

P.L. 2020, CHAPTER 49, *approved July 1, 2020*
Senate, No. 2499

1 **AN ACT** appropriating moneys to the Department of Environmental
2 Protection for the purpose of making zero interest loans or
3 principal forgiveness loans to project sponsors to finance a
4 portion of the costs of environmental infrastructure projects.

5
6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8
9 1. a. (1) There is appropriated to the Department of
10 Environmental Protection from the “Clean Water State Revolving
11 Fund,” established pursuant to section 1 of P.L.2009, c.77, an
12 amount equal to the federal fiscal year 2020 capitalization grant
13 made available to the State for clean water project loans pursuant to
14 the “Water Quality Act of 1987,” 33 U.S.C. s.1251 et seq., and any
15 amendatory and supplementary acts thereto (hereinafter referred to
16 as the “Federal Clean Water Act”).

17 (2) There is appropriated to the Department of Environmental
18 Protection from the “Interim Environmental Financing Program
19 Fund,” established by the New Jersey Infrastructure Bank pursuant
20 to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), such
21 amounts as may be necessary to supplement the sums appropriated
22 from the Clean Water State Revolving Fund for the purposes of
23 clean water project loans and providing the State match as may be
24 required for the award of the capitalization grants made available to
25 the State for clean water projects pursuant to the Federal Clean
26 Water Act.

27 (3) There is appropriated to the Department of Environmental
28 Protection from the “Disaster Relief Emergency Financing Program
29 Fund,” established by the New Jersey Infrastructure Bank pursuant
30 to section 1 of P.L.2013, c.93 (C.58:11B-9.5), such amounts as may
31 be necessary to supplement the sums appropriated from the Clean
32 Water State Revolving Fund for the purposes of clean water project
33 loans and providing the State match as may be required for the
34 award of the capitalization grants made available to the State for
35 clean water projects pursuant to the Federal Clean Water Act.

36 (4) There is appropriated to the Department of Environmental
37 Protection from the “Drinking Water State Revolving Fund,”
38 established pursuant to section 1 of P.L.1998, c.84, an amount equal
39 to the federal fiscal year 2020 capitalization grant made available to
40 the State for drinking water projects pursuant to the “Safe Drinking
41 Water Act Amendments of 1996,” Pub.L.104-182, and any
42 amendatory and supplementary acts thereto (hereinafter referred to
43 as the “Federal Safe Drinking Water Act”).

1 The Department of Environmental Protection is authorized to
2 transfer from the Clean Water State Revolving Fund to the Drinking
3 Water State Revolving Fund, pursuant to the “Water Infrastructure
4 Funding Transfer Act,” Pub.L.116-63, additional amounts as may
5 be necessary to address a threat to public health, and an amount
6 equal to the maximum amount authorized to be transferred is
7 appropriated to the department for those purposes.

8 The Department of Environmental Protection is authorized to
9 transfer from the Clean Water State Revolving Fund to the Drinking
10 Water State Revolving Fund an amount up to the maximum amount
11 authorized to be transferred pursuant to the Federal Safe Drinking
12 Water Act to meet present and future needs for the financing of
13 eligible drinking water projects, and an amount equal to that
14 maximum amount is appropriated to the department for those
15 purposes.

16 The Department of Environmental Protection is authorized to
17 transfer from the Drinking Water State Revolving Fund to the Clean
18 Water State Revolving Fund an amount up to the maximum amount
19 authorized to be transferred pursuant to the Federal Clean Water
20 Act to meet present and future needs for the financing of eligible
21 clean water projects, and an amount equal to that maximum amount
22 is appropriated to the department for those purposes.

23 Notwithstanding any provision of this act to the contrary, the
24 Department of Environmental Protection is authorized to utilize
25 funds from the Clean Water State Revolving Fund for the purposes
26 of the Drinking Water State Revolving Fund, and may charge
27 interest on loans made with such invested funds to the extent
28 permitted by the Federal Clean Water Act and the Federal Safe
29 Drinking Water Act.

30 (5) There is appropriated to the Department of Environmental
31 Protection the unappropriated balances from the Clean Water State
32 Revolving Fund, including the balances from the Federal Disaster
33 Relief Appropriations Act, and any repayments of loans and interest
34 therefrom, as may be available on or before June 30, 2021, for the
35 purposes of clean water project loans and providing the State match
36 as may be required for the award of the capitalization grants made
37 available to the State for clean water projects pursuant to the
38 Federal Clean Water Act.

39 (6) There is appropriated to the Department of Environmental
40 Protection the unappropriated balances from the “Wastewater
41 Treatment Fund,” established pursuant to section 15 of the
42 “Wastewater Treatment Bond Act of 1985,” P.L.1985, c.329, and
43 any repayments of loans and interest therefrom, as may be available
44 on or before June 30, 2021, for the purposes of clean water project
45 loans and providing the State match as may be required for the
46 award of the capitalization grants made available to the State for
47 clean water projects pursuant to the Federal Clean Water Act.

1 (7) There is appropriated to the Department of Environmental
2 Protection the unappropriated balances from the “1992 Wastewater
3 Treatment Fund,” established pursuant to section 27 of the “Green
4 Acres, Clean Water, Farmland and Historic Preservation Bond Act
5 of 1992,” P.L.1992, c.88, and any repayments of loans and interest
6 therefrom, as may be available on or before June 30, 2021, for the
7 purposes of clean water project loans and providing the State match
8 as may be required for the award of the capitalization grants made
9 available to the State for clean water projects pursuant to the
10 Federal Clean Water Act.

11 (8) There is appropriated to the Department of Environmental
12 Protection the unappropriated balances from the “2003 Water
13 Resources and Wastewater Treatment Fund,” established pursuant
14 to subsection a. of section 19 of the “Dam, Lake, Stream, Flood
15 Control, Water Resources, and Wastewater Treatment Project Bond
16 Act of 2003,” P.L.2003, c.162, and any repayments of loans and
17 interest therefrom, as may be available on or before June 30, 2021,
18 for the purposes of clean water project loans and providing the State
19 match as may be required for the award of the capitalization grants
20 made available to the State for clean water projects pursuant to the
21 Federal Clean Water Act.

22 (9) There is appropriated to the Department of Environmental
23 Protection the unappropriated balances from the “Pinelands
24 Infrastructure Trust Fund,” established pursuant to section 14 of the
25 “Pinelands Infrastructure Trust Bond Act of 1985,” P.L.1985, c.302,
26 and any repayments of loans and interest therefrom, as may be
27 available on or before June 30, 2021, for the purposes of clean
28 water project loans and drinking water project loans and providing
29 the State match as may be required for the award of the
30 capitalization grants made available to the State for clean water
31 projects pursuant to the Federal Clean Water Act and for drinking
32 water projects pursuant to the Federal Safe Drinking Water Act.

33 (10) There is appropriated to the Department of Environmental
34 Protection the unappropriated balances from the “Stormwater
35 Management and Combined Sewer Overflow Abatement Fund,”
36 established pursuant to the “Stormwater Management and
37 Combined Sewer Overflow Abatement Bond Act of 1989,”
38 P.L.1989, c.181, and any repayments of loans and interest
39 therefrom, as may be available on or before June 30, 2021, for the
40 purposes of clean water project loans and providing the State match
41 as may be required for the award of the capitalization grants made
42 available to the State for clean water projects pursuant to the
43 Federal Clean Water Act.

44 (11) There is appropriated to the Department of Environmental
45 Protection the unappropriated balances from the Drinking Water
46 State Revolving Fund and any repayments of loans and interest
47 therefrom, including the balances from the Federal Disaster Relief

1 Appropriations Act as may be available on or before June 30, 2021,
2 for the purposes of drinking water project loans.

3 (12) There is appropriated to the Department of Environmental
4 Protection such sums as may be needed from loan repayments and
5 interest earnings from the “Water Supply Fund,” established
6 pursuant to section 14 of the “Water Supply Bond Act of 1981,”
7 P.L.1981, c.261, for the “Drinking Water State Revolving Fund
8 Match Accounts” contained within that fund, for the purpose of
9 providing the State match as may be required for the award of the
10 capitalization grants made available to the State for drinking water
11 projects pursuant to the Federal Safe Drinking Water Act.

