ASSEMBLY, No. 627

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
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District 28 (Essex)
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District 33 (Hudson)
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District 32 (Bergen and Hudson)
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District 31 (Hudson)

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SYNOPSIS

Authorizes NJ Environmental Infrastructure Trust to expend additional sums to make loans for environmental infrastructure projects for FY2018; allocates funds from Local Aid Infrastructure Fund for operating and administrative expenses for transportation infrastructure purposes.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT authorizing the expenditure of additional funds by the New Jersey Environmental Infrastructure Trust for the purpose of making loans to eligible project sponsors to finance a portion of the cost of construction of environmental infrastructure projects, and amending P.L.2017, c.142, and allocating funds to the New Jersey Environmental Infrastructure Trust for operating and administrative expenses for the funding of transportation infrastructure projects.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. Section 1 of P.L.2017, c.142 is amended to read as follows:

1. a. The New Jersey Environmental Infrastructure Trust, established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), is authorized to expend the aggregate sum of up to **[**$539.52**]** $833.10 million and any uncommitted balance of the aggregate expenditures authorized pursuant to section 1 of P.L.2000, c.93, section 1 of P.L.2001, c.224, section 1 of P.L.2002, c.71, section 1 of P.L.2003, c.159, section 1 of P.L.2004, c.110, section 1 of P.L.2005, c.197, section 1 of P.L.2006, c.67, section 1 of P.L.2007, c.140, section 1 of P.L.2008, c.67, section 1 of P.L.2009, c.101, section 1 of P.L.2010, c.62, section 1 of P.L.2011, c.95, section 1 of P.L.2012, c.38, section 1 of P.L.2013, c.94, section 1 of P.L.2014, c.26, section 1 of P.L.2015, c.107, and section 1 of P.L.2016, c.31 , as amended by P.L.2017, c.13, for the purpose of making loans, to the extent sufficient funds are available, to or on behalf of local government units or public water utilities (hereinafter referred to as "project sponsors") to finance all or a portion of the cost of construction of environmental infrastructure projects listed in sections 2 and 4 of **[**this act**]** P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill).

b. The trust is authorized to increase the aggregate sums specified in subsection a. of this section by:

(1) the amounts of capitalized interest and the bond issuance expenses as provided in subsection b. of section 7 of **[**this act**]** P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill);

(2) the amounts of reserve capacity expenses and debt service reserve fund requirements as provided in subsection c. of section 7 of **[**this act**]** P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill);

(3) the interest earned on amounts deposited for project costs pending their distribution to project sponsors as provided in

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

subsection d. of section 7 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill);

(4) the amounts of the loan origination fee as provided in subsection e. of section 7 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill); and

(5) the amount appropriated to the Department of Environmental Protection for the purpose of making zero interest and principal forgiveness loans pursuant to section 3 of P.L.2017, c.143, as amended by P.L. , c. (pending before the Legislature as Senate Bill No. 3538 of 2017 and Assembly Bill No. 5207 of 2017), in connection with the project costs of a particular project sponsor, to the extent the priority ranking and an insufficiency of funding prevents the department from making the loan as provided in subsection f. of section 7 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill).

c. (1) Of the sums made available to the trust from the “Water Supply Trust Fund” established pursuant to subsection a. of section 15 of the "Water Supply Bond Act of 1981" (P.L.1981, c.261) pursuant to P.L.1997, c.223, the trust is authorized to transfer such amounts to the Department of Environmental Protection as needed for drinking water project loans pursuant to the “Safe Drinking Water Act Amendments of 1996,” Pub.L.104-182, and any amendatory and supplementary acts thereto (hereinafter referred to as the "Federal Safe Drinking Water Act"), under terms and conditions established by the Commissioner of Environmental Protection and trust, and approved by the State Treasurer, which loans shall be jointly administered by the trust and department.

(2) Of the sums appropriated to the trust from the "Wastewater Treatment Trust Fund" established pursuant to section 15 of the "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329) pursuant to P.L.1987, c.198, the trust is authorized to transfer such amounts as needed to the Clean Water State Revolving Fund established pursuant to section 1 of P.L.2009, c.77 for the purposes of issuing loans or providing the State match as required for the award of the capitalization grants made available to the State for clean water projects pursuant to the "Water Quality Act of 1987" (33 U.S.C. s.1251 et seq.), and any amendatory and supplementary acts thereto (hereinafter referred to as the "Federal Clean Water Act").

(3) Of the sums appropriated to the trust from the "1992 Wastewater Treatment Trust Fund" established pursuant to section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992" (P.L.1992, c.88) pursuant to P.L.1996, c.86, the trust is authorized to transfer such amounts as needed to the Clean Water State Revolving Fund for the purpose of providing the State match as required for the award of the capitalization grants made available to the State for clean water projects pursuant to the Federal Clean Water Act.

