

RESOLUTION NO. 15 - 34

**AMENDED AND RESTATED RESOLUTION
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
AUTHORIZING VARIOUS TRUST SHORT-TERM FINANCING PROGRAMS
FOR STATE FISCAL YEAR 2016**

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 an 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 has 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 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 an Construction Loan through the Construction Financing Program for the same project scope (collectively, the "Construction Financing Program Conditions Precedent"); and

WHEREAS, the Trust, pursuant to and in accordance with (i) the Act, and (ii) the Regulations, is authorized, pursuant to an emergency financing program (the "Emergency Financing Program"), to make loans (each an "Emergency Loan") to eligible Borrowers for the purpose of financing the allowable costs of the emergency repair of Projects, provided that each such Emergency Loan made by the Trust to a Borrower for a Project satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9.1, and any applicable Regulations; and

WHEREAS, it is the desire of the Trust, subject to the terms and provisions of the Act, the Regulations and this Resolution, to establish the following conditions precedent that must be satisfied in full in connection any Emergency Loan made by the Trust to a qualifying Borrower for

its Project: (i) the Borrower is a local government unit (as defined in the Act); (ii) the Commissioner (the "Commissioner") of the NJDEP has determined and certified, in writing, that the Project constitutes an emergency because of an imminent threat to the environment or the public health, safety or welfare caused by structural or mechanical failure, sabotage or act of God, all in accordance with N.J.S.A. 58:11B-9.1; (iii) the Project has been certified for funding by the Trust in accordance with N.J.A.C. 7:22-4.13; and (iv) the Project is included in neither a financial plan (as described in N.J.S.A. 58:11B-21 and 21.1) nor an appropriations act of the New Jersey State Legislature for the ensuing fiscal year (items (i) through (iv) hereof shall be referred to collectively herein as the "Emergency Financing Program Conditions Precedent"); and

WHEREAS, the Trust, pursuant to and in accordance with (i) the Act, and (ii) the Regulations, is authorized, pursuant to a planning and design financing program (the "Planning and Design Financing Program"), to make loans (each, a "Planning Loan") to eligible Borrowers for the purpose of financing the allowable environmental planning and engineering design costs of Projects, provided that each such Planning Loan made by the Trust to a Borrower for a Project satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9.2, and any applicable Regulations; and

WHEREAS, the Act, specifically N.J.S.A. 58:11B-9.2, provides for the making of Planning Loans to Borrowers with respect to Projects that are included on the Priority List, as well as Projects that are not included on the Priority List; and

WHEREAS, it is the desire of the Trust, subject to the terms and provisions of the Act, the Regulations and this Resolution, to establish the following conditions precedent that must be satisfied in full in connection with any Planning Loan made by the Trust to a qualifying Borrower for its Project: (i) the proposed scope of the Project has been certified for funding by the Trust through the Planning and Design Financing Program in accordance with N.J.A.C. 7:22-4.13; (ii) if the Project is on the Priority List for State Fiscal Year 2016, the Project is in the fundable range in the forthcoming funding cycle given the Project's rank and the anticipated availability of NJDEP and Trust monies; and (iii) the proposed Borrower has not previously received financing from the Trust or the NJDEP, through the Planning and Design Financing Program or otherwise, for the same project scope (items (i) through (iii) hereof shall be referred to collectively herein as the "Planning and Design Financing Program Conditions Precedent"); and

WHEREAS, the Trust, pursuant to and in accordance with (i) the Act, and (ii) the Regulations, is authorized, pursuant to a supplemental financing program (the "Supplemental Financing Program"), to make short-term or temporary loans (each, a "Supplemental Loan") to eligible Borrowers for the purpose of financing, with respect to a Project (each, an "Existing Project") for which a loan previously has been made to such Borrower by the Trust pursuant to N.J.S.A. 58:11B-9(a) (each, an "Existing Loan"), to pay for additional eligible costs of such Existing Project (the "Additional Costs"), that have been incurred by such Borrower in connection with the completion of such Existing Project and in excess of (i) the principal amount of the Existing Loan, plus (ii) the principal amount of the companion loan made to the Borrower by the State, acting by and through the NJDEP, provided that each such Supplemental Loan made by the Trust to a

Borrower satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9.4, and any applicable Regulations; and

WHEREAS, the Act, specifically N.J.S.A. 58:11B-9.4, provides for the making of Supplemental Loans to Borrowers with respect to Existing Projects that are not included on the Priority List; and

