

RESOLUTION NO. 15 - 27

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
AUTHORIZING FOUR STATE FISCAL YEAR 2016
CONSTRUCTION LOANS**

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 "Construction Financing Program"), to make loans (each, a "Construction Loan") for terms not to exceed three full state fiscal years to eligible project sponsors (each, a "Borrower") for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Construction 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 a Construction Loan pursuant to the Construction 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 that has been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20; (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 a Construction Loan through the Construction Financing Program for the same project scope; and

WHEREAS, the Trust duly adopted Resolution No. 15-03 on January 15, 2015 entitled "Resolution of the New Jersey Environmental Infrastructure Trust Authorizing Various Short-Term Financing Programs of the Trust for State Fiscal Year 2016" (the "Authorizing Resolution") in order to provide funding for the implementation of various short-term loan programs during State Fiscal Year 2016 including the Construction Financing Program (the "SFY 2016 Construction Loan Program"); and

WHEREAS, pursuant to the terms of the 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 SFY 2016 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 Trust Authorizing Resolution; and

WHEREAS, pursuant to Section 5 of the Trust Authorizing Resolution, any Construction Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the SFY2016 Construction Loan Program shall not exceed \$10,000,000 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; and

WHEREAS, the City of East Orange (“East Orange”) has requested from the Trust a loan from the SFY 2016 Construction Loan Program, in anticipation of a long-term loan from each of the Trust and the Department as part of the New Jersey Environmental Infrastructure Financing Program, for the purpose of completing an environmental infrastructure project to be constructed in East Orange and designated by the Department as Project 0705001-011 (the “East Orange Project”); and

WHEREAS, pursuant to the construction schedules with respect to the East Orange Project, a construction loan not to exceed three fiscal years will be made available for the East Orange Project for construction, all or a portion of which will be completed prior to East Orange’s receipt of The Trust and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in a request by East Orange for a Construction Loan from the SFY 2016 Construction Loan Program in an amount not to exceed \$13,000,000; and

WHEREAS, the City of Hoboken (“Hoboken”) has requested from the Trust a loan from the SFY 2016 Construction Loan Program, in anticipation of a long-term loan from each of the Trust and the Department as part of the New Jersey Environmental Infrastructure Financing Program, for the purpose of completing an environmental infrastructure project to be constructed in Hoboken and designated by the Department as Project S340635-04 (the “Hoboken Project”); and

WHEREAS, pursuant to the construction schedules with respect to the Hoboken Project, a Construction Loan not to exceed three fiscal years will be made available for the Hoboken Project for construction, all or a portion of which will be completed prior to Hoboken’s receipt of the Trust and Department long-term New Jersey Environmental Infrastructure Financing Program loan, thereby resulting in a request by Hoboken for a Construction Loan from the SFY 2016 Construction Loan Program in an amount not to exceed \$12,000,000; and

WHEREAS, the Jersey City Municipal Utilities Authority (“Jersey City MUA”) has requested from the Trust a loan from the SFY 2016 Construction Loan Program, in anticipation of a long-term loan from each of the Trust and the Department as part of the New Jersey Environmental Infrastructure Financing Program, for the purpose of completing an environmental infrastructure project to be constructed in Jersey City MUA service area and designated by the Department as Project S340928-13 (the “Jersey City MUA Project”); and

WHEREAS, pursuant to the construction schedules with respect to the Jersey City MUA Project, a construction loan not to exceed three fiscal years will be made available for the Jersey City MUA Project for construction, all or a portion of which will be completed prior to Jersey City

MUA's receipt of a long-term Trust and Department New Jersey Environmental Infrastructure Financing Program loan, thereby resulting in a request by Jersey City MUA for a Construction Loan from the SFY 2016 Construction Loan Program in an amount not to exceed \$10,000,000; and

WHEREAS, the Rahway City ("Rahway City") has requested from the Trust a loan from the SFY 2016 Construction Loan Program, in anticipation of a long-term loan from each of the Trust and the Department as part of the New Jersey Environmental Infrastructure Financing Program, for the purpose of completing an environmental infrastructure projects to be constructed in Rahway City and designated by the Department as Project 2013001-007 and 2013001-008 (the "Rahway City Projects"); and

WHEREAS, pursuant to the construction schedules with respect to the Rahway City Projects, a Construction Loan not to exceed three fiscal years will be made available for the Rahway City Projects for construction, all or a portion of which will be completed prior to Rahway City's receipt of the trust and Department long-term New Jersey Environmental Infrastructure Financing Program loan, thereby resulting in a request by Rahway City for a Construction Loan from the SFY 2016 Construction Loan Program in an amount not to exceed \$18,000,000; and

WHEREAS, with respect to the limitation established in Section 4 of the Authorizing Resolution providing that any Construction Loans shall have a maturity date not to exceed the last day of the third succeeding State Fiscal Year following the closing date with respect to the closing of such Construction Loan; and

WHEREAS, with respect to the limitation established in Section 4 and Section 5 of the Authorizing Resolution 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 SFY 2016 Construction Loan Program shall not exceed \$10,000,000 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 an Interim Loan, as part of the SFY 2016 Construction Loan Program, to the aforementioned project sponsors in amounts not to exceed the amounts stated for the purpose of completing the stated projects; and

WHEREAS, it is the desire of the Trust that, other than the exception to Section 4 and Section 5 of the Authorizing Resolution described in the immediately preceding recital, each 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 (a) the limitation established in Section 4 of the Authorizing Resolution providing that all Loans following the requisite consultations, and made by the Trust to Borrowers as part of the SFY 2016 Construction Loan Program shall have maturity

dates not to exceed the last day of the third succeeding State Fiscal Year following the closing date with respect to the closing of each such Construction Loan; and (b) the limitation established in Section 5 of the Authorizing Resolution providing that a Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the SFY 2016 Construction Loan Program shall not exceed \$10,000,000 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 such limitations established in Section 4 and Section 5 of the Authorizing Resolution, a Construction Loan, as part of the SFY 2016 Construction Loan Program, to the following project sponsors for the stated projects in amounts not to exceed the amounts stated for the purpose of completing each such project.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
East Orange City	0705001-011	Installation of VOC Treatment at Pump Station and Well Rehabilitation	\$13,000,000
Hoboken City	S340635-04	Wet Weather Pump Station	\$12,000,000
Jersey City Mun. Util. Auth.	S340928-13	Duncan Street Outfall Replacement	\$10,000,000
Rahway City	2013001-007 and 008	Upgrade WTP Filter System and Interconnection w/ Middlesex Water Co.	\$18,000,000

Section 2. Other than the exception created by the provisions of Section 1 of this Resolution, the Construction Loan made to the aforementioned project sponsors as part of the SFY 2016 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: June 15, 2015

Motion Made By: Mr. Longo

Motion Seconded By: Mr. Petrino

Ayes: 6

Nays: 0

Abstentions: 0