(4) Of the sums appropriated to the trust from the "Stormwater Management and Combined Sewer Overflow Abatement Fund" created pursuant to section 14 of the "Stormwater Management and Combined Sewer Overflow Abatement Bond Act of 1989" (P.L.1989, c.181) pursuant to P.L.1998, c.87, the trust is authorized to transfer such amounts as needed to the Clean Water State Revolving Fund for the purpose of providing the State match as required for the award of the capitalization grants made available to the State for clean water projects pursuant to the Federal Clean Water Act.

(5) Of the sums appropriated to the trust from the "2003 Water Resources and Wastewater Treatment Trust Fund" established pursuant to subsection b. of section 19 of the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003" (P.L.2003, c.162) pursuant to P.L.2004, c.110, the trust is authorized to transfer such amounts as needed to the Clean Water State Revolving Fund for the purpose of providing the State match as required for the award of the capitalization grants made available to the State for clean water projects pursuant to the Federal Clean Water Act.

(6) Of the sums appropriated to the trust from repayments of loans deposited in any account, including the “Clean Water State Revolving Fund,” "Wastewater Treatment Fund," the "1992 Wastewater Treatment Fund," the "Water Supply Fund," the "Stormwater Management and Combined Sewer Overflow Abatement Fund" or the Drinking Water State Revolving Fund, as appropriate, pursuant to sections 11 and 12 of P.L.1995, c.219, sections 11 and 12 of P.L.1996, c.85, sections 11 and 12 of P.L.1997, c.221, sections 12 and 13 of P.L.1998, c.84, section 11 of P.L.1999, c.174, section 11 of P.L.2000, c.92, section 11 of P.L.2001, c.222, section 11 of P.L.2002, c.70, section 11 of P.L.2003, c.158, section 11 of P.L.2004, c.109, section 11 of P.L.2005, c.196, section 11 of P.L.2006, c.68, section 10 of P.L.2007, c.140, section 10 of P.L.2008, c.67, section 10 of P.L.2009, c.101, section 10 of P.L.2010, c.62, section 10 of P.L.2011, c.95, section 10 of P.L.2012, c.38, section 10 of P.L.2013, c.94, section 10 of P.L.2014, c.26, section 10 of P.L.2015, c.107, section 10 of P.L.2016, c.31, and section 10 of P.L.2017, c.142 for deposit into one or more reserve funds or accounts established by the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11), the trust shall transfer to the respective fund of origin the uncommitted balance of all such moneys no longer utilized by the trust for such purposes.

d. For the purposes of **[**this act**]** P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill):

(1) "capitalized interest" means the amount equal to interest paid on trust bonds which is funded with trust bond proceeds and the earnings thereon;

(2) "debt service reserve fund expenses" means the debt service reserve fund costs associated with reserve capacity expenses, water supply projects for which the project sponsors are public water utilities as provided in section 9 of P.L.1985, c.334 (C.58:11B-9), other drinking water projects not eligible for, or interested in, State or federal debt service reserve funds pursuant to the "Water Supply Bond Act of 1981," P.L.1981, c.261, as amended and supplemented by P.L.1997, c.223, and any clean water projects not eligible for, or interested in, State or federal debt service reserve funds from the Clean Water State Revolving Fund;

(3) "issuance expenses" means and includes, but need not be limited to, the costs of financial document printing, bond insurance premiums or other credit enhancement, underwriters' discount, verification of financial calculations, the services of bond rating agencies and trustees, the employment of accountants, attorneys, financial advisors, loan servicing agents, registrars, and paying agents, and any other costs related to the issuance of trust bonds;

(4) "loan origination fee" means the fee charged by the Department of Environmental Protection and financed under the trust loan to pay a portion of the costs incurred by the department in the implementation of the New Jersey Environmental Infrastructure Financing Program; and

(5) "reserve capacity expenses" means those project costs for reserve capacity not eligible for loans under rules and regulations governing zero interest loans adopted by the Commissioner of Environmental Protection pursuant to section 4 of P.L.1985, c.329 but which are eligible for loans from the trust in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27).

e. The trust is authorized to increase the loan amount in the future to compensate for a refunding of the issue, provided adequate savings are achieved, for the loans issued pursuant to P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85, P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71, P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67, P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62, P.L.2011, c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26, P.L.2015, c.107, P.L.2016, c.31, <u>as amended by P.L.2017, c.13,</u> and P.L.2017, c.142<u>, as amended by P.L. , c. (pending before the Legislature as this bill)</u>.