12 (13) There is appropriated to the Department of Environmental
13 Protection from the “Interim Environmental Financing Program
14 Fund,” established by the New Jersey Infrastructure Bank pursuant
15 to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), such
16 amounts as may be available on or before June 30, 2021, and any
17 repayments of loans and interest therefrom, as may be necessary to
18 supplement the sums appropriated from the Drinking Water State
19 Revolving Fund for the purposes of drinking water project loans
20 and providing the State match as may be required for the award of
21 the capitalization grants made available to the State for drinking
22 water projects pursuant to the Federal Safe Drinking Water Act.

23 (14) There is appropriated to the Department of Environmental
24 Protection from the “Disaster Relief Emergency Financing Program
25 Fund,” established by the New Jersey Infrastructure Bank pursuant
26 to section 1 of P.L.2013, c.93 (C.58:11B-9.5), such amounts as may
27 be necessary to supplement the sums appropriated from the
28 Drinking Water State Revolving Fund for the purposes of drinking
29 water project loans and providing the State match as may be
30 required for the award of the capitalization grants made available to
31 the State for drinking water projects pursuant to the Federal Safe
32 Drinking Water Act.

33 (15) There is appropriated to the Department of Environmental
34 Protection such amounts as may be received by the Department of
35 Community Affairs, as the grantee from the United States
36 Department of Housing and Urban Development Community
37 Development Block Grant - Disaster Recovery Program (CDBG-
38 DR), as may be available on or before June 30, 2021, for the
39 purposes of CDBG-DR eligible clean water and drinking water
40 project loans and providing the State match as may be required for
41 the award of the capitalization grants made available to the State for
42 clean water projects pursuant to the Federal Clean Water Act and
43 drinking water projects pursuant to the Federal Safe Drinking Water
44 Act.

45 (16) There is appropriated to the Department of Environmental
46 Protection such sums as may be available on or before June 30,
47 2021, as repayments of drinking water project loans and any interest
48 therefrom from the “Water Supply Fund,” established pursuant to

1 section 14 of the “Water Supply Bond Act of 1981,” P.L.1981,
2 c.261, for the purposes of drinking water project loans and
3 providing the State match as may be required for the award of the
4 capitalization grants made available to the State for drinking water
5 projects pursuant to the Federal Safe Drinking Water Act.

6 (17) Of the sums appropriated to the Department of
7 Environmental Protection from the “Water Supply Fund” pursuant
8 to P.L.1999, c.174, P.L.2001, c.222, P.L.2002, c.70, and P.L.2003,
9 c.158, the department is authorized to transfer any unexpended
10 balances and any repayments of loans and interest therefrom as may
11 be available on or before June 30, 2021, in such amounts as needed
12 to the Drinking Water State Revolving Fund accounts contained
13 within the Water Supply Fund established for the purposes of
14 providing drinking water project loans and providing the State
15 match as may be required for the award of the capitalization grants
16 made available to the State for drinking water projects pursuant to
17 the Federal Safe Drinking Water Act.

18 (18) Of the sums appropriated to the Department of
19 Environmental Protection from the “1992 Wastewater Treatment
20 Fund” pursuant to P.L.1996, c.85, P.L.1997, c.221, P.L.1998, c.84,
21 P.L.1999, c.174, P.L.2000, c.92, P.L.2001, c.222, and P.L.2002,
22 c.70, the department is authorized to transfer any unexpended
23 balances and any repayments of loans and interest therefrom as may
24 be available on or before June 30, 2021, in such amounts as needed
25 to the Clean Water State Revolving Fund accounts contained within
26 the 1992 Wastewater Treatment Fund for the purposes of providing
27 clean water project loans and providing the State match as may be
28 required for the award of the capitalization grants made available to
29 the State for clean water projects pursuant to the Federal Clean
30 Water Act.

31 (19) Of the sums appropriated to the Department of
32 Environmental Protection from the “2003 Water Resources and
33 Wastewater Treatment Fund” pursuant to P.L.2004, c.109 and
34 P.L.2007, c.139, the department is authorized to transfer any
35 unexpended balances and any repayments of loans and interest
36 therefrom as may be available on or before June 30, 2021, in such
37 amounts as needed to the Clean Water State Revolving Fund
38 accounts contained within the 2003 Water Resources and
39 Wastewater Treatment Fund for the purposes of providing clean
40 water project loans and providing the State match as may be
41 required for the award of the capitalization grants made available to
42 the State for clean water projects pursuant to the Federal Clean
43 Water Act.

44 (20) There is appropriated to the Department of Environmental
45 Protection the sums deposited by the New Jersey Infrastructure
46 Bank into the Clean Water State Revolving Fund, the “Wastewater
47 Treatment Fund,” the “1992 Wastewater Treatment Fund,” the
48 “Water Supply Fund,” the “Stormwater Management and Combined

1 Sewer Overflow Abatement Fund,” established pursuant to the
2 “Stormwater Management and Combined Sewer Overflow
3 Abatement Bond Act of 1989,” P.L.1989, c.181, the “2003 Water
4 Resources and Wastewater Treatment Fund,” and the Drinking
5 Water State Revolving Fund, as appropriate, pursuant to paragraph
6 (6) of subsection c. of section 1 of P.L. , c. (pending before the
7 Legislature as Senate Bill No. 2498 of 2020 and Assembly Bill No.
8 of 2020), as may be available on or before June 30, 2021, for the
9 purposes of providing clean water project loans and drinking water
10 project loans and providing the State match as may be required for
11 the award of the capitalization grants made available to the State for
12 clean water projects pursuant to the Federal Clean Water Act and
13 for drinking water projects pursuant to the Federal Safe Drinking
14 Water Act.

15 Any such amounts shall be for the purpose of making zero
16 interest and principal forgiveness financing loans, to the extent
17 sufficient funds are available, to or on behalf of local government
18 units or public water utilities (hereinafter referred to as “project
19 sponsors”) to finance a portion of the cost of the construction of
20 clean water projects and drinking water projects listed in sections 2
21 and 3 of this act, and for the purpose of implementing and
22 administering the provisions of this act, to the extent permitted by
23 the Federal Disaster Relief Appropriations Act, the Federal Clean
24 Water Act, the Federal Safe Drinking Water Act, P.L.2009, c.77,
25 the “Wastewater Treatment Bond Act of 1985.” P.L.1985, c.329,
26 the “Water Supply Bond Act of 1981,” P.L.1981, c.261, the
27 “Stormwater Management and Combined Sewer Overflow
28 Abatement Bond Act of 1989,” P.L.1989, c.181, the “Green Acres,
29 Clean Water, Farmland and Historic Preservation Bond Act of
30 1992,” P.L.1992, c.88, the “Dam, Lake, Stream, Flood Control,
31 Water Resources, and the Wastewater Treatment Project Bond Act
32 of 2003,” P.L.2003, c.162, and any amendatory and supplementary
33 acts thereto.

34 b. The department is authorized to make zero interest and
35 principal forgiveness financing loans to or on behalf of the project
36 sponsors for the environmental infrastructure projects listed in
37 subsection a. of section 2 and subsection a. of section 3 of this act
38 for clean water projects, up to the individual amounts indicated and
39 in the priority stated, to the extent there are sufficient eligible
40 project applications, except that any such amounts may be reduced
41 if a project fails to meet the requirements of sections 4 or 5 of this
42 act, or by the Commissioner of Environmental Protection pursuant
43 to section 7 of this act, provided:

44 (1) a maximum of \$15 million in principal forgiveness loans,
45 plus any appropriated but unallocated funds designated in State
46 fiscal year 2020 for combined sewer overflow projects, shall be
47 issued as provided in subsection a. of section 3 of this act to
48 communities in combined sewer overflow sewersheds sponsoring

1 construction projects that reduce or eliminate discharges from
2 combined sewer overflow outfalls, wherein principal forgiveness
3 loans shall not exceed \$4 million per borrower subject to the
4 availability of funds, and wherein 50 percent of the principal of the
5 fund loan shall be forgiven, 25 percent of the loan shall be a zero
6 interest rate fund loan, and 25 percent of the loan shall be a trust
7 market rate loan. For project costs greater than \$4 million up to and
8 including \$10 million, 75 percent of the loan shall be a zero interest
9 rate fund loan and 25 percent of the loan shall be a trust market rate
10 loan. For project costs greater than \$10 million, 50 percent of the
11 loan shall be a zero interest rate fund loan and 50 percent of the
12 loan shall be a trust market rate loan;

