



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

Roger Ellis, **Treasurer**
Mark Longo, **Secretary**
Jack Kocsis, Jr.
Elizabeth Maher Muoio, **State Treasurer**
Catherine R. McCabe, **DEP Commissioner**
Diane Gutierrez-Scaccetti, **DOT Commissioner**
Sheila Oliver, **DCA Commissioner**
David E. Zimmer, **Executive Director**

April 2, 2020

PUBLIC NOTICE

Public notice is hereby given that the New Jersey Infrastructure Bank ("I-Bank") Board of Directors will hold a public meeting on **Thursday, April 9, 2020 at 10:00 a.m., electronically via webinar link and telephone.** Formal action may be taken at this meeting.

GoToMeeting: You may join the meeting from your computer, tablet or smartphone (For best results, use Google Chrome) at: <https://www.gotomeet.me/NJIB/boardmeeting>

Call in Information: United States: [+1 \(224\) 501-3412](tel:+12245013412) Access Code: 114-527-725

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

- 1 Call to Order – Treasurer**
- 2. Open Public Meetings Act Statement**
- 3. Roll Call**
- 4.* Approval of the Minutes of the March 20, 2020 Meeting**
- 5. Announcements**
- 6. Public Comment**
- 7. Unfinished Business:**
 - A. Discussion of the **Water Bank Application** process (hand-out) (L. Peterson)
 - B. Discussion of the **Transportation Bank Application** process (hand-out) (R. Fernandez)
 - C. Update on Water Bank, SAIL and Transportation Bank **Short-Term Loans** (D. Zimmer)
 - D. Update on Outstanding I-Bank **Requests for Proposals** (D. Zimmer)
 - E. Aged Inventory Status (L. Peterson)
- 8. New Business:**
 - A.* Discussion and Acceptance of the February 2020 Treasurer's Report; (L. Kaltman)
 - B.* Discussion and Approval of a Resolution Approving the I-Bank's July 2, 2020 through June 30, 2021 Operating Budget; (L. Kaltman)
 - C.* Discussion and Approval of a Resolution Approving the SFY2021 Financing Program Year Water Bank May Report; (D. Zimmer)
 - D.* Discussion and Approval of a Resolution Approving the SFY2021 Financing Program Year Transportation Bank May Report; (D. Zimmer)
 - E.* Discussion and Approval of a Resolution Extending the Term of Contract for Water Bank Custodial Banking Services; (J. Karp)
 - F.* Discussion and Approval of a Resolution Extending the Term of Contract for Transportation Bank Financial Advisor Services; (J. Karp)
 - G.* Discussion and Approval of a Resolution Authorizing the SFY2021 Financing Program Year Water Bank Small System Loan Program (NANO); (L. Peterson)
 - H.* Discussion and Approval of a Resolution Authorizing and Adopting an Amended and Restated Investment Policy; (D. Zimmer)
- 9.* Executive Session (if necessary)**

*ACTION ITEMS

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

RESOLUTION NO. 20-xx

**RESOLUTION AUTHORIZING APPROVAL OF THE
FEBRUARY 2020 TREASURER'S REPORT**

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank") has reviewed the Treasurer's Report for February 2020; and

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

NOW THEREFORE, BE IT RESOLVED, that the I-Bank hereby accepts the Treasurer's Report for February 2020 and requests that the same be entered into the record.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

RESOLUTION NO. 20-xx

**ACCEPTANCE AND APPROVAL OF THE NEW JERSEY INFRASTRUCTURE BANK'S
OPERATING BUDGET FOR JULY 1, 2020 TO JUNE 30, 2021**

WHEREAS, the New Jersey Infrastructure Bank (the "Bank") must secure legislative approval of its annual Financial Plans for both the Water Program and the Transportation Program ("Financial Plans") pursuant to N.J.S.A. 58:11B-21 and 21.1; and

WHEREAS, the Financial Plans must include, among other things, a complete operating and financial statement covering proposed operations during the upcoming fiscal year; and

WHEREAS, the I-Bank's Operating Budget shall commence July 1, 2020 and end June 30, 2021; and

WHEREAS, the I-Bank desires to approve its Operating Budget for July 1, 2020 to June 30, 2021 for inclusion in the Fiscal Year 2021 Financial Plans.

NOW THEREFORE BE IT RESOLVED, after due consideration the items set forth herein the I-Bank hereby adopts the attached Operating Budget for July 1, 2020 to June 30, 2021.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

RESOLUTION NO. 20-xx

**RESOLUTION APPROVING THE NEW JERSEY INFRASTRUCTURE BANK
SFY2021 FINANCING PROGRAM YEAR WATER BANK FINANCIAL PLAN**

WHEREAS, pursuant to N.J.S.A. 58:11B-21 and 21.1, the New Jersey Infrastructure Bank (the “I-Bank”) is required to submit to the Legislature on or before May 15, 2020, a financial plan designed to implement the financing of the projects on the Environmental Infrastructure Project Priority List or the Environmental Infrastructure Project Eligibility List “Water Bank Financial Plan”; and

WHEREAS, the Water Bank Financial Plan shall contain an enumeration of the bonds which the I-Bank intends to issue to finance environmental infrastructure projects, including the amounts, terms, and conditions for the loans; a list of loans to be made to participants, including the terms, conditions, and anticipated rate of interest per annum and repayment schedule for the loans; and a complete operating and financial statement covering the I-Bank’s proposed operations during the forthcoming financing program year including amounts of income from all sources; the schedule of fees and charges collected from borrowers in connection with the I-Bank Water Bank loans; a summary of the status of each project for which loans have been made; and a description of the major impediments to the accomplishment of the planned projects.

NOW THEREFORE BE IT RESOLVED THAT the I-Bank Board of Directors hereby approves the proposed SFY2021 Financing Program Year Water Bank Financial Plan substantially in the form as the Plan included in the agenda for the April 9, 2020 I-Bank Board meeting with such changes thereto as (i) have been implemented by including the July 1, 2020 through June 30, 2021 budget approved by the I-Bank; and (ii) as the Executive Director, in consultation with the Chairperson, Vice Chairperson or Secretary, shall approve and authorize; and

BE IT FURTHER RESOLVED THAT the Executive Director, in consultation with the Chairperson, Vice Chairperson or Secretary, is hereby authorized and directed to take such other actions as are necessary or desirable to publish, file and distribute the Water Bank May Report, including its printing and binding.

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. 20-xx

RESOLUTION APPROVING THE NEW JERSEY INFRASTRUCTURE BANK SFY2021 FINANCING PROGRAM YEAR TRANSPORTATION INFRASTRUCTURE FINANCING PROGRAM FINANCIAL PLAN

WHEREAS, pursuant to N.J.S.A. 58:11B-22.3, the New Jersey Infrastructure Bank (the “I-Bank”) is required to submit to the Legislature on or before May 15, 2020, a financial plan designed to implement the financing of the transportation projects to be approved pursuant to N.J.S.A. 58:11B-20.2 (“Transportation Financial Plan”); and

WHEREAS, the Transportation Financial Plan shall contain an enumeration of the loans and bonds which the I-Bank intends to issue, including the amounts thereof and the terms and conditions therefore, a list of loans to be made to participants, including the terms and conditions thereof and the anticipated rate of interest per annum and repayment schedule therefore; and operating and financial statement covering the I-Bank’s proposed operations during the forthcoming program year; and

WHEREAS, The Transportation Financial Plan also includes the amount of income anticipated from all sources; the schedule of fees and charges collected from borrowers in connection with the I-Bank loans; and a summary of the status of each project for which loans have been made and a description of the major impediments to the accomplishment of the planned projects; and

WHEREAS, I-Bank approval of the SFY2021 Financing Program Year Financial Plan is critical to its ability to issue loans and administer the Transportation Bank.

NOW THEREFORE BE IT RESOLVED THAT the I-Bank Board of Directors hereby approves the proposed SFY2021 Financing Program Year Transportation Financial Plan substantially in the form as the Plan included in the agenda for the April 9, 2020 I-Bank Board meeting with such changes thereto as (i) have been implemented by including the July 1, 2020 through June 30, 2021 budget approved by the I-Bank; and ii) as the Executive Director, in consultation with the Chairperson, Vice Chairperson or Secretary, shall approve and authorize; and

BE IT FURTHER RESOLVED THAT the Executive Director, in consultation with the Chairperson, Vice Chairperson or Secretary, is hereby authorized and directed to take such other actions as are necessary or desirable to publish, file and distribute the Transportation Financial Plan, including its printing and binding.

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. 20-xx

**RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING
A ONE-YEAR EXTENSION OF ITS AGREEMENT WITH TD BANK N.A. FOR CUSTODIAL BANKING
SERVICES FOR THE ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM**

WHEREAS, pursuant to Section 5 of the New Jersey 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.), the New Jersey Infrastructure Bank (“I-Bank”) is authorized to enter agreements necessary to the performance of its duties; and

WHEREAS, pursuant to Resolution No. 18-13, the Board of Directors of the I-Bank (“Board”) authorized the Executive Director of the I-Bank to solicit proposals for Custodial Banking Services for the Environmental Infrastructure Financing Program; and

WHEREAS, the I-Bank competitively procured Custodial Banking Services through formal advertisement and distribution of a Request for Proposals (“RFP”) pursuant to I-Bank Policy and Procedure 4.0; and

WHEREAS, pursuant to Resolution No. 18-30, the Board authorized the appointment of the highest ranked firm, TD Wealth Management, a Division of TD Bank N.A. (“TD Bank”), for a two year term with an option for a one-year extension subject to Board approval; and

WHEREAS, on May 22, 2018, an agreement was entered between the I-Bank and TD Bank (“Original Contract”) appointing TD Bank as provider of Custodial Banking Services for the Environmental Infrastructure Financing Program; and

WHEREAS, the Original Contract approved by the Board pursuant to Resolution 18-30 provides for an extension for up to one year, subject to Board authorization; and

WHEREAS, it is the desire of the Board to exercise the one-year option for renewal of its Original Contract with TD Bank as outlined in the Original Contract as the Board deems continued appointment of TD Bank for Custodial Banking Services for the Environmental Infrastructure Financing Program to be appropriate.

NOW THEREFORE BE IT RESOLVED, that the Secretary of the I-Bank is hereby authorized to issue a contract extension to TD Bank to provide the services set forth in the Original Contract pursuant to the terms and conditions thereof and the price agreed to therein. The terms and conditions of the amended agreement shall include, but not be limited to:

- a. The provision of services as outlined in the I-Bank’s RFP distributed on February 28, 2018 and the proposal submitted by TD Bank dated March 20, 2018; and

- b. Such other terms and conditions as may be contemplated by the RFP and the materials enclosed therewith as deemed necessary and appropriate by the Secretary of the I-Bank.

The Secretary is hereby authorized and directed to take such other actions that the Secretary, in his sole discretion, after consultation with Legal Counsel, deems necessary, convenient or desirable in order to effect the transactions contemplated hereby.

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. 20-xx

**RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING
A ONE-YEAR EXTENSION OF ITS AGREEMENT WITH LAMONT FINANCIAL SERVICES CORPORATION
FOR FINANCIAL ADVISOR SERVICES FOR THE TRANSPORTATION INFRASTRUCTURE FINANCING
PROGRAM**

WHEREAS, pursuant to Section 5 of the New Jersey 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.), the New Jersey Infrastructure Bank (“I-Bank”) is authorized to enter agreements necessary to the performance of its duties; and

WHEREAS, pursuant to Resolution No. 18-20, the Board of Directors of the I-Bank (“Board”) authorized the Executive Director of the I-Bank to solicit proposals for Financial Advisor Services for the Transportation Infrastructure Financing Program; and

WHEREAS, the I-Bank competitively procured Custodial Banking Services through formal advertisement and distribution of a Request for Proposals (“RFP”) pursuant to I-Bank Policy and Procedure 4.0 and pursuant to Executive Order No. 26 (Whitman); and

WHEREAS, pursuant to Resolution No. 18-40, the Board authorized the appointment of the highest ranked firm, Lamont Financial Services Corporation (“Lamont”), for a two year term with an option for a one-year extension subject to Board approval; and

WHEREAS, on July 11, 2018, an agreement was entered between the I-Bank and Lamont (“Original Contract”) appointing Lamont as provider of Financial Advisor Services for the Transportation Infrastructure Financing Program; and

WHEREAS, the Original Contract approved by the Board pursuant to Resolution 18-40 provides for an extension for up to one year, subject to Board authorization; and

WHEREAS, it is the desire of the Board to exercise the one-year option for renewal of its Original Contract with Lamont as outlined in the Original Contract as the Board deems continued appointment of Lamont for Financial Advisor Services for the Transportation Infrastructure Financing Program to be appropriate.