(cf: P.L.2017, c.142, s.1)

2. Section 2 of P.L.2017, c.142 is amended to read as follows:

2. a. (1) The New Jersey Environmental Infrastructure Trust is authorized to expend funds for the purpose of making supplemental loans to or on behalf of the project sponsors listed below for the following clean water environmental infrastructure projects:

Project Sponsor	**Project Number**	**Estimated Allowable Trust Loan Amount**	**Estimated Total Allowable Loan Amount**
Burlington Township	S320712-14-1	$150,000	$200,000
Manasquan Borough	S340450-01-1	$1,582,500	$2,110,000
Mendham Township	S340477-01-1	$1,615,500	$2,154,000
North Hudson [Sewer Authority] SA	S340952-19-1	$150,000	$200,000
Ventnor City	S340667-02-1	$3,750,000	$5,000,000
Wanaque Valley RSA	S340780-04-1	$1,125,000	$1,500,000
[Warren Township SA	S340964-01-1	$75,000	$100,000
Warren Township SA	S340964-02-1	$262,500	$350,000]
Total projects: 6		**[$5,512,500] $8,373,000**	**[$7,350,000] $11,164,000**

(2) The loans authorized in this subsection shall be made for the difference between the allowable loan amounts required by these projects based upon final building costs pursuant to subsection a. of section 7 of [this act] P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), and the loan amounts certified by the chairman of the trust in State fiscal years 2015, 2016, and 2017 and for increased allowable costs as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27). The loans authorized in this subsection shall be made to or on behalf of the project sponsors listed, up to the individual amounts indicated and in the priority stated, to the extent sufficient funds are available, except as a project fails to meet the requirements of section 6 of [this act] P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill).

(3) The loans authorized in this subsection shall have priority over the environmental infrastructure projects listed in subsection a. of section 4 of [this act] P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill).

b. (1) The trust is authorized to expend funds for the purpose of making supplemental loans to or on behalf of the project sponsors listed below for the following drinking water environmental infrastructure project:

Project Sponsor	**Project Number**	**Estimated Allowable Trust Loan Amount**	**Estimated Total Allowable Loan Amount**
North Jersey District Water Supply Comm.	1613001-017-1	$2,700,000	$3,600,000
Total Projects: 1		**$2,700,000**	**$3,600,000**

(2) The loan authorized in this subsection shall be made for the difference between the allowable loan amount required by this project based upon final building costs pursuant to subsection a. of section 7 of **[**this act**]** P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), and the loan amount certified by the chairman of the trust in State fiscal years 2016 and 2017 and for increased allowable costs as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27). The loans authorized in this subsection shall be made to or on behalf of the project sponsors listed, up to the individual amounts indicated and in the priority stated, to the extent sufficient funds are available, except as a project fails to meet the requirements of section 6 of **[**this act**]** P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill).

(3) The loan for the projects authorized in this subsection shall have priority over environmental infrastructure projects listed in subsection b. of section 4 of **[**this act**]** P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill).

c. The trust is authorized to adjust the allowable trust loan amount for projects authorized in this section to between 25 **[**%**]** percent and 75 **[**%**]** percent of the total allowable loan amount and such excess amounts to the extent the priority ranking and an insufficiency of funding prevents the Department of Environmental Protection from making the loan as provided in subsection f. of section 7 of **[**this act**]** P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill.

(cf: P.L.2017, c.142, s.2)

3. Section 3 of P.L.2017, c.142 is amended to read as follows:

3. a. The New Jersey Environmental Infrastructure Trust is authorized to make loans to or on behalf of the project sponsors for the clean water projects listed in subsection a. of section 2 and subsection a. of section 4 of **[**this act**]** P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), up to the individual amounts indicated and in the priority stated, except as any such amount may be reduced by the trust pursuant to subsection a. of section 7 of **[**this act**]** P.L.2017, c.142, as amended by

P.L. , c. (pending before the Legislature as this bill), or if a project fails to meet the requirements of section 6 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill). The trust is authorized to increase any such amount pursuant to subsection b., c., d., e. or f. of section 7 or ⟦section⟧ 8 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill).

b. The trust is authorized to make loans to project sponsors for the drinking water projects listed in subsection b. of section 2 and subsection b. of section 4 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), up to the individual amounts indicated and in the priority stated, except as any such amount may be reduced by the trust pursuant to subsection a. of section 7 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), or if a project fails to meet the requirements of section 6 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill). The trust is authorized to increase any such amount pursuant to subsection b., c., d., e. or f. of section 7 or ⟦section⟧ 8 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill).

