the purchase and preservation of land.

NEWARK CITY

\$25,579,544 for the construction of combined sewer over flow control facilities and the rehabilitation of deteriorated sewers.

NORTH HUDSON SEWERAGE AUTHORITY

\$8,398,809 for the upgrades to the wastewater treatment plants and a supplemental loan.

OCEAN COUNTY UTILITIES AUTHORITY

\$61,769,032 for the rehabilitation of the treatment plant and pump stations.

PATERSON CITY

\$3,592,600 for a combined sewer over flow correction.

RAHWAY VALLEY SEWERAGE AUTHORITY

\$41,172,516 for the relief of sanitary sewer overflows and a supplemental loan.

TUCKERTON BOROUGH

\$1,179,000 for the rehabilitation of pump stations.

WEST MILFORD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

\$2,734,151 for the rehabilitation of sewer systems.

WEST ORANGE TOWNSHIP

\$2,447,091 for storm water control improvements.

WINSLOW TOWNSHIP

\$432,700 Supplemental Loan.

PROJECTS FINANCED 1987 - 2005

YEAR	NAME	COUNTY	AMOUNT
1999	2117 Mt. Ephraim	Salem	\$397,969.00
1994	Allamuchy Twp	Warren	\$4,410,300.00
2001	Allamuchy Twp	Warren	\$2,226,500.00
2004	Allamuchy Twp	Ocean	\$857,637.00
2004	Aqua New Jersey	Mercer	\$2,435,000.00
2005	Atlantic City MUA	Atlantic	\$5,543,215.00
1995	Atlantic County UA	Atlantic	\$7,967,538.00
1997	Atlantic County UA	Atlantic	\$3,032,663.00
1997	Atlantic County UA	Atlantic	\$7,569,539.00
2001	Atlantic County UA	Atlantic	\$1,972,543.00
2004	Atlantic County UA	Atlantic	\$4,919,401.00
1996	Atlantic Highlands	Monmouth	\$872,692.00
2001	Barnegat Twp	Ocean	\$780,000.00
2005	Barnegat Twp	Ocean	\$1,991,805.00
2003	Barrington Boro	Camden	\$1,019,712.00
1999	Bayonne MUA	Hudson	\$4,985,000.00
2000	Bayonne MUA	Hudson	\$9,285,809.00
2002	Bayonne MUA	Hudson	\$3,603,836.00
1991	Bayshore RSA	Monmouth	\$8,605,000.00
1991	Bayshore RSA	Monmouth	\$25,860,650.00
1993	Bayshore RSA	Monmouth	\$13,917,307.00
2001	Bayview Water Co	Middlesex	\$1,649,000.00
2004	Beachwood Boro	Ocean	\$582,644.00
1996	Bellmawr Boro	Camden	\$898,000.00
1999	Bellmawr Boro	Camden	\$688,697.00
2002	Bellmawr Boro	Camden	\$2,982,073.00
2005	Bergen Co IA	Bergen	\$211,321,814.00
2005	Bergen County UA	Bergen	\$15,166,578.00
1997	Bergenfield Boro	Bergen	\$1,130,000.00
1987	Berkeley Heights	Union	\$6,446,000.00
2001	Berkeley Heights	Union	\$1,980,000.00
2004	Berkeley Heights	Union	\$584,120.00
1992	Berkeley Twp SA	Ocean	\$2,656,077.00
1994	Berkeley Twp SA	Ocean	\$3,081,280.00
2002	Berkeley Twp SA	Ocean	\$4,759,417.00
2003	Berkeley Twp SA	Ocean	\$4,426,698.00
2005	Berkeley Twp SA	Ocean	\$2,801,780.00
1999	Berlin Boro	Burlington	\$1,006,432.00
1989	Bernardsville Boro	Somerset	\$5,034,368.00
1990	Bernardsville Boro	Somerset	\$1,790,262.00
2004	Bethlehem	Hunterdon	\$987,100.00
2001	Brick Twp	Ocean	\$2,573,862.00
2001	Brick Twp MUA	Ocean	\$18,006,813.00
2001	Brick Twp MUA	Ocean	\$2,646,019.00
2002	Brick Twp MUA	Ocean	\$9,066,398.00
2003	Bridgeton City	Cumberland	\$2,007,737.00
2001	Bridgewater Twp	Somerset	\$1,056,486.00
1999	Brigantine City	Atlantic	\$937,960.00
2001	Brigantine City	Atlantic	\$143,697.00
2001	Brigantine City	Atlantic	\$1,325,360.00
2004	Brigantine City	Atlantic	\$2,367,500.00
2002	Brkwd Muscontecong	Sussex	\$1,039,200.00
1997	Buena Boro MUA	Atlantic	\$1,683,486.00
1990	Burlington City	Burlington	\$11,212,289.00
1999	Burlington City	Burlington	\$1,360,000.00
1991	Burlington Co BCF	Burlington	\$56,550,000.00
2001	Burlington Co BCF	Burlington	\$14,364,871.00
2003	Burlington Co BCF	Burlington	\$14,860,422.00
2004	Burlington Co BCF	Burlington	\$3,746,000.00

YEAR	NAME	COUNTY	AMOUNT
1996	Burlington Twp	Burlington	\$8,713,690.00
1996	Byram Twp	Sussex	\$1,802,284.00
1988	Caldwell Boro	Essex	\$16,293,825.00
1989	Caldwell Boro	Essex	\$5,339,535.00
1997	Camden City	Camden	\$852,640.00
1999	Camden City	Camden	\$2,936,209.00
2000	Camden City	Camden	\$6,426,340.00
2000	Camden City	Camden	\$3,127,208.00
2000	Camden City	Camden	\$444,156.00
2000	Camden City	Camden	\$3,076,027.00
2000	Camden City	Camden	\$5,401,238.00
2000	Camden City	Camden	\$4,525,247.00
2001	Camden City	Camden	\$4,676,281.00
2001	Camden City	Camden	\$4,506,664.00
2001	Camden City	Camden	\$12,456,176.00
2002	Camden City	Camden	\$9,982,491.00
2003	Camden City	Camden	\$17,784,503.00
2003	Camden City	Camden	\$10,258,751.00
1987	Camden Co MUA	Camden	\$182,238,529.00
1987	Camden Co MUA	Camden	\$9,934,592.00
1990	Camden Co MUA	Camden	\$64,330,096.00
1991	Camden Co MUA	Camden	\$12,025,078.00
1991	Camden Co MUA	Camden	\$2,736,338.00
1992	Camden Co MUA	Camden	\$9,002,625.00
1995	Camden Co MUA	Camden	\$4,455,335.00
1996	Camden Co MUA	Camden	\$6,905,535.00
2000	Camden Co MUA	Camden	\$6,983,943.00
2000	Camden Co MUA	Camden	\$7,206,500.00
2003	Camden Co MUA	Camden	\$5,220,879.00
1998	Cape May City	Cape May	\$1,365,000.00
2001	Cape May City	Cape May	\$255,475.00
2001	Cape May City	Cape May	\$461,674.00
1987	Cape May Co MUA	Cape May	\$23,760,340.00
1993	Cape May Co MUA	Cape May	\$2,445,668.00
2005	Cape May Pt Boro	Cape May	\$161,766.00
1987	Carney's Pt Twp SA	Salem	\$4,950,000.00
1988	Carney's Pt Twp SA	Salem	\$1,560,000.00
2004	Cedar Glen Homes	Ocean	\$846,401.00
2002	Cedar Glen W., Inc.	Ocean	\$432,666.00
1988	Cedar Grove Twp	Essex	\$5,537,727.00
1991	Cedar Grove Twp	Essex	\$3,585,094.00
1988	Chatham Boro	Morris	\$4,812,369.00
1989	Chatham Boro	Morris	\$1,812,200.00
1993	Chatham Boro	Morris	\$286,226.00
2000	Chatham Twp	Morris	\$544,347.00
2005	Chatham Twp	Morris	\$1,245,516.00
2005	Cherry Hill Twp	Camden	\$2,035,000.00
1996	Chester Boro	Morris	\$1,394,451.00
2001	Chesterfield Twp	Burlington	\$4,464,872.00
2003	Chesterfield Twp	Burlington	\$1,157,638.00
2004	Cinnaminson SA	Burlington	\$1,986,467.00
2005	Clementon Boro	Camden	\$1,195,000.00
2000	Cliffside Park Boro	Bergen	\$1,105,000.00
1997	Clifton City	Passaic	\$3,595,000.00
1992	Clinton Twp	Hunterdon	\$4,517,572.00
1995	Clinton Twp	Hunterdon	\$264,000.00
2004	Clinton Twp	Hunterdon	\$533,974.00
2000	Collingswood Boro	Camden	\$1,050,000.00
2001	Collingswood Boro	Camden	\$573,513.00