13 (2) a maximum of \$10 million in principal forgiveness loans
14 shall be issued as provided in subsection a. of section 3 of this act
15 for water quality restoration projects wherein principal forgiveness
16 loans shall not exceed \$2 million per borrower subject to the
17 availability of funds, and wherein 50 percent of the principal of the
18 fund loan shall be forgiven, 25 percent of the loan shall be a zero
19 interest rate fund loan, and 25 percent of the loan shall be a trust
20 market rate loan subject to the availability of funds. For project
21 costs greater than \$4 million up to and including \$10 million, 75
22 percent of the loan shall be a zero interest rate fund loan and 25
23 percent of the loan shall be a trust market rate loan. For project
24 costs greater than \$10 million, 50 percent of the loan shall be a zero
25 interest rate fund loan and 50 percent of the loan shall be a trust
26 market rate loan;

27 (3) to the extent funds are available, a maximum of \$500,000 in
28 principal forgiveness loans shall be issued to finance clean water
29 environmental infrastructure projects as provided in subsection a. of
30 section 3 of this act for systems serving populations of up to 10,000
31 residents for the development of asset management plans wherein
32 principal forgiveness shall be 100 percent of the fund loan amount
33 per project in an amount not to exceed \$100,000 per project
34 sponsor; and

35 (4) those projects listed in subsection a. of section 2 of this act
36 and subsection a. of section 3 of this act that were previously
37 identified in P.L.2019, c.193, as amended by P.L.2019, c.514, are
38 granted continued priority status and shall be subject to the
39 provisions of P.L.2019, c.193, as amended by P.L.2019, c.514,
40 provided such projects receive short-term funding prior to June 30,
41 2020.

42 c. The department is authorized to make zero interest and
43 principal forgiveness financing loans to or on behalf of the project
44 sponsors for the environmental infrastructure projects listed in
45 subsection b. of section 3 of this act for drinking water projects, up
46 to the individual amounts indicated and in the priority stated,
47 provided:

1 (1) a maximum of 30 percent of the 2020 Drinking Water State
2 Revolving Fund capitalization grant, not to exceed \$5 million, plus
3 any funds transferred to the Drinking Water State Revolving Fund
4 pursuant to paragraph (4) of subsection a. of this section may be
5 issued as provided in subsection b. of section 3 of this act for
6 drinking water systems, as follows:

7 (a) up to \$4 million of Drinking Water State Revolving Fund
8 loans, plus any appropriated but unallocated funds designated in
9 State fiscal year 2020 for drinking water systems serving
10 populations of up to 10,000 residents, shall be available for drinking
11 water systems serving populations of up to 10,000 residents
12 wherein principal forgiveness shall not exceed \$500,000 in the
13 aggregate and shall not exceed 50 percent of the total loan amount
14 per project sponsor in an amount not to exceed \$1 million per
15 project sponsor.

16 Loans for drinking water systems serving 500 or fewer residents
17 shall be given the highest priority, followed by systems serving 501
18 to 10,000 residents;

19 (b) a maximum of \$500,000 in principal forgiveness loans shall
20 be issued to drinking water systems serving populations of up to
21 10,000 residents for the development of asset management plans
22 wherein principal forgiveness shall be 100 percent of the fund loan
23 amount per project in an amount not to exceed \$100,000 per project
24 sponsor subject to the availability of funds; and

25 (c) a maximum of \$10 million of principal forgiveness for
26 drinking water systems serving communities with a population of
27 up to 1,000 residents for corrosion control treatment and lead
28 service line replacement projects wherein principal forgiveness
29 shall not exceed 90 percent of the total fund loan amount of \$1
30 million per water system;

31 (2) up to \$103 million of moneys from the Drinking Water State
32 Revolving Fund, plus any appropriated but unallocated funds
33 designated in State fiscal year 2020, may be issued for principal
34 forgiveness loans for drinking water systems serving communities
35 with a weighted median household income less than the median
36 household income for the State to finance lead service line
37 replacements, wherein principal forgiveness shall not exceed 50
38 percent of the total fund loan amount of: \$2 million per water
39 system for systems with fewer than 1,000 known lead service lines,
40 \$10 million per water system for systems with 1,000 to 5,000
41 known lead service lines, and \$40 million per water system for
42 systems with greater than 5,000 known lead service lines.

43 Loans may be made pursuant to this subsection to the extent
44 there are sufficient eligible project applications and as may be
45 required for the award of the capitalization grants made available to
46 the State for drinking water projects pursuant to the Federal Safe
47 Drinking Water Act. Any such amounts may be reduced by the
48 Commissioner of Environmental Protection pursuant to section 7 of

1 this act, or if a project fails to meet the requirements of section 4 or
2 5 of this act; and

3 (3) Those projects listed in subsections a. and b. of section 3 of
4 this act that were previously identified in P.L.2019, c.193, as
5 amended by P.L.2019, c.514, are granted continued priority status
6 and shall be subject to the provisions of P.L.2019, c.193, as
7 amended by P.L.2019, c.514, provided such projects receive short-
8 term funding prior to June 30, 2020.

9 d. The department is authorized to make zero interest and
10 principal forgiveness financing loans to or on behalf of the project
11 sponsors for the environmental infrastructure projects listed in
12 sections 2 and 3 of this act under the same terms, conditions and
13 requirements set forth in this section from any unexpended balances
14 of the amounts appropriated pursuant to section 1 of P.L.1987,
15 c.200, section 2 of P.L.1988, c.133, section 1 of P.L.1989, c.189,
16 section 1 of P.L.1990, c.99, section 1 of P.L.1991, c.325, section 1
17 of P.L.1992, c.38, section 1 of P.L.1993, c.193, section 1 of
18 P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1 of
19 P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of P.L.1998,
20 c.84, section 2 of P.L.1999, c.174, section 2 of P.L.2000, c.92,
21 sections 1 and 2 of P.L.2001, c.222, sections 1 and 2 of P.L.2002,
22 c.70, sections 1 and 2 of P.L.2003, c.158, sections 1 and 2 of
23 P.L.2004, c.109, sections 1 and 2 of P.L.2005, c.196, sections 1 and
24 2 of P.L.2006, c.68, sections 1 and 2 of P.L.2007, c.139, sections 1
25 and 2 of P.L.2008, c.68, sections 1 and 2 of P.L.2009, c.102,
26 sections 1 and 2 of P.L.2010, c.63, sections 1 and 2 of P.L.2011,
27 c.93, sections 1 and 2 of P.L.2012, c.43, sections 1 and 2 of
28 P.L.2013, c.95, sections 1 and 2 of P.L.2014, c.25, sections 1 and 2
29 of P.L.2015, c.108, sections 1 and 2 of P.L.2016, c.32, as amended
30 by P.L.2017, c.14, sections 1 and 2 of P.L.2017, c.143, as amended
31 by P.L.2017, c.326, sections 1 and 2 of P.L.2018, c.85, as amended
32 by P.L.2018, c.137 and P.L.2019, c.12, and sections 1 and 2 of
33 P.L.2019, c.193, as amended by P.L.2019, c.514, including amounts
34 resulting from the low bid and final building cost reductions
35 authorized pursuant to section 6 of P.L.1987, c.200, section 7 of
36 P.L.1988, c.133, section 6 of P.L.1989, c.189, section 6 of
37 P.L.1990, c.99, section 6 of P.L.1991, c.325, section 6 of P.L.1992,
38 c.38, section 6 of P.L.1993, c.193, section 6 of P.L.1994, c.106,
39 section 6 of P.L.1995, c.219, section 6 of P.L.1996, c.85, section 6
40 of P.L.1997, c.221, section 7 of P.L.1998, c.84, section 6 of
41 P.L.1999, c.174, section 6 of P.L.2000, c.92, section 6 of P.L.2001,
42 c.222, section 6 of P.L.2002, c.70, section 6 of P.L.2003, c.158,
43 section 6 of P.L.2004, c.109, section 6 of P.L.2005, c.196, section 6
44 of P.L.2006, c.68, section 6 of P.L.2007, c.139, section 6 of
45 P.L.2008, c.68, section 7 of P.L.2009, c.102, section 6 of P.L.2010,
46 c.63, section 6 of P.L.2011, c.93, section 6 of P.L.2012, c.43,
47 section 6 of P.L.2013, c.95, section 7 of P.L.2014, c.25, section 7 of
48 P.L.2015, c.108, section 7 of P.L.2016, c.32, as amended by

1 P.L.2017, c.14, section 7 of P.L.2017, c.143 as amended by
2 P.L.2017, c.326, section 7 of P.L.2018, c.85, as amended by
3 P.L.2018, c.137 and P.L.2019, c.12, and section 7 of P.L.2019,
4 c.193, as amended by P.L.2019, c.514, and from any repayments of
5 loans and interest from the Clean Water State Revolving Fund, the
6 "Wastewater Treatment Fund," the "Water Supply Fund," the "1992
7 Wastewater Treatment Fund," the "2003 Water Resources and
8 Wastewater Treatment Fund," and amounts deposited therein during
9 State fiscal year 2019 and State fiscal year 2020 pursuant to the
10 provisions of section 16 of P.L.1985, c.329, and section 2 of
11 P.L.2009, c.77 and any amendatory and supplementary acts thereto,
12 including any Clean Water State Revolving Fund Accounts
13 contained within the "Wastewater Treatment Fund," and from any
14 repayment of loans and interest from the Drinking Water State
15 Revolving Fund.