(cf: P.L.2017, c.142, s.3)

4. Section 4 of P.L.2017, c.142 is amended to read as follows:

4. a. The following environmental infrastructure projects shall be known and may be cited as the "Storm Sandy and State Fiscal Year 2018 Clean Water Project Eligibility List":

Project Sponsor	**Project Number**	**Estimated Allowable Trust Loan Amount**	**Estimated Total Allowable Loan Amount**
Aberdeen Township	S340869-02	$6,750,000	$9,000,000
Atlantic County UA	S340809-23	⟦$8,280,000⟧ $11,040,000	$11,040,000
Atlantic County UA	S340809-24	⟦$720,000⟧ $800,000	⟦$960,000⟧ $800,000
Atlantic County UA	S340809-25	⟦$13,140,000⟧ $17,520,000	$17,520,000
Atlantic County UA	S340809-26	⟦$1,350,000⟧ $1,500,000	⟦$1,800,000⟧ $1,500,000
Atlantic County UA	S340809-27	⟦$2,400,00⟧ $3,200,000	$3,200,000
Atlantic County UA	S340809-28	$3,075,000	$4,100,000

Bayshore RSA	S340697-05	$21,150,000	$28,200,000
Bayshore RSA	S340697-06	$11,325,000	$15,100,000
Bradley Beach Borough	S340472-01	$2,025,000	$2,700,000
Bradley Beach Borough	S340472-02	$1,942,538	$2,590,050
Burlington City	S340140-01	$1,275,000	$1,700,000
Burlington Township	S340712-15	$825,000	$1,100,000
Carteret Borough	S340939-09	【$7,950,000】 $11,257,500	【$10,600,000】 $15,010,000
Cinnaminson SA	S340170-07	$6,750,000	$9,000,000
Cinnaminson SA	S340170-08	$870,000	$1,160,000
Cumberland County UA	S340550-07	$975,000	$1,300,000
Cumberland County UA	S340550-08	$975,000	$1,300,000
Elizabeth City	S340942-18	$6,150,000	$8,200,000
Elizabeth City	S340942-19	$5,775,000	$7,700,000
Gloucester City	S340958-07	$900,000	$1,200,000
Gloucester City	S340958-08	$1,575,000	$2,100,000
Gloucester County IA	S342024-01	$6,000,000	$8,000,000
Gloucester County UA	S340902-14	$33,750,000	$45,000,000
Gloucester County UA	S340902-16	$1,575,000	$2,100,000
Hightstown Borough	S340915-05	$1,050,000	$1,400,000
【Hoboken City	S340635-06	$24,750,000	$33,000,000】
Hoboken City	S340635-07	$3,750,000	$5,000,000
Jersey City MUA	S340928-15	$30,300,000	$40,400,000

Jersey City MUA	S340928-19	$5,625,000	$7,500,000
Jersey City MUA	S340928-20	$5,400,000	$7,200,000
Jersey City MUA	S340928-22	$562,500	$750,000
Jersey City	S340928-30	$2,033,250	$2,711,000
Kearny MUA	S340259-07	$4,875,000	$6,500,000
Little Egg Harbor MUA	S340579-02	$2,475,000	$3,300,000
Long Beach Township	S340023-06	$3,750,000	$5,000,000
Manasquan River RSA	S340911-03	$495,000	$660,000
Mendham Township	S340477-01	$1,875,000	$2,500,000
Millville City	S340921-07	$9,000,000	$12,000,000
Montclair Township	S340837-04	$1,275,000	$1,700,000
Newark City	S340815-22	$7,875,000	$10,500,000
North Bergen MUA	S340652-14	$17,250,000	$23,000,000
North Hudson SA	S340952-22	$13,500,000	$18,000,000
North Hudson SA	S340952-23	$2,325,000	$3,100,000
North Hudson SA	S340952-28	$1,275,000	$1,700,000
Northwest Bergen County UA	S340700-13	$3,900,000	$5,200,000
Ocean County	S344080-09	$975,000	$1,300,000
Ocean County	S344080-10	$187,500	$250,000
Ocean County	S344080-11	$262,500	$350,000
Ocean Township	S340112-07	$2,250,000	$3,000,000
Ocean Township SA	S340750-11	$4,875,000	$6,500,000
Ocean Township SA	S340750-13	$412,500	$550,000
Ocean Township SA	S340750-14	$1,875,000	$2,500,000