YEAR	NAME	COUNTY	AMOUNT
2000	Consumers NJWC	Mercer	\$939,000.00
2000	Consumers NJWC	Mercer	\$2,534,961.00
2004	Cranford Twp	Union	\$2,031,676.00
2005	Cranford Twp	Union	\$5,319,052.00
2001	Cumberland CoUA	Cumberland	\$1,950,000.00
1998	Delanco SA	Burlington	\$1,076,866.00
1992	Delran SA	Burlington	\$10,799,735.00
1993	Delran SA	Burlington	\$2,894,901.00
1988	Denville Twp	Morris	\$12,153,563.00
2002	Dover Twp	Ocean	\$754,766.00
2002	Dunellen Boro	Middlesex	\$1,845,475.00
2002	E. Brookwood Est.	Sussex	\$1,137,000.00
2005	East Newark Boro	Hudson	\$724,452.00
2005	East Rutherford	Bergen	\$896,793.00
1988	East Windsor MUA	Mercer	\$19,778,387.00
1990	East Windsor MUA	Mercer	\$1,314,779.00
2005	East Windsor Twp	Mercer	\$868,171.00
2001	Edgewater Boro	Bergen	\$256,010.00
2000	Edgewater MUA	Bergen	\$1,771,496.00
2004	Edgewater Park SA	Bergen	\$311,957.00
2002	Edison Twp	Middlesex	\$2,407,475.00
1996	Egg Harbor MUA	Atlantic	\$980,000.00
1987	Elizabeth City	Union	\$9,010,000.00
1989	Elizabeth City	Union	\$2,915,430.00
1996	Elizabeth City	Union	\$3,210,000.00
2000	Elizabeth City	Union	\$5,183,815.00
2001	Elizabeth City	Union	\$6,214,896.00
2002	Elizabeth City	Union	\$3,720,000.00
2000	Essex County UA	Essex	\$2,135,414.00
2001	Evesham Twp	Burlington	\$2,643,250.00
2004	Ewing Lawrence SA	Mercer	\$2,779,060.00
1999	Ewing Twp	Mercer	\$4,236,765.00
2005	Fayson Lake WC	Morris	\$59,338.00
1996	Flemington Boro	Hunterdon	\$1,064,996.00
1996	Florence Twp	Burlington	\$1,877,853.00
1998	Florence Twp	Burlington	\$3,500,000.00
1998	Florence Twp	Burlington	\$15,459,806.00
1997	Florham Park SA	Morris	\$820,934.00
2005	Florham Park SA	Morris	\$2,733,200.00
2002	Fort Lee Boro	Bergen	\$6,952,250.00
2000	Franklin Boro	Sussex	\$550,000.00
2000	Franklin Twp	Somerset	\$1,713,733.00
2000	Franklin Twp SA	Somerset	\$8,191,160.00
2001	Franklin Twp SA	Somerset	\$2,902,500.00
2002	Franklin Twp SA	Somerset	\$1,782,000.00
2004	Garfield City	Bergen	\$6,122,693.00
2002	Gibbsboro Boro	Camden	\$1,048,001.00
2000	Glen Ridge Boro	Essex	\$1,655,392.00
2003	Glen Ridge Boro	Essex	\$1,192,053.00
2005	Glen Ridge Boro	Essex	\$255,000.00
1997	Gloucester City	Gloucester	\$2,550,282.00
2001	Gloucester City	Gloucester	\$1,323,128.00
2002	Gloucester City	Gloucester	\$549,572.00
2005	Gloucester Co IA	Gloucester	\$8,230,895.00
1994	Gloucester Co UA	Gloucester	\$1,037,597.00
1995	Gloucester Co UA	Gloucester	\$22,257,320.00
1998	Gloucester Co UA	Gloucester	\$3,815,000.00
1999	Gloucester Co UA	Gloucester	\$683,411.00
2001	Gloucester Co UA	Gloucester	\$4,444,383.00

YEAR	NAME	COUNTY	AMOUNT
2001	Gloucester T MUA	Gloucester	\$2,190,500.00
2004	Gloucester T MUA	Gloucester	\$4,179,790.00
1997	Hackensack City	Bergen	\$2,832,492.00
2000	Hackensack City	Bergen	\$984,053.00
2002	Hackensack City	Bergen	\$1,014,050.00
1991	Hackettstown MUA	Warren	\$12,154,566.00
2001	Hainesport Twp	Burlington	\$13,711,900.00
2005	Hamilton Twp	Mercer	\$5,463,778.00
1992	Hammonton Town	Atlantic	\$13,170,000.00
1989	Hanover SA	Morris	\$16,114,729.00
1999	Harrison Town	Hudson	\$1,312,582.00
1997	Harrison Twp	Gloucester	\$459,250.00
2002	Harrison Twp	Gloucester	\$3,943,481.00
2003	Harrison Twp	Camden	\$2,408,023.00
2005	Harvey Cedars Boro	Ocean	\$1,676,634.00
1992	Hawthorne Boro	Passaic	\$3,124,254.00
1994	Hawthorne Boro	Passaic	\$884,854.00
2003	Hawthorne Boro	Passaic	\$2,724,259.00
2004	Hawthorne Boro	Passaic	\$1,850,450.00
1990	Hightstown Boro	Mercer	\$3,926,688.00
2002	Hillside Twp	Union	\$408,697.00
1991	Holmdel Twp	Monmouth	\$3,141,856.00
2001	Holmdel Twp	Monmouth	\$2,760,263.00
2000	Hopatcong Boro	Sussex	\$664,545.00
2001	Hopatcong Boro	Sussex	\$5,490,000.00
2002	Hopatcong Boro	Sussex	\$10,970,000.00
2002	Irvington Twp	Essex	\$1,131,028.00
1996	Jackson Twp MUA	Ocean	\$6,392,109.00
1999	Jersey City MUA	Hudson	\$3,873,593.00
2001	Jersey City MUA	Hudson	\$16,150,000.00
2000	Keansburg Boro	Monmouth	\$2,910,000.00
2001	Keansburg Boro	Monmouth	\$276,422.00
2005	Kearny MUA	Hudson	\$3,974,500.00
1998	Kearny Town	Hudson	\$3,082,371.00
2004	Kearny Town	Hudson	\$4,072,070.00
2002	Lakewood T MUA	Ocean	\$6,461,230.00
2002	Lambertville SA	Hunterdon	\$1,864,179.00
2003	Lambertville SA	Hunterdon	\$1,318,500.00
1996	Lavalette Boro	Ocean	\$1,616,960.00
1998	Lawrence Twp	Mercer	\$1,175,095.00
2003	Lebanon Twp	Hunterdon	\$645,135.00
2004	Lebanon Twp	Hunterdon	\$461,266.00
2004	Linden City	Union	\$9,240,000.00
2005	Linden City	Union	\$3,735,898.00
2003	Linden Roselle SA	Union	\$13,897,579.00
1988	Livingston	Essex	\$14,306,017.00
1989	Livingston	Essex	\$2,903,259.00
2002	Lodi Boro	Bergen	\$140,650.00
1995	Logan Twp MUA	Gloucester	\$2,975,000.00
2002	Long Beach Twp	Ocean	\$3,095,664.00
2003	Long Beach Twp	Ocean	\$2,370,067.00
2005	Long Beach Twp	Ocean	\$654,234.00
2005	Long Beach Twp	Ocean	\$949,475.00
1990	Long Branch SA	Monmouth	\$11,886,146.00
2000	Long Branch SA	Monmouth	\$12,510,563.00
1989	Long Hill, Passaic T	Morris	\$5,432,194.00
1990	Long Hill, Passaic T	Morris	\$3,238,870.00
1993	Long Hill, Passaic T	Morris	\$3,205,533.00
1997	Longport Boro	Atlantic	\$1,417,300.00