16 e. The department is authorized to make zero interest and
17 principal forgiveness Sandy financing loans to or on behalf of the
18 project sponsors for the Sandy environmental infrastructure projects
19 listed in subsection a. of section 3 of this act for clean water
20 projects, in a manner consistent with the Federal Disaster Relief
21 Appropriations Act, up to the individual amounts indicated, except
22 that any such amount may be reduced by the Commissioner of
23 Environmental Protection pursuant to section 7 of this act, or if a
24 project fails to meet the requirements of section 4, 5, or 7 of this
25 act, provided a maximum of \$300 million shall be provided for
26 Sandy financing loans for clean water projects to provide financial
27 assistance to communities affected by the Storm Sandy, and for
28 projects whose purpose is to reduce flood damage risk and
29 vulnerability or to enhance resiliency to rapid hydrologic change or
30 a natural disaster.

31 f. For the purposes of this act:

32 "Base financing" means zero interest loans provided by the
33 Department of Environmental Protection from moneys made
34 available for the purposes of this act from any source other than
35 funds received pursuant to the Federal Disaster Relief
36 Appropriations Act, related State matching funds, and interest
37 earned thereon.

38 "Federal Disaster Relief Appropriations Act" means the
39 "Disaster Relief Appropriations, 2013," Pub.L.113-2, and any
40 amendatory and supplementary acts thereto.

41 "Sandy financing" or "Sandy funding" means grants, zero
42 interest loans or principal forgiveness loans provided by the
43 Department of Environmental Protection from funds made available
44 to the State for clean water projects or clean water project match,
45 pursuant to the Federal Disaster Relief Appropriations Act.

46
47 2. a. (1) The department is authorized to expend funds for
48 the purpose of making supplemental zero interest loans to or on

1 behalf of the project sponsors listed below for the following clean
2 water environmental infrastructure projects:
3

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Loan Amount
Elizabeth City	S340942-19R	\$206,250	\$275,000
Ocean Twp. SA	S340750-14R	\$750,000	\$1,000,000
Paterson City	S340850-03-1	\$1,800,000	\$2,400,000
Rockaway Valley RSA	S340821-06-1	\$581,250	\$775,000
Somerville Borough	S342013-01-1	\$1,387,500	\$1,850,000
Total Projects: 5		\$4,725,000	\$6,300,000

4
5 (2) The loans authorized in this subsection shall be made for the
6 difference between the allowable loan amounts required by these
7 projects based upon final building costs pursuant to section 7 of this
8 act and the loan amounts certified by the Commissioner of
9 Environmental Protection in State fiscal years 2008, 2019, and 2020
10 and for increased allowable costs as defined and determined in
11 accordance with the rules and regulations adopted by the
12 department pursuant to section 4 of P.L.1985, c.329. The loans
13 authorized in this subsection shall be made to or on behalf of the
14 project sponsors listed, up to the individual amounts indicated and
15 in the priority stated, to the extent sufficient funds are available,
16 except as a project fails to meet the requirements of section 4, 5, or
17 7 of this act.

18 (3) The zero interest loans for the projects authorized in this
19 subsection shall have priority over projects listed in subsection a. of
20 section 3 of this act.

21 b. (1) The Department of Environmental Protection is
22 authorized to expend funds for the purpose of making supplemental
23 loans to or on behalf of the project sponsors listed below for the
24 following drinking water environmental infrastructure projects:

25

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Loan Amount
Newark City	0714001-016R	\$1,275,000	\$1,700,000
North Jersey District Water Supply Comm.	1613001-025R	\$19,125,000	\$25,500,000

Total Projects: 2		\$20,400,000	\$27,200,000
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1
2 (2) The loans authorized in this subsection shall be made for the
3 difference between the allowable loan amount required by these
4 projects based upon final building costs pursuant to section 7 of this
5 act and the loan amounts certified by the Commissioner of
6 Environmental Protection in State fiscal year 2020 and for increased
7 allowable costs as defined and determined in accordance with the
8 rules and regulations adopted by the department pursuant to section
9 5 of P.L.1981, c.261. The loans authorized in this subsection shall
10 be made to or on behalf of the project sponsors listed, up to the
11 individual amounts indicated and in the priority stated, to the extent
12 sufficient funds are available, except as a project fails to meet the
13 requirements of section 4, 5, or 7 of this act.

14 (3) The zero interest loans for the projects authorized in this
15 subsection shall have priority over projects listed in subsection b. of
16 section 3 of this act.

17 c. The Department of Environmental Protection is authorized
18 to adjust the allowable Department of Environmental Protection
19 loan amount for projects authorized in this section to between zero
20 percent and 100 percent of the total allowable loan amount, and, if
21 the Department of Environmental Protection loan amount is
22 adjusted to 100 percent of the total allowable loan amount, the loan
23 shall be provided pursuant to the terms and conditions of the
24 financing program year in which the trust issued an interim
25 financing program loan for the project or, in the absence of an
26 interim financing program loan, the terms and conditions of the
27 State fiscal year 2021 financing program.

28
29 3. a. (1) The following environmental infrastructure projects
30 shall be known and may be cited as the “Storm Sandy and State
31 Fiscal Year 2021 Clean Water Project Eligibility List”:
32

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Loan Amount
Camden County MUA	S340640-17	\$2,625,000	\$3,500,000
Camden County MUA	S340640-24	\$4,875,000	\$6,500,000
Rahway Valley SA	S340547-14	\$7,125,000	\$9,500,000
Rahway Valley SA	S340547-15	\$1,941,389	\$2,588,518
Camden County MUA	S340640-22	\$2,625,000	\$3,500,000
Camden County MUA	S340640-23	\$4,200,000	\$5,600,000

Newark City	S340815-28	\$4,500,000	\$6,000,000
Camden County MUA	S340640-16	\$9,975,000	\$13,300,000
Newark City	S340815-24	\$15,750,000	\$21,000,000
Camden City	S340366-15	\$9,997,500	\$13,330,000
Camden County MUA	S340640-18	\$63,022,500	\$84,030,000
North Bergen MUA	S340652-14	\$17,250,000	\$23,000,000
Jersey City MUA	S340928-15	\$30,750,000	\$41,000,000
Jersey City MUA	S340928-20	\$5,400,000	\$7,200,000
Jersey City MUA	S340928-21	\$9,750,000	\$13,000,000
Jersey City MUA	S340928-28	\$2,025,000	\$2,700,000
Jersey City MUA	S340928-31	\$8,294,700	\$11,059,600
Jersey City MUA	S340928-34	\$885,885	\$1,181,180
Elizabeth City	S340942-17	\$4,875,000	\$6,500,000
Camden County MUA	S340640-13	\$9,600,000	\$12,800,000
Long Branch SA	S340336-08	\$1,305,525	\$1,740,700
Ocean County UA	S340372-62	\$3,225,000	\$4,300,000
Ocean County UA	S340372-59	\$5,715,000	\$7,620,000
Hoboken City	S340635-07	\$3,750,000	\$5,000,000
Hoboken City	S340635-09	\$375,000	\$500,000
Mount Laurel Twp. MUA	S340943-06	\$6,000,000	\$8,000,000
Jersey City	S340928-30	\$2,033,250	\$2,711,000
North Hudson SA	S340952-30	\$17,400,000	\$23,200,000
North Hudson SA	S345190-01	\$4,500,000	\$6,000,000
Riverside SA	S340490-01	\$630,000	\$840,000
Perth Amboy City	S340435-11	\$4,844,513	\$6,459,351
Perth Amboy City	S340435-14	\$1,956,000	\$2,608,000
Perth Amboy City	S345220-01	\$750,000	\$1,000,000
Hackensack City	S340923-14	\$6,000,000	\$8,000,000
Somerset Raritan Valley SA	S340801-09	\$4,875,000	\$6,500,000