Passaic Valley SC	S340689-25	$6,825,000	$9,100,000
Passaic Valley SC	S340689-30	[$1,875,000] $2,775,000	[$2,500,000] $3,700,000
Passaic Valley SC	S340689-31	$3,000,000	$4,000,000
Passaic Valley SC	S340689-32	$7,500,000	$10,000,000
Passaic Valley SC	S340689-34	$2,175,000	$2,900,000
Passaic Valley SC	S340689-38	$15,750,000	$21,000,000
Passaic Valley SC	S340689-39	$3,612,000	$4,816,000
Perth Amboy City	S340435-11	$4,844,513	$6,459,351
Perth Amboy City	S340435-13	$637,500	$850,000
Pine Hill MUA	S340274-05	$1,350,000	$1,800,000
Plumsted Township	S340607-03	$20,250,000	$27,000,000
Rahway Valley SA	S340547-14	$7,125,000	$9,500,000
Riverdale Borough	S340729-02	$217,342	$289,789
Riverside SA	S340490-01	$630,000	$840,000
Rockaway Valley RSA	S340821-06	$6,000,000	$8,000,000
Rockaway Valley RSA	S340821-07	$6,150,000	$8,200,000
Roxbury Township	S340381-07	$5,625,000	$7,500,000
Ship Bottom Borough	S340311-03	$3,525,000	$4,700,000
Somerset Raritan Valley SA	S340801-08	[$10,125,000] $12,375,000	[$13,500,000] $16,500,000
Somerville Borough	S342013-01	$8,625,000	$11,500,000
South Monmouth RSA	S340377-05	$2,625,000	$3,500,000
Stafford Township	S344100-03	$4,200,000	$5,600,000

Stony Brook RSA	S340400-10	$3,825,000	$5,100,000
Sussex County MUA	S342008-05	$9,750,000	$13,000,000
Ventnor City	S340667-03	$1,500,000	$2,000,000
Total Projects: [42] 77		**[$236,865,000] $429,299,643**	**[$315,820,000] $561,046,190**

b. The following environmental infrastructure projects shall be known and may be cited as the "Storm Sandy and State Fiscal Year 2018 Drinking Water Project Eligibility List":

Project Sponsor	**Project No.**	**Estimated Allowable Trust Loan Amount**	**Estimated Total Allowable Loan Amount**
Aberdeen Township	1330004-001	$2,925,000	$3,900,000
Berkeley Township MUA	1505004-007	$525,000	$700,000
Bordentown City	0303001-006	$1,125,000	$1,500,000
Bordentown City	0303001-008	$1,650,000	$2,200,000
Cape May City	0502001-004	$1,650,000	$2,200,000
Clinton Town	1005001-008	$1,125,000	$1,500,000
Clinton Town	1005001-009	$900,000	$1,200,000
Elmer Borough	1702001-001	$600,000	$800,000
Gloucester City	0414001-020A	[$187,500] $975,000	[$250,000] $1,300,000
Gloucester City	0414001-022	$900,000	$1,200,000
Hoboken City	0905001-001	$6,375,000	$8,500,000
Jackson Township MUA	1511001-010	$6,150,000	$8,200,000
Lavallette Borough	1515001-001	$998,250	$1,331,000
Little Egg Harbor MUA	1516001-004	$2,250,000	$3,000,000

Long Beach Township	1517001-500	$6,900,000	$9,200,000
Long Beach Township	1517001-501	$1,725,000	$2,300,000
Manchester Township	1518005-002	$4,125,000	$5,500,000
Mantua Township MUA	0810004-002	$1,350,000	$1,800,000
Mantua Township MUA	0810004-003	$1,050,000	$1,400,000
Maple Shade Township	0319001-006	$1,950,000	$2,600,000
Middlesex Water Company	1225001-016	$4,275,000	$5,700,000
Middlesex Water Company	1225001-023	$6,000,000	$8,000,000
Middlesex Water Company	1225001-024	$2,700,000	$3,600,000
Middlesex Water Company	1225001-026	$9,750,000	$13,000,000
Netcong Borough	1428001-008	$825,000	$1,100,000
Netcong Borough	1428001-009	$300,000	$400,000
Newark City	0714001-016	$9,750,000	$13,000,000
Newark City	0714001-500	$3,825,000	$5,100,000
NJ American Water Company, Inc.	1345001-016	$10,125,000	$13,500,000
NJ American Water Co.-Raritan	2004002-500	$27,000,000	$36,000,000
NJ American Water Company, Inc.	2004002-011	$9,600,000	$12,800,000

