

## RESOLUTION NO. 20 - 48

### RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK APPROVING AN INCREASE IN SFY2020 NJ WATER BANK CONSTRUCTION FINANCING PROGRAM LOANS TO JERSEY CITY MUNICIPAL 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 (the “State”) (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 for the New Jersey Water Bank (the “Water Bank 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 environmental infrastructure projects, provided that each such Construction Loan made by the I-Bank to any such Borrower satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9(d), and the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

**WHEREAS**, pursuant to the terms and provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for a Construction Loan for purposes of financing the allowable costs of the project of such Borrower pursuant to the Water Bank Construction Financing Program, provided each of the following conditions is satisfied in full: (i) the Project is listed on the project priority list that has been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20 or N.J.S.A. 58:11B-20.1 (the “Priority List”); (ii) the proposed Borrower has submitted a complete application for the Project in accordance with N.J.A.C. 7:22-4.11; (iii) the proposed Borrower has complied with the I-Bank’s Credit Policy, as then in effect pursuant to formal adoption by the I-Bank; (iv) the Project has been certified for funding by the I-Bank in accordance with N.J.A.C. 7:22-4.13; (v) the Projects is in the fundable range in the forthcoming funding cycle given the Projects’ rank and the anticipated availability of New Jersey Department of Environmental Protection (the “NJDEP” or “Department”) and I-Bank monies; and (vi) the proposed Borrower has not previously received a Construction Loan through the Water Bank Construction Financing Program for the same project scope (exclusive of a Construction Loan made solely for the purpose of extending the term of a prior Construction Loan or for a Supplemental Short-Term Loan pursuant to N.J.S.A. 58:11B-9(d)); 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 “SFY2020 Authorizing Resolution”) to provide funding for the implementation of the Water Bank Construction Financing Program during State Fiscal Year 2020 including the Construction Financing Program (the “SFY2020 Construction Loan Program”); and

**WHEREAS**, pursuant to the terms and definitions of the SFY2020 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 SFY2020 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 SFY2020 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 SFY2020 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 SFY2020 Authorizing Resolution, revisions and modifications may be made to terms and provisions of the SFY2020 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**, Jersey City Municipal Utilities Authority ("JCMUA") 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 No. 0906001-025, for Phase 1 and 2 of a water main replacement project (the "JCMUA DW Project") in the original amount of not to exceed \$25,100,000 (the "Original DW Project Construction Loan Amount"); and

**WHEREAS**, JCMUA also 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 No. S340928-24, for Phases 1 and 2 of a sewer rehabilitation project (the "JCMUA CW Project") in the original amount not to exceed \$81,500,000 (the "Original CW Project Construction Loan Amount"); and

**WHEREAS**, the Board authorized construction loans in the amount of \$25,100,000 for the JCMUA DW Project and \$81,500,000 for the JCMUA CW Project at its March 20, 2020 meeting pursuant to Resolution No. 20-19, which is amended and restated herein for the limited purpose of revising the authorized project cost; and

**WHEREAS**, the I-Bank closed constructions loans with JCMUA in the amount of \$25,100,000 for the JCMUA DW Project, a portion of the authorized Original DW Project Construction Loan Amount, and \$81,500,000 for the JCMUA CW Project a portion of the authorized Original DW Project Construction Loan Amount, closed in June 2020; and

**WHEREAS**, JCMUA has requested an increase in the Original DW Project Construction Loan Amount to an amount not to exceed \$32,000,000 (the "Increased DW Project Construction Loan Amount") and in the JCMUA CW Project Construction Loan Amount to an amount not to exceed \$108,000,000 (the "Increased CW Project Construction Loan Amount"); and

**WHEREAS**, with respect to the SFY2020 Authorizing Resolution's Construction Loan Limitations, 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 an exception to such limitation on Construction Loans which are part of the SFY2020 Construction Loan Program, for loans represented by the Increased DW Project Construction Loan Amount and the Increased CW Project Construction Loan Amount stated for the purposes of completing the JCMUA DW Project and the JCMUA CW Project; and

**WHEREAS**, it is the desire of the I-Bank that, other than the SFY2020 Authorizing Resolution's Construction Loan Limitations described in the immediately preceding recital, the Borrower shall comply with (i) all other requirements of the SFY2020 Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

**WHEREAS**, it is the desire of the I-Bank to authorize the increases in Original DW Project Construction Loan Amount to be increased to the Increased DW Project Construction Loan Amount and the Original CW Project Construction Loan Amount to be increased to the Increased CW Project Construction Loan Amount and to further authorize closings on the above described increases in SFY 2021.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the New Jersey Infrastructure Bank, as follows:

**Section 1.** The recitals set forth above are incorporated herein by reference as if set forth at length herein.

**Section 2.** Notwithstanding the SFY2020 Authorizing Resolution’s Construction Loan Limitations 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 SFY2020 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 Limitations, increases in the Construction Loans, as part of the SFY2020 Construction Loan Program, to JCMUA for the stated projects in the amount not to exceed the amounts stated below for the purpose of completing such projects.

Project Sponsor	Project #	Description	Previously Authorized Amount	Increase	Total Authorized Loan Amount*
Jersey City Municipal Utilities Authority	0906001-025	Phase 1 & 2 Water Main Replacement Project	\$25,100,000	\$6,900,000	\$35,000,000
Jersey City Municipal Utilities Authority	S340928-24	Phase 1 & 2 Sewer Rehabilitation Project	\$81,500,000	\$26,500,000	\$108,000,00

\*As increased.

**Section 3.** Notwithstanding the stated increased loan amounts of \$32,000,000 and \$108,000,000 to JCMUA, the SFY2020 Construction Loan Program funding commitment for the 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 NJDEP’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 each said project shall reflect the terms and conditions of the financing program year in which construction is certified.

**Section 4.** Other than the exceptions created by the provisions of Section 2 of this Resolution, Construction Loans made to the aforementioned Borrower as part of the SFY2020 Construction Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the SFY2020 Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

**Section 5.** The Secretary of the I-Bank is hereby deemed an Authorized Officer as defined in Section 2 of the SFY2020 Authorizing Resolution.

**Section 6. Further Action.** Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his or her respective sole discretion after consultation with Legal Counsel, deems necessary, convenient or desirable to affect the transactions contemplated hereby.

**Section 7. Effective Date.** 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: August 13, 2020

Motion Made By: Mr. Mark Longo

Motion Seconded By: Mr. Michael Kanef

Ayes: 6

Nays: 0

Abstentions: 0