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Passaic Valley SC	S340689-48	\$675,308	\$900,410
Passaic Valley SC	S340689-38	\$15,750,000	\$21,000,000
Passaic Valley SC	S345200-01	\$6,000,000	\$8,000,000
Passaic Valley SC	S345200-02	\$1,500,000	\$2,000,000
Passaic Valley SC	S340689-30	\$2,775,000	\$3,700,000
Passaic Valley SC	S340689-32	\$7,500,000	\$10,000,000
Northwest Bergen County UA	S340700-16	\$3,675,000	\$4,900,000
Bergen County UA	S340386-21	\$5,700,000	\$7,600,000
Linden Roselle SA	S340299-09	\$1,575,000	\$2,100,000
Linden Roselle SA	S340299-08	\$12,750,000	\$17,000,000
Lambertville MUA	S340882-09	\$1,350,000	\$1,800,000
Raritan Twp. MUA	S340485-12	\$3,675,000	\$4,900,000
Clinton Town	S340924-08	\$3,075,000	\$4,100,000
Gloucester County UA	S340902-15	\$8,625,000	\$11,500,000
Stafford Twp.	S344100-03	\$4,200,000	\$5,600,000
Allentown Borough	S340567-05	\$3,825,000	\$5,100,000
JMEUC - East Orange City	S340686-09a	\$465,378	\$620,504
JMEUC - Elizabeth City	S340686-09b	\$4,879,407	\$6,505,876
JMEUC - Hillside Twp.	S340686-09c	\$681,323	\$908,430
JMEUC - Irvington Twp.	S340686-09d	\$1,689,260	\$2,252,347
JMEUC - Newark City	S340686-09e	\$1,022,282	\$1,363,042
JMEUC - South Orange Village Twp.	S340686-09f	\$488,105	\$650,806
JMEUC - Summit City	S340686-09g	\$889,742	\$1,186,322
JMEUC - Union Twp.	S340686-09h	\$1,837,001	\$2,449,335
JMEUC - West Orange Twp.	S340686-09i	\$1,189,072	\$1,585,429
Howell Twp.	S344040-02	\$11,010,000	\$14,680,000
Ocean County	S344080-10	\$187,500	\$250,000
Ocean County	S344080-11	\$262,500	\$350,000

Rockaway Valley RSA	S340821-07	\$6,150,000	\$8,200,000
Ocean County	S344080-09	\$975,000	\$1,300,000
Western Monmouth UA	S340128-06	\$9,825,000	\$13,100,000
Chatham (MCJM) Borough	S340715-07A	\$2,250,000	\$3,000,000
Madison (MCJM) Borough	S340715-07B	\$3,750,000	\$5,000,000
Point Pleasant Beach Borough	S344190-02	\$2,362,500	\$3,150,000
Long Branch SA	S340336-09	\$4,200,000	\$5,600,000
Manasquan River RSA	S340911-03	\$495,000	\$660,000
Delran Twp.	S340794-10	\$1,575,000	\$2,100,000
Middlesex County UA	S340699-14	\$8,250,000	\$11,000,000
Monmouth County Bayshore Outfall Authority	S340325-04	\$2,625,000	\$3,500,000
Ocean County UA	S340372-60	\$652,500	\$870,000
Brick Twp. MUA	S340448-11	\$4,275,000	\$5,700,000
Northwest Bergen County UA	S340700-15	\$5,250,000	\$7,000,000
Northwest Bergen County UA	S340700-18	\$1,500,000	\$2,000,000
Northwest Bergen County UA	S340700-19	\$6,099,338	\$8,132,450
Western Monmouth UA	S340128-05	\$5,887,500	\$7,850,000
Old Bridge MUA	S340945-14	\$2,700,000	\$3,600,000
Franklin Twp. SA	S340839-08	\$3,150,000	\$4,200,000
Evesham MUA	S340838-07	\$1,200,000	\$1,600,000
Winslow Twp.	S340895-10	\$1,275,000	\$1,700,000
Ocean Twp. SA	S340750-12	\$3,375,000	\$4,500,000
Vernon Twp.	S340745-03	\$82,500	\$110,000
Scotch Plains Twp.	S340512-01	\$2,025,000	\$2,700,000
West Deptford Twp.	S340947-05	\$1,061,250	\$1,415,000
Princeton	S340656-11	\$2,944,259	\$3,925,678
Warren Twp. SA	S340964-05	\$8,100,000	\$10,800,000
Middlesex Borough	S340698-02	\$1,926,563	\$2,568,750

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Red Bank Borough	S340528-01	\$1,125,000	\$1,500,000
North Haledon Borough	S340229-02	\$75,000	\$100,000
Glen Ridge Borough	S340861-03	\$334,387	\$445,849
Glen Ridge Borough	S340861-04	\$1,725,000	\$2,300,000
Emerson Borough	S340497-01	\$75,000	\$100,000
Bradley Beach Borough	S340472-01	\$2,025,000	\$2,700,000
Lambertville MUA	S340882-10	\$525,000	\$700,000
Hamburg Borough	S340149-03	\$75,000	\$100,000
Long Beach Twp.	S340023-07	\$3,450,000	\$4,600,000
Long Beach Twp.	S340023-08	\$90,000	\$120,000
Passaic Valley SC	S340689-45	\$7,657,577	\$10,210,102
Lakewood Twp. MUA	S340465-02	\$3,240,000	\$4,320,000
Cumberland County	S340438-03	\$12,750,000	\$17,000,000
Cranford Twp.	S340858-04	\$9,000,000	\$12,000,000
Gloucester Twp.	S340364-11	\$712,500	\$950,000
Gloucester Twp.	S340364-15	\$1,087,500	\$1,450,000
Spotswood Borough	S340510-01	\$4,070,250	\$5,427,000
Paulsboro Borough	S340164-01	\$2,062,500	\$2,750,000
North Hudson SA	S340952-36	\$675,000	\$900,000
Clinton Town	S340924-07	\$600,000	\$800,000
Sussex County MUA	S342008-04	\$5,552,370	\$7,403,160
Kearny Town	S340259-12	\$16,125,000	\$21,500,000
Burlington City	S340140-02	\$1,950,000	\$2,600,000
Willingboro MUA	S340132-11	\$7,500,000	\$10,000,000
Lakewood Twp. MUA	S340465-03	\$1,312,500	\$1,750,000
Bloomfield Twp.	S340516-01	\$5,423,228	\$7,230,970
Brick Twp. MUA	S340448-14	\$1,500,000	\$2,000,000
North Brunswick Twp.	S340888-02	\$6,000,000	\$8,000,000
Manchester Twp.	S340650-08	\$2,250,000	\$3,000,000

Point Pleasant Beach Borough	S340479-04	\$1,447,500	\$1,930,000
Allentown Borough	S340567-06	\$498,704	\$664,938
Ship Bottom Borough	S340311-04	\$2,062,500	\$2,750,000
Total Projects: 123		\$583,016,066	\$777,354,747

(2) The Department of Environmental Protection is authorized to make clean water project loans to the following municipalities receiving funding from the “Pinelands Infrastructure Trust Fund,” established pursuant to section 14 of the “Pinelands Infrastructure Trust Bond Act of 1985,” P.L.1985, c.302:

Project Sponsor	Project Number	Estimated Total Loan Amount
Pemberton Twp.	Pinelands 1	\$2,929,000
Manchester Twp./ Jackson MUA	Pinelands 2	\$7,192,035
Galloway Twp.	Pinelands 4	\$3,493,440
Winslow Twp.	Pinelands 5	\$1,728,940
Total Pinelands Projects: 4		\$15,343,415

b. The following environmental infrastructure projects shall be known and may be cited as the “State Fiscal Year 2021 Drinking Water Project Eligibility List”:

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Loan Amount
Newark City	0714001-020	\$13,125,000	\$17,500,000
Newark City	0714001-019	\$9,375,000	\$12,500,000
Trenton City	1111001-011	\$15,255,000	\$20,340,000
Bloomfield Twp.	0702001-003	\$823,796	\$1,098,395
NJ American Water Co., Inc.	1345001-017	\$7,575,000	\$10,100,000
Burlington City	0305001-002	\$2,700,000	\$3,600,000
Moorestown Twp.	0322001-001	\$18,468,750	\$24,625,000
Brick Twp. MUA	1506001-011	\$15,667,500	\$20,890,000
East Greenwich	0803001-004	\$1,950,000	\$2,600,000