North Jersey District ⟦WS⟧ Water Supply Comm.	1613001-022	$12,750,000	$17,000,000
North Jersey District ⟦WS⟧ Water Supply Comm.	1613001-025	$5,475,000	$7,300,000
North Jersey District ⟦WS⟧ Water Supply Comm.	1613001-033	$3,075,000	$4,100,000
Ocean Township	1520001-007	$1,050,000	$1,400,000
Old Bridge MUA	1209002-013	$2,671,500	$3,562,000
⟦Passaic Valley WC	1605002-025	$27,450,000	$36,600,000⟧
Pennington Borough	1108001-002	$937,500	$1,250,000
Perth Amboy City	1216001-008	$1,875,000	$2,500,000
Rahway City	2013001-007	$13,650,000	$18,200,000
Red Bank Borough	1340001-002	$1,500,000	$2,000,000
Saddle Brook Township	0257001-002	$1,425,000	$1,900,000
Ship Bottom Borough	1528001-002	$2,812,500	$3,750,000
Stafford Township	1530004-018	$1,800,000	$2,400,000
Trenton City	1111001-010	$7,875,000	$10,500,000
Washington Township MUA	0818004-010	$1,425,000	$1,900,000
Willingboro MUA	0338001-009	$5,250,000	$7,000,000
Total Projects: ⟦28⟧ 46		**⟦$159,562,500⟧ $192,969,750**	**⟦$212,750,000⟧ $257,293,000**

c. The trust is authorized to adjust the allowable trust loan amount for projects authorized in this section to between 0 ⟦%⟧ percent and 75 ⟦%⟧ percent of the total allowable loan amount, and such excess amounts to the extent the priority ranking and an insufficiency of funding prevents the Department of Environmental Protection from making the loan as provided in subsection f. of section 7 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), and up to 100 ⟦%⟧ percent of the total allowable loan amount for projects certified by

the Department of Environmental Protection pursuant to section 1 of P.L.2013, c.93 (C.58:11B-9.5).
(cf: P.L.2017, c.142, s.4)

5. Section 5 of P.L.2017, c.142 is amended to read as follows:

5. In accordance with and subject to the provisions of sections 5, 6, and 23 of P.L.1985, c.334 (C.58:11B-5, 58:11B-6, and 58:11B-23) and as set forth in the financial plan required pursuant to section 21 of P.L.1985, c.334 (C.58:11B-21), or the financial plan required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-21.1), any proceeds from bonds issued by the trust to make loans for priority environmental infrastructure projects listed in sections 2 and 4 of **[**this act**]** P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), which are not expended for that purpose may be applied for the payment of all or any part of the principal of and interest and premium on the trust bonds whether due at stated maturity, the interest payment dates or earlier upon redemption. A portion of the proceeds from bonds issued by the trust to make loans for priority environmental infrastructure projects pursuant to **[**this act**]** P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), may be applied for the payment of capitalized interest and for the payment of any issuance expenses; for the payment of reserve capacity expenses; for the payment of debt service reserve fund expenses for the payment of the loan origination fees; and for the payment of increased costs as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27).
(cf.: P.L.2017, c.142, s.5)

6. Section 6 of P.L.2017, c.142 is amended to read as follows:

6. Any loan made by the New Jersey Environmental Infrastructure Trust pursuant to **[**this act**]** P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), shall be subject to the following requirements:

a. The chairman of the trust has certified that the project is in compliance with the provisions of P.L.1977, c.224, P.L.1985, c.334, P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.224, P.L.1997, c.225, P.L.1999, c.175 or P.L.2003, c.162, and any rules and regulations adopted pursuant thereto, and any amendatory and supplementary acts thereto, as applicable. In making this certification, the chairman may conclusively rely on the project review conducted by the Department of Environmental Protection without any independent review thereof by the trust;

b. The loan shall be conditioned upon inclusion of the project on a project eligibility list approved pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or section 24 of P.L.1997, c.224 (C.58:11B-20.1);

c. The loan shall be repaid within a period not to exceed 30 years of the making of the loan;

d. The loan, including any portion thereof made by the trust pursuant to subsection f. of section 7 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), shall not exceed the allowable project cost of the environmental infrastructure facility, exclusive of capitalized interest and issuance expenses as provided in subsection b. of section 7 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), reserve capacity expenses and the debt service reserve fund expenses as provided in subsection c. of section 7 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), interest earned on project costs as provided in subsection d. of section 7 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), the amounts of the loan origination fee as provided in subsection e. of section 7 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), refunding increases as provided in section 8 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), and increased costs as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27);

e. The loan shall bear interest, exclusive of any late charges or administrative fees payable to the trust pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5) by the project sponsors receiving trust loans, at or below the interest rate paid by the trust on the bonds issued to make or refund the loans authorized by ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), adjusted for underwriting discount and original issue discount or premium, in accordance with the terms and conditions set forth in the financial plan required pursuant to section 21 of P.L.1985, c.334 (C.58:11B-21) or the financial plan required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-21.1); and

f. The loan shall be subject to all other terms and conditions as the trust shall determine to be consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) and any rules and regulations adopted pursuant thereto, and with the financial plan required by section 21 of P.L.1985, c.334 (C.58:11B-21) or the financial plan required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-21.1).