Shading Denotes Drinking Water Projects

YEAR	NAME	COUNTY	AMOUNT
1999	Longport Boro	Atlantic	\$2,466,329.00
1998	Lopatcong Boro	Warren	\$200,000.00
1989	Lower Twp MUA	Cape May	\$5,134,300.00
2001	Lumberton Twp	Burlington	\$2,072,303.00
1988	Madison Boro	Morris	\$8,190,000.00
1989	Madison Boro	Morris	\$3,084,257.00
2005	Manasquan Boro	Monmouth	\$3,095,967.00
1994	Manchester Twp	Ocean	\$3,507,498.00
1995	Mantua Twp MUA	Gloucester	\$1,642,392.00
1989	Manville Boro	Somerset	\$2,127,597.00
1990	Manville Boro	Somerset	\$3,303,542.00
1993	Manville Boro	Somerset	\$1,300,692.00
1989	Maple Shade Twp	Burlington	\$12,411,625.00
1990	Maple Shade Twp	Burlington	\$1,835,286.00
2004	Maple Shade Twp	Burlington	\$3,337,996.00
1999	Maplewood Twp	Essex	\$394,262.00
2001	Margate City	Atlantic	\$324,949.00
2001	Margate City	Atlantic	\$612,500.00
2001	Matawan Boro	Monmouth	\$2,725,000.00
2002	Medford Twp	Burlington	\$1,715,709.00
2001	Mercer County	Mercer	\$420,349.00
2002	Mercer County	Mercer	\$571,250.00
1998	Mercer County IA	Mercer	\$1,112,980.00
2002	Mercer County IA	Mercer	\$802,019.00
2004	Mercer County IA	Mercer	\$242,253.00
1997	Merchantville Boro	Camden	\$889,140.00
2001	Merchantville-Penns	Camden	\$3,875,000.00
2003	Merchantville-Penns	Camden	\$731,801.00
2002	Middle Twp	Cape May	\$347,597.00
2004	Middlesex Boro	Middlesex	\$1,694,828.00
1990	Middlesex Co UA	Middlesex	\$30,120,871.00
1992	Middlesex Co UA	Middlesex	\$18,065,150.00
1993	Middlesex Co UA	Middlesex	\$12,550,263.00
2001	Middlesex Co UA	Middlesex	\$33,577,532.00
2005	Middlesex Co UA	Middlesex	\$14,000,000.00
1998	Middlesex Water Co	Middlesex	\$2,185,000.00
1999	Middlesex Water Co	Middlesex	\$4,500,000.00
2001	Middlesex Water Co	Middlesex	\$4,790,000.00
2004	Middlesex Water Co	Middlesex	\$16,635,909.00
1998	Millburn Twp	Essex	\$2,076,373.00
1992	Millville City	Cumberland	\$6,470,313.00
1996	Millville City	Cumberland	\$2,395,100.00
1999	Millville City	Cumberland	\$2,419,936.00
2003	Millville City	Cumberland	\$1,451,680.00
2003	Millville City	Cumberland	\$2,850,000.00
1997	Mine Hill Twp	Morris	\$1,804,557.00
2002	Monmouth CoBOA	Monmouth	\$970,000.00
2003	Monmouth CoBOA	Monmouth	\$241,297.00
2005	Monmouth CoBOA	Monmouth	\$607,655.00
2002	Monmouth Co IA	Hunterdon	\$1,350,828.00
2002	Montclair St. Univ.	Essex	\$1,136,102.00
2004	Montclair St. Univ.	Essex	\$1,492,188.00
1999	Montclair Twp	Morris	\$2,540,000.00
2001	Montclair Twp	Morris	\$1,366,820.00
2002	Montclair Twp	Morris	\$1,877,135.00
2004	Montclair Twp	Morris	\$878,438.00
2001	Montville Twp	Morris	\$232,993.00
2002	Montville Twp	Morris	\$1,284,238.00
2003	Montville Twp	Morris	\$770,088.00

YEAR	NAME	COUNTY	AMOUNT
1988	Montville MUA	Morris	\$2,594,077.00
1989	Montville MUA	Morris	\$365,000.00
1991	Montville MUA	Morris	\$3,688,031.00
1995	Moonachie Boro	Bergen	\$407,701.00
1989	Morris Twp	Morris	\$14,441,755.00
1990	Morris Twp	Morris	\$15,899,560.00
1994	Morris Twp	Morris	\$1,569,056.00
1996	Morris Twp	Morris	\$492,787.00
1996	Morris Twp	Morris	\$2,658,968.00
1988	Morristown	Morris	\$26,179,000.00
1989	Morristown	Morris	\$30,007,196.00
1993	Mt. Arlington Boro	Morris	\$9,938,480.00
1998	Mt. Holly Water Co	Burlington	\$13,189,909.00
2000	Mt. Laurel Twp	Burlington	\$1,839,000.00
1994	Mt. Laurel MUA	Burlington	\$14,846,185.00
1996	Mt. Laurel MUA	Burlington	\$4,391,294.00
2005	Mt. Laurel MUA	Burlington	\$1,547,246.00
2005	Mt. Laurel MUA	Burlington	\$22,225,000.00
1993	Mt. Olive Twp	Morris	\$21,024,543.00
1995	Mt. Olive Twp	Morris	\$7,001,920.00
1996	Mt. Olive Twp	Morris	\$1,231,851.00
1993	Muscongecong SA	Morris	\$14,215,617.00
1995	Muscongecong SA	Morris	\$2,235,037.00
2002	Muscongecong SA	Sussex	\$6,306,851.00
1997	New Brunswick City	Middlesex	\$5,289,052.00
1997	New Brunswick City	Middlesex	\$2,797,860.00
1997	New Brunswick City	Middlesex	\$1,749,328.00
1998	New Brunswick City	Middlesex	\$1,307,206.00
2003	New Brunswick City	Middlesex	\$4,749,750.00
2005	N.J. City Univ.	Hudson	\$2,969,880.00
2004	New Jersey WSA	Hunterdon	\$1,380,000.00
2005	New Jersey WSA	Hunterdon	\$3,990,974.00
1994	N. Providence Boro	Union	\$6,280,000.00
1994	Newark City	Essex	\$15,632,514.00
1995	Newark City	Essex	\$17,395,908.00
2000	Newark City	Essex	\$1,385,664.00
2002	Newark City	Essex	\$711,081.00
2005	Newark City	Essex	\$25,579,544.00
1988	Newton Town	Sussex	\$1,201,739.00
1988	Newton Town	Sussex	\$6,840,372.00
1989	Newton Town	Sussex	\$4,680,195.00
2001	NJ American Water	Mercer	\$29,903,787.00
2002	NJ American Water	Mercer	\$2,820,230.00
2002	NJ American Water	Mercer	\$6,556,603.00
2004	NJ American Water	Mercer	\$998,130.00
2003	NJ Water Supply Aty	Hunterdon	\$862,019.00
1994	North Arlington	Bergen	\$507,322.00
1998	North Bergen MUA	Hudson	\$3,713,756.00
1999	North Bergen MUA	Hudson	\$373,467.00
2004	No. Brunswick Twp	Middlesex	\$1,151,688.00
2002	North Hudson SA	Hudson	\$33,821,400.00
2004	North Hudson SA	Hudson	\$15,935,148.00
2005	North Hudson SA	Hudson	\$8,398,809.00
1999	No. Jersey Dist WSC	Passaic	\$2,191,092.00
2000	No. Jersey Dist WSC	Passaic	\$1,246,278.00
2003	No. Jersey Dist WSC	Passaic	\$3,145,974.00
2003	No. Jersey Dist WSC	Passaic	\$10,634,026.00
2000	No. Plainfield Boro	Somerset	\$2,154,442.00
1997	No. Wildwood City	Cape May	\$2,167,217.00

YEAR	NAME	COUNTY	AMOUNT
2002	No. Wildwood City	Cape May	\$3,588,735.00
2000	NE Monmouth RSA	Monmouth	\$49,357,977.00
1993	NE Bergen Co UA	Bergen	\$13,965,026.00
1997	NW Bergen Co UA	Bergen	\$6,422,382.00
1997	NW Bergen Co UA	Bergen	\$3,294,800.00
1997	Nutley Twp	Essex	\$3,590,000.00
1999	Oaklyn Boro	Camden	\$700,000.00
2001	Oaklyn Boro	Camden	\$138,083.00
2002	Oaklyn Boro	Camden	\$460,785.00
1994	Ocean County UA	Ocean	\$11,183,308.00
1998	Ocean County UA	Ocean	\$5,239,180.00
2000	Ocean County UA	Ocean	\$4,346,874.00
2001	Ocean County UA	Ocean	\$10,360,730.00
2002	Ocean County UA	Ocean	\$34,299,000.00
2004	Ocean County UA	Ocean	\$9,903,957.00
2005	Ocean County UA	Ocean	\$61,769,032.00
2001	Ocean Twp SA	Monmouth	\$7,840,900.00
2004	Ocean Twp SA	Monmouth	\$3,350,000.00
1993	Old Bridge MUA	Middlesex	\$2,103,865.00
1997	Old Bridge MUA	Middlesex	\$2,704,860.00
1999	Old Bridge MUA	Middlesex	\$1,062,031.00
1999	Old Bridge MUA	Middlesex	\$2,110,013.00
2003	Old Bridge MUA	Middlesex	\$5,907,329.00
2003	Old Bridge MUA	Middlesex	\$1,890,327.00
2005	Old Bridge MUA	Middlesex	\$3,155,940.00
2002	Old Bridge Twp	Middlesex	\$4,095,000.00
2004	Old Bridge Twp	Middlesex	\$5,053,278.00
1993	Old Tappan Boro	Bergen	\$2,376,351.00
1999	Old Tappan Boro	Bergen	\$6,608,990.00
2000	Old Tappan Boro	Bergen	\$3,788,595.00
1998	Orange Twp City	Essex	\$2,648,068.00
1999	Orange Twp City	Essex	\$1,447,686.00
1991	Paramus	Bergen	\$1,661,330.00
2001	Par-Troy Hills	Morris	\$499,039.00
1996	Passaic Valley SC	Essex	\$31,880,000.00
1998	Passaic Valley SC	Essex	\$8,865,000.00
1999	Passaic Valley SC	Essex	\$24,525,000.00
2001	Passaic Valley WC	Passaic	\$58,367,600.00
2001	Passaic Valley WC	Passaic	\$7,445,660.00
2002	Passaic Valley WC	Passaic	\$8,227,632.00
2002	Passaic Valley WC	Passaic	\$1,054,281.00
2003	Paterson City	Passaic	\$7,714,479.00
2004	Paterson City	Passaic	\$3,146,943.00
2005	Paterson City	Passaic	\$3,592,600.00
2001	Pemberton Twp	Burlington	\$714,000.00
2000	Pennsgrove WSC	Salem	\$350,000.00
2001	Pennsgrove WSC	Salem	\$616,895.00
2005	Pennsgrove WSC	Salem	\$1,253,045.00
1998	Pennsville Twp	Salem	\$2,112,438.00
2001	Pennsville Twp	Salem	\$1,754,500.00
2005	Pennsville Twp	Salem	\$2,589,807.00
1991	Peq Lincln Pk, Fairfld	Morris	\$6,579,900.00
1987	Pequannock RivRSA	Morris	\$8,765,115.00
1994	Pequannock RivRSA	Morris	\$2,935,384.00
1995	Pequannock RivRSA	Morris	\$1,213,043.00
2003	Perth Amboy City	Middlesex	\$2,786,142.00
1988	Phillipsburg Town	Warren	\$15,916,948.00
1990	Phillipsburg Town	Warren	\$4,285,226.00
1990	Phillipsburg Town	Warren	\$1,056,303.00

