



New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 4 Suite 216
Lawrenceville, NJ 08648-2201

Robert A. Briant, Jr., **Vice Chairman**
Roger Ellis, **Treasurer**
Mark Longo, **Secretary**
Ford M. Scudder, **State Treasurer**
Bob Martin, **DEP Commissioner**
Charles A. Richman, **DCA Commissioner**
David E. Zimmer, **Executive Director**

January 8, 2018

PUBLIC NOTICE

Public notice is hereby given that the New Jersey Environmental Infrastructure Trust ("Trust") Board of Directors will hold a public meeting on **Thursday, January 11, 2018 at 10:00 a.m., in the large conference room, at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey.** Formal action may be taken at this meeting.

To the extent known, the agenda of the public meeting will be as follows:

- 1. Call to Order – Vice-Chairman**
- 2. Open Public Meeting Act Statement**
- 3. Roll Call**
- 4.* Approval of the Minutes of the December 14, 2017 Meeting**
- 5. Announcements**
- 6. Public Comment**
- 7. Unfinished Business:**
 - A. Discussion of the Construction Status Report (hand-out) (S. Shymon)
 - B. Discussion and Status of SFY2018 Financing Program Projects (hand-out) (G. Patel)
 - C. Update on Outstanding Trust Requests for Proposals (D. Zimmer)
 - D. Update on Construction and SAIL Loan Program Production (D. Zimmer)
 - E. Status of Aged Inventory (L. Kaltman)
 - F. Status of Board actions authorized during calendar year 2017 (D. Zimmer)
- 8. New Business**
 - A.* Discussion and Acceptance of the November 2017 Treasurer's Report (J. Hansbury)
 - B.* Discussion and Approval of a Resolution Authorizing the Issuance of an RFP for Internal Control Auditor Services (F. Scangarella)
 - C.* Discussion and Approval of an Amended and Restated Resolution Authorizing the Construction Loan Financing Program for SFY2018 (D. Zimmer)
 - D.* Discussion and Approval of a Resolution Authorizing the Construction Loan Financing Program for SFY2019 (D. Zimmer)
 - E.* Discussion and Approval of a Resolution Authorizing the SFY2019 NJEIFP Small System Loan Program (L. Kaltman)
 - F.* Discussion and Approval of a SFY2018 and SFY2019 NJEIFP Construction Financing Program Loan exceeding \$10 million to Cumberland County for project # S340438-01 (F. Scangarella)
- 9.* Executive Session (if necessary)**

*ACTION ITEMS

Please note this is a proposed agenda and the New Jersey Environmental Infrastructure Trust may consider and take action on such other business, which may come before it at this public meeting. In addition, the New Jersey Environmental Infrastructure Trust may not act upon the items listed in the above-proposed agenda in its discretion.



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Charles A. Richman, DCA Commissioner
David E. Zimmer, Executive Director

December 14, 2017



Honorable Chris Christie
Governor of the State of New Jersey
State House
PO Box 001
Trenton, New Jersey 08625

Dear Governor Christie:

In accordance with the provisions of the New Jersey Environmental Infrastructure Trust Act, I hereby transmit for your review and consideration the minutes of the December 14, 2017 meeting of the New Jersey Environmental Infrastructure Trust. The New Jersey Environmental Infrastructure Trust Act provides that the Governor has ten days from the delivery of the minutes, excluding weekends and holidays, to review and accept such minutes. In the event that the minutes are not acted upon within the statutory time frame by you, the minutes become effective automatically.

Sincerely,

David E. Zimmer, CFA
Assistant Secretary

Enclosure

cc: Honorable Stephen Sweeney, President of the Senate
Honorable Vincent Prieto, Speaker of the General Assembly



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12/14/2017

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
OPEN PUBLIC MEETING

Thursday, December 14, 2017

1. CALL TO ORDER:

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, December 14, 2017 in the conference room of 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Vice Chairman Briant called the meeting to order at 10:00 a.m.

2. OPEN PUBLIC MEETING ACT STATEMENT:

Executive Director Zimmer read the Open Public Meeting Act Statement into the record.

3. ROLL CALL:

Ms. Nancy Collazo conducted roll call to which Mr. Briant, Mr. Longo, Mr. Griffin, Mr. Cunningham, Mr. Ellis, and Mr. Chebra all responded affirmatively.

DIRECTORS

Robert A. Briant, Jr., Vice Chairman
Mark Longo, Secretary *
Roger Ellis, Treasurer
Eugene Chebra
(for DEP Commissioner Martin)
Michael Griffin
(for State Treasurer Scudder)
Timothy Cunningham
(for DCA Commissioner Richman)

OTHERS

David E. Zimmer, Executive Director
Frank Scangarella, Assistant Director
Lauren Seidman Kaltman, Chief Financial Officer
Judy Karp, Legal and Compliance Officer
John Hansbury, Chief Budget Officer
Scott Shymon, DEP, Municipal Finance & Construction Element
Thomas Huth, Governor's Authorities Unit
Brian McGarry, Deputy Attorney General
Richard Nolan, McCarter & English LLP
Geoffrey Stewart, Public Financial Management

(*) Participated via teleconference

4. APPROVAL OF THE MINUTES:

Vice Chairman Briant opened discussion of the minutes of the Trust's November 2017 Board meeting.

There were no comments or questions. Vice Chairman Briant requested a motion for approval.

Mr. Ellis moved for the approval of the minutes. Mr. Chebra seconded the motion. The motion was carried 6 to 0 with 0 abstentions.

5. ANNOUNCEMENTS:

Executive Director Zimmer summarized a number of the substantive events that have occurred since the last Board meeting and the related correspondence which was issued over the same time period:

- On **December 11, 2017**, the NJEIT co-sponsored the annual Governor's Environmental Excellence (GEEA) Awards. Commissioner Bob Martin presented GEEA awards to winners in ten different categories. Executive Director Zimmer, was invited by Commissioner Martin to emcee the awards, which received widespread publicity following the event;
- On **December 6, 2017**, Executive Director Zimmer, Assistant Director Scangarella, Chief Financial Officer Kaltman, DEP Assistant Director Chebra, and DCA Transitional Aide Monitor for Paterson, Chris Raths met with Senator Nellie Pou and representatives from the City of Paterson to discuss funding for a variety of environmental projects;
- On **December 1, 2017**, Assistant Director and Chief Operating Officer Scangarella attended the Jersey Water Works 2017 annual conference in Newark;
- On **November 30, 2017**, Chief Financial Officer Kaltman participated at the Rutgers Governmental Accounting and Auditing conference in New Brunswick;
- On **November 20, 2017**, Executive Director Zimmer, and Legal and Compliance Officer Karp testified at the Senate Environment and Energy Committee hearing regarding the Program's supplemental appropriation bills;
- On **November 14, 2017**, Executive Director Zimmer participated as a guest lecturer for the AEA's Environmental Professional Development Academy at the Atlantic County Utilities Authority; and
- The next Trust Board meeting is scheduled for Thursday, January 11, 2018 at 10:00 am at the Trust's offices.

A copy of the announcements are available on the Trust's webpage under the Recent Board Meeting Documents tab. <https://njeit.org/agenda> (locate "Meeting Date", then select "Minutes", the announcements will be at the end of the file.)

Mr. Cunningham questioned whether the Trust had any credit concerns with the City of Paterson. Executive Director Zimmer responded that the Trust, when considering critical environmental projects, reviews an applicant's current budget, anticipated debt services maturities, and potential project savings and compares these to the debt service cost of the proposed project. Mr. Cunningham responded that Paterson has come before the Division and Finance Board with debt applications for other projects, and requested that the Trust and the Division stay in contact with each other regarding this borrower.

6. PUBLIC COMMENTS:

Vice Chairman Briant invited comments from the public. There were no comments.

7. UNFINISHED BUSINESS:

- A. Mr. Shymon, of the NJDEP’s Municipal Finance and Construction Element, reported that there are 264 active projects totaling \$1,327,975,107 and 1,224 closed projects totaling \$5,703,090,405 for a grand total of 1,488 projects at \$7,031,065,512 since the Program’s inception.
- B. Mr. Patel discussed the SFY2018 Combined Financing Loan Programs:

SFY2018 Clean Water Financing Program:

	Projects Totaling	
	No.	\$ Amount
Project is Certified and has rec'd an IFP	10	\$71,564,050
Project is Certified	32	\$375,103,869
Project Received Authorized to Advertise	9	\$192,730,000
Project Planning & Design Loan	11	\$24,102,244
Project Under Review	70	\$823,112,447
Recent Project Listing-Under review	24	\$302,427,141
Project Incomplete or inactive	49	\$550,755,577
Total Clean Water Projects	203	\$2,339,795,328

SFY2018 Drinking Water Financing Program:

	Projects Totaling	
	No.	\$ Amount
Project is Certified and has rec'd an IFP	9	\$27,550,000
Project is Certified	20	\$123,760,760
Project Received Authorized to Advertise	10	\$59,994,799
Project Planning & Design Loan	1	\$85,265
Project Under Review	60	\$403,865,513
Recent Project Listing-Under review	17	\$55,476,471
Project Incomplete or inactive	32	\$185,401,868
Total Drinking Water Projects	143	\$856,134,676

SFY2018 Grand Totals:

Clean & Drinking Water Program Totals:	354	\$3,195,930,004
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Last Board Meeting Mr. Briant recommended a change in the Program’s Authorization to Advertise process that would include similarities to how the DOT manages its Local Aid Program. Mr. Briant suggested that the Program consider requiring projects to advertise within 90 days of receiving Authorization or else the Authorization would be rescinded. Mr. Chebra announced this recommendation has been implemented and is in use. Mr. Briant thanked Mr. Chebra and his staff for implementing this recommendation so expeditiously.

There were no further comments or questions.

C. Executive Director Zimmer reported on the status of the Trust’s outstanding Requests for Proposals (RFPs):

There were no outstanding RFP’s on which to report.

D. Executive Director Zimmer next reported on the changes to the Construction and SAIL Loan Programs:

- The Trust received **8** new applications during the past month for Construction and SAIL Loans financing totaling **\$24M**.
 - The Trust has received **37** Construction and SAIL Loan applications to-date totaling **\$327.2M**.
- The Trust closed **6** Construction and SAIL Loan applications since the last Board Meeting totaling **\$18.3M**.
 - The Trust has **76** Construction and SAIL Loan applications closed to-date totaling **\$530.1M**
- The Trust disbursed **\$11.5M** of funds since the last Board meeting to **26** projects.
 - **75** projects with open Construction and SAIL Loans have received disbursements from the Trust to-date totaling **\$177.5M** or approximately **33.49%** of outstanding short-term loans.

The Construction and SAIL Loan report was provided to the Board of Directors in satisfaction of the requirements of Section 11 of the authorizing Resolution No. 17-11 adopted on February 15, 2017.

Executive Director Zimmer recognized and thanked Trust Accountants Wendy Li and Katie Gaskill for their work in creating two new reports for the Board that generate the Construction and SAIL Loan information automatically and that will eventually feed into the Program’s H2LOans system. Mr. Briant also thanked these employees, adding that the work they do benefits the entire State.

There were no comments or questions.

8. NEW BUSINESS:

A. Executive Director Zimmer introduced the Trust’s Chief Budget Officer Hansbury to present Resolution No. 17-68 accepting the October 2017 Treasurer’s Report.