WHEREAS, it is the desire of the Trust, subject to the terms and provisions of the Act, the Regulations and this Resolution, to establish the following conditions precedent that must be satisfied in full in connection with any Supplemental Loan made by the Trust to a qualifying Borrower for the Additional Costs of its Existing Project: (i) the proposed scope of the Additional Costs of the Existing Project have been certified for funding by the Trust through the Supplemental Financing Program in accordance with N.J.A.C. 7:22-4.13; and (ii) the Borrower has not previously received financing from the Trust or the NJDEP, through the Supplemental Financing Program or otherwise, for the Additional Costs of the Existing Project proposed to be financed through the Supplemental Financing Program (items (i) and (ii) hereof shall be referred to collectively herein as the “Supplemental Financing Program Conditions Precedent”); and

WHEREAS, the Trust, pursuant to and in accordance with (i) the Act, and (ii) the Regulations, is authorized, pursuant to an equipment financing program (the “Equipment Financing Program”), to make short-term or temporary loans (each, an “Equipment Loan”) to eligible Borrowers for the purpose of financing the allowable costs of certain Projects consisting of the purchase or other acquisition of equipment, provided that each such Equipment Loan made by the Trust to a Borrower for a Project satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9.6, and any applicable Regulations; and

WHEREAS, the Act, specifically N.J.S.A. 58:11B-9.6, provides for the making of Equipment Loans to Borrowers with respect to Projects that are not included on the Priority List; and

WHEREAS, it is the desire of the Trust, subject to the terms and provisions of the Act, the Regulations and this Resolution, to establish the following conditions precedent that must be satisfied in full in connection with any Equipment Loan made by the Trust to a qualifying Borrower for its Project: (i) the proposed scope of the Project has been certified for funding by the Trust through the Equipment Financing Program in accordance with N.J.A.C. 7:22-4.13; and (ii) the Borrower has not previously received financing from the Trust or the NJDEP, for the costs of the Project proposed to be financed through the Equipment Financing Program (items (i) and (ii) hereof shall be referred to collectively herein as the “Equipment Financing Program Conditions Precedent”); the Construction Financing Program Conditions Precedent, the Emergency Financing Program Conditions Precedent, the Planning and Design Financing Program Conditions Precedent, the Supplemental Financing Program Conditions Precedent and the Equipment Financing Program Conditions Precedent shall be referred to collectively herein as the “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, the Emergency Financing Program, the Planning and Design Financing Program, the Supplemental Financing Program and the Equipment Financing Program for the State Fiscal Year 2016 (“SFY 2016”) Environmental Infrastructure Financing Program of the Trust (collectively, the “SFY 2016 Short-Term Financing Program”); and

WHEREAS, in order to provide a source of funding for the implementation of the Construction Financing Program for SFY 2016, 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 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 having been deposited, or to be deposited, in the segregated fund created by the Trust for the purpose of funding the Construction Financing Program; and

WHEREAS, in addition to the funds made available to the Trust pursuant to the Appropriation for purposes of the Construction Financing Program for SFY 2016, it is the desire of the Trust to provide, as additional sources of funding for the Construction Financing Program for SFY 2016, (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 fiscal years 2016 and 2017 (collectively, the “Available Trust Revenues”; the Appropriation and the Available Trust Revenues shall be referred to collectively herein as the “Available CFP Funds”), which Available Trust Revenues may be made available by the Trust to (i) Borrowers participating in the Construction Financing Program for SFY 2016 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 Construction Financing Program for SFY 2016; and

WHEREAS, pursuant to the Act, the source of funding for the Emergency Financing Program authorized hereby shall be the Emergency Loan Fund created by N.J.S.A. 58:11B-9.1 (the “Available EFP Funds”); and

WHEREAS, pursuant to the Act, the sources of funding for the Planning and Design Financing Program authorized hereby shall be (i) the Planning and Design Fund created by N.J.S.A. 58:11B-9.2(a) and (ii) the Interim Financing Program Fund created by N.J.S.A. 58:11B-9(d) (collectively, the “Available PDFP Funds”), provided that a Planning Loan made from moneys on deposit in the Interim Financing Program Fund may be made only with respect to a Project that is included on the Priority List; and

WHEREAS, pursuant to the Act, the source of funding for the Supplemental Financing Program authorized hereby shall be amounts on deposit in the Supplemental Loan Fund created by N.J.S.A. 58:11B-9.4(a) (the “Available SFP Funds”); and

