

**RESOLUTION NO. 17-21**

**RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
AMENDING CERTAIN PROVISIONS OF (I) THAT CERTAIN “RESOLUTION OF THE NEW JERSEY  
ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING THE STATE FISCAL YEAR 2017 SMALL  
SYSTEM LOAN PROGRAM” ADOPTED ON JULY 14, 2016, AND  
(II) THAT CERTAIN “RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
AUTHORIZING THE STATE FISCAL YEAR 2018 SMALL SYSTEM LOAN PROGRAM” ADOPTED ON  
FEBRUARY 15, 2017**

**WHEREAS**, pursuant to (i) Section 5(m) and Section 9(a) of the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”), as amended and supplemented (N.J.S.A. 58:11B-1 *et seq.*) (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”), the New Jersey Environmental Infrastructure Trust (the “Trust”), a public body corporate and politic under the laws of the State created pursuant to the Act, is authorized to make and contract to make loans (each, a “Trust Loan”) to project sponsors (each, a “Project Sponsor”) to finance a portion of the costs of the respective environmental infrastructure system projects thereof (each, a “Project”), which Project Sponsors may lawfully undertake or acquire and for which they are authorized by law to borrow funds, subject to such terms and conditions as the Trust shall determine to be consistent with the Act, the Regulations and the purposes of the Trust; and

**WHEREAS**, the Trust has partnered with the New Jersey Department of Environmental Protection (the “NJDEP”) to make loans to Project Sponsors for the financing of water supply projects pursuant to the New Jersey Environmental Infrastructure Financing Program (the “NJEIFP” or the “Financing Program”); and

**WHEREAS**, specifically, the Trust and the State, acting by and through the NJDEP, make loans pursuant to the NJEIFP to finance improvements to water supply systems serving populations of 10,000 or fewer (“Small Water Systems”), which loans are extended primarily to Project Sponsors consisting of small water companies and Home Owner Associations; and

**WHEREAS**, Small Water Systems generally possess relatively limited financial and professional resources and, therefore, generally require a significantly greater commitment by the Financing Program in order to evaluate such Small Water Systems and the Projects thereof, and to ensure that such Small Water Systems satisfy the conditions precedent to participation in the Financing Program, including, in particular and without limitation, creditworthiness standards of the Financing Program; and

**WHEREAS**, notwithstanding the challenges for the Financing Program in assessing the credit risk associated with Small Water System loans, the NJDEP has concluded that continued NJEIFP loans to Small Water Systems to finance drinking water improvements are necessary and appropriate to address important public health issues for the affected communities; and

**WHEREAS**, the Board of Directors of the Trust (the "Board") has established the Small System Loan Program also known as the Nano Infrastructure Loan Program (the "SSLP"), (i) for the current State Fiscal Year 2017 ("SFY2017") through the adoption on July 14, 2016 of that certain "Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the State Fiscal Year 2017 Small System Loan Program" (the "SFY2017 SSLP Authorizing Resolution") and (ii) for the forthcoming State Fiscal Year 2018 ("SFY2018") through the adoption on February 15, 2017 of that certain "Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the State Fiscal Year 2018 Small System Loan Program" (the "SFY2018 SSLP Authorizing Resolution"), so that the SSLP may serve as the funding mechanism for water supply improvements to Small Water Systems, while also addressing the credit risks posed by such Financing Program applicants; and

**WHEREAS**, capitalized terms used in this Resolution and not otherwise defined in this Resolution shall have the meanings ascribed thereto, respectively, in the SFY2017 SSLP Authorizing Resolution and the SFY2018 SSLP Authorizing Resolution; and

**WHEREAS**, each of the SFY2017 SSLP Authorizing Resolution and the SFY2018 SSLP Authorizing Resolution sets forth a "cap" of \$4,000,000 with respect to the aggregate principal amount of SSLP Loans that may be made, respectively, in each of SFY2017 and SFY2018;

**WHEREAS**, the Trust now seeks to amend each of the SFY2017 SSLP Authorizing Resolution and the SFY2018 SSLP Authorizing Resolution for the purpose of modifying the application of the above-referenced cap.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Trust, as follows.

**Section 1.** The SFY2017 SSLP Authorizing Resolution is hereby amended for the purpose of amending and restating in its entirety Section 1(a) thereof, as follows:

"all SSLP loans (each, an "SSLP Loan") made to all qualifying Project Sponsors by the Trust and the NJDEP during SFY2017 pursuant to the SSLP shall not exceed \$4,000,000 in aggregate principal amount (the "SSLP Cap"). For purposes of complying with the SSLP Cap, the following shall be subject to the SSLP Cap: (i) any short term loan made by the Trust during SFY2017 in anticipation of a future, long term SSLP Loan, and (ii) any long term SSLP Loan (or portion thereof) made during SFY2017, provided that such long term SSLP Loan (or such portion thereof) was not preceded by a prior short term loan made by the Trust; in the event that any portion of the SSLP Cap remains unutilized during SFY2017, the remaining SSLP funds that consist of the Trust's Available Funds (as hereinafter defined) may be used by the Trust for the financing of other programs within the NJEIFP during SFY2017, subject to any other limitation that may be applicable thereto;"

**Section 2.** The SFY2018 SSLP Authorizing Resolution is hereby amended for the purpose of amending and restating in its entirety Section 1(a) thereof as follows:

“all SSLP loans (each, an “SSLP Loan”) made to all qualifying Project Sponsors by the Trust and the NJDEP during SFY2018 pursuant to the SSLP shall not exceed \$4,000,000 in aggregate principal amount (the “SSLP Cap”). For purposes of complying with the SSLP Cap, the following shall be subject to the SSLP Cap: (i) any short term loan made by the Trust during SFY2018 in anticipation of a future, long term SSLP Loan, and (ii) any long term SSLP Loan (or portion thereof) made during SFY2018, provided that such long term SSLP Loan (or such portion thereof) was not preceded by a prior short term loan made by the Trust; in the event that any portion of the SSLP Cap remains unutilized during SFY2018, the remaining SSLP funds that consist of the Trust’s Available Funds (as hereinafter defined) may be used by the Trust for the financing of other programs within the NJEIFP during SFY2018, subject to any other limitation that may be applicable thereto;”

**Section 3.** All terms and provisions of each of the SFY2017 SSLP Authorizing Resolution and the SFY2018 SSLP Authorizing Resolution not expressly amended or supplemented hereby shall remain in full force and effect.

**Section 4.** This Resolution shall become effective in accordance with the terms of Section 4(i) of the Act (N.J.S.A. 58:11B-4(i)).

Adopted Date:	April 13, 2017
Motion Made By:	Mr. Mark Longo
Motion Seconded By:	Mr. Eugene Chebra
Ayes:	5
Nays:	0
Abstentions:	0