

RESOLUTION NO. 17- 58

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST APPROVING A CONSTRUCTION LOAN TO THE JERSEY CITY MUNICIPAL UTILITIES AUTHORITY

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. 17-11 on February 15, 2017 entitled "Resolution Authorizing the Construction Loan Financing Program for State Fiscal Year 2018" (the "2018 Authorizing Resolution") to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2018 including the Construction Financing Program (the "SFY2018 Construction Loan Program"); and

WHEREAS, it is the desire of the Board to authorize Construction Loan closings pursuant to the SFY 2018 Construction Loan Program for loan closings occurring in SFY2018; and

WHEREAS, pursuant to the terms of the 2018 Authorizing Resolution (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 SFY2018 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 SFY2018 Construction Loan Program shall not exceed \$10,000,000 in principal amount (“Construction Loan Limitation”); and

WHEREAS, pursuant to Section 2 of the 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, Jersey City Municipal Utilities Authority (“JCMUA”) has applied for a Construction loan from the Trust, in an amount not to exceed \$41,000,000, in anticipation of a long-term loan from each of the Trust and the Department, to finance the planning, design and construction of Project #S340928-15, the Sanitary Sewer System Improvements, (the “JCMUA Project”); and

WHEREAS, a Construction Loan not to exceed three full fiscal years will provide working capital to JCMUA to pay for the costs of planning, design, and construction, wherein all or a portion of the construction will be completed prior to JCMUA’s receipt of a Trust and Department long-term New Jersey Environmental Infrastructure Financing Program loan; and

WHEREAS, with respect to the Authorizing Resolution’s Construction Loan Limitation 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 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 SFY2018 Construction Loan Program, to the aforementioned project sponsor in amount not to exceed the amount stated for the purpose of completing the JCMUA Project; and

WHEREAS, it is the desire of the Trust that, other than the Authorizing Resolution’s Construction Loan Limitation described in the immediately preceding recital, the 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 Authorizing Resolution’s Construction Loan Limitation providing that all Loans approved by the Authorized Officers, following the requisite consultations, and made by the Trust to Borrowers as part of the SFY2018 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 Construction Loan Limitation, an Interim Loan, as part of the SFY2018 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 the project.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
Jersey City Municipal Utilities Authority	S340928-15	Sanitary Sewer System Improvements	\$41 million

Section 2. Notwithstanding the stated loan amount of \$41 million, the NJEIFP funding commitment shall be limited to the operable segments certified, in amounts set forth in the Department’s allowable cost determination for each such operable segment, and such funding commitment shall arise at the time of loan closing of the first such operable segment, and upon the Department’s allowable cost determination for each subsequent operable segment certified thereafter.

Section 3. 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 SFY2018 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: October 12, 2017

Motion Made By: Mark Longo

Motion Seconded By: Michael Griffin

Ayes: 6

Nays: 0

Abstentions: 0