The eligibility lists and authorization for the making of loans pursuant to ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), shall expire on July 1, 2018, and any project sponsor which has not executed and delivered a loan agreement with the trust for a loan authorized in

【this act】 P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), shall no longer be entitled to that loan.
(cf: P.L.2017, c.142, s.6)

7. Section 7 of P.L.2017, c.142 is amended to read as follows:

7. a. The New Jersey Environmental Infrastructure Trust is authorized to reduce the individual amount of loan funds made available to or on behalf of project sponsors pursuant to sections 2 and 4 of 【this act】 P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), based upon final building costs defined in and determined in accordance with rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27) or rules and regulations adopted by the Commissioner of Environmental Protection pursuant to section 4 of P.L.1985, c.329, section 11 of P.L.1977, c.224 (C.58:12A-11) or section 5 of P.L.1981, c.261. The trust is authorized to use any such reduction in the loan amount made available to a project sponsor to cover that project sponsor's increased costs due to differing site conditions or other allowable expenses as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27).

b. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of 【this act】 P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), by the amount of capitalized interest and issuance expenses allocable to each loan made by the trust pursuant to 【this act】 P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill); provided that the increase for issuance expenses, excluding underwriters' discount, original issue discount or premiums, municipal bond insurance premiums and bond rating agency fees, shall not exceed 0.4 【%】 percent of the principal amount of trust bonds issued to make loans authorized by 【this act】 P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill).

c. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of 【this act】 P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), by the amount of reserve capacity expenses, and by the debt service reserve fund expenses associated with the costs identified in paragraphs (3) and (4) of subsection d. of section 1 of 【this act】 P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill).

d. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of 【this act】 P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this

bill), by the interest earned on amounts deposited for project costs pending their distribution to project sponsors.

e. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), by the loan origination fee.

f. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), by the amount appropriated to the Department of Environmental Protection for the purpose of making the corresponding zero interest loan pursuant to section 3 of P.L.2017, c.143, as amended by P.L. , c. (pending before the Legislature as Senate Bill No. 3538 of 2017 and Assembly Bill No. 5207 of 2017), in connection with the project costs of the project sponsor, to the extent the priority ranking and an insufficiency of funding prevents the department from making the loan and for lead abatement projects ineligible for department loans under the Federal Clean Water Act and Federal Safe Drinking Water Act or to the extent the priority ranking and an insufficiency of funding prevents the department from making the loan.

(cf: P.L.2017, c.142, s.7)

8. Section 8 of P.L.2017, c.142 is amended to read as follows:

8. The New Jersey Environmental Infrastructure Trust is authorized to increase the individual amount of loan funds made available to project sponsors by the trust pursuant to P.L.1989, c.190, P.L.1990, c.97, P.L.1991, c.324, P.L.1992, c.37, P.L.1993, c.192, P.L.1994, c.105, P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85, P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71, P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67, P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62, P.L.2011, c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26, P.L.2015, c.107, P.L.2016, c.31, as amended by P.L.2017, c.13, or P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), provided that adequate savings are achieved, to compensate for a refunding of trust bonds issued to make loans authorized by the aforementioned acts.

(cf: P.L.2017, c.142, s.8)

9. Section 9 of P.L.2017, c.142 is amended to read as follows:

9. The expenditure of funds authorized pursuant to ⟦this act⟧ P.L.2017, c.142, as amended by P.L. , c. (pending before the Legislature as this bill), is subject to the provisions of P.L.1977, c.224 (C.58:12A-1 et al.), P.L.1985, c.329, P.L.1985, c.334 (C.58:11B-1 et seq.), as amended and supplemented by P.L.1997, c.224, P.L.1992, c.88, P.L.1989, c.181, P.L.1997, c.223, P.L.1997,

c.225, P.L.1999, c.175, or P.L.2003, c.162, and the rules and regulations adopted pursuant thereto or the Federal Safe Drinking Water Act, as appropriate.
(cf: P.L.2017, c.142, s.9)

10. Section 10 of P.L.2017, c.142 is amended to read as follows:

10. a. There is appropriated to the New Jersey Environmental Infrastructure Trust as needed <u>to make short-term or temporary loans</u> from funds deposited in any account, including the "Wastewater Treatment Fund," the "1992 Wastewater Treatment Fund," the "Water Supply Fund," the “2003 Water Resources and Wastewater Treatment Trust Fund,” the "Stormwater Management and Combined Sewer Overflow Abatement Fund," the “Clean Water State Revolving Fund,” or the “Drinking Water State Revolving Fund,” as appropriate, and from any net earnings received from the investment and reinvestment of such deposits, the sum of $600,000,000 consisting of:

(1) The uncommitted balance of $500,000,000 currently on deposit in the special fund (hereinafter referred to as the “Interim Financing Program Fund”) created and established by the trust for the short-term or temporary loan financing or refinancing program (hereinafter referred to as the "Interim Financing Program") authorized pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), which balance previously had been appropriated to the trust for such purpose pursuant to section 11 of P.L.2016, c.31, less any Interim Financing Program Fund amounts appropriated to the Department of Environmental Protection to supplement the sums appropriated from the Clean Water State Revolving Fund for clean water projects pursuant to the Federal Clean Water Act and from the Drinking Water State Revolving Fund for drinking water projects pursuant to the Federal Safe Drinking Water Act, provided that at no time shall funds committed pursuant to this section exceed funds required by the Department of Environmental Protection to meet long-term obligations; and

(2) such other amounts to be deposited in the Interim Financing Program Fund, in an aggregate amount that does not exceed at any time, the amount appropriated, provided that the amount so reappropriated and appropriated to the trust for deposit in the Interim Financing Program Fund shall be utilized by the trust to make short-term or temporary loans pursuant to the Interim Financing Program to any one or more of the project sponsors, for the respective projects thereof, identified in the interim financing project priority list (hereinafter referred to as the “Interim Financing Program Project Priority List”) in the form provided to the Legislature by the Commissioner of Environmental Protection.

b. The Interim Financing Program Project Priority List shall be submitted to the Secretary of the Senate and the Clerk of the General Assembly at least once each fiscal year. The Secretary of

the Senate and the Clerk of the General Assembly shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. Any environmental infrastructure project or the project sponsor thereof not identified in the Interim Financing Program Project Priority List shall not be eligible for a short-term or temporary loan from the Interim Financing Program Fund.

c. The trust may issue market rate interest short-term temporary loans for wastewater treatment and water supply projects on the Interim Financing Program Project Priority List for the reduction of lead in publicly-owned facilities otherwise ineligible to receive funding for that purpose pursuant to subsection a. of this section.

(cf: P.L.2017, c.142, s.10)

11. (New section) Notwithstanding section 1 of P.L.2017, c.99, the annual State appropriations act for Fiscal Year 2018, of the amount appropriated from the revenues and other funds of the New Jersey Transportation Trust Fund Authority and from the amounts on deposit in the Transportation Trust Fund Subaccount for Capital Reserves, for the capital purpose for "Local Aid, Infrastructure Fund," $2,600,000 shall be allocated therefrom to the New Jersey Environmental Infrastructure Trust for the purpose of providing funding for operating and administrative expenses to fund transportation infrastructure projects pursuant to the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.).

12. This act shall take effect immediately.

STATEMENT

This bill would authorize the New Jersey Environmental Infrastructure Trust (NJEIT) to expend additional sums to make loans for environmental infrastructure projects for Fiscal Year 2018.

In July 2017, P.L.2017, c.142 was enacted into law, which authorized the NJEIT to expend up to $539.52 million, and any unexpended balances from previous authorizations, to provide low-interest and market-rate loans to project sponsors (primarily local governments, public authorities, or public water utilities) for a portion of the total costs of 77 eligible environmental infrastructure projects for Fiscal Year 2018. This included 42 projects from the “Storm Sandy and State Fiscal Year 2018 Clean Water Project Eligibility List” and 28 projects from the “Storm Sandy and State Fiscal Year 2018 Drinking Water Project Eligibility List.” The NJEIT was also authorized under P.L.2017, c.142 to provide supplemental loans to six clean water projects and one drinking

water project that received loans in the past and which require supplemental loans in order to meet actual costs.

This bill would amend the lists of environmental infrastructure projects for which the NJEIT is authorized to make loans in P.L.2017, c.142 to include new projects and revise allowable loan amounts for already approved projects. Thus, under the bill, the NJEIT would be authorized to expend up to $833.10 million, and any unexpended balances from previous authorizations, to provide loans to project sponsors for a total of 130 eligible environmental infrastructure projects for Fiscal Year 2018. This would include 77 projects on the "Storm Sandy and State Fiscal Year 2018 Clean Water Project Eligibility List" and 46 projects on the "Storm Sandy and State Fiscal Year 2018 Drinking Water Project Eligibility List." The NJEIT would also be authorized to make supplemental loans to six clean water environmental infrastructure projects and one drinking water environmental infrastructure project.

Certain projects have been removed from the list of projects for which the NJEIT is authorized to make loans either because they have already received long-term funding or because the projects will not be ready to receive funding before the end of Fiscal Year 2018 under NJEIT program requirements.

The bill would also allocate $2.6 million from the Local Aid Infrastructure Fund, a capital fund in the Department of Transportation, to the New Jersey Environmental Infrastructure Trust (NJEIT) for operating and administrative expenses for the funding of transportation infrastructure projects.