YEAR	NAME	COUNTY	AMOUNT
1991	Phillipsburg Town	Warren	\$1,062,668.00
1991	Phillipsburg Town	Warren	\$1,063,463.00
1992	Phillipsburg Town	Warren	\$483,324.00
1993	Phillipsburg Town	Warren	\$262,297.00
1993	Phillipsburg Town	Warren	\$44,486.00
1998	Pine Hill Boro	Camden	\$606,289.00
1999	Pine Hill Boro	Camden	\$1,442,500.00
1999	Plainfield Area RSA	Middlesex	\$3,099,192.00
2000	Plainfield Area RSA	Middlesex	\$4,909,888.00
1989	Pompton Lakes MUA	Passaic	\$10,058,598.00
1988	Princeton Boro	Mercer	\$5,637,120.00
1988	Princeton Twp	Mercer	\$5,637,120.00
2002	Rahway City	Union	\$2,006,505.00
2002	Rahway Valley SA	Union	\$5,492,500.00
2003	Rahway Valley SA	Union	\$25,103,416.00
2004	Rahway Valley SA	Union	\$117,764,224.00
2005	Rahway Valley SA	Union	\$41,172,516.00
1988	Randolph Twp	Morris	\$3,496,530.00
1990	Randolph Twp	Morris	\$325,146.00
1990	Randolph Twp	Morris	\$3,835,000.00
1994	Randolph Twp	Morris	\$3,838,706.00
1999	Randolph Twp	Morris	\$2,037,681.00
1988	Raritan Twp MUA	Hunterdon	\$9,347,500.00
1989	Raritan Twp MUA	Hunterdon	\$3,012,899.00
2001	Readington Twp	Hunterdon	\$1,271,572.00
2002	Readington Twp	Hunterdon	\$185,000.00
2003	Readington Twp	Hunterdon	\$285,829.00
2004	Readington Twp	Hunterdon	\$672,696.00
2000	Ridgefield Boro	Bergen	\$990,000.00
1999	Ridgefield Park	Bergen	\$2,133,780.00
2001	Ridgewood Village	Bergen	\$16,267,000.00
2004	Ridgewood Village	Bergen	\$2,665,171.00
1999	River Edge Boro	Bergen	\$566,627.00
1993	Riverside SA	Burlington	\$6,387,013.00
1995	Riverside SA	Burlington	\$305,730.00
2002	Riverside WR Auth	Burlington	\$1,589,040.00
1987	Roxbury Twp	Morris	\$8,281,888.00
1988	Roxbury Twp	Morris	\$6,239,555.00
1988	Roxbury Twp	Morris	\$8,009,917.00
1989	Roxbury Twp	Morris	\$9,196,741.00
2001	Roxbury Twp	Morris	\$747,645.00
2004	Roxbury Twp	Morris	\$1,913,000.00
1999	Runnemede SA	Camden	\$888,403.00
2003	Runnemede SA	Camden	\$683,703.00
1999	Sayreville Boro	Middlesex	\$18,890,000.00
2004	Secaucus Town	Hudson	\$3,325,000.00
1999	Ship Bottom Boro	Ocean	\$2,181,421.00
2004	Shorelands WC	Monmouth	\$5,630,000.00
1996	Somerdale Boro	Camden	\$257,211.00
1998	Somerdale Boro	Camden	\$573,317.00
1990	Somerset Raritan VSA	Somerset	\$8,715,321.00
1990	Somerset Raritan VSA	Somerset	\$6,538,374.00
1998	Somerset Raritan VSA	Somerset	\$19,910,963.00
2004	Somerset Raritan VSA	Somerset	\$5,190,000.00
2000	South Hackensack	Bergen	\$1,441,280.00
2004	South Jersey WSC	Atlantic	\$371,098.00
2004	S. Monmouth RSA	Monmouth	\$5,996,270.00
2000	South River Boro	Middlesex	\$5,257,500.00
2000	South River Boro	Middlesex	\$855,000.00

Shading Denotes Drinking Water Projects

YEAR	NAME	COUNTY	AMOUNT
2000	Stafford MUA	Ocean	\$4,368,651.00
2005	Stafford Twp	Ocean	\$10,190,597.00
2000	Stockton Boro	Hunterdon	\$983,624.00
1993	Sussex Co MUA	Sussex	\$5,532,574.00
2001	Sussex Co MUA	Sussex	\$5,965,013.00
2000	Swedesboro Boro	Gloucester	\$95,589.00
1995	Tewksbury Twp	Hunterdon	\$413,961.00
1998	Trenton City	Mercer	\$13,697,170.00
1999	Trenton City	Mercer	\$1,668,636.00
2004	Trenton City	Mercer	\$12,279,865.00
1994	Trenton Water Wrks	Mercer	\$17,728,035.00
2002	Tuckerton Boro	Ocean	\$632,164.00
2005	Tuckerton Boro	Ocean	\$1,179,000.00
2000	Union Beach Boro	Monmouth	\$600,000.00
2001	Union Twp	Hudson	\$184,330.00
1988	Verona	Essex	\$16,274,000.00
1989	Verona	Essex	\$3,440,213.00
2002	Verona Twp	Essex	\$1,435,250.00
2004	Verona Twp	Essex	\$1,714,348.00
2004	Voorhees Twp	Camden	\$6,349,596.00
1997	Wahington Boro	Warren	\$13,518,430.00
1998	Waldwick Boro	Bergen	\$1,655,000.00
1993	Wall Twp	Monmouth	\$6,966,095.00
2002	Warren Co MUA	Warren	\$4,300,000.00
2003	Warren Co MUA	Warren	\$2,054,515.00
1989	Warren Twp SA	Somerset	\$6,524,752.00
1997	Washington Boro	Warren	\$2,089,350.00
2002	Washington Boro	Warren	\$1,625,741.00
2001	Washington Twp	Mercer	\$1,360,000.00
1996	Washington MUA	Morris	\$9,263,203.00
2002	Washington MUA	Gloucester	\$3,558,066.00
2002	Washington MUA	Gloucester	\$2,149,652.00
2004	Washington MUA	Gloucester	\$818,863.00
2000	Watchung Boro	Somerset	\$1,787,646.00

YEAR	NAME	COUNTY	AMOUNT
2002	Winslow Twp	Camden	\$3,884,632.00
2005	Winslow Twp	Camden	\$432,700.00
2001	Wonder Lakes Prop.	Passaic	\$144,920.00
1997	Woodbridge Twp	Middlesex	\$884,595.00
2001	Woodbury City	Gloucester	\$2,937,888.00
1996	Woodbury Heights	Gloucester	\$941,910.00
1992	Woodstown SA	Salem	\$5,437,513.00
1993	Woodstown SA	Salem	\$942,112.00
2001	Watchung Boro	Somerset	\$456,237.00
2001	Waterford MUA	Camden	\$2,885,000.00
2002	Waterford MUA	Camden	\$2,569,244.00
1988	Wayne Twp	Passaic	\$6,178,000.00
1989	Wayne Twp	Passaic	\$855,000.00
1990	Wayne Twp	Passaic	\$613,764.00
1992	Wayne Twp	Passaic	\$7,112,894.00
1993	West Deptford Twp	Gloucester	\$3,496,219.00
2004	West Deptford Twp	Gloucester	\$1,401,288.00
2004	West Deptford Twp	Gloucester	\$5,222,058.00
1989	West Milford MUA	Passaic	\$1,775,000.00
2001	West Milford MUA	Passaic	\$1,065,614.00
2005	West Milford MUA	Passaic	\$2,734,151.00
2002	West Orange Twp	Essex	\$852,038.00
2005	West Orange Twp	Essex	\$2,447,091.00
1989	West Paterson Boro	Passaic	\$2,134,079.00
2003	West Paterson Boro	Passaic	\$900,000.00
2004	West Paterson Boro	Passaic	\$1,170,374.00
2004	West Paterson Boro	Passaic	\$978,977.00
2001	West Windsor Twp	Mercer	\$3,269,984.00
1999	Westville Boro	Gloucester	\$472,136.00
2000	Westwood Boro	Bergen	\$4,965,000.00
2005	Wharton Boro	Morris	\$465,596.00
2005	Wildwood City	Cape May	\$1,246,500.00
2000	Winslow Twp	Camden	\$5,517,500.00

*Rahway Valley
Sewerage Authority*

*Wastewater
Treatment Plant
Upgrade*

\$117 million



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 sheet of the New Jersey Environmental Infrastructure Trust (the "Trust"), a component unit of the State of New Jersey, as of June 30, 2005 and 2004, 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 Trust'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. 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Jersey Environmental Infrastructure Trust as of June 30, 2005 and 2004, 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.

