

RESOLUTION NO. 20 - 36

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK APPROVING SFY2020 OR SFY2021 NJ WATER BANK CONSTRUCTION FINANCING PROGRAM LOANS

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. 19-09 on February 14, 2019 entitled "Resolution Authorizing the Construction Loan 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 "2020 Water Bank Construction Loan Program"); 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 "SFY2021 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 “2021 Water Bank Construction Loan Program”); and

WHEREAS, it is the desire of the Board to authorize Water Bank Construction Loan Closings pursuant to the SFY2020 Water Bank Construction Loan Program for loan closings occurring in SFY2020 and the SFY2021 Water Bank Construction Loan Program for loan closings occurring in SFY2021 (each the “Applicable Construction Loan Program”); and

WHEREAS, pursuant to the terms and definitions of the SFY2020 Authorizing Resolution and SFY2021 Authorizing Resolution (each the “Applicable 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 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 3 of the Applicable 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 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 Applicable Authorizing Resolution, revisions and modifications may be made to terms and provisions of the Applicable 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, Brick Township Municipal Utilities Authority (“BTMUA”) 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. 1506001-011, a project for the addition of a granular activated carbon (GAC) Treatment system (the “BTMUA Project”); and

WHEREAS, East Orange City (“East Orange”) 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. 0705001-014, for a water system improvement and resiliency project (the “East Orange Project”); and

WHEREAS, Moorestown Township (“Moorestown”) 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. 0322001-001, for the North Church Street Water Treatment Plant Upgrade project (the “Moorestown Project”); and

WHEREAS, NJ American Water Company (“NJ American”) 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. 1345001-021, for the Swimming River Wastewater Treatment Plant 2nd Clearwell project (the “NJ American Project”); and

WHEREAS, pursuant to the BTMUA 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 BTMUA’s request for a construction loan in an amount not to exceed \$20,890,000; and

WHEREAS, pursuant to the East Orange 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 East Orange’s request for a construction loan in an amount not to exceed \$33,000,000; and

WHEREAS, pursuant to the Moorestown 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 Moorestown’s request for a construction loan in an amount not to exceed \$24,625,000; and

WHEREAS, pursuant to the NJ American 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 NJ American’s request for a construction loan in an amount not to exceed \$26,345,000; and

WHEREAS, with respect to the Applicable Authorizing Resolutions’ 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 as an exception to such limitation of Construction Loans, as part of the 2020 Water Bank Construction Loan Program and the 2021 Water Construction Loan Program, to the aforementioned project sponsor in amount not to exceed the amount stated for the purpose of completing the BTMUA Project, Moorestown Project, East Orange Project, and NJ American 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 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 Applicable Authorizing Resolutions' 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 Applicable 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 SFY2020 Water Bank Construction Loan Program or the SFY2021 Water Construction Loan Program, to BTMUA, Moorestown, East Orange and NJ American for the stated projects in an amount not to exceed the amount stated for the purpose of completing the projects.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
Brick Township Municipal Utilities Authority	1506001-011	Granular Activated Carbon (GAC) Treatment Addition	\$20,890,000
East Orange City	0705001-014	Water System Improvement and Resiliency Project	\$33,000,000
Moorestown Township	0322001-001	North Church Street Water Treatment Plant Upgrade	\$24,625,000
NJ American Water Company	1345001-021	Swimming River WTP 2nd Clearwell	\$26,345,000

Section 2. Notwithstanding the stated loan amounts of \$20,890,000 to BTMUA, \$33,000,000 to East Orange, \$24,625,000 to Moorestown, and \$26,345,000 to NJ American, the Applicable 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 Borrower 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 SFY2020 and SFY2021 Authorizing Resolutions, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Section 4. The Secretary of the I-Bank is hereby deemed an Authorized Officer as defined in Section 2 of the SFY2020 Authorizing Resolution and the SFY2021 Authorizing Resolution.

Section 5. 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 effect the transactions contemplated hereby.

Section 6. 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: May 14, 2020

Motion Made By: Mr. Mark Longo

Motion Seconded By: Mr. Michael Russo

Ayes: 7

Nays: 0

Abstentions: 0