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Jersey City MUA	0906001-017	\$1,305,180	\$1,740,240
Newark City	0714001-018	\$3,862,500	\$5,150,000
Jersey City MUA	0906001-019	\$5,025,000	\$6,700,000
NJ American Water Co., Inc.	1345001-021	\$19,758,750	\$26,345,000
Manchester Twp.	1518005-002	\$4,125,000	\$5,500,000
Paulsboro Borough	0814001-003	\$2,100,000	\$2,800,000
Jersey City MUA	0906001-009	\$2,077,500	\$2,770,000
Middlesex Water Co.	1225001-028	\$8,400,000	\$11,200,000
Hoboken City	0905001-002	\$6,000,000	\$8,000,000
Wall Twp.	1352003-001	\$1,350,000	\$1,800,000
Wall Twp.	1352003-002	\$2,775,000	\$3,700,000
Clinton Town	1005001-010	\$1,086,140	\$1,448,187
Clinton Town	1005001-011	\$949,355	\$1,265,807
Spotswood Borough	1224001-001	\$2,582,936	\$3,443,914
Glen Ridge Borough	0708001-008	\$1,929,908	\$2,573,210
Jersey City MUA	0906001-020	\$4,965,000	\$6,620,000
Jersey City MUA	0906001-021	\$8,250,000	\$11,000,000
Jackson Twp. MUA	1511001-013	\$15,000,000	\$20,000,000
Berkeley Twp. MUA	1505004-009	\$1,875,000	\$2,500,000
Jersey City MUA	0906001-015	\$2,691,950	\$3,589,266
Hoboken City	0905001-001	\$6,375,000	\$8,500,000
Middlesex Water Co.	1225001-025	\$42,750,000	\$57,000,000
Evesham MUA	0313001-001	\$1,950,000	\$2,600,000
Brick Twp. MUA	1506001-009	\$4,446,570	\$5,928,760
Clinton Town	1005001-012	\$2,625,000	\$3,500,000
Milltown Borough	1212001-005	\$1,350,000	\$1,800,000
NJ American Water Co., Inc.	2004002-013	\$12,000,000	\$16,000,000
Jackson Twp. MUA	1511001-012	\$8,250,000	\$11,000,000
Hampton Borough	1013001-001	\$1,350,000	\$1,800,000

Little Egg Harbor MUA	1516001-003	\$4,143,750	\$5,525,000
National Park Borough	0812001-004	\$1,275,000	\$1,700,000
Hopatcong Borough	1912001-004	\$75,000	\$100,000
Hamburg Borough	1909001-001	\$63,750	\$85,000
Highbridge Borough	1014001-001	\$75,000	\$100,000
Hardyston MUA	1911006-003	\$75,000	\$100,000
Total Projects: 44		\$267,853,335	\$357,137,779

1
2 c. The Department of Environmental Protection is authorized
3 to adjust the allowable Department of Environmental Protection
4 loan amount for projects authorized in this section to between zero
5 percent and 100 percent of the total allowable loan amount, and, if
6 the Department of Environmental Protection loan amount is
7 adjusted to 100 percent of the total allowable loan amount, the loan
8 shall be provided pursuant to the terms and conditions of the
9 financing program year in which the trust issued an interim
10 financing program loan for the project or, in the absence of an
11 interim financing program loan, the terms and conditions of the
12 State fiscal year 2021 financing program.

13
14 4. Any financing loan made by the Department of
15 Environmental Protection pursuant to this act shall be subject to the
16 following requirements:

17 a. The Commissioner Environmental Protection has certified
18 that the project is in compliance with the provisions of P.L.1977,
19 c.224, P.L.1985, c.329, P.L.1992, c.88, P.L.1997, c.223, P.L.1997,
20 c.225, or P.L.2003, c.162, and any rules and regulations adopted
21 pursuant thereto;

22 b. A loan for an environmental infrastructure project listed in
23 section 2 or 3 of this act shall be subject to the terms and conditions
24 of the financing program year in which the trust issued an interim
25 financing program loan for the project or, in the absence of an
26 interim financing program loan, the terms and conditions of the
27 State fiscal year 2021 financing program;

28 c. Notwithstanding the provisions of sections 2 and 3 of this
29 act, the Department of Environmental Protection allowable loan
30 amount may be 100 percent of the total allowable loan amount for:

31 (1) clean water project and drinking water project loans to (a)
32 municipalities that do not satisfy the New Jersey Infrastructure
33 Bank credit policy but are subject to State financial supervision and
34 oversight pursuant to the “Local Government Supervision Act
35 (1947),” P.L.1947, c.151 (C.52:27BB-1 et seq.), or (b) municipal,
36 county, or regional sewerage authorities, or utilities authorities, that

1 do not satisfy the New Jersey Infrastructure Bank credit policy but
2 where the municipal participant through its service agreement with
3 the authority or utility is under State financial supervision and
4 oversight pursuant to the “Local Government Supervision Act
5 (1947),” P.L.1947, c.151 (C.52:27BB-1 et seq.), and the repayment
6 obligation of the authority or utility is secured by the full faith and
7 credit of the participating municipality pursuant to the service
8 agreement; and

9 (2) clean water and drinking water loans to municipalities
10 receiving funding under the United States Department of Housing
11 and Urban Development Community Development Block Grant –
12 Disaster Recovery Program (CDBG-DR);

13 d. With the exception of a loan for which the Department of
14 Environmental Protection issues 100 percent of the loan amount
15 pursuant to subsection b. of section 2, subsection c. of section 3,
16 and subsection c. of this section, the loan shall be conditioned upon
17 approval of a loan from the New Jersey Infrastructure Bank
18 pursuant to P.L. , c. (pending before the Legislature as Senate
19 Bill No. 2498 of 2020 and Assembly Bill No. of 2020), prior to
20 June 30, 2021;

21 e. The loan shall be repaid within a period not to exceed 30
22 years, or 45 years for combined sewer overflow abatement projects,
23 of the making of the loan; and

24 f. The loan shall be subject to any other terms and conditions
25 as may be established by the commissioner and approved by the
26 State Treasurer, which may include, notwithstanding any other
27 provision of law to the contrary, subordination of a loan authorized
28 in this act to loans made by the New Jersey Infrastructure Bank
29 pursuant to P.L. , c. (pending before the Legislature as Senate
30 Bill No. 2498 of 2020 and Assembly Bill No. of 2020), or to
31 administrative fees payable to the trust pursuant to subsection o. of
32 section 5 of P.L.1985, c.334 (C.58:11B-5).

33

34 5. Any Sandy financing loan made by the Department of
35 Environmental Protection pursuant to this act shall be subject to the
36 following requirements:

37 a. The commissioner has certified that the project is in
38 compliance with the provisions of Title X, Chapter 7 of the Federal
39 Disaster Relief Appropriations Act;

40 b. The commissioner has certified that the project is in
41 compliance with the provisions of P.L.1977, c.224, P.L.1985, c.329,
42 P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.225 or P.L.2003,
43 c.162, and any rules and regulations adopted pursuant thereto; and

44 c. The loan shall be subject to any other terms and conditions
45 as may be established by the commissioner and approved by the
46 State Treasurer, which may include, notwithstanding any other
47 provision of law to the contrary, subordination of a loan authorized
48 in this act to loans made by the trust pursuant to P.L. , c.

1 (pending before the Legislature as Senate Bill No. 2498 of 2020 and
2 Assembly Bill No. of 2020) prior to June 30, 2021, or to
3 administrative fees payable to the trust pursuant to subsection o. of
4 section 5 of P.L.1985, c.334 (C.58:11B-5).

5
6 6. The eligibility lists and authorization for the making of loans
7 pursuant to sections 2 and 3 of this act shall expire on July 1, 2021,
8 and any project sponsor which has not executed and delivered a
9 loan agreement with the department for a loan authorized in this act
10 shall no longer be entitled to that loan.

11
12 7. The Commissioner of Environmental Protection is
13 authorized to reduce or increase the individual amount of loan funds
14 made available to or on behalf of project sponsors pursuant to
15 sections 2 and 3 of this act based upon final or low bid building
16 costs defined in and determined in accordance with rules and
17 regulations adopted by the commissioner pursuant to section 4 of
18 P.L.1985, c.329, section 2 of P.L.1999, c.362 (C.58:12A-12.2), or
19 section 5 of P.L.1981, c.261, provided that the total loan amount
20 does not exceed the estimated total allowable loan amount. The
21 commissioner is authorized to reduce or increase the individual
22 amount of loan funds made available to or on behalf of project
23 sponsors pursuant to sections 2 and 3 of this act in an amount not to
24 exceed 10 percent of the total allowable loan amount based upon
25 additional project costs to comply with the Department of
26 Environmental Protection's guidance for asset management,
27 emergency response, flood protection, and auxiliary power.

28
29 8. The expenditure of the funds appropriated by this act is
30 subject to the provisions and conditions of P.L.1977, c.224,
31 P.L.1985, c.302, P.L.1985, c.329, P.L.1989, c.181, P.L.1992, c.88,
32 P.L.1997, c.223, P.L.1997, c.225 or P.L.2003, c.162, and the rules
33 and regulations adopted by the Commissioner of Environmental
34 Protection pursuant thereto, and the provisions of the Federal
35 Disaster Relief Appropriations Act, the Federal Clean Water Act,
36 and the Federal Safe Drinking Water Act, and any amendatory and
37 supplementary acts thereto.

38
39 9. The Department of Environmental Protection shall provide
40 general technical assistance to any project sponsor requesting
41 assistance regarding environmental infrastructure project
42 development or applications for funds for a project.

43
44 10. a. Prior to repayment to the Clean Water State Revolving
45 Fund pursuant to sections 1 and 2 of P.L.2009, c.77 and any
46 amendatory and supplementary acts thereto, prior to repayment to
47 the "Wastewater Treatment Fund" pursuant to the provisions of
48 section 16 of P.L.1985, c.329, prior to repayment to the "1992

1 Wastewater Treatment Fund” pursuant to the provisions of section
2 28 of P.L.1992, c.88, prior to repayment to the Drinking Water
3 State Revolving Fund, prior to repayment to the “Stormwater
4 Management and Combined Sewer Overflow Abatement Fund”
5 pursuant to the provisions of section 15 of P.L.1989, c.181, prior to
6 repayment to the “2003 Water Resources and Wastewater
7 Treatment Fund” pursuant to the provisions of section 20 of
8 P.L.2003, c.162, prior to repayment to the “Water Supply Fund”
9 pursuant to the provisions of section 15 of P.L.1981, c.261, or prior
10 to the repayment to the “Pinelands Infrastructure Trust Fund”
11 pursuant to the provisions of section 5 of P.L.1985, c.302,
12 repayments of loans made pursuant to these acts may be utilized by
13 the New Jersey Infrastructure Bank established pursuant to
14 P.L.1985, c.334 (C.58:11B-1 et seq.), as amended and
15 supplemented by P.L.1997, c.224, under terms and conditions
16 established by the commissioner and trust, approved by the State
17 Treasurer, and consistent with the provisions of P.L.1985, c.334
18 (C.58:11B-1 et seq.) and federal tax, environmental or securities
19 law, to the extent necessary to secure repayment of trust bonds
20 issued to finance loans approved pursuant to P.L. c. (pending
21 before the Legislature as Senate Bill No. 2498 of 2020 and
22 Assembly Bill No. of 2020), and to secure the administrative fees
23 payable to the trust pursuant to subsection o. of section 5 of
24 P.L.1985, c.334 (C.58:11B-5) by the project sponsors receiving
25 trust loans.

26 b. Prior to repayment to the Clean Water State Revolving Fund
27 pursuant to section 1 and 2 of P.L.2009, c.77 and any amendatory
28 and supplementary acts thereto, prior to repayment to the
29 “Wastewater Treatment Fund” pursuant to the provisions of section
30 16 of P.L.1985, c.329, prior to repayment to the “1992 Wastewater
31 Treatment Fund” pursuant to the provisions of section 28 of
32 P.L.1992, c.88, prior to repayment to the “Water Supply Fund”
33 pursuant to the provisions of section 15 of P.L.1981, c.261, prior to
34 repayment to the Drinking Water State Revolving Fund, prior to
35 repayment to the “2003 Water Resources and Wastewater
36 Treatment Fund” pursuant to the provisions of section 20 of
37 P.L.2003, c.162, prior to repayment to the “Stormwater
38 Management and Combined Sewer Overflow Abatement Fund”
39 pursuant to the provisions of section 15 of P.L.1989, c.181, or prior
40 to repayment to the “Pinelands Infrastructure Trust Fund” pursuant
41 to the provisions of section 5 of P.L.1985, c.302, the trust is further
42 authorized to utilize repayments of loans made pursuant to
43 P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38,
44 P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85,
45 P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92,
46 P.L.2001, c.222, P.L.2002, c.70, P.L.2003, c.158, P.L.2004, c.109,
47 P.L.2005, c.196, P.L.2006, c.68, P.L.2007, c.139, P.L.2008, c.68,
48 P.L.2009, c.102, P.L.2010, c.63, P.L.2011, c.93, P.L.2012, c.43,

1 P.L.2013, c.95, P.L.2014, c.25, P.L.2015, c.108, P.L.2016, c.32,
2 P.L.2017, c.143, as amended by P.L.2017, c.326, P.L.2018, c.85, as
3 amended by P.L.2018, c.137, P.L.2019, c.12, P.L.2019, c.193, as
4 amended by P.L.2019, c.514, or P.L. , c. (pending before the
5 Legislature as this bill) to secure repayment of trust bonds issued to
6 finance loans approved pursuant to P.L.1995, c.218, P.L.1996, c.87,
7 P.L.1997, c.222, P.L.1998, c.85, P.L.1999, c.173, P.L.2000, c.93,
8 P.L.2001, c.224, P.L.2002, c.71, P.L.2003, c.159, P.L.2004, c.110,
9 P.L.2005, c.197, P.L.2006, c.67, P.L.2007, c.140, P.L.2008, c.67,
10 P.L.2009, c.101, P.L.2010, c.62, P.L.2011, c.95, P.L.2012, c.38,
11 P.L.2013, c.94, P.L.2014, c.26, P.L.2015, c.107, P.L.2016, c.31,
12 P.L.2017, c.142, as amended by P.L.2017, c.327, P.L.2018, c.84, as
13 amended by P.L.2019, c.30, P.L.2019, c.192, as amended by P.L.2019,
14 c.515, or P.L. , c. (pending before the Legislature as Senate Bill
15 No. 2498 of 2020 and Assembly Bill No. of 2020), and to secure the
16 administrative fees payable to the trust under these loans pursuant
17 to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5).

18 c. To the extent that any loan repayment sums are used to
19 satisfy any trust bond repayment or administrative fee payment
20 deficiencies, the trust shall repay such sums to the department for
21 deposit into the Clean Water State Revolving Fund, the
22 “Wastewater Treatment Fund,” the “1992 Wastewater Treatment
23 Fund,” the “Water Supply Fund,” the Drinking Water State
24 Revolving Fund, the “2003 Water Resources and Wastewater
25 Treatment Fund,” the “Stormwater Management and Combined
26 Sewer Overflow Abatement Fund,” or the “Pinelands Infrastructure
27 Trust Fund,” as appropriate, from amounts received by or on behalf
28 of the trust from project sponsors causing any such deficiency.
29

30 11. The Commissioner of Environmental Protection is
31 authorized to enter into capitalization grant agreements as may be
32 required pursuant to the Federal Disaster Relief Appropriations Act,
33 the Federal Clean Water Act, or the Federal Safe Drinking Water
34 Act.
35

36 12. There is appropriated to the New Jersey Infrastructure Bank
37 established pursuant to P.L.1985, c.334 (C.58:11B 1 et seq.) from
38 repayments of loans and interest deposited in any account, on or
39 before June 30, 2021 , including the “Clean Water State Revolving
40 Fund,” the “1992 Wastewater Treatment Fund,” the “Water Supply
41 Fund,” the “Stormwater Management and Combined Sewer
42 Overflow Abatement Fund,” the “2003 Water Resources and
43 Wastewater Treatment Fund,” or the Drinking Water State
44 Revolving Fund, as appropriate, and from any net earnings received
45 from the investment and reinvestment of such deposits, such sums
46 as the chairperson or secretary of the trust shall certify to the
47 Commissioner of Environmental Protection to be necessary and
48 appropriate for deposit into one or more reserve funds or accounts

1 established by the trust pursuant to section 11 of P.L.1985, c.334
2 (C.58:11B-11).

3
4 13. There is appropriated to the New Jersey Infrastructure Bank
5 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), funds
6 from the Federal Disaster Relief Appropriations Act deposited in
7 any account including the Clean Water State Revolving Fund, the
8 "Water Supply Fund," or the Drinking Water State Revolving Fund,
9 as appropriate, and from any net earnings received from the
10 investment and reinvestment of such deposits, such sums as the
11 chairperson of the trust certifies to the Commissioner of
12 Environmental Protection to be necessary and appropriate for
13 deposit into one or more reserve funds or accounts established by
14 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

15
16 14. This act shall take effect immediately.

17
18
19 STATEMENT

20
21 This bill appropriates certain federal and State moneys to the
22 Department of Environmental Protection (DEP) for the purpose of
23 implementing the State Fiscal Year 2021 New Jersey
24 Environmental Infrastructure Financing Program (NJEIFP), which
25 is expected to finance approximately \$1.167 billion in Storm Sandy
26 and other environmental infrastructure projects for State Fiscal Year
27 2021.

28 Under the bill, approximately \$10 million will be available for
29 principal forgiveness loans of up to \$2 million per borrower for
30 water quality restoration projects. For these projects, 50 percent of
31 the fund loan will be forgiven, 25 percent of the loan will be a zero-
32 interest rate fund loan, and 25 percent of the loan will be a New
33 Jersey Infrastructure Bank ("trust") market rate loan. For project
34 costs greater than \$4 million up to \$10 million, 75 percent of the
35 loan will be a zero-interest rate fund loan and 25 percent of the loan
36 will be a trust market rate loan. For project costs greater than \$10
37 million, 50 percent of the loan would be a zero interest rate fund
38 loan and 50 percent would be a trust market rate loan. In addition, a
39 maximum of \$15 million in principal forgiveness loans up to \$4
40 million per borrower will be allocated to communities sponsoring
41 construction projects that reduce or eliminate discharges from
42 combined sewer overflow (CSO) outfalls. For these CSO projects,
43 50 percent of the fund loan will be forgiven, 25 percent of the loan
44 will be a zero-interest rate fund loan, and 25 percent of the loan will
45 be a trust market rate loan. For project costs greater than \$4 million
46 up to \$10 million, 75 percent of the loan will be a zero-interest rate
47 fund loan and 25 percent of the loan will be a trust market rate loan.
48 For project costs greater than \$10 million, 50 percent of the loan is

1 a zero interest rate fund loan and 50 percent of the loan is a trust
2 market rate loan. Principal forgiveness will be available to the
3 highest ranked CSO projects and will be awarded according to the
4 DEP's ranking methodology based on each project's relative water
5 quality benefit and project readiness.

6 To the extent funds are available, a maximum of \$500,000 in
7 principal forgiveness loans will be available to finance the
8 development of asset management plans for systems serving
9 populations up to 10,000 residents, of which 100 percent will be
10 subject to principal forgiveness in an amount not to exceed
11 \$100,000 per project sponsor.

12 Approximately \$4 million in principal forgiveness loans will be
13 available to drinking water systems for improvements to water
14 supply systems serving populations of up to 10,000 people, in an
15 amount not to exceed \$500,000, and may not exceed 50 percent of
16 the total loan amount per project sponsor in an amount not to
17 exceed \$1 million per project sponsor. Loans for systems serving
18 500 or fewer residents would be given highest priority. To the
19 extent funds are available, a maximum of \$10 million of principal
20 forgiveness loans will be available for drinking water systems
21 serving communities with a population of up to 1,000 residents for
22 corrosion control treatment and lead service line replacement. The
23 amount of a principal forgiveness loan would not exceed 90 percent
24 of the total fund loan amount of \$1 million per project sponsor for
25 systems. Approximately \$103 million of principal forgiveness
26 loans will be issued for drinking water systems serving
27 communities with a weighted median household income less than
28 the median household income for the State for lead service line
29 replacement. The amount of principal forgiveness would not
30 exceed 50 percent of the total fund loan amount of: \$2 million per
31 water system for systems with less than 1,000 known lead service
32 lines, \$10 million per system for systems with between 1,001 and
33 5,000 known lead service lines, and \$40 million per system for
34 systems with greater than 5,000 known lead service lines.

35 Disaster Relief Emergency Financing Program loans will
36 continue to be available for short-term financing for projects to
37 repair or improve the resiliency of environmental infrastructure
38 systems adversely impacted by Storm Sandy. The source of funds
39 for such loans is currently repayments of prior NJEIFP loans and
40 trust operating funds, but private bank financing for such loans may
41 be used as the need arises. Finally, short-term Interim Financing
42 Program (IFP) loans will be available for projects approved to
43 receive long-term financing. IFP loans will be available upon
44 project certification by the DEP, and satisfaction of financial
45 eligibility requirements. The loans will finance costs disbursed
46 prior to long-term financing. The source of funds for such loans
47 include prior capitalization grants, NJEIFP loan repayments, prior
48 State bond acts, and interest earnings thereon.

1 The DEP would use the funds appropriated under this bill to
2 make zero-interest loans to local governments and privately-owned
3 water companies (project sponsors) for between zero percent and
4 100 percent of project costs totaling: (1) \$777.35 million for new
5 clean water projects included in the "Storm Sandy and State Fiscal
6 Year 2021 Clean Water Project Eligibility List," and \$6.3 million
7 for five clean water projects that had previously received a loan and
8 require supplemental loans, subject to the availability of funds; and
9 (2) \$357.14 million for new drinking water projects included in the
10 "State Fiscal Year 2021 Drinking Water Project Eligibility List,"
11 and \$27.2 million for drinking water projects that require
12 supplemental loans. The supplemental loan constitutes the
13 difference between the allowable loan amount required by the
14 project and the loan amount certified by the Commissioner of
15 Environmental Protection in the State Fiscal Year in which the
16 project was originally certified and funded for any increased
17 allowable costs.

18 The bill authorizes the DEP to issue loans up to 100 percent of
19 the total allowable loan amount: (1) for clean water loans to
20 municipalities that do not satisfy the trust credit policy, but are
21 subject to State financial supervision and oversight pursuant to the
22 "Local Government Supervision Act (1947)," P.L.1947, c.151
23 (C.52:27BB-1 et seq.); (2) for clean water and drinking water loans
24 to county or regional sewerage or utility authorities that do not
25 satisfy the trust's credit policy, but where the municipal participant
26 via its service agreement with the authority is under State financial
27 supervision and oversight pursuant to the "Local Government
28 Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.)
29 and the repayment obligation of the authority remains secured by
30 the full faith and credit of the participating municipality pursuant to
31 its service agreement with the municipality; and (3) for clean water
32 project and drinking water project loans to municipalities receiving
33 funding under the United States Department of Housing and Urban
34 Development Community Development Block Grant – Disaster
35 Recovery Program (CDBG-DR).

36 A companion bill, Senate Bill No. 2498 of 2020, would authorize
37 the trust to make market rate loans to project sponsors for between
38 zero percent and 100 percent of project costs for the clean water and
39 drinking water projects mentioned above. Under this bill, together
40 with Senate Bill No. 2498, the NJEIFP would finance \$1.167 billion
41 in environmental infrastructure projects for State Fiscal Year 2021,
42 subject to the availability of funds. Funding sources for the loans
43 include federal capitalization grants, State bond issue proceeds,
44 State match, various prior legislative appropriations, loan
45 repayments, interest earnings, and market rate loans made by the
46 trust.

47 The bill also authorizes the DEP to make clean water project
48 loans to four municipalities in the Pinelands area that are receiving

1 funding under the “Pinelands Infrastructure Trust Fund” established
2 pursuant to the “Pinelands Infrastructure Trust Bond Act of 1985,”
3 P.L.1985, c.302. The DEP allowable loan amount for such projects
4 may be up to 100 percent of the total loan amount specified in the
5 bill.

6 Finally, the bill would appropriate to the trust, from repayments
7 of loans, interest payments, certain federal funds, and any earnings
8 received from the investment of those funds, such amounts as the
9 chairperson or secretary of the trust certifies are necessary for
10 deposit into one or more reserve funds established by the trust.

11

12

13

14

15 Appropriates funds to DEP for environmental infrastructure
16 projects for FY2021.