NOW THEREFORE BE IT RESOLVED, that the Secretary of the I-Bank is hereby authorized to issue a contract extension to Lamont Financial Services Corporation (“Lamont”) to provide the services set forth in the Original Contract pursuant to the terms and conditions thereof and the price agreed to therein. The terms and conditions of the amended agreement shall include, but not be limited to:

- a. The provision of services as outlined in the I-Bank's RFP distributed on March 29, 2018, the proposal submitted by Lamont dated April 25, 2018 and the Cost Proposal submitted by Lamont on June 6, 2018; and
- b. Such other terms and conditions as may be contemplated by the RFP and the materials enclosed therewith as deemed necessary and appropriate by the Secretary of the I-Bank.

The Secretary is hereby authorized and directed to take such other actions that Secretary, in his sole discretion, after consultation with Legal Counsel, deems necessary, convenient or desirable in order to effect the transactions contemplated hereby.

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. 20-xx

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING THE SFY2021 FINANCING PROGRAM YEAR SMALL SYSTEM LOAN PROGRAM

WHEREAS, pursuant to (i) Section 5(m) and Section 9(a) of the New Jersey 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 Infrastructure Bank (the “I-Bank”), 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, an “I-Bank 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 I-Bank shall determine to be consistent with the Act and the purposes of the I-Bank; and

WHEREAS, the I-Bank 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 or Water Bank Financing Program (the “Water Bank Financing Program”); and

WHEREAS, specifically, the I-Bank and the State, acting by and through the NJDEP, make loans pursuant to the Water Bank 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 Water Bank 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 Water Bank Financing Program, including, in particular and without limitation, the creditworthiness standards of the Water Bank Financing Program; and

WHEREAS, notwithstanding the challenges for the Water Bank Financing Program in assessing, among other things, the credit risks associated with the making of Water Bank Financing Program loans to Small Water Systems, the NJDEP has concluded that the continued provision of Water Bank 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 I-Bank (the “Board”) desires to establish the Small System Loan Program, also known as the Nano Infrastructure Loan Program, (“NANO”) for the SFY2021 Water Bank Financing Program Year defined as commencing July 1, 2020 up through and including June 30, 2021 (“SFY2021”), in order to serve as the Water Bank Financing Program funding mechanism for water supply system improvements to Small Water Systems, while also addressing the credit risks posed by such Water Bank Financing Program applicants in a manner satisfactory to the I-Bank.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the I-Bank, as follows.

Section 1. The Board hereby authorizes the establishment of the SFY2021 NANO Program for the purpose of making loans to qualifying Project Sponsors that operate a Small Water System, provided, however, that each of the following NANO requirements must be satisfied, in full, as a condition precedent to the making by the I-Bank of a NANO loan to a qualifying Project Sponsor for its Small Water System:

- a) all NANO loans (each, an “NANO Loan”) made to all qualifying Project Sponsors by the I-Bank and the NJDEP during SFY2021 pursuant to NANO shall not exceed \$4,000,000 in aggregate principal amount plus any funds remaining from any prior year NANO Program (the “NANO Cap”). For purposes of complying with the NANO Cap, the following shall be subject to the NANO Cap and the calculation thereof: (i) any short term loan made by the I-Bank during SFY2021 in anticipation of a future, long term NANO Loan, and (ii) any long term NANO Loan (or portion thereof) made during SFY2021, provided that such long term NANO Loan (or such portion thereof) was not preceded by a prior short term loan; in the event that any portion of the NANO Cap remains unutilized during SFY2021, the NANO funds that remain available pursuant to the NANO Cap and that consist of the I-Bank’s Available Funds (as hereinafter defined) may be used by the I-Bank for the financing of other programs within the Water Bank Financing Program during SFY2021, subject to any other limitation that may be applicable thereto;
- b) the aggregate principal amount of the NANO Loan made by the I-Bank and the NJDEP to any given qualifying Project Sponsor for its Small Water System during SFY2021 pursuant to the NANO shall be no greater than \$1,000,000 and shall be no less than \$150,000;
- c) each long term NANO 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 I-Bank Loan in the amount sufficient to finance twenty-five

percent (25%) of the allowable costs of the applicable Project (the “I-Bank Loan Component”);

