

## RESOLUTION NO. 20 - 43

### RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK APPROVING SFY2021 NJ WATER BANK CONSTRUCTION FINANCING PROGRAM LOANS TO PASSAIC VALLEY WATER COMMISSION, PASSAIC VALLEY SEWERAGE COMMISSION, AND GLOUCESTER COUNTY IMPROVEMENT 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”) and I-Bank monies; and (vi) the proposed Borrower has not previously received a Construction Loan through the Water 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. 20-06 on February 20, 2020 entitled “Resolution of the New Jersey Infrastructure Bank Authorizing the Water Bank Construction Financing Program for State Fiscal Year 2021” (the “Authorizing Resolution”) to provide funding for the implementation of the Water Bank Construction Financing Program during State Fiscal Year 2021 including the Construction Financing Program (the “Water Bank Construction Loan Program”); and

**WHEREAS**, it is the desire of the Board to authorize Water Bank Construction Loan Closings pursuant to the Water Bank Construction Loan Program for loan closings occurring in SFY2021; 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 Water Bank 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 Water Bank 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 Water Bank 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**, Passaic Valley Water Commission ("PVWC") 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 No. 1605002-014, for the Levine Reservoir Water Storage Improvements - Phase 1 (the "PVWC Project"); and

**WHEREAS**, Passaic Valley Sewerage Commission ("PVSC") 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 No. S340689-37, for Substation "M" Replacement and Headworks Reconstruction (the "PVSC Project"); and

**WHEREAS**, Gloucester County Improvement Authority ("GCIA") 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 No. S342016-04, for Cell 15 Construction (the "GCIA Project"); and

**WHEREAS**, pursuant to the PVWC Project construction schedule, Construction Loans not to exceed two years for planning and three full fiscal years for construction will be made, all or a portion of which will be completed prior to the borrower's receipt of I-Bank and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in PVWC's request for a construction loan in an amount not to exceed \$26,100,000; and

**WHEREAS**, pursuant to the PVSC Project construction schedule, Construction Loans not to exceed two years for planning and three full fiscal years for construction will be made, all or a portion of which will be completed prior to the borrower's receipt of I-Bank and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in PVSC's request for a construction loan in an amount not to exceed \$105,000,000; and

**WHEREAS**, pursuant to the GCIA Project construction schedule, Construction Loans not to exceed two years for planning and three full fiscal years for construction will be made, all or a portion of which will be completed prior to the borrower's receipt of I-Bank and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in GCIA's request for a

construction loan in an amount not to exceed \$18,500,001; and

**WHEREAS**, with respect to the 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 Water Bank 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 of Construction Loans, as part of the Water Bank Construction Loan Program, to the aforementioned project sponsors in amounts not to exceed the amount stated for the purpose of completing the PVWC Project, the PVSC Project, and the GCIA Project; and

**WHEREAS**, it is the desire of the I-Bank that, other than the Authorizing Resolution’s Construction Loan Limitations described in the immediately preceding recital, the Borrowers shall comply with (i) all other requirements of the Applicable Authorizing Resolutions, (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 Limitations providing that all Construction Loans approved by an Authorized Officer, following the requisite consultations, and made by the I-Bank to Borrowers as part of the Water Bank 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, Construction Loans, as part of the Water Bank Construction Loan Program, to PVWC, PVSC, and GCIA, 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>
Passaic Valley Water Commission	1605002-014	Levine Reservoir Water Storage Improvements - Phase 1	\$26,100,000
Passaic Valley Sewerage Authority	S340689-37	Substation “M” Replacement and Headworks Reconstruction	\$105,000,000
Gloucester County Improvement Authority	S342016-04	Cell 15 Construction	\$18,500,001

**Section 2.** Notwithstanding the stated loan amounts of \$26,100,000 to PVWC, \$105,000,000 to PVSC, and \$18,500,001 to GCIA, the Water Bank 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 3.** Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loans made to the aforementioned Borrowers as part of the Water Bank 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.

**Section 4. 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 5. 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: June 11, 2020

Motion Made By: Mr. Mark Longo

Motion Seconded By: Ms. Kimberly Holmes

Ayes: 7

Nays: 0

Abstentions: 0