Revenues earned in October 2017:	\$ 498,687		
YTD Total Revenues Earned:	\$ 2,001,411	100	% of Budget
YTD Total Revenues Budgeted:	\$ 1,995,103		
 Expenses Incurred in October 2017:	\$ 445,655		
YTD Total Expenses Incurred:	\$ 1,853,100	102	% of Budget
YTD Total Expenses Budgeted:	\$ 1,812,414		
<hr/>			
Difference YTD v. Budgeted YTD:	\$ (34,377)	Unanticipated Excess cash flow	

Chief Budget Officer Hansbury asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Griffin and seconded by Mr. Cunningham.
The motion was carried 6 to 0 with 0 abstentions.

- B. Executive Director Zimmer introduced Chief Budget Officer Hansbury to present Resolution No. 17-69 amending Trust Resolution No. 14-55 for Arbitrage Rebate Compliance Services by \$6,000.

Chief Budget Officer Hansbury asked if there were any comments or questions.

Mr. Cunningham asked if the program issues advance refunding bonds and how the potential changes to the federal tax law would impact the Trust and its borrowers. Executive Director Zimmer responded that the Trust does issue advance refunding bonds and that the Trust had taken advantage of the low rate environment over the past years to either refund or advance refund all eligible outstanding bond series except for one partial deal. As a result, Executive Director Zimmer stated the proposed changes to the federal tax law regarding advance refunding bonds were not expected to have any impact on the Trust in the foreseeable future.

Hearing no further questions or comments, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Cunningham and seconded by Mr. Chebra.
The motion was carried 6 to 0 with 0 abstentions.

- C. Executive Director Zimmer introduced Assistant Director Scangarella to present Resolution No. 17-70 authorizing an SFY2018 NJEIFP Construction Loan to Camden County MUA (CCMUA) in excess of \$10 million for project no. S340640-18. CCMUA has requested a short-term loan from the Program for the construction of Phase-I upgrades to its sludge digestion and Combined Heat and Power (CHP) system for an amount not to exceed \$84.03 million.

Assistant Director Scangarella asked if there were any comments or questions. Mr. Briant mentioned that this is a great project technology-wise and, that CCMUA's Executive Director, Mr. Andy Kricun is doing a great job incorporating these cutting-edge design components into the CCMUA's plant.

No further questions or comments, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Chebra and seconded by Mr. Longo.
The motion was carried 6 to 0 with 0 abstentions.

- D. Executive Director Zimmer introduced Assistant Director Scangarella to present Resolution No. 17-71 authorizing an SFY2018 NJEIFP Construction Loan to New Jersey Water Supply Authority (NJWSA) in excess of \$10 million for project no. S340421-01. NJWSA has requested a short-term loan from the Program for the construction of the Delaware and Raritan Canal dredging project for an amount not to exceed \$56.8 million. Assistant Director Scangarella pointed out that this project, which has been in the pipeline for many years, is finally ready to break ground.

Assistant Director Scangarella asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval

The resolution was moved for adoption by Mr. Chebra and seconded by Mr. Ellis.

The motion was carried 6 to 0 with 0 abstentions.

- E. Executive Director Zimmer introduced Assistant Director Scangarella to present Resolution No. 17-72 authorizing an SFY2018 NJEIFP Construction Loan to Plumsted Township in excess of \$10 million for project no. S340607-03. Plumsted Township has requested a short-term loan for the construction of an Advanced Wastewater Treatment and Collection System for an amount not to exceed \$27 million.

Assistant Director Scangarella asked if there were any comments or questions.

Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Cunningham and seconded by Mr. Chebra. The motion was carried 6 to 0 with 0 abstentions.

Executive Director Zimmer distributed a spreadsheet containing a list of all of the large projects the Board had authorized year-to-date and asked Assistant Director Scangarella to provide an update.

- F. Vice Chairman Briant asked Executive Director Zimmer if there was any further action required by the Board. Mr. Zimmer responded that there was one additional Agenda item for discussion that did not require Board action.

Executive Director Zimmer requested CCO Judy Karp to present the Program's annual January Report. CCO Karp recognized Scott Shymon for his efforts in creating the report. CCO Karp noted that the January Report is a DEP document required by statute that informs the Legislature of DEP's prioritization methodology to disburse Clear Water (CW) and Drinking Water (DW) funds. The January Report describes the DEP's priority system, ranking criteria and funding options for the Program, sets forth the SFY2019 Project Priority List (PPL), reports on projects funded during the previous year and includes the Disaster Relief Emergency Financing Program (SAIL) Report and SAIL Priority List.

There were no additional questions or comments.

9. EXECUTIVE SESSION:

Vice Chairman Briant asked if there was a need for an Executive Session. Executive Director Zimmer responded there was not.

Vice Chairman Briant asked Executive Director Zimmer if there was any further action required by the Board. Mr. Zimmer answered no. Vice Chairman Briant thanked the employees of both staffs for their hard work throughout the year and noted how successful the year has been.

Vice Chairman Briant then asked for a motion for an adjournment.

Mr. Ellis moved to adjourn the meeting. The motion was seconded by Mr. Cunningham. The motion was carried 6 to 0 with 0 abstentions.

The meeting was adjourned at 10:45 am.

RESOLUTION NO. 17 - 68

**RESOLUTION AUTHORIZING APPROVAL OF THE
OCTOBER 2017 TREASURER'S REPORT**

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has reviewed the Treasurer's Report for October 2017; and

WHEREAS, the Trust has placed in its files certain correspondence relating to expenses incurred in relation to the Trust.

NOW THEREFORE, BE IT RESOLVED, that the Trust hereby accepts the Treasurer's Report for October 2017 and requests that the same be entered into the record.

Adopted Date: December 14, 2017

Motion Made By: Michael Griffin

Motion Seconded By: Tim Cunningham

Ayes: 6

Nays: 0

Abstentions: 0

RESOLUTION NO. 17 – 69

**RESOLUTION AMENDING TRUST RESOLUTION NO. 14-55
FOR ARBITRAGE REBATE COMPLIANCE SERVICES**

WHEREAS, the New Jersey Environmental Infrastructure Trust (Trust) is authorized to make and enter all contracts necessary or incidental to the performance of its duties pursuant to N.J.S.A. 58:11B - 5(d); and

WHEREAS, the New Jersey Environmental Infrastructure Trust (Trust) passed Resolution No. 14-55 on November 13, 2014 appointing Omnicap Group LLC for professional Arbitrage Rebate Compliance Services of the Trust's outstanding tax-exempt bond issues; and

WHEREAS, Resolution 14-55 established a budgetary expense cap of \$150,000 on the Contract for Professional Arbitrage Rebate Compliance Services of the Trust's outstanding tax-exempt bond issues based on the firm's October 30, 2014 proposal, and the Best and Final Offer submitted on November 6, 2014; and

WHEREAS, the Trust issued additional refunding bond series in recent years that required rebate compliance calculations: and

WHEREAS, it is the desire of the Trust to authorize payment of the final invoice for work completed by Omnicap Group LLC to complete the calculations.

NOW THEREFORE BE IT RESOLVED, the Trust hereby amends Resolution No. 14-55 authorizing the total expenditure for arbitrage rebate liability services to Omnicap Group LLC in the total amount not to exceed \$156,000 for the completion of arbitrage rebate liability calculations.

Adopted Date: December 14, 2017

Motion Made By: Tim Cunningham

Motion Seconded By: Eugene Chebra

Ayes: 6

Nays: 0

Abstentions: 0

RESOLUTION NO. 17 - 70

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST APPROVING A CONSTRUCTION LOAN TO CAMDEN COUNTY MUNICIPAL UTILITIES AUTHORITY (CCMUA)

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust"), in accordance with (i) the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same may from time to time be amended and supplemented (the "Act"), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 *et seq.*), as the same may from time to time be amended and supplemented (the "Regulations"), is authorized, pursuant to an interim financing program (the "Interim Financing Program"), to make loans (each, an "Interim Loan") to eligible project sponsors (each, a "Borrower") for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Interim Loan satisfies the requirements of the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

WHEREAS, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for an Interim Loan pursuant to the Interim Financing Program, provided all of the following conditions are satisfied in full: (i) the project is listed on the project priority list developed in accordance with N.J.A.C. 7:22-4.8(a) for funding in the forthcoming State Fiscal Year; (ii) the proposed project sponsor has submitted a complete application for the project in accordance with N.J.A.C. 7:22-4.11; (iii) the project has been certified for funding by the Trust in accordance with N.J.A.C. 7:22-4.13; (iv) the project is in the fundable range in the forthcoming funding cycle given the project's rank and the anticipated availability of Department of Environmental Protection (the "Department") and Trust monies; and (v) the proposed project sponsor has not previously received an Interim Loan through the Interim Financing Program for the same project scope; and

WHEREAS, the Trust duly adopted Resolution No. 17-11 on February 15, 2017 entitled "Resolution Authorizing the Construction Loan Financing Program for State Fiscal Year 2018" (the "Authorizing Resolution") to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2018 including the Construction Financing Program (the "Construction Loan Program"); and

WHEREAS, it is the desire of the Board to authorize Construction Loan Closings pursuant to the Interim Financing SFY2018 Construction Loan Program for loan closings occurring in SFY2018; and

WHEREAS, pursuant to the terms and definitions of the Authorizing Resolution, the Authorized Officers are each severally authorized, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, to approve the participation of a Borrower in the Construction Loan Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations and the terms of the Authorizing Resolution; and

WHEREAS, pursuant to Section 5 of the Authorizing Resolution, any Interim Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Construction Loan Program shall not exceed \$10 million in principal amount (Construction Loan Limitation); and

WHEREAS, pursuant to Section 2 of the Authorizing Resolution, revisions and modifications may be made to terms and provisions of the Short-Term Financing Program pursuant to further official action in the form of the adoption of a resolution by the Board of Directors of the Trust; and

WHEREAS, the Camden County Municipal Utilities Authority (NJWSA) has requested from the Trust a construction loan, in anticipation of a long-term loan from each of the Trust and the Department, to finance the planning, design and construction of Project # S340640-18, the Sludge Digestion and Combined Heat and Power System Project (the “CCMUA Project”); and

WHEREAS, pursuant to the CCMUA Project construction schedule, a Construction Loan not to exceed three full fiscal years will be made available for construction, all or a portion of which will be completed prior to CCMUA’s receipt of Trust and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in CCMUA’s request for a construction loan in an amount not to exceed \$84,030,000; and

WHEREAS, with respect to the Authorizing Resolution’s Construction Loan Limitation providing that any Construction Loan approved by any of the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Construction Loan Program shall not exceed \$10 million in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the Trust, the Trust now desires, given the facts and circumstances set forth in the recitals hereto, to create as an exception to such limitation of Construction Loans, as part of the Construction Loan Program, to the aforementioned project sponsor in amount not to exceed the amount stated for the purpose of completing the CCMUA Project; and

WHEREAS, it is the desire of the Trust that, other than the Authorizing Resolution’s Construction Loan Limitation described in the immediately preceding recital, the project sponsor shall comply with (i) all other requirements of the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Environmental Infrastructure Trust, as follows:

Section 1. Notwithstanding the Authorizing Resolution’s Construction Loan Limitation providing that all Loans approved by the Authorized Officers, following the requisite consultations, and made by the Trust to Borrowers as part of the Construction Loan Program, shall not exceed \$10 million in principal amount, the Board of Directors of the Trust, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to Construction Loan Limitation, an Interim Loan, as part of the Construction Loan Program, to the

following project sponsor for the stated project in an amount not to exceed the amount stated for the purpose of completing the project.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
Camden County Municipal Utilities Authority (CCMUA)	S340640-18	Phase I Upgrades: Sludge Digestion and Combined Heat and Power System Project	\$84,030,000

Section 2. Notwithstanding the stated loan amount of \$84,030,000, the NJEIFP funding commitment shall be limited to the operable segments certified, in amounts set forth in the Department’s allowable cost determination for each such operable segment, and such funding commitment shall arise at the time of loan closing of the first such operable segment, and upon the Department’s allowable cost determination for each subsequent operable segment certified thereafter.

