

RESOLUTION NO. 18 - 34

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK APPROVING A CONSTRUCTION LOAN TO MIDDLESEX WATER COMPANY

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”), in accordance with (i) the “New Jersey 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 “Construction Loan Program”), to make loans (each, a “Construction Loan”) to eligible project sponsors (each, a “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 an Construction Loan pursuant to the Construction Loan 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 I-Bank 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 I-Bank monies; and (v) the proposed project sponsor has not previously received a Construction Loan through the Construction Loan Program for the same project scope; and

WHEREAS, the I-Bank duly adopted Resolution No. 18-03 on January 11, 2018 entitled “Amended and Restated Resolution Authorizing Various Short-Term Financing Programs for State Fiscal Year 2018” (the “2018 Authorizing Resolution”) to provide funding for the implementation of the Construction Loan Program during State Fiscal Year 2018 Construction Loan (the “SFY 2018 Construction Loan Program); and

WHEREAS, the I-Bank duly adopted Resolution No. 18-04 on January 11, 2018 entitled “Resolution Authorizing the Construction Loan Financing Program for State Fiscal Year 2019” (the “2019 Authorizing Resolution”) to provide funding for the implementation of the Construction Loan Program during State Fiscal Year 2019 (the “SFY 2019 Construction Loan Program); and

WHEREAS, it is the desire of the Board to authorize Construction Loan closings pursuant to the SFY2018 Construction Loan Program for loan closings occurring in SFY2018 and the SFY2019 Construction Loan Program for loan closings occurring in SFY2019 (each the “Applicable Construction Loan Program”); and

WHEREAS, pursuant to the terms of the 2018 Authorizing Resolution and 2019 Authorizing Resolution (each the “Applicable Authorizing Resolution”), the Authorized Officers (as defined therein) are each severally authorized, after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, to approve the participation of a

Borrower in the Applicable 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 Applicable Authorizing Resolution; and

WHEREAS, pursuant to Section 5 of the 2018 Authorizing Resolution, any Construction Loan approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Applicable Construction Loan Program shall not exceed \$10,000,000 in principal amount (SFY2018 Construction Loan Limitation); and

WHEREAS, pursuant to Section 5 of the 2019 Authorizing Resolution, any Construction Loan approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Applicable Construction Loan Program shall not exceed \$15,000,000 in principal amount (SFY2019 Construction Loan Limitation); and

WHEREAS, pursuant to Section 2 of the Applicable Authorizing Resolutions, revisions and modifications may be made to terms and provisions of the Construction Loan Program pursuant to further official action in the form of the adoption of a resolution by the Board of Directors of the I-Bank; and

WHEREAS, Middlesex Water Company has requested from the I-Bank a Construction Loan, in anticipation of a long-term loan from each of the I-Bank and the Department, to finance the construction of Project #1225001-025-Construction of Western Transmission Main, (the “Middlesex Water Company Project”); and

WHEREAS, pursuant to the Middlesex Water Company Project construction schedule, a Construction Loan not to exceed three full fiscal years will be made available for construction, all or a portion of which will be completed prior to Middlesex Water Company’s receipt of an I-Bank and Department long-term New Jersey Environmental Infrastructure Financing Program loan, thereby resulting in Middlesex Water Company’s request for a construction loan in an amount not to exceed \$57 million; and

WHEREAS, with respect to the Applicable Authorizing Resolutions’ Construction Loan Limitations providing that any Construction Loan approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Applicable Construction Loan Program shall not exceed \$10,000,000, or \$15,000,000, in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the I-Bank, the I-Bank 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 Applicable Construction Loan Program, to the aforementioned project sponsor in amount not to exceed the amount stated for the purpose of completing the Middlesex Water Company Project; and

WHEREAS, it is the desire of the I-Bank that, other than the Applicable Authorizing Resolutions’ Construction Loan Limitations described in the immediately preceding recital, the project sponsor shall comply with (i) all other requirements of the Applicable 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 Infrastructure Bank, as follows:

Section 1. Notwithstanding the Applicable Authorizing Resolutions' Construction Loan Limitations providing that all Loans approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to Borrowers as part of the Applicable Construction Loan Program, shall not exceed \$10,000,000, or \$15,000,000 in principal amount, the Board of Directors of the I-Bank, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to Construction Loan Limitations, a Construction Loan, as part of the SFY2018 or SFY2019 Construction Loan Programs, 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
Middlesex Water Company	1225001-025	Construction of 5.3 Mile Western Transmission Main	\$57,000,000

Section 2. Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loan made to the aforementioned project sponsor as part of the Applicable 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: May 10, 2018

Motion Made By: Eugene Chebra

Motion Seconded By: Robert Long

Ayes: 7

Nays: 0

Abstentions: 0