

RESOLUTION NO. 16 - 38

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
AUTHORIZING PASSAIC VALLEY SEWERAGE COMMISSION
STATE FISCAL YEAR 2017 CONSTRUCTION LOAN**

WHEREAS, the New Jersey Environmental Infrastructure Trust (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 (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 (Regulations), is authorized, pursuant to an interim financing program (Construction Financing Program), to make loans (Construction Loan) for terms not to exceed three full state fiscal years to eligible project sponsors (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 (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 Board of Directors of the Trust (Board) duly adopted Resolution No. 16-22 on May 12, 2016 entitled “Amended and Restated Resolution Authorizing Various Short-Term Financing Programs for State Fiscal Year 2017” (Authorizing Resolution) in order to provide funding for the implementation of various short-term loan programs during State Fiscal Year 2017 including the Construction Financing Program (SFY2017 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 SFY2017 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 4 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 SFY2017 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; and

WHEREAS, the Passaic Valley Sewerage Commission (PVSC) has requested from the Trust a loan from the SFY2017 Construction Loan Program, in anticipation of a long-term loan from each of the Trust and the New Jersey Department of Environmental Protection (Department) as part of the SFY2017 New Jersey Environmental Infrastructure Financing Program (NJEIFP), for the purpose of completing an environmental infrastructure project to be constructed in Newark and designated by the Department as Project # S340689-38 (PVSC Project); and

WHEREAS, pursuant to the construction schedules with respect to the PVSC Project, a construction loan not to exceed three full fiscal years will be made available for the PVSC Project for construction, all or a portion of which will be completed prior to PVSC's receipt of The Trust and Department long-term NJEIFP loans, thereby resulting in a request by PVSC for a Construction Loan from the SFY2017 Construction Loan Program in an amount not to exceed \$19,500,000; and

WHEREAS, with respect to the limitation established in Section 4 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 SFY2017 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, 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 SFY2017 Construction Loan Program, to the aforementioned project sponsors in amounts not to exceed \$19,500,000 for the purpose of completing the PVSC Project; and

WHEREAS, it is the desire of the Trust that, other than the exception to Section 4 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 4 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 SFY2017 Construction Loan Program shall not exceed \$10,000,000 in principal amount, the Board, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to such limitations established in Section 4 of the Authorizing Resolution, a Construction Loan, as part of the SFY2017 Construction Loan Program, to PVSC in an amount not to exceed \$19,500,000 for

the purpose of completing the following PVSC Project.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
Passaic Valley Sewerage Commission	S340689-38	Concrete rehabilitation and protective coating of the final clarifiers at the PVSC treatment facility	\$19,500,000

Section 2. Other than the exception created by the provisions of Section 1 of this Resolution, the Construction Loan made to the aforementioned project sponsor as part of the SFY2017 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: August 11, 2016

Motion Made By: Dan Kennedy

Motion Seconded By: Roger Ellis

Ayes: 6

Nays: 0

Abstentions: 0