The Management's Discussion and Analysis on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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 audits were conducted for the purpose of forming an opinion on the Trust's basic financial statements taken as a whole. The accompanying additional information for the year ended June 30, 2005, listed in the table of contents is presented for purposes of additional analysis and is not a required part of the 2005 basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the 2005 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2005 basic financial statements of the Trust taken as a whole.

Mercadian, P.C.
Certified Public Accountants

August 11, 2005



MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2005

This section of the NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST'S (the "Trust's") annual financial report presents our discussion and analysis of the Trust's financial performance during the fiscal year ended June 30, 2005. Please read this section in conjunction with the Trust's financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The Trust's net assets increased by \$38,000,775 or 14%
- Cash and investments increased by \$57,367,294 or 12%
- Bonds payable increased by \$76,352,072 or 8%

The State transferred \$8,763,559 to the Trust from the Clean Water State Revolving Fund to fund the Debt Service Reserve Fund for the bonds sold to fund the Trust's share of the project costs for the Clean Water Projects. A second transfer of \$92,777 occurred to fund the Debt Service Fund in connection with the State-Funded Projects. The Trust transferred \$1,231,102 to fund the Drinking Water Service Fund from the Drinking Water Revolving Fund for the Drinking Water Projects.

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 its 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 amount 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, 2005 and 2004:

	2005	2004	Percent Increase (Decrease)
Current assets	\$ 561,230,682	\$ 493,965,121	14%
Non-current assets	770,831,692	721,415,240	7%
Total assets	1,332,062,374	1,215,380,361	10%
Bonds payable	1,002,536,525	926,184,453	8%
Other liabilities	17,113,870	14,784,704	16%
Total liabilities	1,019,650,395	940,969,157	8%
Restricted	294,625,539	258,816,552	14%
Unrestricted	17,786,440	15,594,652	14%
Total net assets	\$ 312,411,979	\$ 274,411,204	14%

The table above illustrates that the Trust's net assets have increased from \$274,411,204 to \$312,411,979. Net assets increased as a result of the size of the 2004 financing program and the receipt of state funding for the Interim Financing Program. The total amount deposited to the Project Fund from bond proceeds was \$126,147,426 plus the Debt Service Reserve Deposit of \$8,414,420 supplied by the State and of \$1,194,488 supplied by borrowers. The remaining amount is unrestricted funds. At June 30, 2005, bonds payable amounted to \$1,002,536,525. During the year, the Trust issued bonds in the amount of \$133,445,000 and retired \$63,911,762.

The following table summarizes the changes in net assets between fiscal years 2005 and 2004:

	2005	2004	Percent Increase (Decrease)
Operating revenues	\$ 53,987,857	\$ 51,556,208	5%
State appropriations	31,027,634	1,122,904	2663%
Total revenues	85,015,491	52,679,112	61%
Interest expense	45,098,035	46,615,735	(3%)
Administrative expenses	1,916,681	1,914,748	0%
Total expenses	47,014,716	48,530,483	(3%)
Change in net assets	\$ 38,000,775	\$ 4,148,629	816%

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.

OTHER FINANCIAL INFORMATION

During fiscal year 2005, the Trust sold, by competitive bid, Series 2004A and B bonds to capitalize the 2004 NJ Environmental Infrastructure Financing Program. As a result of the issues, 53 projects received funding.

The Environmental Infrastructure Bonds Series 2004A were sold to Merrill Lynch & Co., which was the low bidder with a true interest cost of 4.05%. Series 2004B was sold to Wachovia Bank, N.A., which was the low bidder with a true interest cost of 4.46%. Both bond series were tax exempt, uninsured, and were 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 2004 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 2.02% from the A series and 2.23% from the B series.

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 Assistant Director/Chief Financial Officer, P.O. Box 440, Trenton, New Jersey 08625.



*Perth Amboy City
Sewer Line Replacement and Relining
\$2.8 million*

BALANCE SHEETS

	June 30,	
	2005	2004
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 14,772,093	\$ 18,202,677
Other assets	1,511,887	1,341,747
Restricted assets		
Cash and cash equivalents	433,869,419	360,751,344
Investments	18,274,524	30,672,172
Interest receivable	23,446,637	17,095,041
Loans receivable	69,356,122	65,902,140
Total Current Assets	<u>561,230,682</u>	<u>493,965,121</u>
Non-current Assets		
Fixed assets	26,985	33,862
Restricted assets		
Investments	81,202,923	81,125,472
Loans receivable	680,816,883	631,144,786
Deferred issuance costs	8,784,901	9,111,120
Total Non-current Assets	<u>770,831,692</u>	<u>721,415,240</u>
Total Assets	<u>\$ 1,332,062,374</u>	<u>\$ 1,215,380,361</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 635,401	\$ 589,556
Accrued interest payable	16,478,469	14,195,148
Current portion of bonds payable	70,638,062	65,325,000
Total Current Liabilities	<u>87,751,932</u>	<u>80,109,704</u>
Non-current Liabilities		
Bonds payable	931,898,463	860,859,453
Total Non-current Liabilities	<u>931,898,463</u>	<u>860,859,453</u>
Total Liabilities	<u>1,019,650,395</u>	<u>940,969,157</u>
Net Assets		
Restricted for debt service	221,779,388	209,762,804
Restricted for Interim Financing Trust Loan Program	72,846,151	49,053,748
Unrestricted	17,786,440	15,594,652
Total Net Assets	<u>312,411,979</u>	<u>274,411,204</u>
Total Liabilities and Net Assets	<u>\$ 1,332,062,374</u>	<u>\$ 1,215,380,361</u>

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	Year ended June 30,	
	2005	2004
Operating revenues		
Investment income	\$ 3,588,373	\$ 6,265,514
Interest income from loans	46,183,353	41,132,371
Administrative fees	4,216,131	4,158,323
Total operating revenues	<u>53,987,857</u>	<u>51,556,208</u>
Operating expenses		
Interest expense	45,098,035	46,615,735
Administrative expenses	1,916,681	1,914,748
Total operating expenses	<u>47,014,716</u>	<u>48,530,483</u>
Operating income	<u>6,973,141</u>	<u>3,025,725</u>
Non-operating revenues		
State appropriations	31,027,634	1,122,904
Total non-operating revenues	<u>31,027,634</u>	<u>1,122,904</u>
Change in net assets	38,000,775	4,148,629
Net assets, beginning of year	<u>274,411,204</u>	<u>270,262,575</u>
Net assets, end of year	<u>\$ 312,411,979</u>	<u>\$ 274,411,204</u>

STATEMENTS OF CASH FLOWS

	Year ended June 30,	
	2005	2004
Cash Flow from Operating Activities		
Cash received for administrative fees	\$ 4,067,864	\$ 3,873,078
Cash payments for goods and services	(737,152)	(857,720)
Cash payments for salaries	(1,135,574)	(1,091,401)
Disbursement of loan funds to borrowers	(118,397,317)	(112,862,114)
Principal received from loans to borrowers	63,115,468	57,800,395
Interest received from loans to borrowers	42,304,359	42,202,775
Net cash used in operating activities	<u>(10,782,352)</u>	<u>(10,934,987)</u>
Cash Flows from Non-Capital Financing Activities		
Proceeds from sale of bonds	141,407,711	68,637,377
Principal paid on bond maturities	(65,325,000)	(60,020,000)
Issuance and servicing costs paid	(471,527)	(525,876)
Interest paid on bond maturities	(41,747,607)	(43,230,402)
State appropriations received	31,027,634	1,122,904
Net cash provided by (used in) non-capital financing activities	<u>64,891,211</u>	<u>(34,015,997)</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of fixed assets	<u>(6,102)</u>	<u>(3,826)</u>
Net cash used in capital and related financing activities	<u>(6,102)</u>	<u>(3,826)</u>
Cash Flows from Investing Activities		
Purchase of investments	(20,039,768)	(80,838,209)
Proceeds from sale and maturity of investments	30,516,599	102,534,353
Interest on investments	5,107,903	5,612,407
Net cash provided by investing activities	<u>15,584,734</u>	<u>27,308,551</u>
Net increase (decrease) in cash and cash equivalents	69,687,491	(17,646,259)
Cash and cash equivalents, beginning of year	378,954,021	396,600,280
Cash and cash equivalents, end of year	<u>\$ 448,641,512</u>	<u>\$ 378,954,021</u>
Reconciliation of Operating Income to Net Cash Used In Operating Activities		
Operating income	\$ 6,973,141	\$ 3,025,725
Adjustments to reconcile operating income to net cash used in operating activities		
Depreciation	12,979	17,302
Cash provided by non-operating activities	34,737,047	34,115,597
Capital appreciation bond and loan accretion	4,833,042	4,418,506
Amortization of bond discounts and premiums	(2,203,463)	(1,915,604)
Amortization of deferral on bond refunding	1,059,585	1,125,054
Amortization of deferred issuance costs	797,747	757,695
Increase (decrease) in cash from		
Other assets	(170,140)	(281,874)
Interest receivable	(6,351,596)	64,715
Loans receivable	(53,126,080)	(53,991,315)
Deferred issuance costs	326,220	231,820
Accounts payable	45,845	(53,029)
Accrued interest payable	2,283,321	1,550,421
Net cash used in operating activities	<u>\$ (10,782,352)</u>	<u>\$ (10,934,987)</u>
Non-Cash Investing Activities		
Decrease in fair value of investments	<u>\$ (4,201,159)</u>	<u>\$ (2,357,793)</u>



NOTES TO FINANCIAL STATEMENTS

A. ORGANIZATION AND FUNCTION OF THE TRUST

The New Jersey Wastewater Treatment Trust was created by the State Legislature in November 1985 as an independent State financing authority. The NEW JERSEY ENVIRONMENTAL INFRA-STRUCTURE 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-fund 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 appoints trustees (currently both Wachovia Bank and the Bank of New York) and loan servicers (currently Wachovia Bank, the Bank of New York and Commerce 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 governmental units. 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.

