

RESOLUTION NO. 16 - 26

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING SEVEN 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 "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. 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 the Interim Financing Program 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 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 SFY 2016 Construction Loan Program shall not exceed \$10,000,000

in principal amount; and

WHEREAS, pursuant to Section 2 of the Trust 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, Cumberland County Improvement Authority (“Cumberland County”) 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 SFY 2016 New Jersey Environmental Infrastructure Financing Program, for the purpose of completing an environmental infrastructure project to be constructed in Cumberland County and designated by the Department as Project # S342015-03 (the “Cumberland County Project”); and

WHEREAS, pursuant to the construction schedules with respect to the Cumberland County Project, a Construction Loan not to exceed three full fiscal years will be made available for the Cumberland County Project for construction, all or a portion of which will be completed prior to Cumberland County’s receipt of the Trust and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in a request by Cumberland County for a Construction Loan from the 2016 Construction Loan Program in an amount not to exceed \$16.1 million; and

WHEREAS, Franklin Township Sewerage Authority (“Franklin Township”) 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 SFY 2016 New Jersey Environmental Infrastructure Financing Program, for the purpose of completing an environmental infrastructure project to be constructed in Franklin Township and designated by the Department as Project # S340839-06 (the “Franklin Township Project”); and

WHEREAS, pursuant to the construction schedules with respect to the Franklin Township Project, a Construction Loan not to exceed three full fiscal years will be made available for the Franklin Township Project for construction, all or a portion of which will be completed prior to Franklin Township’s receipt of the Trust and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in a request by Franklin Township for a Construction Loan from the 2016 Construction Loan Program in an amount not to exceed \$17.1 million; and

WHEREAS, Middlesex Water Company (“Middlesex Water”) 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 SFY 2016 New Jersey Environmental Infrastructure Financing Program, for the purpose of completing two environmental infrastructure projects to be constructed in Middlesex County and designated by the Department as Project # 1225001-16 and 1225001-23 (the “Middlesex Water Projects”); and

WHEREAS, pursuant to the construction schedules with respect to the Middlesex Water

Projects, a Construction Loan not to exceed three full fiscal years will be made available for the Middlesex Water Projects for construction, all or a portion of which will be completed prior to Middlesex Water's receipt of the Trust and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in a request by Cumberland County for a Construction Loan from the 2016 Construction Loan Program in an amount not to exceed \$14.0 million; and

WHEREAS, the City of Newark ("Newark") 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 SFY 2016 New Jersey Environmental Infrastructure Financing Program, for the purpose of completing an environmental infrastructure project to be constructed in Newark and designated by the Department as Project #0714001-015 (the "Newark Project"); and

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

WHEREAS, the City of North Wildwood ("North Wildwood") 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 SFY 2016 New Jersey Environmental Infrastructure Financing Program, for the purpose of completing an environmental infrastructure project to be constructed in North Wildwood and designated by the Department as Project # S340663-06 (the "North Wildwood Project"); and

WHEREAS, pursuant to the construction schedules with respect to the North Wildwood Project, a Construction Loan not to exceed three full fiscal years will be made available for the North Wildwood Project for construction, all or a portion of which will be completed prior to North Wildwood's receipt of the Trust and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in a request by North Wildwood for a Construction Loan from the 2016 Construction Loan Program in an amount not to exceed \$13.8 million; and

WHEREAS, the City of Rahway ("Rahway") has requested from the Trust a renewal of 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 SFY 2016 New Jersey Environmental Infrastructure Financing Program, for the purpose of completing an environmental infrastructure project to be constructed in Rahway and designated by the Department as Project # 2013001-007 and # 2013001-008 (the "Rahway Project"); and

WHEREAS, pursuant to the construction schedules with respect to the Rahway Project, a renewal of a Construction Loan not to exceed three full fiscal years will be made available for the

Rahway Project for construction, all or a portion of which will be completed prior to Rahway's receipt of the Trust and Department long-term new Jersey Environmental Infrastructure Financing Program loan, thereby resulting in a request by Rahway for a Construction Loan from the SFY 2016 Construction Loan Program in an amount not to exceed \$14,500,000; and

WHEREAS, with respect to the limitation established in 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 of Construction Loans, 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 Rahway Project; and

WHEREAS, it is the desire of the Trust that, other than the exception to 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 the limitation established in Section 5 of the Authorizing Resolution providing that all Loans approved by the Authorized Officers, following the requisite consultations, and made by the Trust to Borrowers as part of the Interim Financing 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 limitation established in Section 5 of the Authorizing Resolution, an Interim 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
Cumberland County IA	S342015-03	Landfill expansion, phase VI development and leachate pump station improvement at the Cumberland County Solid Waste Complex	\$16,100,000
Franklin Twp. SA	S340839-06	Rodney Avenue pump station improvements	\$17,100,000

Middlesex Water Company	1225001-16	Clean and Lining of water mains in Edison	\$6,000,000
Middlesex Water Company	1225001-23	Clean and Lining and replacement of undersized water mains	\$8,000,000
The City of Newark	0714001-015	Rehabilitation of water distribution mains	\$18,000,000
North Wildwood City	S340663-06	2014 street and utility reconstruction work	\$13,800,000
City of Rahway	2013001-007 2013001-008	Construction of new interconnection and water plant improvements at Chestnut Street and Tower Hill	\$14,500,000

Section 2. Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loans 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 9, 2016

Motion Made By: Roger Ellis

Motion Seconded By: Mark Longo

Ayes: 6

Nays: 0

Abstentions: 0