

## RESOLUTION NO. 18 - 48

### RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK APPROVING A WATER BANK CONSTRUCTION LOAN TO THE MIDDLESEX COUNTY UTILITIES AUTHORITY

**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 a construction financing program (the "Construction Financing Program"), to make loans (each, a "Construction Loan") to eligible project sponsors (each, a "Borrower") for the purpose of financing the allowable costs of the environmental infrastructure projects thereof, 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); (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 Financing Program for the same project scope; 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 "SFY2019 Authorizing Resolution") to authorize and implement the Construction Financing Program during State Fiscal Year 2019 (the "SFY2019 Construction Loan Program"); and

**WHEREAS**, it is the desire of the Board to authorize Construction Loan closings pursuant to the SFY2019 Construction Loan Program for loan closings occurring in SFY2019; and

**WHEREAS**, pursuant to the terms of the SFY2019 Authorizing Resolution, the Authorized Officers (as defined therein) are 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 SFY2019 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 SFY2019 Authorizing Resolution; and

**WHEREAS**, pursuant to Section 5 of the SFY2019 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 SFY2019 Construction Loan Program shall not exceed \$15,000,000 in principal amount (“SFY2019 Construction Loan Limitation”); and

**WHEREAS**, pursuant to Section 2 of the SFY2019 Authorizing Resolution, revisions and modifications may be made to terms and provisions of the SFY2019 Construction Financing Program pursuant to further official action of the I-Bank in the form of the adoption of a resolution by the Board of Directors of the I-Bank; and

**WHEREAS**, the proposed project sponsor listed in Section 1 below (“Project Sponsor”) has requested from the I-Bank a Construction Loan, in anticipation of a long-term loan from the I-Bank and the Department, for the purpose of completing its Project; and

**WHEREAS**, pursuant to the construction schedule submitted by the Project Sponsor for its Project, a Construction Loan in the corresponding amount set forth in Section 1, not to exceed the maturity date authorized by the Act, will be made available to the Project Sponsor for construction of its Project, all or a portion of which will be completed prior to the Project Sponsor’s receipt of an I-Bank and Department long-term New Jersey Environmental Infrastructure Financing Program (“Water Bank”) loan; and

**WHEREAS**, with respect to the SFY2019 Construction Loan Limitation, 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 SFY2019 Construction Loan Program shall not exceed \$15,000,000, in principal amount, subject to further official action of the I-Bank 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 SFY2019 Construction Loan Limitation for the Construction Loan, as part of the SFY2019 Construction Loan Program, to the aforementioned Project Sponsor in an amount not to exceed the amount stated in Section 1 hereof, for the purpose of completing the Project Sponsor’s Project; and

**WHEREAS**, it is the desire of the I-Bank that, other than the SFY2019 Construction Loan Limitation described in the immediately preceding recital, the Project Sponsor shall comply with (i) all other requirements of the SFY2019 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 SFY2019 Construction Loan Limitation, as set forth in the SFY2019 Authorizing Resolution, providing that all Construction Loans approved by the Authorized Officers and made by the I-Bank to Borrowers as part of the SFY2019 Construction Loan Program, shall not exceed \$15,000,000 in principal amount, the Board of Directors of the I-

Bank, following the requisite consultations and given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to the SFY2019 Construction Loan Limitation, a Construction Loan, as part of the SFY2019 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 such Project.

<b>Project Sponsor</b>	<b>Project #</b>	<b>Description</b>	<b>Total Authorized Loan Amount</b>
Middlesex County Utilities Authority	S340699-14	Main trunk sewer rehabilitation Phase II	\$18,250,000

**Section 2.** Notwithstanding the stated loan amount of \$18,250,000 for the Middlesex County Utilities Authority, the Water Bank funding commitment shall be limited to the operable segment certified, in the amount set forth in the Department’s allowable cost determination for such operable segment, and such funding commitment shall arise at the time of Construction Loan closing for 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 Loan made to the Middlesex County Utilities Authority as part of the SFY2019 Construction Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the SFY2019 Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Adopted Date: July 26, 2018

Motion Made By: Mr. Mark Longo

Motion Seconded By: Mr. Gene Chebra

Ayes: 6

Nays: 0

Abstentions: 0