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. Cash equivalents include funds invested in the New Jersey Cash Management Fund, the Evergreen Fund, the Trust U.S. Treasury Obligation Money Market Fund, a Solomon Smith Barney Repurchase Agreement, Citigroup Master Repurchase Agreements, and commercial paper.

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



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.

The Trust's bank balance at June 30, 2005 and 2004, was \$39,249 and \$163,101, respectively, all of which was covered by federal depository insurance.

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, 2005 and 2004, are as follows:

	2005	2004
Operating Checking (Wachovia)	\$ 39,249	\$ 163,101
New Jersey Cash Management Fund	3,601,488	5,652,372
Investments (categorized as cash equivalents)	584,012	-
Evergreen Fund (Wachovia MM)	403,243,342	244,519,071
Trust US Treasury (BONY MM)	41,173,420	119,957,487
Other (uninvested cash)	1	8,661,990
Total	<u>\$ 448,641,512</u>	<u>\$ 378,954,021</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 aggregate \$214,425,810 and \$202,143,647 at June 30, 2005 and 2004, respectively.

As of June 30, 2005, the Trust had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity (In Years)			
		Less than 1	1-5	6-10	More than 10
US Treasury Bills	\$ 550,469	\$ 550,469			
US Treasury Bonds	18,140,325	11,557,307	\$ 6,583,018		
US Treasury Notes	77,581,330	7,927,440	53,837,666	\$ 15,816,224	
US Treasury SLUGs	2,036,084		2,036,084		
US Treasury Strips	1,146,975		1,146,975		
Uninvested Cash	22,264	22,264			
	<u>\$ 99,477,447</u>	<u>\$ 20,057,480</u>	<u>\$ 63,603,743</u>	<u>\$ 15,816,224</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, 2005, were as follows:

	Balance at June 30, 2004	Issued	Retired	Balance at June 30, 2005	Amount Due Within One Year
1994 Refunding Series					
Series Bonds, insured, maturing serially through 2007, at interest rates from 4.80% to 5.40%	\$ 4,945,000	-	\$ 1,135,000	\$ 3,810,000	\$ 1,195,000
Series Bonds, insured, maturing serially through 2007, at interest rates from 5.55% to 6.90%	1,690,000	-	400,000	1,290,000	430,000
Series Capital Appreciation Bonds, insured, maturing serially through 2007, at interest rates from 3.944% to 4.230%	41,802,371	-	9,886,762	31,915,609	9,376,124
1995 Series					
Series A Bonds, insured, maturing serially through 2013, at interest rates from 4.60% to 5.25%	4,210,000	-	1,510,000	2,700,000	1,670,000
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%	1,700,000	-	95,000	1,605,000	105,000
1996 Refunding Series					
Series A Bonds, insured, maturing serially through 2007, at interest rates from 6.25% to 7.00%	4,130,000	-	935,000	3,195,000	1,000,000
Series B Bonds, insured, maturing serially through 2007, at interest rates from 6.50% to 6.60%	1,465,000	-	330,000	1,135,000	350,000
Series C Bonds, insured, maturing serially through 2008, at interest rates from 6.25% to 7.00%	24,630,000	-	5,600,000	19,030,000	5,955,000
Series D Bonds, insured, maturing serially through 2008, at interest rates from 6.50% to 6.625%	5,415,000	-	1,225,000	4,190,000	1,310,000
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	33,115,000	-	1,970,000	31,145,000	2,060,000
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 of \$78,760 commencing in 2012, \$80,400 commencing in 2013, \$76,760 commencing in 2014, \$78,120 commencing in 2015, and \$79,000 commencing in 2016	3,875,000	-	215,000	3,660,000	225,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2004	Issued	Retired	Balance at June 30, 2005	Amount Due Within One Year
1997 Refunding Series					
Series A Bonds, insured, maturing serially through 2007, at interest rates from 5.00% to 7.00%	13,715,000	-	2,415,000	11,300,000	2,545,000
Series B Bonds, uninsured, maturing serially through 2009, at interest rates from 5.00%	13,000,000	-	2,285,000	10,715,000	2,410,000
Series C Bonds, uninsured, maturing serially through 2010, at interest rates from 5.00% to 7.00%	34,525,000	-	4,975,000	29,550,000	5,210,000
Series D Bonds, insured, maturing serially through 2011, at interest rates from 5.00% to 7.00%	8,470,000	-	830,000	7,640,000	885,000
1997 Series					
Series B 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 of \$979,250 commencing in 2015, \$2,980,250 commencing in 2016 and \$2,829,750 commencing in 2017	30,125,000	-	1,660,000	28,465,000	1,735,000
1998 Refunding Series					
Series A Bonds, insured, maturing serially through 2008, at interest rates from 5.25% to 5.50%	295,000	-	70,000	225,000	70,000
Series B Bonds, uninsured, maturing serially through 2008, at interest rates from 5.25% to 5.50%	1,855,000	-	430,000	1,425,000	450,000
Series C Bonds, uninsured, maturing serially through 2011, at interest rates from 4.10% to 5.00%	30,680,000	-	3,345,000	27,335,000	3,485,000
Series D Bonds, uninsured, maturing serially through 2012, at interest rates from 4.10% to 5.0%	5,270,000	-	570,000	4,700,000	585,000
Series E Bonds, uninsured, maturing serially through 2012, at interest rates from 4.10% to 5.0%	12,165,000	-	1,300,000	10,865,000	1,360,000
Series F Bonds, insured, maturing serially through 2014, at interest rates from 4.3% to 5.0%	10,950,000	-	895,000	10,055,000	925,000
Series G Bonds, insured, maturing serially through 2014, at an interest rate of 5.0%	17,090,000	-	1,360,000	15,730,000	1,425,000
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 of \$3,734,400 commencing in 2017 and \$3,595,000 commencing in 2018	41,405,000	-	2,070,000	39,335,000	2,155,000
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 of \$610,000 commencing in 2017 of \$610,000 and \$640,000 commencing in 2018	7,180,000	-	345,000	6,835,000	365,000
1999 Series					
Series A Bonds, uninsured, maturing serially through 2019, at interest rates from 4.75% to 5.70%	48,000,000	-	2,025,000	45,975,000	2,155,000
Series B Bonds, uninsured AMT, maturing serially through 2019, at interest rates from 5.25% to 5.75%	2,175,000	-	90,000	2,085,000	95,000

D. BONDS PAYABLE (continued)

	Balance at June 30, 2004	Issued	Retired	Balance at June 30, 2005	Amount Due Within One Year
2000 Series					
Series A Bonds, uninsured, maturing serially through 2020, at interest rates from 5.00% to 5.25%	84,540,000	-	3,370,000	81,170,000	3,530,000
Series B Bonds, uninsured, maturing serially through 2020, at interest rates from 5.00% to 5.50%	6,450,000	-	250,000	6,200,000	255,000
2001 Refunding Series					
Series A Bonds, insured, maturing serially through 2009, at interest rates from 4.60% to 5.25%	2,445,000	-	425,000	2,020,000	460,000
Series B Bonds, uninsured, maturing serially through 2010, at interest rates from 3.75% to 5.25%	3,310,000	-	465,000	2,845,000	500,000
2001 Series					
Series A Bonds, uninsured, maturing serially through 2021, at interest rates from 4.00% to 4.75%	134,700,000	-	5,130,000	129,570,000	5,425,000
Series B Bonds, uninsured, maturing serially through 2021, at interest rates from 4.00% to 5.00%	27,880,000	-	535,000	27,345,000	1,075,000
Series C Bonds, uninsured, maturing serially through 2021, at interest rates from 5.5% to 6.6%	1,290,000	-	45,000	1,245,000	45,000
2002 Series					
Series A Bonds, uninsured, maturing serially through 2022, at interest rates from 3.00% to 5.25%	90,310,000	-	2,305,000	88,005,000	2,730,000
Series B Bonds, uninsured, maturing serially through 2022, at interest rates from 4.00% to 5.00%	22,690,000	-	55,000	22,635,000	865,000
2003 Refunding Series					
Series A Bonds, insured, maturing serially through 2009, at interest rates from 4.60% to 5.25%	36,190,000	-	3,365,000	32,825,000	3,500,000
2003 Series					
Series A Bonds, uninsured AMT, maturing serially through 2023, at interest rates from 3.00% to 5.00%	66,420,000	-	-	66,420,000	1,760,000
2004 Refunding Series					
Series A Bonds, uninsured, maturing serially through 2015, at interest rates from 5.00% to 5.25%	17,775,000	-	-	17,775,000	-
2004 Series					
Series A Bonds, uninsured, maturing serially through 2024, at interest rates from 3.00% to 4.375%	-	115,270,000	-	115,270,000	-
Series B Bonds, uninsured, maturing serially through 2024, at interest rates from 3.00% to 5.50%	-	18,175,000	-	18,175,000	-
Total	897,877,371	\$ 133,445,000	\$ 63,911,762	967,410,609	69,676,124
Plus					
Capital Appreciation 1994 Refunding **					961,938
Less (Plus)					
Unamortized net premiums	30,568,869			36,328,118	
Unamortized deferral on refunding	(2,261,787)			(1,202,202)	
Bonds payable - net	\$ 926,184,453			\$ 1,002,536,525	\$ 70,638,062