WHEREAS, pursuant to the Act, the source of funding for the Equipment Financing Program authorized hereby shall be amounts on deposit in the Equipment Loan Fund created by N.J.S.A. 58:11B-9.6(a) (the “Available QFP Funds”; the Available CFP Funds, the Available EFP Funds, the Available PDFP Funds, the Available SFP Funds and the Available QFP Funds shall be referred to collectively herein as the “Available Funds”); and

WHEREAS, with respect to the SFY 2016 Short Term Financing Program of the Trust and other future short-term financing programs of the Trust (collectively, the “Current and Future Short-Term Financing Programs”), it is the desire of the Trust to explore, as an additional source of funding for the Current and Future Short-Term Financing Trust Loan Programs, the procurement of a line of credit or other similar financial instrument procured by the Trust from a commercial bank (the “Credit Instrument”), and in furtherance of such exploration, the Trust desires to prepare and distribute 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 one or more of the Construction Financing Program, the Emergency Financing Program, the Planning & Design Financing Program, the Supplemental Financing Program and the Equipment Financing Program, the Borrower may receive a single combined loan (each, a “Short-Term Loan”), provided that (i) there shall exist sufficient Available Funds from the applicable source for the making of each component of the Short-Term Loan, (ii) the Borrower has submitted to the Trust and the NJDEP a complete application with respect to the Project and each applicable component of the SFY 2016 Short-Term Financing Program, and (iii) the Trust shall not disburse funds with respect to any component of the Short-Term Loan until such components and the Project costs applicable thereto shall have been certified by the NJDEP; and

WHEREAS, the Trust previously authorized the SFY2016 short-term financing programs set forth herein pursuant to Resolution No. 15-03 and the Trust now desires to modify certain provisions thereof through this amended and restated resolution to provide greater flexibility in meeting Borrower needs.

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 SFY 2016 Short-Term Financing Program, provided (i) each component of such SFY 2016 Short-Term Financing Program shall be funded solely from the Available Funds applicable thereto; and (ii) each component of such SFY 2016 Short-Term Financing Program shall comply fully with the provisions of the Act and the Regulations applicable thereto and the applicable terms of this Resolution.

Section 2. Any Short-Term Loan made by the Trust as part of the SFY 2016 Short-Term 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 Executive Director of the Trust, or any other person or persons designated by the Board by resolution to act on behalf 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 SFY 2016 Short-Term 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 (a) the satisfaction of the requirements of the Act and the Regulations applicable thereto and (b) the implementation of the applicable terms of this Resolution, including, without limitation, the enumeration of the components of such Short-Term Loan and the respective principal amounts thereof. Any Short-Term Loan made by the Trust to a Borrower as part of the SFY 2016 Short-Term Financing Program (1) shall bear interest at a rate determined in accordance with the Interest Rate Calculation (as hereinafter defined), (2) shall have a maturity date to 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 shall be no later than the applicable date set forth in Section 4 hereof; and (3) shall not be subject to the imposition of an administrative fee.

Section 3. The rate of interest to be paid by a Borrower to the Trust with respect to the repayment of a Short-Term 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 the policy goals as set forth in this Resolution and the market as of the date on which the Short-Term Loan is made by the Trust:

(a) with respect to any portion of a Short Term Loan made from amounts made available to the Trust pursuant to the Appropriation, 0.00%;

(b) with respect to any portion of a Short Term Loan made from Available Trust Revenues to a local government unit (as such term is defined in the Act), the interest rate as defined by the Thompson Financial TM3 “AAA” Municipal Market Data General Obligation Index (Tax Exempt) for the number of years that corresponds to the term of the Short-Term Loan;

(c) with respect to any portion of a Short Term Loan made 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 the Thompson Financial TM3 “AAA” Municipal Market Data General Obligation Index (AMT) for the number of years that corresponds to the term of the Short-Term Loan; and

(d) with respect to any portion of a Short-Term Loan made from amounts made available to the Trust pursuant to a Credit Instrument, a rate to be determined by the Trust in connection with its approval 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 Short-Term Loan or portion thereof.

For purposes of determining the term of an Short-Term Loan in order to perform the Interest Rate Calculation as set forth above, the Authorized Officers shall calculate from the date such Short-Term Loan is made to, but not including, the maturity date of such Short-Term Loan, rounding up to the nearest year.

Section 4. The maturity date with respect to any Short-Term Loan or component thereof shall not exceed:

(a) with respect to any Construction Loan or component thereof, the last day of the third succeeding State Fiscal Year following the closing date with respect to such Construction Loan (pursuant to N.J.S.A. 58:11B-9);

(b) with respect to any Emergency Loan or component thereof, twenty four months following the date of such Emergency Loan (pursuant to N.J.S.A. 58:11B-9.1);

(c) with respect to any Planning Loan or component thereof, (i) included on the SFY 2016 Priority List, the date of closing with respect to the State Fiscal Year 2017 New Jersey Environmental Infrastructure Financing Program as administered by the Trust and the NJDEP (the "Financing Program"), which closing date shall be no later than June 30, 2017, and (b) with respect to a Project not included on the SFY 2016 Priority List, the date of closing with respect to the applicable long-term financing within the State Fiscal Year 2018 Financing Program, which closing date shall be no later than June 30, 2018;

(d) with respect to any Supplemental Loan or component thereof, the date of closing with respect to the applicable long-term financing within the State Fiscal Year 2017 Financing Program, which closing date shall be no later than June 30, 2017; and

(e) with respect to any Equipment Loan or component thereof, the last day of the third succeeding State Fiscal Year following the closing date with respect to such Equipment Loan (pursuant to N.J.S.A. 58:11B-9.6).

Section 5. The principal amount of each Short-Term Loan shall not exceed \$10,000,000; provided however that the principal amount of each Emergency Loan, Planning Loan, Supplemental Loan or Equipment Loan made from Available Trust Revenues shall not exceed \$500,000.

The principal amount of each Construction Loan shall not exceed \$10,000,000. The principal amount of each Emergency Loan, Planning Loan, Supplemental Loan, and Equipment Loan shall not exceed \$10,000,000; provided however, that the portion of any Emergency Loan, Planning Loan, Supplemental Loan or Equipment Loan made from available Trust revenues shall not exceed \$500,000.

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 SFY 2016 Short-Term Financing Program, provided that (i) 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, and (ii) such Borrower has satisfied all of the applicable Financing Program Conditions Precedent.

Section 7. Prior to the making of any Short-Term Loan pursuant to the SFY 2016 Short-Term Financing Program with respect to any Project, an Authorized Officer shall certify the Project for funding through the SFY 2016 Short-Term Financing Program in accordance with the provisions of N.J.A.C. 7:22-4.13; provided, however, that (i) the proposed Project, or a component 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 Project shall otherwise qualify for funding through the applicable component(s) of the SFY 2016 Short-Term 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 Short-Term Loan has been certified for funding by the Commissioner of the NJDEP, the Authorized Officers are hereby severally authorized to extend a Short-Term Loan to such Borrower in a stated principal amount not exceeding the total estimated allowable costs of the 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 Short-Term shall provide that the Trust may not disburse to the Borrower any proceeds of the Short Term Loan with respect to costs that have not been certified by the Commissioner of the NJDEP on or prior to the applicable date of disbursement thereof.

Section 9. No Planning Loan, Emergency Loan, Supplemental Loan or Equipment Loan, with respect to a Project that does not appear on the then-current Priority List, shall be made by the Trust to a Borrower with respect to a Project without the prior approval of the Board in the form of a resolution duly adopted pursuant to and in satisfaction of the requirements of the Act.

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 SFY 2016 Short-Term 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 immediately following the execution and delivery of any Loan Instruments relating to any Short-Term Loan made to any Borrower pursuant to the SFY 2016 Short-Term 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 prepare and distribute, in consultation with 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"), a Request for Proposals (the "RFP"), to banking corporations having membership in the federal depository insurance corporation, for a Credit Instrument for the purpose of funding all or a portion of one or more of the Current and Future Short-Term Financing Programs, in such amount as is 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". 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 Short-Term Financing Programs shall be made only upon authorization by official action of the Board at a future meeting thereof. The Authorized Officers are each hereby severally authorized and directed to take such other actions as any Authorized Officer, in his respective sole discretion, after consultation with the Professional Advisors, deems necessary, convenient or desirable in order to prepare and distribute the RFP and to receive proposals for the provision of a Credit Instrument, in a manner consistent herewith.

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 effect the transactions contemplated hereby.

Adopted Date: August 20, 2015

Motion Made By: Mr. Kennedy

Motion Seconded By: Mr. Longo

Ayes: 6

Nays: 0

Abstentions: 0

EXHIBIT A

FORMS OF OBLIGATION