- d) the maximum principal forgiveness that shall be applied to each NANO Loan extended to any qualifying Project Sponsor for its Small Water System during SFY2021 pursuant to NANO is \$500,000;
- e) the I-Bank Loan Component of each NANO Loan made by the I-Bank to a qualifying Project Sponsor for its Small Water System during SFY2021 pursuant to NANO shall not exceed \$250,000 in aggregate principal amount;
- f) allowable costs of any qualifying Project for a Small Water System in excess of that which is permitted to be financed through NANO shall be financed pursuant to the terms for which the project qualifies for under the Water Bank Financing Program;
- g) the source of funds for the I-Bank Loan Component of each NANO Loan made by the I-Bank during SFY2021 pursuant to NANO shall consist of one or both of (i) Water Bank Financing Program related operating funds of the I-Bank that are not required for, or committed to, the operations of the I-Bank for State Fiscal Years 2021 and 2022 (the “Available Funds”), and/or (ii) the proceeds of bonds to be issued by the I-Bank (“I-Bank Environmental Infrastructure Bonds”); provided, however, that the I-Bank may, in the future, issue I-Bank Bonds for the purpose of replacing the Available Funds used to finance the I-Bank Loan Component of NANO Loans made by the I-Bank during SFY2021, which I-Bank Environmental Infrastructure Bonds shall be issued pursuant to a bond resolution to be adopted by the Board prior to the issuance thereof;
- h) unless otherwise authorized pursuant to a resolution of the Board, the I-Bank Loan Component of each NANO Loan made pursuant to NANO during SFY2021 shall bear interest at a rate per annum equal to either (i) the rate of interest on the bonds issued by the I-Bank in connection with the NANO for the purpose of funding the I-Bank Loan Component, or (ii) if no such bonds are issued for the purpose of funding the I-Bank Loan Component and, therefore, Available Funds are used to fund the I-Bank Loan Component, as calculated pursuant to the “Interest Rate Calculation”, as set forth in that certain Resolution adopted by the I-Bank 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 Water Bank Financing Program Direct Loans”, as such resolution thereafter may be amended and supplemented from time to time;
- i) the Chairperson, the Vice Chairperson, Secretary and the Executive Director of the I-Bank, or any other person or persons designated by the Board by resolution to act on behalf of the I-Bank, but in each case subject to the limitations of the by-

laws of the I-Bank (each, an "Authorized Officer"), are each hereby authorized, at their respective discretion, (i) after consultation with Bond Counsel to the I-Bank, the Office of the Attorney General of the State, and the Financial Advisor to the Water Bank Financing Program, 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 NANO Loan for which such Project Sponsor currently is applying, together with (B) the aggregate principal amount of all other NANO 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 I-Bank Loan Component of each of the outstanding NANO 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 I-Bank Loan Components of the NANO Loans of such Project Sponsor, multiplied by 2;

- j) any applicant with respect to NANO (in addition to satisfying all other SFY2021 Water Bank Financing Program loan conditions) shall demonstrate that its Small Water System is (and shall continue to be during the term of its NANO Loan) managed in a professional manner that is consistent with the Federal Fiscal Year 2020 Drinking Water Intended Use Plan;
- k) NANO Loan recipients shall not be subject to the imposition by the NJDEP of an NJDEP loan origination administrative fee; and
- l) NANO Loan recipients shall not be subject to the imposition by the I-Bank of an administrative fee to cover any portion of the financing costs of the NANO Loan, but (i) shall be subject to an annual I-Bank administrative fee for loan servicing in the annual amount of 0.30% of the original principal amount of the I-Bank Loan Component of the NANO 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 NANO Loan pursuant to the SFY2021 NANO, such applicant shall comply fully with each eligibility requirement that shall apply to any applicant for participation in the SFY2021 Water Bank Financing Program.