** Amount represents the accretion of capital appreciation bonds.

D. BONDS PAYABLE (continued)

Each local government or private water company that borrows from the Trust posts a bond 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 not guaranteed the debt of any borrower as of the date of these financial statements.

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

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 70,638,062	\$ 48,486,814	\$ 119,124,876
2007	77,639,582	43,309,578	120,949,160
2008	81,572,965	39,756,331	121,329,296
2009	63,875,000	35,897,022	99,772,022
2010	60,170,000	32,416,531	92,586,531
2011 through 2015	259,540,000	118,702,430	378,242,430
2016 through 2020	232,775,000	57,599,847	290,374,847
2021 through 2025	121,200,000	10,557,941	131,757,941
	<u>\$ 967,410,609</u>	<u>\$ 386,726,494</u>	<u>\$ 1,354,137,103</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.

E. ADVANCE REFUNDING (continued)

These transactions defeased the outstanding bond issues with a resultant reduction in annual debt service during the term of the issues. The savings, together with any accounting gain or loss to be reported in the year of the refunding, accrue to the respective participants.

Refunded bonds outstanding at June 30, 2005, are comprised of the following:

Issue	Principal Amount Outstanding June 30, 2005
2004 Refunding	
1995 Series A	\$ 17,775,000
	<u>\$ 17,775,000</u>
2003 Refunding	
1993 Series	\$ 32,825,000
	<u>\$ 32,825,000</u>
2001 Refunding:	
1989 Series A - insured	\$ 2,020,000
1990 Series A - uninsured	2,845,000
	<u>\$ 4,865,000</u>
1998 Refunding:	
1988 Series A	\$ 225,000
1988 Series B	1,425,000
1991 Series A	27,335,000
1992 Series A	4,700,000
1992 Series B	10,865,000
1994 Series A	10,055,000
1994 Series B	15,730,000
	<u>\$ 70,335,000</u>
1997 Refunding:	
1989 Series A - uninsured	\$ 11,300,000
1989 Series B - uninsured	10,715,000
1990 Series - uninsured	29,550,000
1991 Series B - uninsured	7,640,000
	<u>\$ 59,205,000</u>
1996 Refunding:	
1987 Series - uninsured	\$ 3,195,000
Carney Point Township Sewerage Authority (CPTSA) Series	1,135,000
1988 Series A - insured	19,030,000
1988 Series B - uninsured	4,190,000
	<u>\$ 27,550,000</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 \$750,173,005 and \$697,046,926 as of June 30, 2005 and 2004, consists of outstanding loans issued of \$969,375,726 and \$917,039,977, net of \$219,202,721 and \$219,993,051 as of June 30, 2005 and 2004, respectively.

Annual maturities for loans receivable are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>
2006	\$ 69,356,122
2007	76,088,710
2008	79,680,837
2009	66,693,380
2010	63,483,998
2011 through 2015	261,232,679
2016 through 2020	232,895,000
2021 through 2025	119,945,000
	<u>\$ 969,375,726</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 2005 fiscal year, the Trust received \$50,000,000 from the State to fund the Interim Loan Program and \$8,763,559 for the debt service reserve fund to secure clean water loans.

H. 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 United States Bank (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, 2005, is \$25,933,417. 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.

I. NET ASSETS

The Trust's net assets are categorized as follows:

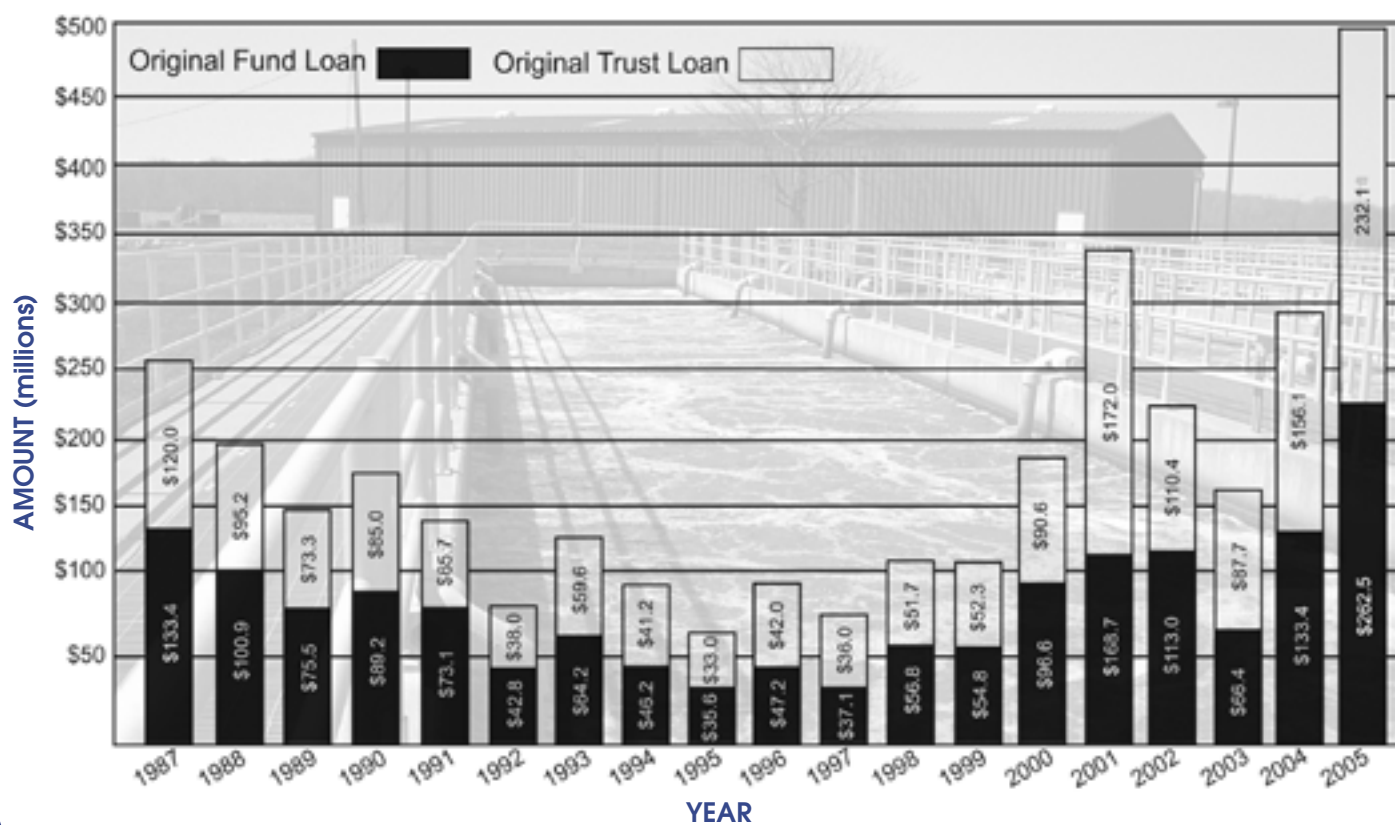
- Restricted for debt service
- Restricted for Interim Financing Trust Loan Program
- Unrestricted

Assets restricted for debt service include net assets that have been restricted in use in accordance with the terms of an award, 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.



*Readington Township
Land Acquisition for Preservation (48 acres)
\$673,000*

NJEIT FINANCING PROGRAM 1987 - 2005

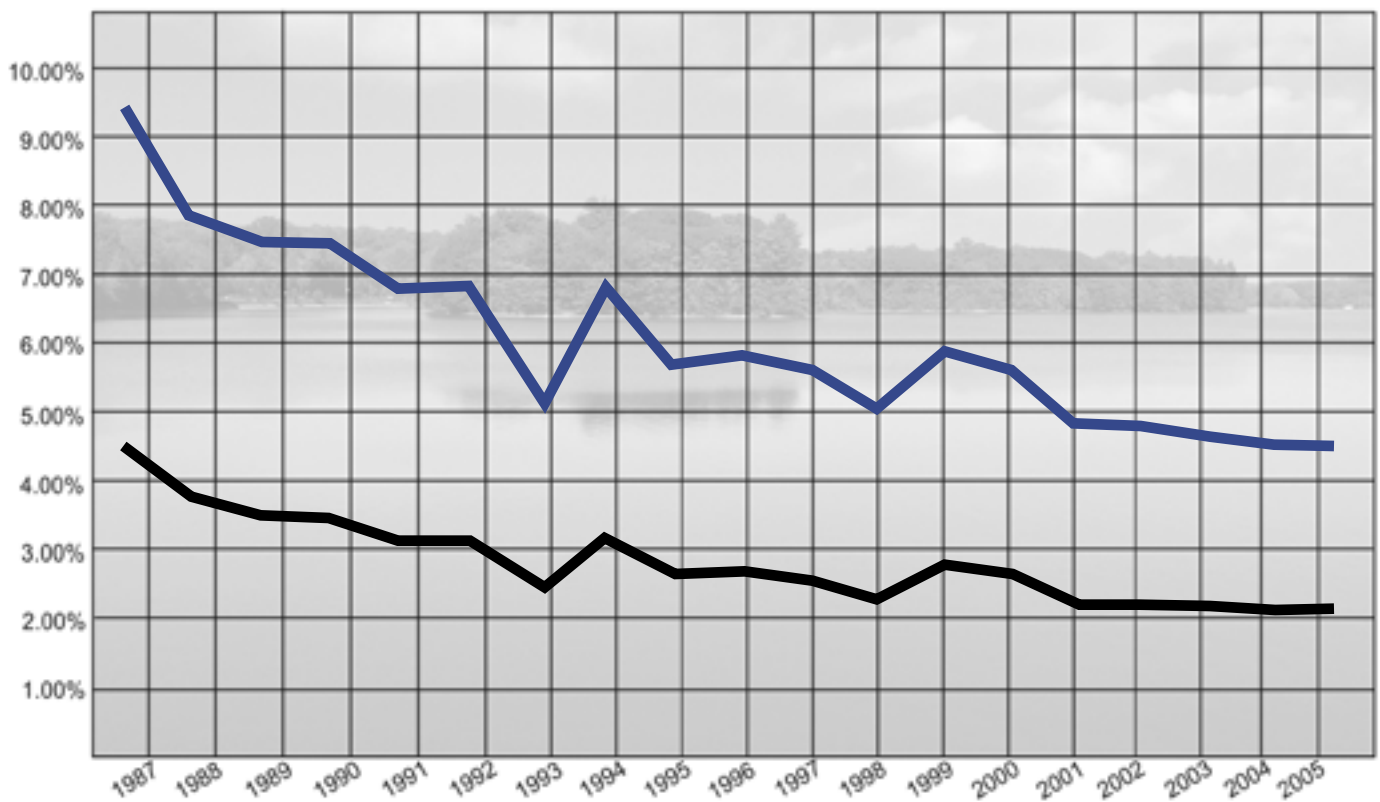


INTEREST RATE COMPARISON

NJEIFP (50/50)

vs.

Local Financing



— NJEIFP — Local

Meeting Dates

January 12, 2006
February 9, 2006
March 23, 2006
May 4, 2006
June 8, 2006

July 13, 2006
August 10, 2006
September 7, 2006
October 12, 2006
December 14, 2006

2005 Advisors

Bond Counsel
Financing Advisor
General Counsel
Auditor
Trustee
Master Program Trustee

McCarter & English
Public Financial Management, Inc.
Attorney General of New Jersey
Mercadieu, P.C.
Bank of New York or Wachovia
US Bank



TRUST STAFF



Seated Left to Right: Trudie Edinger, John Laurita, Maryclaire D’Andrea, Dennis Hart and Karen Texany.

Standing Left to Right: Mary Pearsall, Maria Andujar, Josephine Manzo, Maryann Kall, Adele Lotuaco, Ugorji Ugorji, Robert Johnston and John Hansbury

Staff

Executive Director.....	Dennis Hart
Assistant Director/Chief Financial Officer.....	Maryclaire D’Andrea
Accountant.....	Maria Andujar
Administrative Liaison.....	Trudie Edinger
Chief Budget Officer.....	John Hansbury
Communications Director.....	Robert Johnston
Program Development Specialist.....	Maryann Kall
Program Management Specialist.....	John Laurita
Accountant.....	Adele Lotuaco
Secretary to the Executive Director.....	Josephine Manzo
Secretarial Assistant.....	Mary Pearsall
Accountant.....	Karen Texany
Administrative Assistant.....	Ugorji Ugorji

MISSION STATEMENT

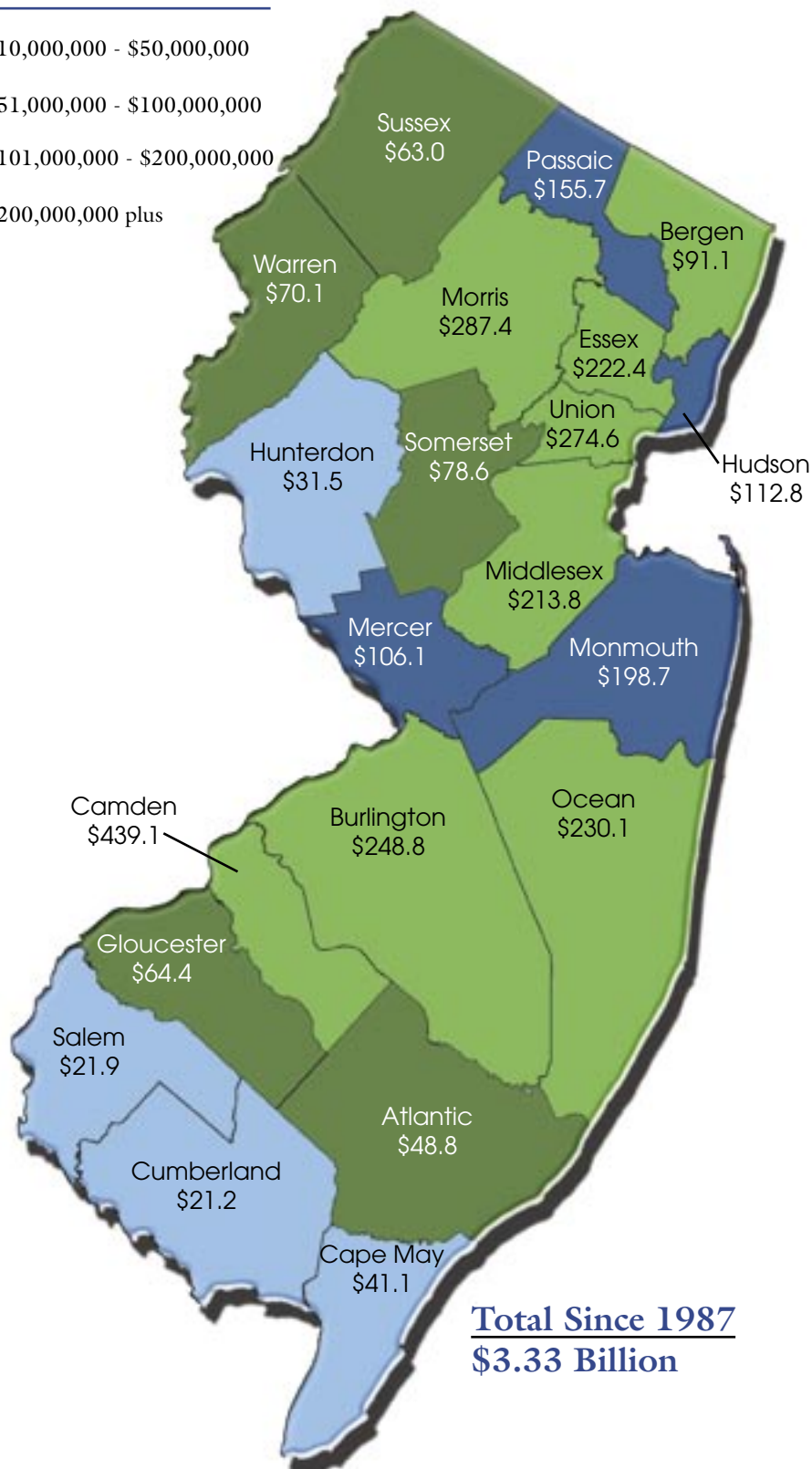
The mission of the New Jersey Environmental Infrastructure Trust is to provide low-cost financing for the construction of environmental infrastructure projects that enhance and protect ground and surface water resources, ensure the safety of drinking water supplies and promote responsible and sustainable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



NJEIT LOAN HISTORY BY COUNTY

KEY

- \$10,000,000 - \$50,000,000
- \$51,000,000 - \$100,000,000
- \$101,000,000 - \$200,000,000
- \$200,000,000 plus



Total Since 1987
\$3.33 Billion



**New Jersey
Environmental
Infrastructure Trust**

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Trenton, NJ 08625

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Lawrenceville, NJ 08648

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