

## RESOLUTION NO. 19-53

### RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK APPROVING CONSTRUCTION LOANS TO BERGEN COUNTY UTILITIES AUTHORITY AND NORTH HUDSON SEWER 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 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 projects are listed on the project priority list developed in accordance with N.J.A.C. 7:22-4.8(a); (ii) the proposed project sponsors have submitted a complete application for the project in accordance with N.J.A.C. 7:22-4.11; (iii) the projects have been certified for funding by the I-Bank in accordance with N.J.A.C. 7:22-4.13; (iv) the projects are in the fundable range in the forthcoming funding cycle given the projects’ rank and the anticipated availability of Department of Environmental Protection (the “Department”) and I-Bank monies; and (v) the proposed project sponsors have not previously received an Interim Loan through the Interim Financing Program for the same project scope; and

**WHEREAS**, the I-Bank duly adopted Resolution No. 19-09 on February 14, 2019 entitled “Resolution of the New Jersey Infrastructure Bank Authorizing the Water Bank Construction Financing Program for State Fiscal Year 2020” (the “Authorizing Resolution”) to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2020 including the “Construction Financing Program” (the “Construction Loan Program”); and

**WHEREAS**, it is the desire of the Board to authorize Construction Loan Program loans (the “Construction Loans”) pursuant to the Construction Loan Program for Construction Loan closings occurring in SFY2020; and

**WHEREAS**, pursuant to the terms and definitions of the Authorizing Resolution, the Authorized Officers 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 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 3 of the 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 Construction Loan Program shall not exceed \$15 million in

principal amount (the “Construction Loan Limitation”) unless a higher principal amount thereof is authorized by official action of the Board; and

**WHEREAS**, pursuant to Section 2 of the Authorizing Resolution, 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**, Bergen County Utilities Authority (“BCUA”) 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 planning, design and construction of Project #S340386-23, for sludge digester improvements (the “BCUA Project”); and

**WHEREAS**, North Hudson Sewer Authority (“NHSA”) 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 planning, design and construction of Project #S340952-33, for Phase 1 of the construction of a pumping station, a mechanical and electrical controls building, vortex grit separators and connection points for a force main and gravity influent sewer (the “NHSA Project”); and

**WHEREAS**, pursuant to the BCUA Project and NHSA Project construction schedules, Construction Loans not to exceed two years for planning and design, and three full fiscal years for construction will be made to fund the BCUA Project and the NHSA Project, all or a portion of which will be completed prior to each borrower’s receipt of I-Bank and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in BCUA’s request for a Construction Loan in an amount not to exceed \$18,700,000, and NHSA’s request for a Construction Loan in an amount not to exceed \$22,500,000; and

**WHEREAS**, with respect to the Authorizing Resolution’s Construction Loan Limitation providing that any Construction Loan approved by any of the Authorized Officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Construction Loan Program shall not exceed \$15 million 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 upon Construction Loans, as part of the Construction Loan Program, and approve the aforementioned Construction Loans to BCUA and NHSA in an amount not to exceed the amount stated for the purpose of completing the BCUA Project and the NHSA Project; and

**WHEREAS**, it is the desire of the I-Bank that, other than the Authorizing Resolution’s Construction Loan Limitation described in the immediately preceding recital, BCUA and NHSA 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 Infrastructure Bank, as follows:

**Section 1.** Notwithstanding the Authorizing Resolution’s Construction Loan

Limitation providing that all Construction Loans approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to Borrowers as part of the Construction Loan Program, shall not exceed \$15 million 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 the Construction Loan Limitation, a Construction Loan, as part of the Construction SFY2020 Loan Program, to following project sponsors for the stated projects in an amount not to exceed the amount stated for the purpose of completing the projects.

<b>Project Sponsor</b>	<b>Project #</b>	<b>Description</b>	<b>Total Authorized Loan Amount</b>
Bergen County Utilities Authority	S340386-23	Sludge digester improvements	\$18,700,000
North Hudson Sewer Authority	S340952-33	Phase 1 of construction of sewer management elements	\$22,500,000

**Section 2.** Notwithstanding the stated Construction Loan amounts of \$18,700,000 to BCUA and \$22,500,000 to NHSA, the Construction Financing Program funding commitment for each Construction Loan 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, recognizing that the terms and conditions of the long-term New Jersey Environmental Infrastructure Financing Program loans for the BCUA Project and the NHSA Project shall reflect the terms and conditions of the financing program year in which each construction operable segment is certified.

**Section 3.** Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loans made BCUA and NHSA as part of the 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 10, 2019

Motion Made By: Mr. Michael Russo

Motion Seconded By: Ms. Kimberley Holmes

Ayes: 7

Nays: 0

Abstentions: 0