Section 3. Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loans made to the aforementioned project sponsor as part of the Construction Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Adopted Date: December 14, 2017

Motion Made By: Eugene Chebra

Motion Seconded By: Mark Longo

Ayes: 6

Nays: 0

Abstentions: 0

RESOLUTION NO. 17 - 71

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST APPROVING A CONSTRUCTION LOAN TO NEW JERSEY WATER SUPPLY AUTHORITY (NJWSA)

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust"), in accordance with (i) the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same may from time to time be amended and supplemented (the "Act"), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 *et seq.*), as the same may from time to time be amended and supplemented (the "Regulations"), is authorized, pursuant to an interim financing program (the "Interim Financing Program"), to make loans (each, an "Interim Loan") to eligible project sponsors (each, a "Borrower") for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Interim Loan satisfies the requirements of the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

WHEREAS, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for an Interim Loan pursuant to the Interim Financing Program, provided all of the following conditions are satisfied in full: (i) the project is listed on the project priority list developed in accordance with N.J.A.C. 7:22-4.8(a) for funding in the forthcoming State Fiscal Year; (ii) the proposed project sponsor has submitted a complete application for the project in accordance with N.J.A.C. 7:22-4.11; (iii) the project has been certified for funding by the Trust in accordance with N.J.A.C. 7:22-4.13; (iv) the project is in the fundable range in the forthcoming funding cycle given the project's rank and the anticipated availability of Department of Environmental Protection (the "Department") and Trust monies; and (v) the proposed project sponsor has not previously received an Interim Loan through the Interim Financing Program for the same project scope; and

WHEREAS, the Trust duly adopted Resolution No. 17-11 on February 15, 2017 entitled "Resolution Authorizing the Construction Loan Financing Program for State Fiscal Year 2018" (the "Authorizing Resolution") to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2018 including the Construction Financing Program (the "Construction Loan Program"); and

WHEREAS, it is the desire of the Board to authorize Construction Loan Closings pursuant to the Interim Financing SFY2018 Construction Loan Program for loan closings occurring in SFY2018; and

WHEREAS, pursuant to the terms and definitions of the Authorizing Resolution, the Authorized Officers are each severally authorized, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, to approve the participation of a Borrower in the Construction Loan Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations and the terms of the Authorizing Resolution; and

WHEREAS, pursuant to Section 5 of the Authorizing Resolution, any Interim Loan

approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Construction Loan Program shall not exceed \$10 million in principal amount (Construction Loan Limitation); and

WHEREAS, pursuant to Section 2 of the Authorizing Resolution, revisions and modifications may be made to terms and provisions of the Short-Term Financing Program pursuant to further official action in the form of the adoption of a resolution by the Board of Directors of the Trust; and

WHEREAS, the New Jersey Water Supply Authority (NJWSA) has requested from the Trust a construction loan, in anticipation of a long-term loan from each of the Trust and the Department, to finance the planning, design and construction of Project # S340421-01, the Delaware and Raritan Canal Dredging Project (the "NJWSA Project"); and

WHEREAS, pursuant to the NJWSA Project construction schedule, a Construction Loan not to exceed three full fiscal years will be made available for construction, all or a portion of which will be completed prior to NJWSA's receipt of Trust and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in NJWSA's request for a construction loan in an amount not to exceed \$56,800,000; and

WHEREAS, with respect to the Authorizing Resolution's Construction Loan Limitation providing that any Construction Loan approved by any of the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Construction Loan Program shall not exceed \$10 million in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the Trust, the Trust now desires, given the facts and circumstances set forth in the recitals hereto, to create as an exception to such limitation of Construction Loans, as part of the Construction Loan Program, to the aforementioned project sponsor in amount not to exceed the amount stated for the purpose of completing the NJWSA Project; and

WHEREAS, it is the desire of the Trust that, other than the Authorizing Resolution's Construction Loan Limitation described in the immediately preceding recital, the project sponsor shall comply with (i) all other requirements of the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Environmental Infrastructure Trust, as follows:

Section 1. Notwithstanding the Authorizing Resolution's Construction Loan Limitation providing that all Loans approved by the Authorized Officers, following the requisite consultations, and made by the Trust to Borrowers as part of the Construction Loan Program, shall not exceed \$10 million in principal amount, the Board of Directors of the Trust, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to Construction Loan Limitation, an Interim Loan, as part of the Construction Loan Program, to the following project sponsor for the stated project in an amount not to exceed the amount stated

for the purpose of completing the project.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
New Jersey Water Supply Authority (NJWSA)	S340421-01	Delaware and Raritan Canal Dredging Project	\$56,800,000

Section 2. Notwithstanding the stated loan amount of \$56,800,000, the NJEIPF funding commitment shall be limited to the operable segments certified, in amounts set forth in the Department’s allowable cost determination for each such operable segment, and such funding commitment shall arise at the time of loan closing of the first such operable segment, and upon the Department’s allowable cost determination for each subsequent operable segment certified thereafter.

Section 3. Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loans made to the aforementioned project sponsor as part of the Construction Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Adopted Date: December 14, 2017

Motion Made By: Eugene Chebra

Motion Seconded By: Roger Ellis

Ayes: 6

Nays: 0

Abstentions: 0

RESOLUTION NO. 17 - 72

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST APPROVING A CONSTRUCTION LOAN TO PLUMSTED TOWNSHIP (PLUMSTED)

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust"), in accordance with (i) the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same may from time to time be amended and supplemented (the "Act"), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 *et seq.*), as the same may from time to time be amended and supplemented (the "Regulations"), is authorized, pursuant to an interim financing program (the "Interim Financing Program"), to make loans (each, an "Interim Loan") to eligible project sponsors (each, a "Borrower") for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Interim Loan satisfies the requirements of the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

WHEREAS, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for an Interim Loan pursuant to the Interim Financing Program, provided all of the following conditions are satisfied in full: (i) the project is listed on the project priority list developed in accordance with N.J.A.C. 7:22-4.8(a) for funding in the forthcoming State Fiscal Year; (ii) the proposed project sponsor has submitted a complete application for the project in accordance with N.J.A.C. 7:22-4.11; (iii) the project has been certified for funding by the Trust in accordance with N.J.A.C. 7:22-4.13; (iv) the project is in the fundable range in the forthcoming funding cycle given the project's rank and the anticipated availability of Department of Environmental Protection (the "Department") and Trust monies; and (v) the proposed project sponsor has not previously received an Interim Loan through the Interim Financing Program for the same project scope; and

WHEREAS, the Trust duly adopted Resolution No. 17-11 on February 15, 2017 entitled "Resolution Authorizing the Construction Loan Financing Program for State Fiscal Year 2018" (the "Authorizing Resolution") to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2018 including the Construction Financing Program (the "Construction Loan Program"); and

WHEREAS, it is the desire of the Board to authorize Construction Loan Closings pursuant to the Interim Financing SFY2018 Construction Loan Program for loan closings occurring in SFY2018; and

WHEREAS, pursuant to the terms and definitions of the Authorizing Resolution, the Authorized Officers are each severally authorized, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, to approve the participation of a Borrower in the Construction Loan Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations and the terms of the Authorizing Resolution; and

WHEREAS, pursuant to Section 5 of the Authorizing Resolution, any Interim Loan

approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Construction Loan Program shall not exceed \$10 million in principal amount (Construction Loan Limitation); and

WHEREAS, pursuant to Section 2 of the Authorizing Resolution, revisions and modifications may be made to terms and provisions of the Short-Term Financing Program pursuant to further official action in the form of the adoption of a resolution by the Board of Directors of the Trust; and

WHEREAS, Plumsted (Plumsted) has requested from the Trust a construction loan, in anticipation of a long-term loan from each of the Trust and the Department, to finance the construction of Project # S340607-03, the Advanced Waste Water Treatment and Collection System Project (the "Plumsted Project"); and

WHEREAS, pursuant to the Plumsted Project construction schedule, a Construction Loan not to exceed three full fiscal years will be made available for construction, all or a portion of which will be completed prior to Plumsted's receipt of Trust and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in Plumsted's request for a construction loan in an amount not to exceed \$27,000,000; and

WHEREAS, with respect to the Authorizing Resolution's Construction Loan Limitation providing that any Construction Loan approved by any of the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Construction Loan Program shall not exceed \$10 million in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the Trust, the Trust now desires, given the facts and circumstances set forth in the recitals hereto, to create as an exception to such limitation of Construction Loans, as part of the Construction Loan Program, to the aforementioned project sponsor in amount not to exceed the amount stated for the purpose of completing the Plumsted Project; and

WHEREAS, it is the desire of the Trust that, other than the Authorizing Resolution's Construction Loan Limitation described in the immediately preceding recital, the project sponsor shall comply with (i) all other requirements of the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Environmental Infrastructure Trust, as follows:

Section 1. Notwithstanding the Authorizing Resolution's Construction Loan Limitation providing that all Loans approved by the Authorized Officers, following the requisite consultations, and made by the Trust to Borrowers as part of the Construction Loan Program, shall not exceed \$10 million in principal amount, the Board of Directors of the Trust, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to Construction Loan Limitation, an Interim Loan, as part of the Construction Loan Program, to the following project sponsor for the stated project in an amount not to exceed the amount stated

for the purpose of completing the project.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
Plumsted Township (Plumsted)	S340607-03	Advanced WW Treatment and Collection System	\$27,000,000

Section 2. Notwithstanding the stated loan amount of \$27,000,000, the NJEIP funding commitment shall be limited to the operable segments certified, in amounts set forth in the Department’s allowable cost determination for each such operable segment, and such funding commitment shall arise at the time of loan closing of the first such operable segment, and upon the Department’s allowable cost determination for each subsequent operable segment certified thereafter.

Section 3. Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loans made to the aforementioned project sponsor as part of the Construction Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Adopted Date: December 14, 2017

Motion Made By: Tim Cunningham

Motion Seconded By: Eugene Chebra

Ayes: 6

Nays: 0

Abstentions: 0

SUMMARY OF ANNOUNCEMENTS:

Executive Director Zimmer summarized the substantive events and correspondence issued since the last Trust Board meeting.

- On **December 13, 2017**, NJEIT and NJDEP Senior staff and NJEIT Bond Counsel, Rich Nolan of McCarter & English, held a conference call with representatives from New Jersey American Water to discuss issues surrounding a water distribution pipe at Sea Village Marina;
- On **December 12, 2017**, Executive Director Zimmer, and DEP Assistant Director, Gene Chebra, participated at the Phoenix Park Grand Opening ceremony in Camden with Camden County Freeholder, Jeffrey Nash and Camden County Municipal Utilities Authority, Executive Director, Andy Kricun;
- On **December 11, 2017**, the NJEIT co-sponsored the annual Governor's Environmental Excellence (GEEA) Awards. Commissioner Bob Martin presented GEEA awards to winners in ten different categories. Executive Director Zimmer, was invited by Commissioner Martin to emcee the awards, which received widespread publicity following the event;
- On **December 6, 2017**, Executive Director Zimmer, Assistant Director Scangarella, Chief Financial Officer Kaltman, DEP Assistant Director, Gene Chebra, and DCA Transitional Aide Monitor for Paterson, Chris Raths met with Senator Nellie Pou and representatives from City of Patterson to discuss funding for a variety of environmental projects;
- On **December 1, 2017**, Assistant Director and Chief Operating Officer Scangarella attended the Jersey Water Works 2017 annual conference in Newark;
- On **November 30, 2017**, Chief Financial Officer Kaltman participated at the Rutgers Governmental Accounting and Auditing conference in New Brunswick;
- On **November 20, 2017**, Executive Director Zimmer, and Legal and Compliance Officer Karp testified at the Senate Environment and Energy Committee hearing regarding the Program's supplemental appropriation bills;
- On **November 15 - 17, 2017**, Trust senior staff attended and exhibited at the NJ State League of Municipalities in Atlantic City;
- On **November 14, 2017**, Executive Director Zimmer participated as a guest lecturer for the AEA's Environmental Professional Development Academy at the Atlantic County Utilities Authority;
- Program staff held and attended various conference calls to discuss pre-planning and prospective financing program participation by:
 - Borough of Bellmawr – Financing options
 - Borough of Point Pleasant Beach – Financing options
 - Burlington City – Pre-planning
 - East Orange City – Financing options
 - Jersey City Municipal Utilities Authority – Pre-planning
 - Monmouth County - Financing options
 - Plumsted Township– Financing options
 - Rutgers University - Financing options
- Executive Director Zimmer continues to serve as a Steering Committee member and co-Chair of the Jersey Water Works Finance Committee and co-host quarterly Finance Committee meetings;
- Assistant Director and Chief Operating Officer Scangarella and NJEIT's IT staff continue to hold the

- H2LOans Webinar series to further educate staff and the public on the Program’s H2LOans system;
- Trust senior staff continue to meet with consultants from CohnReznick to discuss internal control mechanisms of the Trust’s Policies and Procedures; and
- The next Board meeting is scheduled for January 11, 2018 at 10:00 a.m. at the Trust’s offices.**

SUMMARY OF CORRESPONDENCE:

During the past month, the Trust received or sent the noteworthy correspondence listed below. Pursuant to the Trust’s Green Initiative, the agenda package does not include copies of the following correspondence. Board members should contact the Trust Secretary if they wish to receive hard copies.

- On **December 8, 2017**, the 2017 Volume Cap Survey was sent to Mr. Anthony Longo at the Dept. of Treasury.
- On **December 7, 2017**, a letter was sent to Honorable Ford M Scudder regarding Return of Volume Cap by the NJEIT.
- On **December 5, 2017**, a letter was sent to Jane DiBella, Township Administrator for Township of Woolwich regarding NJEIFP Application for Financial Assistance of the Township of Woolwich.
- On **November 21, 2017**, a letter was sent to the office of the GAU, NJ Senate and NJ General Assembly regarding the NJEIFP SFY2017 Audited Financials.

- 5.02 Certificates were sent to the following Program borrowers:

2015A-1	Wildwood Crest Borough	S340 719-03/04
2017A-1	Berkeley Twp MUA	W1505004-008
2016A-1	Cape May County MUA	S340 661-22
2014A	Chatham Twp	S340 403-07
2015A-1	Ewing Lawrence SA	S340 391-11
2014A	Evesham MUA	S340 838-04/05
2016A-2	Passaic Valley SC	S340 689-22
2015A-2	Raritan Twp MUA	S340 485-09

A copy of the announcements is available on the Trust’s webpage (<https://www.njeit.org/agenda/>) under the Board Meeting Agendas section under Menu. Click on the minutes link for the corresponding month; the announcements will be at the end of the Minutes.

RESOLUTION NO. 18 - xx

**RESOLUTION AUTHORIZING APPROVAL OF THE
NOVEMBER 2017 TREASURER'S REPORT**

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has reviewed the Treasurer's Report for November 2017; and

WHEREAS, the Trust has placed in its files certain correspondence relating to expenses incurred in relation to the Trust.

NOW THEREFORE, BE IT RESOLVED, that the Trust hereby accepts the Treasurer's Report for November 2017 and requests that the same be entered into the record.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

RESOLUTION NO. 18 – xx

RESOLUTION OF THE TRUST AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR INTERNAL CONTROL AUDITING SERVICES

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") is organized and existing under the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (codified at N.J.S.A, 58:11B-1 et seq.), as the same may from time to time be amended and supplemented (the "Act"); and

WHEREAS, pursuant to Section 5(l) of the Act, the Trust is authorized to engage the services of advisors; and

WHEREAS, to ensure that the Trust is performing its duties effectively and efficiently and in a diligent manner that minimizes risk to the Trust there is a need for the Trust to procure the services of a professional accounting firm to perform an Internal Control Audit; and

WHEREAS, pursuant to Trust resolution No. 15-11 the current Internal Control Auditing contract expires on March 3, 2018; and

WHEREAS, the current and prior Internal Control Auditing firms have 1) conducted a high level risk assessment and evaluation of the Trust's primary business process and operational functions and risks, 2) developed a business process detail for each risk category, 3) identified existing internal controls to mitigate risks, 4) identified process gaps, weaknesses or opportunities for improvement, 5) evaluated and refined job descriptions, and 6) performed design and operational effectiveness testing of Trust controls; and

WHEREAS, there are more operations to be tested and key policies procedures and accounting processes to be revised, and there exists a continued need for ongoing internal control auditing at the Trust.

NOW THEREFORE BE IT RESOLVED THAT, the Trust hereby authorizes the Executive Director, in consultation with the Audit Committee, to competitively procure such professional accounting firms to perform Internal Control Auditing services; and

BE IT FURTHER RESOLVED THAT the RFP will be in a form substantially similar to the Draft RFP attached hereto as Appendix A; and

BE IT FURTHER RESOLVED THAT the Executive Director is further authorized to solicit proposals, convene an evaluation committee to independently review and rank the proposals received and to make a recommendation to the Board for the selection of a firm for Internal Control Auditing Services for contract approval for a two-year contract with an option for one (1) additional one-year period at the discretion of the Executive Director in consultation with the Chairman.

BE IT FURTHER RESOLVED THAT the Executive Director is authorized to take all other actions consistent with Trust Procurement Policy 4.00 "Purchase of Goods and Services" to procure the services of a professional accounting firm to perform Internal Control Auditing Services.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

RESOLUTION NO. 18 - xx

**AMENDED AND RESTATED RESOLUTION
AUTHORIZING THE CONSTRUCTION LOAN FINANCING PROGRAM
FOR STATE FISCAL YEAR 2018**

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust"), pursuant to and in accordance with (i) the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented (the "Act"), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 *et seq.*), as the same have been, and in the future may from time to time be, amended and supplemented (the "Regulations"), is authorized, pursuant to an interim financing program (the "Construction Financing Program"), to make loans (each, a "Construction Loan") to eligible project sponsors (each, a "Borrower") for the purpose of financing the allowable costs of environmental infrastructure projects (each, a "Project"), provided that each such Construction Loan made by the Trust satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9(d), and the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

WHEREAS, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for a Construction Loan for purposes of financing the allowable costs of the Project of such Borrower pursuant to the Construction Financing Program, provided each of the following conditions is satisfied in full: (i) the Project is listed on the project priority lists for the ensuing fiscal year that have been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20 or N.J.S.A. 58:11B-20.1 (collectively, the "Priority List"); (ii) the proposed Borrower has submitted a complete application for the Project in accordance with N.J.A.C. 7:22-4.11; (iii) the Project (or, at a minimum, an operable segment thereof) has been certified for funding by the Trust in accordance with N.J.A.C. 7:22-4.13; (iv) the Project is in the fundable range in the forthcoming funding cycle given the Project's rank and the anticipated availability of New Jersey Department of Environmental Protection ("NJDEP") and Trust monies; and (v) the proposed Borrower has not previously received a Construction Loan through the Construction Financing Program for the same project scope (exclusive of a Loan made solely for the purpose of extending the term of a prior Construction Loan) (collectively, the "Construction Financing Program Conditions Precedent"); and

WHEREAS, on February 15, 2017, the Board of Directors of the Trust duly adopted Resolution No. 17-11 "Resolution Authorizing the Construction Loan Financing Program For State Fiscal Year 2018" (the "Original Authorizing Resolution"); and

WHEREAS, it is the desire of the Trust to amended and restate in its entirety the Original Authorizing Resolution for the purpose of modifying certain of the terms and provisions thereof in furtherance of the administration, pursuant to the Act, the Regulations and this Resolution, of the Construction Financing Program for the State Fiscal Year 2018 ("SFY2018") Environmental Infrastructure Financing Program of the Trust (the "SFY2018 Construction Financing Program"); and

WHEREAS, in order to provide a source of funding for the implementation of the Construction Financing Program for SFY2018, the New Jersey State Legislature and the Governor of the State have enacted into law an appropriation act (the "Appropriation") that has appropriated to the Trust, from repayments of loans deposited in any account, including, without limitation, the Clean Water State Revolving Fund Accounts contained within the "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, and from any net earnings received from the investment and reinvestment of such deposits, the sum of \$500,000,000, such sum to be deposited in the segregated fund created by the Trust for the purpose of funding the SFY2018 Construction Financing Program; and

WHEREAS, in addition to the funds made available to the Trust pursuant to the Appropriation for purposes of the SFY2018 Construction Financing Program, it is the desire of the Trust to provide, as additional sources of funding for the SFY2018 Construction Financing Program, (i) net earnings with respect to funds held by the Trust and (ii) operating funds of the Trust that are not required for, or committed to, the operations of the Trust for State Fiscal Years 2018 and 2019 (collectively, the "Available Trust Revenues"), which Available Trust Revenues may be made available by the Trust, up to a maximum of \$500,000 per Borrower, to (i) Borrowers participating in the SFY2018 Construction Financing Program that do not qualify for funding from the Appropriation, as well as (ii) at the election of the Trust, any other Borrowers participating in the SFY2018 Construction Financing Program; and

WHEREAS, with respect to the SFY2018 Construction Financing Program of the Trust and other future construction financing programs of the Trust (collectively, the "Current and Future Construction Financing Programs"), it is the desire of the Trust to explore, as an additional source of funding for the Current and Future Construction Financing Programs, the procurement by the Trust of a line of credit or other similar financial instrument, either through a competitive or negotiated process, from a commercial bank (the "Credit Instrument"; the Appropriation, the Available Trust Revenues and the Credit Instrument shall be referred to collectively herein as the "Available Funds"), and in furtherance of such exploration, the Trust, through its Authorized Officers (as hereinafter defined), desires to (i) discuss and explore potential structural, collateral and credit features relating to a Credit Instrument with one or more banking corporations, having membership in the federal depository insurance corporation, and/or (ii) prepare and distribute a Request for Qualifications or a Request for Proposals, seeking proposals from qualified providers of a Credit Instrument; and

WHEREAS, it is the desire of the Trust that, if a Borrower is eligible to receive financing from the SFY2018 Construction Financing Program for a Project that includes multiple operable segments, the Borrower may receive a single, combined Construction Loan for such Project, provided that (i) the Borrower has submitted to the Trust and the NJDEP a complete application with respect to the Project, including each operable segment of such Project, (ii) the Trust shall not be obligated to disburse Available Funds pursuant to such Construction Loan with respect to any operable segment of a given Project until such operable segment and the Project costs applicable thereto shall have

been certified by the NJDEP, and (iii) the Borrower otherwise satisfies each of the other applicable requirements the Act and the Regulations applicable thereto and the applicable terms of this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Environmental Infrastructure Trust (the “Board”), as follows:

Section 1. The Original Authorizing Resolution, relating to the SFY2018 Construction Financing Program, is hereby amended and restated in its entirety.

Section 2. The Board hereby authorizes the establishment of the SFY2018 Construction Financing Program, provided (i) each Construction Loan made pursuant to the SFY2018 Construction Financing Program shall be funded solely from the Available Funds applicable thereto and available therefor; and (ii) each Construction Loan made pursuant to the SFY2018 Construction Financing Program, and each Project (including each operable segment thereof) funded thereby, shall comply fully with the provisions of the Act and the Regulations applicable thereto and the applicable terms of this Resolution. The Authorized Officers are each hereby severally authorized and directed, after consultation with the Professional Advisors (as hereinafter defined), to determine the particular Available Funds that shall be allocated to, and shall be the source of funding for, any given Construction Loan made pursuant to the SFY2018 Construction Financing Program.

Section 3. Any Construction Loan made by the Trust as part of the SFY2018 Construction Financing Program shall be evidenced by (i) a note or other appropriate obligation of the Borrower to be issued to the Trust (the “Obligation”), and (ii) any other documentation as shall be deemed necessary and appropriate by the Chairman of the Trust, the Vice Chairman of the Trust and the Executive Director of the Trust, or any other person or persons designated by the Board by resolution to act on behalf of the Trust, but in each case subject to the limitations of the by-laws of the Trust (each, an “Authorized Officer”), after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State (collectively, the “Loan Instruments”). Each Obligation shall be in substantially the applicable form attached hereto as Exhibit A, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State. The Loan Instruments shall include such terms and provisions relating to the SFY2018 Construction Financing Program as shall be determined by an Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, as being necessary in connection with (i) the satisfaction of the requirements of the Act and the Regulations applicable thereto and (ii) the implementation of the applicable terms of this Resolution, including, with respect to, as applicable, the funding of a Project with multiple operable segments via a single Construction Loan and the proper disbursement from such Construction Loan for the funding of each Project operable segment.

Any Construction Loan made by the Trust to a Borrower as part of the SFY2018 Construction Financing Program:

(a) shall bear interest at a rate that shall be determined in accordance with the Interest Rate Calculation (as defined in Section 4 hereof);

(b) shall have a maturity date that shall be determined by an Authorized Officer, in consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, which maturity date shall be no later than the applicable date set forth in Section 5 hereof; and

(c) shall be subject to the imposition of a fee consisting of fifty percent (50%) of the NJDEP loan origination fee applicable to a given Project.

Section 4. The rate of interest to be paid by a Borrower to the Trust with respect to the repayment of a Construction Loan shall be calculated in the following manner (the "Interest Rate Calculation"), so as to achieve an objectively determined rate of interest that is reflective of (i) the policy goals of the Trust as set forth in this Resolution and (ii) the market as of the respective dates on which the Construction Loan is disbursed by the Trust to the Borrower, provided, however, that the portion of the Construction Loan that shall finance the NJDEP loan origination fee that shall be payable as provided in Section 3(c) hereof may be determined by the Authorized Office, at his or her discretion, to bear interest at a rate of 0.00% as an alternative to the rate of interest that otherwise would be applicable to that portion of the Construction Loan pursuant to the provisions of this Section 4:

- (a) with respect to any portion of a Construction Loan made from amounts made available to the Trust pursuant to the Appropriation, 0.00%;
- (b) with respect to any portion of a Construction Loan utilizing from Available Trust Revenues to a local government unit (as such term is defined in the Act), the interest rate as defined by an appropriate general obligation tax-exempt market index, as shall be selected by an Authorized Officer, which options for selection may include, without limitation, (i) the Thompson Financial TM3 "AAA" Municipal Market Data General Obligation Index (Tax Exempt) and (ii) the "BVAL" Index (relating to general obligation, tax exempt credits) of Bloomberg L.P. (or any subsidiary thereof), in any case for the number of years that corresponds to the term consisting of the period from the date of a given disbursement of proceeds of the Construction Loan to the maturity date of the Construction Loan, rounded up to the nearest year;
- (c) with respect to any portion of a Construction Loan utilizing from Available Trust Revenues to a public water utility (as such term is defined in the Act), a small water company (as such term is defined in the Act), any other private person, or a local government unit on behalf of any private person, the interest rate as defined by an appropriate alternative minimum tax market index, as shall be selected by an Authorized Officer, which options for selection may include, without limitation, (i) the Thompson Financial TM3 "AAA" Municipal Market Data General Obligation Index (AMT) and (ii) the "BVAL" Index (relating to alternative minimum tax credits) of Bloomberg L.P. (or any subsidiary thereof), in any case for the number of years that

corresponds to the term consisting of the period from the date of a given disbursement of proceeds of the Construction Loan to the maturity date of the Construction Loan, rounded up to the nearest year; and

- (d) with respect to any portion of a Construction Loan utilizing funds made available to the Trust pursuant to a Credit Instrument, a rate to be determined by the Trust pursuant to the approval by the Board of any such Credit Instrument as required by Section 13 hereof, which rate shall be commensurate with the cost to the Trust of obtaining funds pursuant to such Credit Instrument for the purpose of making such Construction Loan or portion thereof.

For purposes of determining the term in order to perform the Interest Rate Calculation with respect to a given disbursement of Construction Loan proceeds in connection with a given Construction Loan, as set forth above, the Authorized Officers shall calculate such term as commencing on the date of a given disbursement and continuing to, but not including, the maturity date of such Construction Loan, rounding up to the nearest year.

Section 5. The maturity date with respect to any Construction Loan, including any individual funding disbursement made pursuant thereto, shall not exceed the maximum maturity that is permitted pursuant to the provisions of N.J.S.A. 58:11B-9(d), as such provisions may hereafter be amended and supplemented from time to time.

Section 6. The principal amount of each Construction Loan shall not exceed \$10,000,000, unless a higher principal amount thereof is authorized by official action of the Board at a future meeting thereof.

Section 7. The Authorized Officers are each hereby severally authorized and directed, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, to approve the participation of a Borrower in the SFY2018 Construction Financing Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations applicable thereto and the applicable terms of this Resolution, including, without limitation, satisfaction by such Borrower with the applicable Financing Program Conditions Precedent.

Section 8. Prior to the making of any Construction Loan with respect to any Project pursuant to the SFY2018 Construction Financing Program, an Authorized Officer shall certify such Project for funding through the SFY2018 Construction Financing Program in accordance with the provisions of N.J.A.C. 7:22-4.13; provided, however, that (i) the proposed Project, or at least one operable segment thereof (as provided pursuant to the provisions of Section 9 hereof), previously has been certified for funding by the Commissioner of the NJDEP, and (ii) such proposed Project (including each of the operable segments thereof) shall otherwise qualify for funding through the SFY2018 Construction Financing Program pursuant to the terms and provisions of the Act and the Regulations applicable thereto and the applicable terms and provisions of this Resolution.

Section 9. In the event that a portion, but not all, of a Project that is to be the subject of a Construction Loan has been certified for funding by the Commissioner of the NJDEP, as well as by the Trust pursuant to the provisions of Section 8 hereof, the Authorized Officers are hereby severally authorized to extend a Construction Loan to such Borrower for such Project in a stated principal amount that may equal, but shall not exceed, the total estimated allowable costs of such Project (subject to the further limitations set forth in the Act, the applicable Regulations and this Resolution, including, without limitation, Section 6 of this Resolution); provided, however, that the Loan Instruments relating to such Construction Loan shall provide that the Trust shall not disburse to the Borrower any proceeds of such Construction Loan with respect to those costs of the Project that have not been certified by the Commissioner of the NJDEP, and such prohibition upon the disbursement by the Trust to the Borrower of such proceeds of the Construction Loan shall continue to apply until such date as such Project costs have been certified by the Commissioner of the NJDEP, as well as by the Trust pursuant to the provisions of Section 8 hereof.

Section 10. Each Authorized Officer is hereby severally authorized and directed to execute (i) any Loan Instrument to which the Trust is a party (the "Trust Loan Instruments") and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the participation of any Borrower in the SFY2018 Construction Financing Program.

Section 11. Upon execution of the Trust Loan Instruments by an Authorized Officer, the Secretary and the Assistant Secretary of the Trust are each hereby severally authorized and directed, where required, to affix the corporate seal of the Trust, and to attest to the signature of such Authorized Officer, thereon and on any certificates, instruments or documents contemplated therein or related thereto.

Section 12. At the meeting of the Board that is scheduled to occur during the month next succeeding the month during which execution and delivery is completed with respect to Loan Instruments relating to a Construction Loan made by the Trust to a Borrower pursuant to the SFY2018 Construction Financing Program, the Executive Director of the Trust shall provide a report to the Board concerning the details of such transaction.

Section 13. Each Authorized Officer is hereby severally authorized to undertake and complete the following with respect to the anticipated procurement of a Credit Instrument:

- (a) engage in discussions with one or more banking corporations, having membership in the federal depository insurance corporation, for the purpose of exploring potential structural, collateral and credit features relating to a Credit Instrument in favor of the Trust for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs, and include in such discussions, at the discretion of such Authorized Officer, one or more of Bond Counsel to the Trust, the Office of the Attorney General of the State, and the Financial Advisor to the Trust (collectively, the "Professional Advisors"); and/or

- (b) prepare and distribute, in consultation with the Professional Advisors, a Request for Qualifications or a Request for Proposals (in either case, the "RFP") to banking corporations, having membership in the federal depository insurance corporation, for the establishment of a Credit Instrument in favor of the Trust for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs, in such amount as shall be determined by such Authorized Officer to be necessary and appropriate for such purpose. Such RFP shall be prepared and distributed pursuant to and in compliance with Trust Policy and Procedure No. 4.00, entitled "Procurement of Goods and Services".

Notwithstanding the above terms and provisions of this Section 13:

- (c) the specific structural, collateral and credit features of the Credit Instrument that may be discussed by an Authorized Officer with one or more banking corporations, and any contractual commitment by the Trust with respect to such structural, collateral and credit features, shall be subject to the authorization and approval thereof by the Board at a future meeting thereof; and
- (d) the award of any contract to a banking corporation that has submitted to the Trust a response to RFP for the provision of a Credit Instrument for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs shall be made only upon authorization by official action of the Board at a future meeting thereof.

Section 14. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his respective sole discretion after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable to affect the transactions contemplated hereby.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

EXHIBIT A

FORMS OF OBLIGATION

RESOLUTION NO. 18 - xx

**RESOLUTION AUTHORIZING THE CONSTRUCTION LOAN FINANCING PROGRAM
FOR STATE FISCAL YEAR 2019**

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust"), pursuant to and in accordance with (i) the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented (the "Act"), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 *et seq.*), as the same have been, and in the future may from time to time be, amended and supplemented (the "Regulations"), is authorized, pursuant to an interim financing program (the "Construction Financing Program"), to make loans (each, a "Construction Loan") to eligible project sponsors (each, a "Borrower") for the purpose of financing the allowable costs of environmental infrastructure projects (each, a "Project"), provided that each such Construction Loan made by the Trust satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9(d), and the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

WHEREAS, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for a Construction Loan for purposes of financing the allowable costs of the Project of such Borrower pursuant to the Construction Financing Program, provided each of the following conditions is satisfied in full: (i) the Project is listed on the project priority lists for the ensuing fiscal year that have been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20 or N.J.S.A. 58:11B-20.1 (collectively, the "Priority List"); (ii) the proposed Borrower has submitted a complete application for the Project in accordance with N.J.A.C. 7:22-4.11; (iii) the Project (or, at a minimum, an operable segment thereof) has been certified for funding by the Trust in accordance with N.J.A.C. 7:22-4.13; (iv) the Project is in the fundable range in the forthcoming funding cycle given the Project's rank and the anticipated availability of New Jersey Department of Environmental Protection ("NJDEP") and Trust monies; and (v) the proposed Borrower has not previously received a Construction Loan through the Construction Financing Program for the same project scope (exclusive of a Loan made solely for the purpose of extending the term of a prior Construction Loan) (collectively, the "Construction Financing Program Conditions Precedent"); and

WHEREAS, it is the desire of the Trust, subject to the terms and provisions of the Act, the Regulations and this Resolution, to authorize the implementation of the Construction Financing Program for the State Fiscal Year 2019 ("SFY2019") Environmental Infrastructure Financing Program of the Trust (the "SFY2019 Construction Financing Program"); and

WHEREAS, in order to provide a source of funding for the implementation of the Construction Financing Program for SFY2019, it is anticipated that the New Jersey State Legislature and the Governor of the State will enact into law an appropriation act (the "Appropriation") that will appropriate to the Trust, from repayments of loans deposited in any account, including, without limitation, the Clean Water State Revolving Fund Accounts contained within the "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, and from any net earnings received from the investment and reinvestment of such deposits, the sum of \$500,000,000, such sum to be deposited in the segregated fund created by the Trust for the purpose of funding the SFY2019 Construction Financing Program; and

WHEREAS, in addition to the funds made available to the Trust pursuant to the Appropriation for purposes of the SFY2019 Construction Financing Program, it is the desire of the Trust to provide, as additional sources of funding for the SFY2019 Construction Financing Program, (i) net earnings with respect to funds held by the Trust and (ii) operating funds of the Trust that are not required for, or committed to, the operations of the Trust for State Fiscal Years 2019 and 2020 (collectively, the “Available Trust Revenues”), which Available Trust Revenues may be made available by the Trust, up to a maximum of \$500,000 per Borrower to (i) Borrowers participating in the SFY2019 Construction Financing Program that do not qualify for funding from the Appropriation, as well as (ii) at the election of the Trust, any other Borrowers participating in the SFY2019 Construction Financing Program; and

WHEREAS, with respect to the SFY2019 Construction Financing Program of the Trust and other future construction financing programs of the Trust (collectively, the “Current and Future Construction Financing Programs”), it is the desire of the Trust to explore, as an additional source of funding for the Current and Future Construction Financing Programs, the procurement by the Trust of a line of credit or other similar financial instrument, either through a competitive or negotiated process, from a commercial bank (the “Credit Instrument”; the Appropriation, the Available Trust Revenues and the Credit Instrument shall be referred to collectively herein as the “Available Funds”), and in furtherance of such exploration, the Trust, through its Authorized Officers (as hereinafter defined), desires to (i) discuss and explore potential structural, collateral and credit features relating to a Credit Instrument with one or more banking corporations, having membership in the federal depository insurance corporation, and/or (ii) prepare and distribute a Request for Qualifications or a Request for Proposals, seeking proposals from qualified providers of a Credit Instrument; and

WHEREAS, it is the desire of the Trust that, if a Borrower is eligible to receive financing from the SFY2019 Construction Financing Program for a Project that includes multiple operable segments, the Borrower may receive a single, combined Construction Loan for such Project, provided that (i) the Borrower has submitted to the Trust and the NJDEP a complete application with respect to the Project, including each operable segment of such Project, (ii) the Trust shall not be obligated to disburse Available Funds pursuant to such Construction Loan with respect to any operable segment of a given Project until such operable segment and the Project costs applicable thereto shall have been certified by the NJDEP, and (iii) the Borrower otherwise satisfies each of the other applicable requirements the Act and the Regulations applicable thereto and the applicable terms of this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Environmental Infrastructure Trust (the “Board”), as follows:

Section 1. The Board hereby authorizes the establishment of the SFY2019 Construction Financing Program, provided (i) each Construction Loan made pursuant to the SFY2019 Construction Financing Program shall be funded solely from the Available Funds applicable thereto and available therefor; and (ii) each Construction Loan made pursuant to the SFY2019 Construction Financing Program, and each Project (including each operable segment thereof) funded thereby, shall comply fully with the provisions of the Act and the Regulations applicable thereto and the applicable terms of this Resolution. The Authorized Officers are each hereby severally authorized and directed, after consultation with the Professional Advisors (as hereinafter defined), to determine the particular Available Funds that shall be allocated to, and shall be the source of funding for, any given Construction Loan made pursuant to the SFY2019 Construction Financing Program.

Section 2. Any Construction Loan made by the Trust as part of the SFY2019 Construction Financing Program shall be evidenced by (i) a note or other appropriate obligation of the Borrower to be issued to the Trust (the "Obligation"), and (ii) any other documentation as shall be deemed necessary and appropriate by the Chairman of the Trust, the Vice Chairman of the Trust and the Executive Director of the Trust, or any other person or persons designated by the Board by resolution to act on behalf of the Trust, but in each case subject to the limitations of the by-laws of the Trust (each, an "Authorized Officer"), after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State (collectively, the "Loan Instruments"). Each Obligation shall be in substantially the applicable form attached hereto as Exhibit A, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State. The Loan Instruments shall include such terms and provisions relating to the SFY2019 Construction Financing Program as shall be determined by an Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, as being necessary in connection with (i) the satisfaction of the requirements of the Act and the Regulations applicable thereto and (ii) the implementation of the applicable terms of this Resolution, including, with respect to, as applicable, the funding of a Project with multiple operable segments via a single Construction Loan and the proper disbursement from such Construction Loan for the funding of each Project operable segment.

Any Construction Loan made by the Trust to a Borrower as part of the SFY2019 Construction Financing Program:

(a) shall bear interest at a rate that shall be determined in accordance with the Interest Rate Calculation (as defined in Section 3 hereof);

(b) shall have a maturity date that shall be determined by an Authorized Officer, in consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, which maturity date shall be no later than the applicable date set forth in Section 4 hereof; and

(c) shall be subject to the imposition of a fee consisting of fifty percent (50%) of the NJDEP loan origination fee applicable to a given Project.

Section 3. The rate of interest to be paid by a Borrower to the Trust with respect to the repayment of a Construction Loan shall be calculated in the following manner (the "Interest Rate

Calculation”), so as to achieve an objectively determined rate of interest that is reflective of (i) the policy goals of the Trust as set forth in this Resolution and (ii) the market as of the respective dates on which the Construction Loan is disbursed by the Trust to the Borrower, provided, however, that the portion of the Construction Loan that shall finance the NJDEP loan origination fee that shall be payable as provided in Section 2(c) hereof may be determined by the Authorized Office, at his or her discretion, to bear interest at a rate of 0.00% as an alternative to the rate of interest that otherwise would be applicable to that portion of the Construction Loan pursuant to the provisions of this Section 3:

- (a) with respect to any portion of a Construction Loan utilizing amounts made available to the Trust pursuant to the Appropriation, 0.00%;
- (b) with respect to any portion of a Construction Loan utilizing Available Trust Revenues to a local government unit (as such term is defined in the Act), the interest rate as defined by an appropriate general obligation tax-exempt market index, as shall be selected by an Authorized Officer, which options for selection may include, without limitation, (i) the Thompson Financial TM3 “AAA” Municipal Market Data General Obligation Index (Tax Exempt) and (ii) the “BVAL” Index (relating to general obligation, tax exempt credits) of Bloomberg L.P. (or any subsidiary thereof), in any case for the number of years that corresponds to the term consisting of the period from the date of a given disbursement of proceeds of the Construction Loan to the maturity date of the Construction Loan, rounded up to the nearest year;
- (c) with respect to any portion of a Construction Loan utilizing Available Trust Revenues to a public water utility (as such term is defined in the Act), a small water company (as such term is defined in the Act), any other private person, or a local government unit on behalf of any private person, the interest rate as defined by an appropriate alternative minimum tax market index, as shall be selected by an Authorized Officer, which options for selection may include, without limitation, (i) the Thompson Financial TM3 “AAA” Municipal Market Data General Obligation Index (AMT) and (ii) the “BVAL” Index (relating to alternative minimum tax credits) of Bloomberg L.P. (or any subsidiary thereof), in any case for the number of years that corresponds to the term consisting of the period from the date of a given disbursement of proceeds of the Construction Loan to the maturity date of the Construction Loan, rounded up to the nearest year; and
- (d) with respect to any portion of a Construction Loan disbursed utilizing made available to the Trust pursuant to a Credit Instrument, a rate to be determined by the Trust pursuant to the approval by the Board of any such Credit Instrument as required by Section 12 hereof, which rate shall be commensurate with the cost to the Trust of obtaining funds pursuant to such Credit Instrument for the purpose of making such Construction Loan or portion thereof.

For purposes of determining the term in order to perform the Interest Rate Calculation with respect to a given disbursement of Construction Loan proceeds in connection with a given

Construction Loan, as set forth above, the Authorized Officers shall calculate such term as commencing on the date of a given disbursement and continuing to, but not including, the maturity date of such Construction Loan, rounding up to the nearest year.

Section 4. The maturity date with respect to any Construction Loan, including any individual funding disbursement made pursuant thereto, shall not exceed the maximum maturity that is permitted pursuant to the provisions of N.J.S.A. 58:11B-9(d), as such provisions may hereafter be amended and supplemented from time to time.

Section 5. The principal amount of each Construction Loan shall not exceed \$15,000,000, unless a higher principal amount thereof is authorized by official action of the Board at a future meeting thereof.

Section 6. The Authorized Officers are each hereby severally authorized and directed, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, to approve the participation of a Borrower in the SFY2019 Construction Financing Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations applicable thereto and the applicable terms of this Resolution, including, without limitation, satisfaction by such Borrower with the applicable Financing Program Conditions Precedent.

Section 7. Prior to the making of any Construction Loan with respect to any Project pursuant to the SFY2019 Construction Financing Program, an Authorized Officer shall certify such Project for funding through the SFY2019 Construction Financing Program in accordance with the provisions of N.J.A.C. 7:22-4.13; provided, however, that (i) the proposed Project, or at least one operable segment thereof (as provided pursuant to the provisions of Section 8 hereof), previously has been certified for funding by the Commissioner of the NJDEP, and (ii) such proposed Project (including each of the operable segments thereof) shall otherwise qualify for funding through the SFY2019 Construction Financing Program pursuant to the terms and provisions of the Act and the Regulations applicable thereto and the applicable terms and provisions of this Resolution.

Section 8. In the event that a portion, but not all, of a Project that is to be the subject of a Construction Loan has been certified for funding by the Commissioner of the NJDEP, as well as by the Trust pursuant to the provisions of Section 7 hereof, the Authorized Officers are hereby severally authorized to extend a Construction Loan to such Borrower for such Project in a stated principal amount that may equal, but shall not exceed, the total estimated allowable costs of such Project (subject to the further limitations set forth in the Act, the applicable Regulations and this Resolution, including, without limitation, Section 5 of this Resolution); provided, however, that the Loan Instruments relating to such Construction Loan shall provide that the Trust shall not disburse to the Borrower any proceeds of such Construction Loan with respect to those costs of the Project that have not been certified by the Commissioner of the NJDEP, and such prohibition upon the disbursement by the Trust to the Borrower of such proceeds of the Construction Loan shall continue to apply until such date as such Project costs have been certified by the Commissioner of the NJDEP, as well as by the Trust pursuant to the provisions of Section 7 hereof.

Section 9. Each Authorized Officer is hereby severally authorized and directed to execute (i) any Loan Instrument to which the Trust is a party (the “Trust Loan Instruments”) and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the participation of any Borrower in the SFY2019 Construction Financing Program.

Section 10. Upon execution of the Trust Loan Instruments by an Authorized Officer, the Secretary and the Assistant Secretary of the Trust are each hereby severally authorized and directed, where required, to affix the corporate seal of the Trust, and to attest to the signature of such Authorized Officer, thereon and on any certificates, instruments or documents contemplated therein or related thereto.

Section 11. At the meeting of the Board that is scheduled to occur during the month next succeeding the month during which execution and delivery is completed with respect to Loan Instruments relating to a Construction Loan made by the Trust to a Borrower pursuant to the SFY2019 Construction Financing Program, the Executive Director of the Trust shall provide a report to the Board concerning the details of such transaction.

Section 12. Each Authorized Officer is hereby severally authorized to undertake and complete the following with respect to the anticipated procurement of a Credit Instrument:

- (a) engage in discussions with one or more banking corporations, having membership in the federal depository insurance corporation, for the purpose of exploring potential structural, collateral and credit features relating to a Credit Instrument in favor of the Trust for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs, and include in such discussions, at the discretion of such Authorized Officer, one or more of Bond Counsel to the Trust, the Office of the Attorney General of the State, and the Financial Advisor to the Trust (collectively, the “Professional Advisors”); and/or
- (b) prepare and distribute, in consultation with the Professional Advisors, a Request for Qualifications or a Request for Proposals (in either case, the “RFP”) to banking corporations, having membership in the federal depository insurance corporation, for the establishment of a Credit Instrument in favor of the Trust for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs, in such amount as shall be determined by such Authorized Officer to be necessary and appropriate for such purpose. Such RFP shall be prepared and distributed pursuant to and in compliance with Trust Policy and Procedure No. 4.00, entitled “Procurement of Goods and Services”.

Notwithstanding the above terms and provisions of this Section 12:

- (c) the specific structural, collateral and credit features of the Credit Instrument that may be discussed by an Authorized Officer with one or more banking corporations, and any contractual commitment by the Trust with respect to such structural,

collateral and credit features, shall be subject to the authorization and approval thereof by the Board at a future meeting thereof; and

- (d) the award of any contract to a banking corporation that has submitted to the Trust a response to RFP for the provision of a Credit Instrument for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs shall be made only upon authorization by official action of the Board at a future meeting thereof.

Section 13. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his respective sole discretion after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable to affect the transactions contemplated hereby.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

EXHIBIT A

FORMS OF OBLIGATION

RESOLUTION NO. 18 – xx

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING
THE STATE FISCAL YEAR 2019 SMALL SYSTEM LOAN PROGRAM**

WHEREAS, pursuant to (i) Section 5(m) and Section 9(a) of the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”), as the same has been, and in the future may from time to time be, amended and supplemented (N.J.S.A. 58:11B-1 *et seq.*) (the “Act”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 *et seq.*), as the same have been, and in the future may from time to time be, amended and supplemented (the “Regulations”), the New Jersey Environmental Infrastructure Trust (the “Trust”), a public body corporate and politic under the laws of the State, created pursuant to the Act, is authorized to make and contract to make loans (each, a “Trust Loan”) to project sponsors (each, a “Project Sponsor”) to finance a portion of the costs of the respective environmental infrastructure system projects thereof (each, a “Project”), which Project Sponsors may lawfully undertake or acquire and for which they are authorized by law to borrow funds, subject to such terms and conditions as the Trust shall determine to be consistent with the Act and the purposes of the Trust; and

WHEREAS, the Trust has partnered with the New Jersey Department of Environmental Protection (the “NJDEP”) for the purpose, among others, of making loans to Project Sponsors for the financing of water supply projects pursuant to the New Jersey Environmental Infrastructure Financing Program (the “NJEIFP” or the “Financing Program”); and

WHEREAS, specifically, the Trust and the State, acting by and through the NJDEP, make loans pursuant to the Financing Program in order to finance improvements to water supply systems serving populations of 10,000 or fewer (“Small Water Systems”), which loans are extended primarily to Project Sponsors consisting of small water companies and home owner associations; and

WHEREAS, Small Water Systems generally possess relatively limited financial and professional resources and, therefore, generally require a significantly greater commitment by the Financing Program in order to evaluate such Small Water Systems and the Projects thereof, in order to ensure that such Small Water Systems satisfy the conditions precedent to participation in the Financing Program, including, in particular and without limitation, the creditworthiness standards of the Financing Program; and

WHEREAS, notwithstanding the challenges for the Financing Program in assessing, among other things, the credit risks associated with the making of Financing Program loans to Small Water Systems, the NJDEP has concluded that the continued provision of Financing Program loans to Small Water Systems in order to finance Projects consisting of water supply system improvements is necessary and appropriate in order to address important public health issues for the affected communities throughout the State; and

WHEREAS, the Board of Directors of the Trust (the “Board”) desires to establish the Small System Loan Program, also known as the Nano Infrastructure Loan Program, (the “SSLP”) for State Fiscal Year 2019 (“SFY2019”) in order to serve as the Financing Program funding mechanism for water supply system improvements to Small Water Systems, while also addressing the credit risks posed by such Financing Program applicants in a manner satisfactory to the Trust.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Trust, as follows.

Section 1. The Board hereby authorizes the establishment of the SFY2019 SSLP for the purpose of making loans to qualifying Project Sponsors that operate a Small Water System, provided, however, that each of the following SSLP requirements must be satisfied, in full, as a condition precedent to the making by the Trust of a SSLP loan to a qualifying Project Sponsor for its Small Water System:

- a) all SSLP loans (each, an “SSLP Loan”) made to all qualifying Project Sponsors by the Trust and the NJDEP during SFY2019 pursuant to the SSLP shall not exceed \$4,000,000 in aggregate principal amount plus any funds remaining from any prior year SSLP Program (the “SSLP Cap”). For purposes of complying with the SSLP Cap, the following shall be subject to the SSLP Cap and the calculation thereof: (i) any short term loan made by the Trust during SFY2019 in anticipation of a future, long term SSLP Loan, and (ii) any long term SSLP Loan (or portion thereof) made during SFY2019, provided that such long term SSLP Loan (or such portion thereof) was not preceded by a prior short term loan; in the event that any portion of the SSLP Cap remains unutilized during SFY2019, the remaining SSLP funds that remain available pursuant to the SSLP Cap and that consist of the Trust’s Available Funds (as hereinafter defined) may be used by the Trust for the financing of other programs within the NJEIFP during SFY2019, subject to any other limitation that may be applicable thereto;
- b) the aggregate principal amount of the SSLP Loan made by the Trust and the NJDEP to any given qualifying Project Sponsor for its Small Water System during SFY2019 pursuant to the SSLP shall be no greater than \$1,000,000 and shall be no less than \$100,000;
- c) each long term SSLP Loan shall consist of the following components: (i) an NJDEP principal forgiveness loan in the amount of fifty percent (50%) of the allowable costs of the applicable Project; (ii) an NJDEP zero interest loan in the amount of twenty-five percent (25%) of the allowable costs of the applicable Project; and (iii) an interest bearing Trust Loan in the amount sufficient to finance twenty-five percent (25%) of the allowable costs of the applicable Project (the “Trust Loan Component”);

- d) the maximum principal forgiveness that shall be applied to each SSLP Loan extended to any qualifying Project Sponsor for its Small Water System during SFY2019 pursuant to the SSLP is \$500,000;
- e) the Trust Loan Component of each SSLP Loan made by the Trust to a qualifying Project Sponsor for its Small Water System during SFY2019 pursuant to the SSLP shall not exceed \$250,000 in aggregate principal amount;

allowable costs of any qualifying Project for a Small Water System in excess of that which is permitted to be financed through the SSLP shall be financed pursuant to the terms for which the project qualifies for under the Financing Program;

- f) the source of funds for the Trust Loan Component of each SSLP Loan made by the Trust during SFY2019 pursuant to the SSLP shall consist of one or both of (i) operating funds of the Trust that are not required for, or committed to, the operations of the Trust for State Fiscal Years 2019 and 2020 (the "Available Funds"), and/or (ii) the proceeds of bonds to be issued by the Trust ("Trust Bonds"); provided, however, that the Trust may, in the future, issue Trust Bonds for the purpose of replacing the Available Funds used to finance the Trust Loan Component of SSLP Loans made by the Trust during SFY2019, which Trust Bonds shall be issued pursuant to a bond resolution to be adopted by the Board prior to the issuance thereof;
- g) unless otherwise authorized pursuant to a resolution of the Board, the Trust Loan Component of each SSLP Loan made pursuant to the SSLP during SFY2019 shall bear interest at a rate per annum equal to either (i) the rate of interest on the bonds issued by the Trust in connection with the SSLP for the purpose of funding the Trust Loan Component, or (ii) if no such bonds are issued for the purpose of funding the Trust Loan Component and, therefore, Available Funds are used to fund the Trust Loan Component, as calculated pursuant to the "Interest Rate Calculation", as set forth in that certain Resolution adopted by the Trust on February 9, 2012 and entitled "Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Relating to the Direct Loan Program and Certain Policies Regarding the Administration Thereof and the Granting of Direct Loans", as such resolution thereafter may be amended and supplemented from time to time;
- h) the Chairman, the Vice Chairman and the Executive Director of the Trust, or any other person or persons designated by the Board by resolution to act on behalf of the Trust, but in each case subject to the limitations of the by-laws of the Trust (each, an "Authorized Officer"), are each hereby authorized, at their respective discretion, (i) after consultation with Bond Counsel to the Trust, the Office of the Attorney General of the State, and the Financial Advisor to the Trust, and (ii) if and to the extent that a credit assessment of the Project Sponsor in question so

warrants, to require a Project Sponsor to establish a loan guarantee fund (the "Guarantee Fund"), in addition to the LLR Fund (as defined in and to the extent required by Section 3 hereof), in the event that (A) the principal amount of the SSLP Loan for which such Project Sponsor currently is applying, together with (B) the aggregate principal amount of all other SSLP Loans of such Project Sponsor then outstanding, exceed \$1,000,000 in aggregate principal amount, which Guarantee Fund shall serve as additional collateral for the repayment of the Trust Loan Component of each of the outstanding SSLP Loans of such Project Sponsor; to the extent required by an Authorized Officer pursuant to the terms hereof, the Guarantee Fund shall be established in an amount deemed appropriate thereby, but shall not exceed maximum annual debt service for the aggregate then-outstanding principal amount of the Trust Loan Components of the SSLP Loans of such Project Sponsor, multiplied by 2;

- i) any applicant with respect to the SSLP (in addition to satisfying all other SFY2019 NJEIFP loan conditions) shall demonstrate that its Small Water System is (and shall continue to be during the term of its SSLP Loan) managed in a professional manner that is consistent with the Federal Fiscal Year 2019 Drinking Water Intended Use Plan;
- j) SSLP Loan recipients shall not be subject to the imposition by the NJDEP of an NJDEP loan origination administrative fee; and
- k) SSLP Loan recipients shall not be subject to the imposition by the Trust of an administrative fee to cover any portion of the financing costs of the SSLP Loan, but (i) shall be subject to an annual Trust administrative fee for loan servicing in the annual amount of 0.30% of the original principal amount of the Trust Loan Component of the SSLP Loan, and (ii) shall be assessed the annual fee required in connection with the LLR Fund, as defined in and to the extent required by Section 3 hereof.

Except as otherwise provided by this Resolution, as a condition precedent to the receipt by an applicant of an SSLP Loan pursuant to the SFY2019 SSLP, such applicant shall comply fully with each eligibility requirement that shall apply to any applicant for participation in the SFY2019 NJEIFP.

Section 2. Any SFY2019 SSLP Loan made by the Trust shall be evidenced by the following:

- (a) a bond, note or other appropriate obligation of the Project Sponsor to be issued to the Trust (the "Obligation"), with the following covenants (in addition to other, programmatically-required SFY2019 NJEIFP loan covenants): (i) a municipality shall provide to the Trust a general obligation ("GO") pledge of the unlimited *ad valorem* taxing power thereof; (ii) a utility authority that has entered into a service agreement

containing one or more GO pledges from its municipal or county participants shall pledge to the Trust its right to receive payments pursuant to such service agreement; (iii) each such authority shall provide to the Trust a pledge of its revenues, and shall be subject to the various covenants and requirements of its general indenture or bond resolution, as applicable, including, without limitation, its obligation to raise and collect annual fees and charges to the extent necessary to fund all operating, capital and debt service expenses in order to manage and operate its water supply system in good working condition; (iv) a water company shall provide to the Trust a pledge of its revenues and shall be subject to the various covenants and requirements of its general indenture or bond resolution, including, without limitation, its obligation to raise and collect annual fees and charges to the extent necessary to fund all operating, capital and debt service expenses in order to manage and operate its water supply system in good working condition; and

- (b) any other documentation as shall be deemed necessary and appropriate by the Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State (collectively, the requirements of (a) and (b) of this Section 2 shall be referred to herein as the "Loan Instruments").

Each Obligation and all other Loan Instruments shall be in such form as shall be approved by an Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State. The Loan Instruments shall include such terms and provisions relating to, and required by, the SFY2019 NJEIFP as shall be determined by the Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, as being necessary in connection with (i) the satisfaction of the requirements of the Act and the Regulations, and (ii) the implementation of the terms of this Resolution.

Section 3. Each SSLP Loan recipient that does not provide as security for its Obligation a direct or indirect municipal or county GO pledge shall be assessed an annual loan loss reserve fee consisting of 1% of the total outstanding principal amount of the Trust Loan Component of such recipient's SSLP Loan as of the given calculation date. This fee shall be non-refundable and shall be deposited by the Trust upon receipt thereof into a loan loss reserve fund ("LLR Fund") that shall be established and held by the Trust or a fiduciary thereof. All monies deposited into the LLR Fund shall be applied by the Trust solely to provide additional security for SSLP Loans. In addition, the Trust is hereby authorized and directed to accept any supplement to the LLR Fund that shall be paid by the NJDEP, initially from loan repayments of its Drinking Water annual capitalization grants, which supplement shall be in such amount as shall be necessary to secure any and all default risks with respect to the SSLP Loans, as such default risks are assessed and determined by an Authorized Officer, after consultation with Bond Counsel to the Trust, the Office of the Attorney General of the State and the Financial Advisor to the Trust. To the extent that, at any time, the amount on deposit in the LLR Fund, inclusive of any NJDEP contribution thereto, exceeds total outstanding SSLP Loan amounts, the NJDEP contribution to the LLR Fund in an amount equal to the excess outstanding SSLP Loan amount may, at the discretion of an Authorized Officer, be withdrawn from the LLR Fund and repaid to the NJDEP.

Section 4. The Authorized Officers are hereby severally authorized and directed to execute (i) any Loan Instrument to which the Trust is a party (the “Trust Loan Instruments”) and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the participation of any Project Sponsor in the SFY2019 SSLP.

Section 5. Upon execution of the Trust Loan Instruments by an Authorized Officer, the Secretary and the Assistant Secretary of the Trust are each hereby severally authorized and directed, where required, to affix the corporate seal of the Trust, and to attest to the signature of such Authorized Officer, thereon and on any certificates, instruments or documents contemplated therein or related thereto.

Section 6. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his respective sole discretion after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable in order to effect the establishment of the SFY2019 SSLP and the transactions contemplated hereby.

Section 7. The SSLP at all times shall fully comply with the provisions of the Act, the provisions of the Regulations applicable thereto, and the terms of this Resolution.

Section 8. This Resolution shall become effective in accordance with the terms of Section 4(i) of the Act (N.J.S.A. 58:11B-4(i)).

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

RESOLUTION NO. 18 - xx

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
APPROVING A CONSTRUCTION LOAN TO CUMBERLAND COUNTY**

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust"), in accordance with (i) the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same may from time to time be amended and supplemented (the "Act"), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 *et seq.*), as the same may from time to time be amended and supplemented (the "Regulations"), is authorized, pursuant to an interim financing program (the "Interim Financing Program"), to make loans (each, an "Interim Loan") to eligible project sponsors (each, a "Borrower") for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Interim Loan satisfies the requirements of the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

WHEREAS, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for an Interim Loan pursuant to the Interim Financing Program, provided all of the following conditions are satisfied in full: (i) the project is listed on the project priority list developed in accordance with N.J.A.C. 7:22-4.8(a) for funding in the forthcoming State Fiscal Year; (ii) the proposed project sponsor has submitted a complete application for the project in accordance with N.J.A.C. 7:22-4.11; (iii) the project has been certified for funding by the Trust in accordance with N.J.A.C. 7:22-4.13; (iv) the project is in the fundable range in the forthcoming funding cycle given the project's rank and the anticipated availability of Department of Environmental Protection (the "Department") and Trust monies; and (v) the proposed project sponsor has not previously received an Interim Loan through the Interim Financing Program for the same project scope; and

WHEREAS, the Trust duly adopted Resolution No. 18-xx on January 11, 2018 entitled "Amended and Restated Resolution Authorizing Various Short-Term Financing Programs for State Fiscal Year 2018" (the "2018 Authorizing Resolution") to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2018 including the Construction Financing Program (the "SFY 2018 Construction Loan Program"); and

WHEREAS, the Trust duly adopted Resolution No. 18-xx on January 11, 2018 entitled "Resolution Authorizing the Construction Loan Financing Program for State Fiscal Year 2019" (the "2019 Authorizing Resolution") to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2019 including the Construction Financing Program (the "SFY 2019 Construction Loan Program"); and

WHEREAS, it is the desire of the Board to authorize Construction Loan Closings pursuant to the Interim Financing SFY2018 Construction Loan Program for loan closings occurring in SFY2018 and the Interim Financing SFY2019 Construction Loan Program for loan closings occurring in SFY2019 (each the "Applicable Construction Loan Program"); and

WHEREAS, pursuant to the terms of the 2018 Authorizing Resolution and 2019 Authorizing Resolution (each the “Applicable Authorizing Resolution”), the Authorized Officers (as defined therein) are each severally authorized, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, to approve the participation of a Borrower in the Applicable Construction Loan Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations and the terms of the Applicable Authorizing Resolution; and

WHEREAS, pursuant to Section 5 of the 2018 Authorizing Resolution, any Interim Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Applicable Construction Loan Program shall not exceed \$10,000,000 in principal amount (SFY2018 Construction Loan Limitation); and

WHEREAS, pursuant to Section 5 of the 2019 Authorizing Resolution, any Interim Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Applicable Construction Loan Program shall not exceed \$15,000,000 in principal amount (SFY2019 Construction Loan Limitation); and

WHEREAS, pursuant to Section 2 of the Applicable Authorizing Resolutions, revisions and modifications may be made to terms and provisions of the Short-Term Financing Program pursuant to further official action in the form of the adoption of a resolution by the Board of Directors of the Trust; and

WHEREAS, Cumberland County (“Cumberland”) has requested from the Trust a construction loan, in anticipation of a long-term loan from each of the Trust and the Department, to finance the construction of Project # S340438-01 – Downe Wastewater Infrastructure, (the “Cumberland Project”); and

WHEREAS, pursuant to the Cumberland Project construction schedule, a Construction Loan not to exceed three full fiscal years will be made available for construction, all or a portion of which will be completed prior to Cumberland’s receipt of a Trust and Department long-term New Jersey Environmental Infrastructure Financing Program loan, thereby resulting in Cumberland’s request for a construction loan in an amount not to exceed \$16 million; and

WHEREAS, with respect to the Applicable Authorizing Resolutions’ Construction Loan Limitations providing that any Construction Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Applicable Construction Loan Program shall not exceed \$10,000,000, or \$15,000,000, in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the Trust, the Trust now desires, given the facts and circumstances set forth in the recitals hereto, to create as an exception to such limitation of Construction Loans, as part of the Applicable Construction Loan Program, to the aforementioned project sponsor in amount not to exceed the amount stated for the purpose of completing the Cumberland Project; and

WHEREAS, it is the desire of the Trust that, other than the Applicable Authorizing Resolutions' Construction Loan Limitations described in the immediately preceding recital, the project sponsor shall comply with (i) all other requirements of the Applicable Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Environmental Infrastructure Trust, as follows:

Section 1. Notwithstanding the Applicable Authorizing Resolutions' Construction Loan Limitations providing that all Loans approved by the Authorized Officers, following the requisite consultations, and made by the Trust to Borrowers as part of the Applicable Construction Loan Program, shall not exceed \$10,000,000, or \$15,000,000 in principal amount, the Board of Directors of the Trust, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to Construction Loan Limitations, an Interim Loan, as part of the SFY 2018 and SFY2019 Construction Loan Programs, to the following project sponsor for the stated project in an amount not to exceed the amount stated for the purpose of completing each such project.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
Cumberland County	S340438-01	Downe Wastewater Infrastructure	\$16 million

Section 2. Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loan made to the aforementioned project sponsor as part of the Applicable Construction Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

Agenda Item 9

RESOLUTION NO. 18 - XX

EXECUTIVE SESSION

BE IT HEREBY RESOLVED, That pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13, the members of the New Jersey Environmental Infrastructure Trust (the "Trust") hold an executive session regarding contract negotiations, personnel matters and advice from counsel.

BE IT FURTHER RESOLVED, That it is expected that discussions undertaken at this executive session will be made public once a final position is adopted by the Trust regarding such actions.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions: