Dear Interested Party:

Attached please find the Proposed Intended Use Plan for both the Drinking Water and Clean Water State Revolving Fund (SRF) Programs. The Plan format has been updated to provide an easy reference to new priority areas of attractive low cost financing for water infrastructure improvements, as well as an interactive format to help provide additional information to support these projects. The Plan covers Federal Fiscal Year 2017 (October 1, 2016 – September 30, 2017) as well as proposed amendments to the FFY 16 Priority System and IUPs for both the Drinking Water and Clean Water programs. If finalized as proposed, the Plan would provide improved financing for loan applications that have been submitted and are currently under review for both programs.

This document also includes information on the Superstorm Sandy SRF programs designed to provide financial assistance to facilities impacted by the storm and in need of implementing resiliency measures.

The Intended Use Plan document must be approved by the US Environmental Protection Agency (USEPA) for the Department to be awarded its capitalization grants used to finance water infrastructure projects.

A hearing on the Proposed Amendments to the FFY16 IUP documents and the Proposed FFY2017 IUPs for Clean Water and Drinking Water Financing will be held at the offices of the NJ Environmental Infrastructure Trust, 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey, in the large conference room on Wednesday, January 11, 2017. The hearing will commence at 10:00 a.m. and conclude at noon or the end of testimony (whichever is sooner). Presentations may be made orally or in writing; if written testimony is prepared, the oral presentation should be limited to a summary of the text. The period for submitting written comments on the proposal will close on January 16, 2017 (all comments must be received by that date). All comments submitted prior to the close of the comment period will be considered in the preparation of the final IUPs and Sandy SRF documents.
Written comments should be sent to the following address:

Mail Code 401-03D
Eugene Chebra, P.E., Assistant Director
Municipal Finance and Construction Element
Division of Water Quality
PO Box 420
401 East State Street, 3rd Floor, West Wing
Trenton, New Jersey 08625-0420

Or

Eugene.Chebra@dep.nj.gov


If you have any questions regarding the Clean Water or Drinking Water IUP proposals, please contact one of the following:

<table>
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<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Eugene Chebra</td>
<td>Clean Water and Drinking Water Programs 609-292-8961</td>
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<td>Thomas Andresen</td>
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Sincerely,

Daniel Kennedy
Assistant Commissioner
Water Resource Management