

**RESOLUTION NO. 16 - 59**

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
APPROVING STATE FISCAL YEAR 2017 CONSTRUCTION LOAN TO  
THE NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION**

**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. 16-22 on May 12, 2016 entitled "Amended and Restated Resolution Authorizing Various Short-Term Financing Programs for State Fiscal Year 2017" (the "Authorizing Resolution") in order to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2017 including the Construction Financing Program (the "SFY 2017 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 2017 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 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**, the North Jersey District Water Supply Commission (“NJDWSC”) has requested from the Trust a loan from the SFY 2017 Construction Loan Program, in anticipation of a long-term loan from each of the Trust and the Department as part of the SFY 2017 New Jersey Environmental Infrastructure Financing Program, for the purpose of completing an environmental infrastructure project to be constructed in NJDWSC and designated by the Department as Project No. 1613001-022 (the “NJDWSC Project”); and

**WHEREAS**, pursuant to the construction schedules with respect to the NJDWSC Project, a Construction Loan not to exceed three full fiscal years will be made available for the NJDWSC Project for construction, all or a portion of which will be completed prior to NJDWSC’s receipt of the Trust and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in a request by NJDWSC for a Construction Loan from the 2017 Construction Loan Program in an amount not to exceed \$17 million; 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 SFY 2017 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 2017 Construction Loan Program, to the aforementioned project sponsor in amounts not to exceed the amount stated for the purpose of completing the NJDWSC 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 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 2017 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 4 of the Authorizing Resolution, an Interim Loan, as part of the SFY 2017 Construction Loan Program, to the following project sponsor for the stated project in an amount not to exceed the amount stated for the purpose of completing each such project.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
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North Jersey District Water Supply Commission	1613001-022	Replacement of sedimentation basins 5 and 6 with high rate clarifiers	\$17 million
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**Section 2.** Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loans made to the aforementioned project sponsor as part of the SFY 2017 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: December 8, 2016

Motion Made By: Mr. Mark Longo

Motion Seconded By: Mr. Dan Kennedy

Ayes: 5

Nays: 0

Abstentions: 0