

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

AUTHORIZATION OF ADDITIONAL PROJECTS IN STATE FISCAL YEAR 2011 FINANCING PROGRAM

RESOLUTION NO. 10- 49

WHEREAS, The New Jersey Environmental Infrastructure Trust (Trust) and the New Jersey Department of Environmental Protection (NJDEP) have partnered since 1987 to finance environmental infrastructure through the New Jersey Environmental Infrastructure Financing Program (NJEIFP);

WHEREAS, The NJEIFP has been a critical force in effectuating needed water quality improvements and generating more than one hundred thousand jobs throughout the State;

WHEREAS, Staff has completed its review of 89 environmental infrastructure projects for State Fiscal Year 2011 (SFY11) NJEIFP for 71 loans to 61 borrowers in preparation for the sale of one or more series of New Jersey Environmental Infrastructure Trust bonds on November 17, 2010;

WHEREAS, SFY11 NJEIFP project loans will exceed \$290 million to date generating in excess of 100,000 jobs throughout the State;

WHEREAS, Each SFY11 NJEIFP will consist of a State Loan and Trust loan;

WHEREAS, State loans for the SFY11 NJEIFP will approximate \$160 million, the sources of which are prior State appropriations, State bond proceeds, federal clean water and drinking water capitalization grants, loan repayments and interest earnings;

WHEREAS, Trust loans for the SFY11 NJEIFP will approximate \$130 million, the source of which is proceeds from the sale of one or more series of Trust bonds;

WHEREAS, The review of approximately 36 SFY11 NJEIFP loan applications could not be finalized within the schedule for the aforementioned bond sale;

WHEREAS, In recognition of the persistently high rate of unemployment, the NJEIT has developed a strategy to maximize the number of projects financed in the SFY NJEIFP by extending the project review period for SFY11 NJEIFP projects; and

WHEREAS, The strategy is consistent with the SFY11 NJEIFP Financial Strategy approved by the New Jersey Legislature on or about June 15, 2010.

NOW THEREFORE BE IT RESOLVED, the New Jersey Environmental Infrastructure Trust adopts the following strategy to maximize the number of project participants in the SFY11 NJEIFP:

1. Issue New Jersey Environmental Infrastructure Trust Loans (Trust Loans) for projects unconditionally certified by the New Jersey Department of Environmental Protection (Department) upon the Department's authorization to advertise (satisfaction of engineering,

environmental planning, cultural resource, and small and disadvantaged business requirements on or before February 15, 2011 (Second Pool));

2. Utilize as the source of funds for Trust Loans for the Second Pool, one or more series of New Jersey Environmental Infrastructure Bonds, to be issued on or about April 3, 2011, provided the Trust Loan component required to finance all projects within the Second Pool exceeds \$10 million, exclusive of projects that are otherwise eligible to receive Direct Trust loans (as such loans are defined in Resolution No. 10-09) and projects deemed ineligible for inclusion in a tax-exempt Trust Bond Series; and
3. In the event New Jersey Environmental Infrastructure Bonds are unavailable as the source of funds for the Trust loans for the Second Pool pursuant to section 2 above, utilize Direct Trust Loans as the source of funds for the Trust Loan component for Second Pool projects;
4. The Executive Director is authorized to make the determination as to the source of funds for the Trust loans for the Second Pool in a manner consistent with this resolution upon certification of all projects in the Second Pool.

BE IT FURTHER RESOLVED, this strategy is subject to the concurrence of the Department of Environmental Protection, the Trust's adoption of resolutions at its November 18, meeting (a) authorizing the sale of New Jersey Environmental Infrastructure Bonds, on or about April 3, 2011 and (b) amending resolution no. 10-09 entitled "Resolution of the New Jersey Environmental Infrastructure Trust Authorizing Direct Loans to Certain Borrowers Participating in the New Jersey Environmental Infrastructure Financing Program."

Adopted Date: October 21, 2010

Motion Made By: Mr. Plonski

Motion Seconded By: Mr. Gardner

Ayes: 6

Nays: 0

Abstentions: 0