Section 2. Any SFY2021 NANO Loan made by the I-Bank shall be evidenced by the following:

- (a) a bond, note or other appropriate obligation of the Project Sponsor to be issued to the I-Bank (the "Obligation"), with the following covenants (in addition to other, programmatically-required SFY2021 Water Bank Financing Program loan covenants):
 - (i) a municipality shall provide to the I-Bank 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 I-Bank its right to receive payments pursuant to such service agreement; (iii) each such authority shall provide to the I-Bank 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 I-Bank 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 I-Bank 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 I-Bank 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 SFY2021 Water Bank Financing Program as shall be determined by the Authorized Officer, after consultation with Bond Counsel to the I-Bank 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 NANO 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 I-Bank Loan Component of such recipient's NANO Loan as of the given calculation date. This fee shall be non-refundable and shall be deposited by the I-Bank upon receipt thereof into a loan loss reserve fund ("LLR Fund") that shall be established and held by the I-Bank or a fiduciary thereof. All monies deposited into the LLR Fund shall be applied by the I-Bank solely to provide additional security for NANO Loans. In addition, the I-Bank 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 NANO Loans, as such default

risks are assessed and determined by an Authorized Officer, after consultation with Bond Counsel to the Water Bank Financing Program, the Office of the Attorney General of the State and the Financial Advisor to the Water Bank Financing Program. To the extent that, at any time, the amount on deposit in the LLR Fund, inclusive of any NJDEP contribution thereto, exceeds total outstanding NANO Loan amounts, the NJDEP contribution to the LLR Fund in an amount equal to the excess outstanding NANO 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 I-Bank is a party (the “I-Bank Loan Instruments”) and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the participation of any Project Sponsor in the SFY2021 NANO.

Section 5. Upon execution of the I-Bank Loan Instruments by an Authorized Officer, the Secretary and the Assistant Secretary of the I-Bank are each hereby severally authorized and directed, where required, to affix the corporate seal of the I-Bank, 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 I-Bank and the Office of the Attorney General of the State, deems necessary, convenient or desirable in order to effect the establishment of the SFY2021 NANO and the transactions contemplated hereby.

Section 7. The NANO 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. – 20-xx

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING AND ADOPTING AN AMENDED AND RESTATED INVESTMENT POLICY WITH RESPECT TO THE ADMINISTRATION AND INVESTMENT MANAGEMENT OF FUNDS OF THE I-BANK AND FUNDS FOR WHICH THE I-BANK IS RESPONSIBLE

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”), pursuant to and in accordance with the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (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”), is authorized to invest moneys of the I-Bank not required for immediate use, including, without limitation, proceeds from the sale of any bonds, notes or other obligations, all as provided in the Act; and

WHEREAS, prior to the date hereof, the I-Bank adopted, and thereafter amended and restated, a policy (as amended and restated, the “Prior Policy”) for the administration and investment management by the I-Bank, pursuant to the Act, of moneys of the I-Bank not required for immediate use, including, without limitation, proceeds from the sale of any bonds, notes or other obligations; and

WHEREAS, pursuant Resolution Number 20-21, the I-Bank amended and restated the Prior Policy to include Addendum #1 to allow for the purchase of certain short-term securities issued by New Jersey counties and municipalities in the event of a State-wide emergency formally declared by the Governor of the State of New Jersey; and

WHEREAS, it is the desire of the I-Bank to amend and restate the Prior Policy, including Addendum #1, each in the form attached hereto as Exhibit A and made a part hereof (collectively, the “Amended Investment Policy”) to allow for the sale of such short-term securities; and

WHEREAS, in accordance with the Act, subject to any agreement with holders of its bonds, notes or other obligations, the I-Bank is authorized to sell its bonds, notes, or other obligations at the price or prices and in any manner as the trust may determine.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the I-Bank (the “Board”) that:

1. The Board hereby authorizes and approves the Amended Investment Policy, with such immaterial modifications thereto as the Executive Director of the I-Bank (the “Executive Director”) shall approve, following consultation with Bond Counsel to the I-Bank, the Office of the Attorney General of the State and the Financial Advisor to the I-Bank, subject to the approval of the Amended Investment Policy by the DOI Director;

2. The Board hereby authorizes and approves the implementation of such Amended Investment Policy pursuant to the terms thereof, upon receipt of the approval thereof by the Director of the Division of Investment in the Department of Treasury.

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:

Agenda Item 9

RESOLUTION NO. 20 - 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 Infrastructure Bank (I-Bank) convene an executive session regarding contract negotiations, personnel matters and advice from counsel.

BE IT FURTHER RESOLVED, 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: