



**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE  
FINANCING PROGRAM  
State Fiscal Year 2014**

**FINANCIAL PLAN**

**Submitted to the State Legislature by**

- ▶ **The New Jersey Environmental Infrastructure Trust**
- ▶ **The New Jersey Department of Environmental Protection**

**MAY 2013**

# New Jersey Environmental Infrastructure Trust

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## **Report to the Legislature Pursuant to**

P.L. 1985, Chapter 334  
New Jersey Wastewater  
Treatment Trust Act of 1985  
as amended by P.L. 1997, Chapter 224

**By**

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## EXECUTIVE SUMMARY

### INTRODUCTION

The New Jersey Environmental Infrastructure Trust (the “Trust” or “NJEIT”) and the New Jersey Department of Environmental Protection (“DEP”), which together fund and manage the annual New Jersey Environmental Infrastructure Financing Program (“NJEIFP” or “Financing Program”) are pleased to present the State Fiscal Year (FY) 2014 financial plan (the “Report”) to the New Jersey State Legislature in accordance with P.L. 1985, Chapter 334, as amended. This Report for our 27<sup>th</sup> Financing Program year sets forth the plan by which projects, which have applied and qualify for NJEIFP loans, will be financed in FY2014. To date, the NJEIFP has completed 25 annual financing cycles and has issued over 1000 project loans totaling over \$5.965 billion for water quality and public health related environmental infrastructure projects. Over the past twenty-six years, the NJEIFP has reduced total interest costs for municipalities, counties, authorities and public and private water utilities an amount that equates to approximately 30% of each borrower’s original loan balance saving taxpayers and ratepayers \$2.3 billion. The financial benefits of the Financing Program have spurred significant improvements to the State’s clean water and drinking water infrastructure, and have served as a major catalyst for economic and job growth throughout the State.

This plan provides a review of the current FY2013 Financing Program, including projects partially funded with Trust Bond proceeds and projects projected to be funded with other sources of funds. This plan also summarizes those FY2013 projects receiving program approval after finalization of the FY2013 pooled loan program that are anticipated to commence construction prior to June 30, 2013 (Legacy Projects).

This plan provides an overview of the FY2014 NJEIFP program parameters and delineates the NJEIFP financial strategy with regard to clean water and drinking water environmental infrastructure project loans. The FY2014 Financing Program continues significant program initiatives commenced in the FY2013 Financing Program such as (1) continuing to offer aggressive financing terms of twenty five percent market rate loans as a catalyst to spur economic growth; (2) dedicating \$20 million of total funds for principal forgiveness loans (“PFLs”), 50% of which will be non-repayment funds from the DEP, 25% from zero percent loans from the DEP and 25% from market rate loans from the Trust, for environmental infrastructure projects in the Barnegat Bay Watershed to continue addressing the critical water quality issues confronting this important State asset, (3) dedicating \$20 million of total funds for PFLs for Combined Sewer Overflow (CSO) Abatement projects similar to the 50/25/25 financing schedule discussed in the previous point, with a focus on utilizing green practices (such as green roofs, rain gardens, porous pavement, and other activities that maintain and restore natural hydrology through infiltration, evapotranspiration, usage or the harvesting of stormwater), (4) requiring the issuance of program authorizations to award final construction contracts as a condition precedent to receiving NJEIFP loans thereby ensuring that the Financing Program’s limited funds are committed only to those projects ready to proceed, (5) scheduling the NJEIT bond sale in May of 2014 to expand the application review period and maximize the number of projects receiving loans during FY2014, and (6) extending the deadline for new project submissions State-wide to March 4, 2013 to increase the total number of applications received into the project pool.

**Natural Disaster Emergency Financing Program.** On October 29, 2012, Super Storm Sandy caused in excess of \$1 billion in damage to environmental infrastructure through significant portions of New Jersey’s coastal and tidal areas, the President signed the Disaster Relief Appropriations Act (Public Law 113-2) on January 29, 2013, which provides, among other things, \$600 million to Environmental Protection Agency (EPA) Area Region 2 for the repair of Super Storm Sandy damaged clean water and drinking water facilities and mitigation of risk of damages to environmental infrastructure facilities arising from future natural disasters. New Jersey will receive \$228 million for such purposes. In response, the Department and the Trust together propose legislation establishing the Natural Disaster Emergency Financing Program (NDEFP).

The NDEFP may be utilized as a short term financing vehicle for the repair of environmental infrastructure damaged during Super Storm Sandy, as well as projects to mitigate the risk of damage to environmental infrastructure from future natural disasters. This Report provides a NDEFP Program overview, the methodology utilized to rank NDEFP projects, and program schedule.

### FY2013 FINANCING PROGRAM SUMMARY

#### OVERVIEW

As of May 2, 2013, thirty eight (38) projects with aggregate project costs of \$123 million were approved and scheduled for long-term NJEIFP funding. An additional ten (10) projects with aggregate project costs of \$7.7 million are anticipated to be approved and receive NJEIFP funding prior to June 30, 2013 for a total of 49 projects at \$130.7 million. As discussed below, an additional fifteen (15) Legacy Projects valued at \$81 million are anticipated to receive FY2014 NJEIFP funding

through the NJEIT Interim Finance Program (IFP) prior to June 30, 2013 for a total of sixty four (64) projects at \$211.7 million anticipated to be under construction by June 30, 2013.

In addition to the FY2013 Financing Program, the NJEIT also completed a refinancing of one hundred and four (104) current borrowers through the sale of \$211.2 million in refunding bonds in August of 2012. The net debt service savings to the affected New Jersey taxpayers and ratepayers exceeds \$25 million in cash flow for these affected borrowers or \$21.7 million on a net present value basis (9.51% of par value) over the length of the refinanced loans. Over the past 25 years, the Trust has saved municipalities \$101 million by refinancing outstanding project loans, projects which protect public health, improve natural resources.

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#### LOAN FUNDING SOURCES.

Each NJEIFP Loan consists of two components, a Fund Loan from the DEP and Trust Loan from NJEIT. The sources of funds for the State DEP Loan component of each FY2013 traditional Financing Program loan consisted of current and prior federal capitalization grants, the proceeds of previously issued State Bonds, State legislative appropriations, loan repayments, and interest earnings. Federal capitalization grants were also utilized as the source of funding for principal forgiveness loans in the FY2013 Financing Program. The proceeds from the sale of Trust issued bonds served as the funding source for the Trust loan component for all but 10 of the loans in the FY2013 Financing Program. On May 8, 2013, the Trust is scheduled to sell two bond issues totaling approximately \$40 million of par value amount, each separately rated Aaa/AAA/AAA by Moody's Investors Service, Standard & Poor's Corporation and Fitch Ratings respectively. The Series 2013A Bonds will be sold as a tax exempt series pursuant to competitive bid at a true interest cost to be determined at the time of sale. The Series 2013B Bonds will be sold as an alternative minimum tax series pursuant to competitive bid at a true interest cost to be determined at the time of sale. The NJEIT anticipates funding up to 10 smaller projects wherein Trust loans totaling approximately \$2 million will be issued through the Trust's Direct Loan Program using cash-on-hand for loans scheduled to close commencing May 29, 2013. The NJEIT anticipates funding an additional 15 Legacy Projects totaling approximately \$81.6 million through the Trust's Interim Financing Program using a combination of Trust and NJDEP funds for loans scheduled to close prior to June 30, 2013.

Finally, for a third year, the Program is focusing on providing strong incentives to address water quality challenges in the Barnegat Bay Watershed. The six (6) FY2013 Barnegat Bay projects valued at \$14.7 million were delayed due to Super Storm Sandy. As discussed below, the NJEIFP's commitment to improving the water quality of the Bay continues in the FY2014 Financing Program wherein \$20 million in total funds, including a provision for fifty percent principal forgiveness loans are being offered for Barnegat Bay Watershed and CSO Abatement projects.

## FY2014 FINANCING PROGRAM SUMMARY

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#### PROGRAM OVERVIEW

In the NJEIFP's continued effort to encourage participation of local government units during these challenging economic times, the FY2014 Program will continue to offer 25% market rate loans to eligible participants. This is possible due to DEP's agreement to finance 75% of each project with its 0% interest cost funds. The net effect of DEP's decision to continue offering a greater percentage of DEP funds in the FY2014 Financing Program is that the borrowers' loans will bear net interest rates below that typically offered in prior years when the DEP provided funds for 50% of the Financing Program (on a typical \$1 million loan, this increase in the percentage of an NJEIFP loan financed with DEP 0% interest cost funds translates into an approximate interest savings over 20 years equal to an additional \$114,000 dollars above what NJEIFP's low rates already save these borrowers).

This year, the Financing Program has the ability to finance a minimum of \$383 million in loans to eligible, qualifying participants. This total amount will consist of approximately \$288 million DEP Fund loans and \$95 million NJEIT Trust loans backed almost entirely by AAA issued, tax-exempt bonds (it is anticipated there will be a small number of NJEIT Direct Loans which will be financed with the Trust's cash-on-hand).

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#### LOAN ELIGIBILITY

There are generally four prerequisites to any applicant's eligibility to receive a FY2014 Financing Program loan for a particular project: (1) availability of funds, (2) identification of the project on a project priority list, (3) project approval (issuance by the DEP of an "Authorization to Award" upon receipt of executed construction documents), and (4) the applicant's satisfaction of financial eligibility and loan closing requirements.

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## FUNDING SOURCES

Approximately \$333 million will be available through a combination of Trust and Fund loans for clean water projects and \$50 million will be available for drinking water projects (inclusive of Green Project Loans, Redevelopment Loans, and Principal Forgiveness Loans as discussed below). In August of 2011, Congress approved a plan of sequestration to compel Congress to act on deficit reduction. On March 1, 2013, President Obama issued a sequestration order requiring the cancellation of \$85 billion in budgetary resources across the federal government for Federal Fiscal Year 2013. As a result, there will likely be a reduction in New Jersey's clean water and drinking water capitalization grants for FFY2013. Staff estimates the Clean Water Capitalization Grant to be \$50 million and \$14 million for the Drinking Water Capitalization Grant.

In this third year of advancing Governor Christie's initiative to improve the water quality of the Barnegat Bay Watershed, the NJEIPF is expanding principal forgiveness loan eligibility to clean water environmental infrastructure projects. Fifty percent principal forgiveness loans in the amount of \$20 million will be available to the highest ranked Barnegat Bay Watershed projects and will be awarded according to the DEP's ranking methodology based on projects' relative water quality benefit in conjunction with project readiness.

The FY2014 Financing Program also includes a Combined Sewer Overflow Abatement (CSO) Reserve for CSO Abatement projects with a focus on green technology (e.g., green roofs, rain gardens, porous pavement, and other activities that maintain and restore natural hydrology). The State has set aside \$10 million of clean water state revolving fund sources for this Reserve. Combined with the Trust loans to be available for such projects, approximately \$20 million will be available for Green CSO Project Loans throughout the State.

The FY2014 Financing Program also includes a Green Project Reserve. Due to a combination of Sequestration and drafting guidance for Super Storm Sandy funding, there has been a delay in the Environmental Protection Agency's (EPA) issuance of the federal clean water and drinking water capitalization grant guidelines for the expenditure of FFY2013 drinking water state revolving funds. If the guidance from FFY2012 is applied, states are likely to be required to set aside a portion of their clean and drinking water capitalization grant for green project loans. The FY2014 Financing Program will include a Green project reserve to the extent such loans are required or capitalization grants are sufficient to continue offering such loans.

The FY2014 Financing Program also includes a Redevelopment Project Reserve for eligible redevelopment projects.<sup>1</sup> The State has set aside \$30 million of clean water state revolving fund sources for this Reserve. Combined with the Trust loan, approximately \$40 million will be available for Redevelopment Project Loans throughout the State.

Due to delays in EPA's issuance of the FFY2013 federal clean water and drinking water capitalization grant guidelines, NJEIPF staff is uncertain whether the EPA will require states to set aside a portion of their clean water and drinking water capitalization grant for PFL loans. The FY2014 Financing Program will include PFLs to the extent such loans are required or capitalization grants are sufficient to continue offering PFLs. Any Clean Water PFL's offered will be to CSO Abatement projects and Barnegat Bay environmental infrastructure Projects. Total principal forgiveness for each CSO Green Project sponsor will be limited to \$2 million. If drinking water PFLs are offered, the State is prepared to dedicate up to thirty percent (30%) of its state drinking water capitalization grant for such projects. Other than set forth herein with respect to Barnegat Bay Watershed Projects, Combined Sewer Overflow Abatement Projects, and Nano Infrastructure Loan Projects, PFLs may consist of a forty percent (40%) Trust Loan component and a sixty percent (60%) State Loan component. Typically, twenty percent (20%) of the total loan amount will be subject to principal forgiveness and 50% for very small water systems under the drinking water program. Principal forgiveness will not exceed a total of \$2 million per borrower regardless of the number of projects financed through the drinking water program.

Approximately \$500 million in interim loans will be made available through the NJDEFP for Sandy related repairs and equipment purchases through a combination of Trust loans and DEP loans utilizing the ranking methodology set forth below.

Finally, Interim Financing Program ("IFP") Loans will be available for projects approved to receive long-term financing. IFP Loans will be available upon the DEP's issuance of an authorization to award a project's final construction contract and satisfaction of financial eligibility requirements. Such loans will finance costs disbursed prior to long-term financing and are scheduled for closing in May, 2014.

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## PROGRAM DEMAND

Based upon program applications received, there are a total of 165 clean water and drinking water projects eligible to participate in the FY2014 Financing Program totaling approximately \$780.3 million in project costs. This loan total includes

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<sup>1</sup> See the discussion below as well as the FY2014 January Priority List and Financial Plan for additional information regarding eligibility requirements.

Supplemental loan requests, Barnegat Bay Watershed projects, CSO Abatement projects, Green Projects, Redevelopment Projects, Track I Projects and Track II Projects (defined herein).

There are 90 clean water projects totaling approximately \$560.2 million including requests for 5 Supplemental Loans from previously financed projects totaling \$48.3 million. There are 75 drinking water projects totaling approximately \$220.1 million including requests for 2 drinking water Supplemental Loans from previously financed projects totaling \$1.9 million.

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#### PROJECT PRIORITY LIST / PROJECT ELIGIBILITY

This plan amends the list of eligible projects provided in the January 2013 Project Priority List and Financing Strategy to include new project loan applications, supplemental loans and emergency projects. The FY2014 Financing Program projects are set forth in two project lists: The Clean Water project list and Drinking Water project list.

The project lists also set forth project cost estimates determined by the NJEIFP as eligible for funding under the federal Clean Water Act and/or Safe Drinking Water Act including construction, planning and design (e.g., engineering design) and administrative costs (e.g., legal). While a particular project's total costs may exceed the cost estimate set forth on the project priority list, costs deemed ineligible for funding under the federal Clean Water Act or Safe Drinking Water Act are not reflected in the project lists and will not be funded. Moreover, applicants should not deem project cost estimates as indicative of the sufficiency of funds but rather that the project may compete for limited funding subject to their project ranking on the priority list.<sup>2</sup>

Eligibility to seek funding in the FY2014 Financing Program is limited to (1) projects for which letters of intent, planning documents were submitted on October 4, 2012, applications submitted by March 4, 2013, and construction drawings, and contract documents were submitted by April 1, 2013 (Track I Applicants); (2) projects for which letters of intent and applications were submitted by March 4, 2013, and planning documents, construction drawings, and contract documents were submitted by April 1, 2013 (Track II Applicants). Funding for the repair of environmental infrastructure damaged by Super Storm Sandy and Emergency Equipment for continued operations during disasters will be funded through a separate program schedule discussed below.

**Project Prioritization.** The NJEIFP's project prioritization methodology is the means by which limited funds are distributed among eligible projects. A particular project's priority list rank is significant to its eligibility to receive a FY2014 Financing Program Loan given the limited funds available for projects. In prior years, the NJEIFP was able to finance all projects that fulfilled NJEIFP requirements regardless of their project ranking due to the availability of State and federal funds.

Clean Water (including Barnegat Bay and CSO Abatement) Project List. The FY2014 Financing Program Clean Water project list sets forth all clean water projects eligible to seek financing in the FY2014 Financing Program. Eligible clean water program activities include wastewater management, stormwater management and non-point source pollution control projects, landfill closures, open space land acquisition, brownfield remediation and well sealing. Funding prioritization is as follows: supplemental loan projects, emergency projects, Track I Projects that meet program deadlines in accordance with their rank on the State's Clean Water Project Priority List and then to Track II Projects that meet program deadlines in accordance with their rank on the State's Clean Water Project Priority List.. Clean Water project ranks are based on the total number of ranking points each project receives in five categories: (1) Local Environmental Enhancement Planning Activities, (2) Project Discharge Categories, (3) Water Use/Water Quality, (4) Smart Growth, and (5) Population.<sup>3</sup>

The Clean Water Project List also includes Barnegat Bay Watershed environmental infrastructure projects eligible to seek a principal forgiveness loan in the FY2014 Financing Program. These projects are separately identified on the project list. Funding eligibility of Barnegat Bay Environmental infrastructure is based on the ranked order relative to other such projects as they appear on the project list.

Also included on the Clean Water Project List are CSO Abatement projects with a focus on green technology (e.g., green roofs, rain gardens, porous pavement, and other activities that maintain and restore natural hydrology). These projects are

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<sup>2</sup> The project lists accompanying the DEP Clean Water and Drinking Water Intended Use Plans, reflect the estimated allowable project costs and the Clean Water and Drinking Water Project lists set forth herein reflect fundable amounts developed in anticipation of legislative appropriation. The legislative appropriation amounts exceed the IUP amount to ensure projects are fully funded in the event of unanticipated events such as cost overruns. NJDEP's project lists should be utilized for an identification of project cost estimates.

<sup>3</sup> A discussion of the methodology and criteria are set forth in the DEP's amended FFY2013 Clean Water State Revolving Fund Priority System, Intended Use Plan, and Project Priority System.

separately identified on the project list. Funding eligibility is based on the ranked order of CSO Abatement Green projects relative to other such projects as they appear on the project list, with CSO Green projects ranked above other CSO projects.

Eligibility for the Clean Water Green Project Reserve is also based on the ranked order of Green Projects relative to other such projects as they appear in the clean water project list. All Track II Projects are ranked below projects which met the Fall submission deadline.

Drinking Water Project List. The FY2014 Financing Program Drinking Water project list sets forth all drinking water projects eligible to seek financing in the FY2014 Financing Program. Eligible Drinking Water Project activities include rehabilitation or development of sources to replace contaminated water sources, treatment and storage facilities transmission/distribution pipes and appurtenances to prevent contamination or improve water pressure to safe levels, and upgrades to security measures.

The FY2014 Drinking Water Financing Program gives first priority to emergency projects, followed by small systems (as defined in Section III of the Drinking Water State Revolving Fund FFY2013 Intended Use Plan), supplemental projects, Track I Projects, and then Track II Projects that meet program deadlines in accordance with their rank on the State's Drinking Water Project Priority List. Drinking water projects are ranked in accordance with criteria associated with public health, compliance, affordability, approved drinking water plans and state planning area designations.

Eligibility for the drinking water green project reserve, as applicable, is also based on the ranked order of Green Projects as they appear in the drinking water project priority list. Eligibility for principal forgiveness loans is also based on the ranked order of all projects (exclusive of supplemental and legacy loans) as they appear in the drinking water project priority list.

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#### DEP PROJECT CERTIFICATION

DEP Project certification is required for all projects seeking program financing and is issued by the Commissioner of the DEP. DEP project certification is granted upon a project's receipt of all permits, compliance with environmental planning, design, and construction contract document requirements, and DEP's issuance of an authorization to award the final construction contract. Although requiring executed construction contracts will reduce the number of projects receiving certification, it will commit limited program funding and resources to only those projects that are ready to commence construction.

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#### TRUST LOAN CERTIFICATION AND LOAN CLOSING REQUIREMENTS

Trust Loan Certification is required for all projects seeking program financing and is most frequently issued by the Trust Board of Directors. Trust Loan certification is awarded upon DEP project certification and the applicant's satisfaction of the Program's credit worthiness requirements.

The final prerequisite to loan eligibility is a project's compliance with loan closing requirements. Although the actual requirements typically vary by type of applicant (municipal, authority or public/private water utility), applicant obligations generally include but are not limited to completion of a financial addendum form, passage of an authorizing resolution, reimbursement resolution and bond resolution, securing Local Finance Board or Board of Public Utilities approval (as applicable), and agreement to the terms of the NJEIFP's loan closing documents, including bond covenants, project drawdown schedules, continuing disclosure and numerous other document provisions to further demonstrate the borrower's ability to repay the loan and satisfy the NJEIFP's credit worthiness standards.

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#### FINANCING SCHEDULE

As discussed, FY2014 Applications were due on March 4, 2013 and environmental planning, engineering design and plans and specifications were due on April 1, 2013. Program staff's review of FY2014 applications commenced on March 5, 2013. The DEP will finalize its certification of FY2014 Financing Program projects to be partially funded with Trust bond proceeds on or before February 1, 2014 and submit such certifications to the Trust. Those projects receiving NJDEP certification subsequent to February 1 and prior to April 2 will likely be given Legacy Status and funding priority in the FY2015 Financing Program will be contingent on such projects securing Program financing prior to June 30, 2014.

Furthermore, beginning in FY2014, program staff will continue to work on applications until funded and it is anticipated that of those projects receiving funding prior to June 30, 2014, a significant number of those projects will be funded with FY2015 short-term loans due to their failure to receive certifications by the Bond pool deadline.

Program participants, the projects of which are partially funded with Trust bond proceeds are required to close in escrow their loan agreements, and deliver in escrow their bonds or collateral evidencing the loans, in April, 2014. The Trust will

then sell its bonds to finance the Trust loans. It is anticipated that the Trust bond sale will occur in early-May of 2014. A detailed proposed schedule is set forth in the Appendices to this Report.

The Trust may establish an alternate financing schedule for Traditional Financing Program projects and/or private solid waste/ brownfield remediation projects if deemed necessary.

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#### BOND REFUNDING

Independent of and separate from the bond issues planned for the FY2014 Financing Program, the Trust will continue to review prior bond issues to determine if refinancing would provide substantial savings to borrowers. The Trust will proceed with the refinancing of prior issues when circumstances warrant such action. To the extent permitted by law, such refunding bonds will have the same security features as the issue being refunded.

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#### INTERIM FINANCING LOANS.

The Interim Financing Program was introduced in 2004 to provide financing for projects satisfying the NJEIFP's administrative, technical, environmental, and permitting requirements. Only projects which apply for funding in the FY2014 Financing Program year and that have receive pre-award approval and project certification are eligible for Interim Loans. Projects receiving Interim Loans receive loan disbursements for eligible costs consistent with the project's draw down schedule until long-term loan closing. Monies provided by the Trust come from the Interim finance account, and other Trust sources such as interest earnings. The Trust Board of Directors has formally adopted a resolution outlining the Interim Financing Program features, including eligibility for an Interim Loan, the limitation on the loan amounts and the calculation of the interest rates. In FY 2014, Interim Loans for public projects are interest free and private party projects pay an interest rate of 2% on disbursed funds.

The Interim Financing Program has become an important component of the annual financing program, and each year more projects rely on it for interim funding to commence project construction in anticipation of long-term financing. The Trust and DEP will be requesting the legislature to appropriate \$200,000,000 of State funds to the Trust for the Interim Financing Program. The Trust may procure a line of credit or similar credit instrument from a commercial bank (the "Line of Credit") to secure additional sums necessary for the interim financing of projects receiving FY2014 appropriations.

**Pre-Requisite** - Projects having which satisfy all NJEIFP requirements (inclusive of an authorization to award the final construction contract), are the subject of a declaration of intent to reimburse in compliance with the federal tax code, submit an Interim Financing Program Financial Addendum Form and other loan closing pre-requisites are eligible for reimbursement from NJEIFP sources. This is a significant difference from the federal grants programs, because project sponsors may maintain the eligibility of project costs incurred prior to the execution of formal State loan agreements. To maintain the eligibility of such costs, project planning (including the issuance and expiration of an Environmental Assessment prepared by the DEP) and design and contract documents (including issuance of authorization to advertise and authorization to award contracts for which reimbursement is sought) must be reviewed and approved by the DEP's Municipal Finance and Construction Element. Further, all permits and approvals for the construction of the project must be secured. Moreover, executed construction contracts must be presented to the Department subsequent to receipt of an Authorization to Award. No more than one-half of soft costs may be disbursed in an Interim Financing Loan. It should be noted that federal policy limits the amount of funds the States may withdraw from capitalization grants for "refinancing's." Because federal policy defines any costs incurred prior to loan award to be "refinanced," there is a possibility that reimbursement for all pre-award costs may not be feasible at the time of loan award.

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#### NATURAL DISASTER EMERGENCY FINANCING PROGRAM LOANS.

**Introduction / Overview** - Draft legislation has been prepared establishing the Natural Disaster Emergency Financing Program (NDEFP) to aid in the temporary financing of wastewater treatment system or water supply projects necessitated by a natural disaster, and the associated improvements necessary to repair damages to a wastewater treatment system or water supply facility incurred during a natural disaster or mitigate the risk of future damage to such a system or facility arising from future natural disasters. Due to the potential that any project receiving NDEFP short-term funding will receive long-term funding through the NJEIFP, each project must also comply with NJEIFP requirements.

In addition, NDEFP project funding will be available to local government units, public water utilities or private persons upon the determination and certification in writing by the Department that any such project is necessary and appropriate (1) to repair damages to a wastewater treatment system or water supply facility directly arising from seismic activity or weather conditions which occurred within the prior three fiscal years that gave rise to a declaration by the Governor of a state of

emergency; provided the wastewater treatment system or water supply facility is located in a County included in the Governor's state of emergency declaration; or (2) to mitigate the risk of future damage to a wastewater treatment system or water supply facility from seismic activity or weather conditions comparable in scope and severity to seismic activity or weather conditions which occurred within the prior three fiscal years that gave rise to a declaration by the Governor of a state of emergency; provided the wastewater treatment system or water supply facility is located in a County included in the Governor's state of emergency declaration. Furthermore, unlike the current emergency financing program for temporary repairs, NDEFP financing will only be available to projects satisfying the NJEIFP's administrative, technical, environmental, and permitting requirements.

**Funding** - The funding is anticipated to be primarily federal funding sources appropriated to the DEP pursuant to the Disaster Relief Appropriations Act (Public Law 13-002). It is anticipated that the DEP will receive a total of \$240 million for Clean Water and Drinking Water project loans. The Trust and DEP have requested the state legislature to appropriate \$200,000,000 of these funds to the Trust for deposit in the NDEFP account upon the approval of the DEP Commissioner. The Trust may procure a line of credit or similar credit instrument from a commercial bank (the "Line of Credit") to secure additional sums necessary for NDEFP Program loans. The Trust Board of Directors will formally adopt a resolution outlining the NDEFP features, including eligibility for an NDEFP loan, the limitation on the loan amounts and the calculation of the interest rates.

Upon receipt of guidance from the USEPA regarding the distribution of Disaster Relief Appropriations Act funds for environmental infrastructure projects, the DEP and NJEIT will develop program parameters and notify the public.

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#### EMERGENCY FINANCING FOR TEMPORARY REPAIRS (NON-NDEFP).

The NJEIFP recognizes that environmental infrastructure emergencies may occur that endanger public health and welfare, and can result in substantial environmental damage. In response the Program offers emergency financing in two scenarios. The first arises for the temporary repair of a facility to address an emergency condition, when the failure occurs during the course of NJEIFP application review and the project for which NJEIFP financing sought is for the improvement to the facility which has experienced failure. Given the necessity for an immediate response, a complete technical and environmental review in advance of construction is not possible. The DEP secures basic project information from the project loan applicant, makes an eligibility determination and issues project approval so that owners/operators can undertake the needed repairs and maintain eligibility for those expenditures through the NJEIFP.

Qualifying emergency conditions are limited to those where failure has occurred or where failure is imminent and, unless corrected, will result in substantial pollution of the environment (such as collapse of a wastewater line) and/or substantial curtailment of the functions of the infrastructure.

The second scenario requiring emergency financing arises for the temporary repair of facilities which are not otherwise under NJEIFP application review. Since 2008, the Trust has implemented an Emergency Loan Program whereby the loans are funded by the Trust from Trust accounts, such as interest earnings. The Trust Board of Directors has formally adopted a resolution outlining Emergency Loan eligibility, the limitation of the loan amounts and the calculation of the interest rates. Emergency Repairs may be undertaken upon receipt of a DEP declaration that a project is an eligible environmental infrastructure project the repair of which will negate an imminent threat to the environment and preliminary eligibility determination by the Trust Executive Director. Emergency Loan eligibility also requires satisfaction of loan eligibility requirements and the applicant's agreement to implement an asset management program (neither of these requirements are conditions precedent to commencement of emergency repairs). The Emergency Loan Program provides Trust loans up to \$600,000 per project.

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#### DIRECT LOANS.

The Trust began issuing Direct Loans in 2001 to reduce the cost of long-term financing by utilizing cash on hand (as opposed to bonds) to finance the Trust loan component. Direct Loan recipients are required to comply with all of the submission, scheduling and program approvals of other long-term loans. FY2014 Trust Direct loans may be made up to \$300,000 for all project types (generally, \$1.2 million in combined Trust and Fund loans). In the FY2014 Financing Program, the loans will be structured as 25% market rate loans. The Trust loan component consists of funds on hand thereby foregoing a portion of the expenses incurred by borrowers in Trust bond financing. The Trust loan component also has an interest rate commensurate with that incurred by the Trust in its last bond issue.

Monies provided by the Trust come from Trust accounts, such as interest earnings. The Trust Board of Directors has formally adopted a resolution outlining Direct Loan eligibility, the limitation of the loan amounts, and the calculation of the interest rates. Direct Loans can be awarded in the instance of small projects for government agencies or private entities that are either fiscally constrained or do not have the administrative capability to be involved in a complex bond deal.

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## NANO INFRASTRUCTURE LOAN PROGRAM (NLP)

Commencing in FY2014, the NLP will serve as the primary source of funding for Drinking Water Loans for improvements to water supply systems serving populations less than 10,000. The NLP will be funded in an amount not to exceed \$4,000,000 and each NLP loan shall consist of a fifty percent (50%) NJDEP principal forgiveness loan, a twenty five percent (25%) NJDEP zero interest loan and a twenty five percent (25%) Trust loan. The Trust is authorized to expend a total of \$1,000,000 in Trust bond proceeds for NLP Loans which will be issued separately from other Trust loan bonds. No single NLP loan shall exceed \$1,000,000.

Unique to the NLP is the establishment of a Loan Loss Reserve Fund (LLR Fund). The LLR Fund will serve as a credit enhancement to ensure Trust's publicly issued bonds receive AAA/AAA/Aaa ratings. The DEP will initially fund the LLR Fund in such amounts as are necessary for that purpose. Moreover, NLP applicants that do not directly or indirectly pledge *ad valorem* taxing authority as security for such loans will pay an annual guarantee fee equal to 1% of the outstanding Trust loan ("LLR Fee"). The LLR Fee will be deposited into the LLR Fund, which over time will reduce the need for the DEP to fund the LLR Fund.

The source of funds for the Trust portion of the Traditional Loan Program and the Nano Loan Program is expected to be the sale of competitively marketed Trust bonds secured by the underlying repayments and the borrower's commitment to such repayments.

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## PLANNING AND DESIGN LOANS.

The Planning and Design Loans provide low interest loans to finance the cost of environmental planning and engineering design services for environmental infrastructure projects, utilizing loan monies provided by the Trust from Trust accounts, such as interest earnings. The loans are structured as temporary financing for preliminary project activities, with the expectation that the projects will secure long-term financing through the NJEIFP.

Upon receipt of an application, the DEP makes a determination as to project eligibility. Project loans are made upon a project sponsor's compliance with NJEIFP loan requirements. Planning and Design loans are made for a period not to exceed one year and at interest rates established by the Trust's Board of Directors. The Planning and Design Loan Program provides loans up to \$500,000 per project loan.

## NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FY2014 FINANCING PROGRAM

### THE NJ ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

#### INTRODUCTION

The NJEIFP is a partnership between the DEP and the New Jersey Environmental Infrastructure Trust (Trust) that commenced in 1987 to provide low-interest loans for environmental infrastructure projects. Throughout its history, the NJEIFP has focused primarily upon providing financing for the construction and improvement of clean water and drinking water facilities and distribution systems that protect the State's natural resources and public health. This will continue to be the NJEIFP's primary focus in FY2014. Each NJEIFP loan has a Trust market rate loan component and a State loan component. The State loan component is typically comprised of one of two financing sources: the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF). Since its inception in 1987, the NJEIFP has issued in excess of \$5.6 billion in project loans for over 1000 environmental infrastructure Project loans. Borrowers have saved in excess of \$2.3 billion in debt service obligations by utilizing the NJEIFP.

#### THE CLEAN WATER PROGRAM

In the Water Quality Act of 1987, which amended the Clean Water Act (CWA), Congress required states to establish a CWSRF program to qualify for federal capitalization grants. The CWSRF provides financial assistance for the construction of projects that protect, maintain and improve water quality.

Each year, the DEP develops a "Proposed Priority System, Intended Use Plan, and Project Priority List" as required by federal and State law. After a public comment period, the DEP submits a final Priority System, Intended Use Plan and Project Priority List to the USEPA for approval. The Priority System (PS) describes the ranking methodology for the municipal water pollution control projects that are eligible for financial assistance through the NJEIFP. The Intended Use Plan (IUP) provides information on funds available through the clean water component of the NJEIFP, including all federal funds allotted to the State under the CWA and available to the CWSRF. The Priority List identifies projects targeted for financial assistance from the CWSRF and identifies the estimated total eligible building costs under the appropriate project category.

New Jersey's Federal Fiscal Year (FFY) 2013 CWSRF capital grant is expected to approximate \$50 million. The DEP anticipates utilizing 4% of the CWSRF grant for CWSRF administrative costs. Given the fact that the capitalization grant guidelines have not been received for FFY2013 as of the date of this Financial Plan, the DEP is uncertain what amount of funding will be available for principal forgiveness loans.

#### THE DRINKING WATER PROGRAM

The Federal Safe Drinking Water Act (SDWA) Amendments of 1996 authorized a Drinking Water State Revolving Fund (DWSRF) to assist publicly owned and privately owned community drinking water systems and nonprofit non-community drinking water systems to finance the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements and to protect the public health in conformance with the objectives of the SDWA. The DWSRF is administered similarly to the State's Clean Water State Revolving Fund.

Each state may develop its own DWSRF program to finance drinking water projects in accordance with the DWSRF Program Guidelines issued by USEPA dated February 1997 and the DWSRF Interim Final Rule dated August 7, 2000.

New Jersey's FFY2013 DWSRF capital grant is anticipated to be \$14 million. The DEP expects a minimum of 30% of that amount will be available for Drinking Water principal forgiveness loans subject to U.S. EPA guidance for the Drinking Water FFY2013 capitalization grant anticipated to be received In May of 2013. The DEP plans to use 16% of these funds for non-project set-aside expenditures, which includes DWSRF administrative costs. If, the full 16% is not requested, the DEP reserves the authority to use the balance of the 16% of funds authorized for set aside purposes in future years.

In accordance with the Safe Drinking Water Act Amendments, USEPA has established controls and requirements conditioning the use of federal moneys within the DWSRF loan program. In particular, states must provide a 20% match to the federal Capitalization Grant. The State will meet this requirement through appropriations from the 1981 Water Supply Bond Act administered by the DEP.

## THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

The New Jersey Environmental Infrastructure Trust was created by the Wastewater Treatment Trust Act, P.L.1985, c.334, N.J.S.A. 58:11B-1 et seq. (Trust Act). The Trust is an independent state financing authority, in but not of the DEP, empowered to issue revenue bonds for the purpose of making loans to finance the construction of eligible environmental infrastructure projects. In August 1997 the Trust Act was amended by P.L.1997, c.224 to change the name of the Trust, and expand its role to include the financing of stormwater management and drinking water projects. The present cap for outstanding bonds is \$2.8 billion. The total amount of outstanding Trust bonds is \$1.29 billion excluding refunding bonds.

The Trust is subject to thorough oversight by the State. It is governed by a 7-member Board of Directors. Trust Board meeting minutes are forwarded to the Governor and the Legislature. The Governor has the right to disapprove Trust actions by veto of the minutes. The Trust is managed by an Executive Director and is assisted by other administrative officers and staff. The Governor and the State Treasurer must approve Trust debt issues before bonds can be authorized for issuance by the Trust.

Project loans issued by the Trust and Fund require prior authorization through legislative acts specifying the aggregate amount of funds to be expended. The project details of the annual legislation are found in the Clean Water and Drinking Water Project Priority Lists, which are developed in accordance with the State priority ranking systems and submitted to the Legislature by January 15 of each year. In addition, the Trust must submit a financial plan to the Legislature by May 15 of each year. This report satisfies this requirement. Both the Senate and Assembly must approve the plan.

Over the years the types of projects eligible for financing have been expanded to include the water quality related aspects of such areas as landfills (for closure activities and new cell construction). In 2001, land acquisition and conservation, remedial action activities and well sealing were added.

Additionally, the Trust is considering ways to directly finance private persons that sponsor projects to correct water quality problems linked to non-point source activities, such as agricultural cropland activities, animal feeding operations (that are not permitted as a point source) and other animal-related sources. The agriculture industry relies on clean and plentiful water to manage and operate farm and livestock activities.

To address needed environmental infrastructure improvements, several State general obligation bond issues were approved to capitalize the various loan funds, which are administered by the DEP and the Trust.

- The Wastewater Treatment Bond Act of 1985, P. L. 1985, c. 329 (Wastewater Bond Act) authorized the State to issue \$190 million in general obligation bonds, providing \$150 million to capitalize the Fund portion of the NJEIFP and \$40 million to capitalize the debt service reserve funds securing the Trust's revenue bonds.
- In 1992, the voters approved \$50 million for wastewater projects as part of the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 (Green Acres Bond Act) providing \$5 million to the Trust to leverage via capitalization of Trust debt service reserve funds and \$45 million to capitalize the Fund portion of the NJEIFP.
- In 1997, voters approved amendments to the Stormwater Management and Combined Sewer Overflow Abatement Bond Act of 1989 (CSO Bond Act), providing \$5 million for the Trust to leverage via capitalization of Trust debt service reserve funds.
- The Water Supply Bond Act of 1981 (Water Supply Bond Act) was also amended in 1997 to provide up to \$50 million to the Trust to leverage via the capitalization of debt service reserve funds or project costs. These funds are used to satisfy the 20% state match requirement for the Drinking Water Program under the Capitalization Grant.
- The Dam, Lake, Stream, Flood Control, Water Resources and Wastewater Treatment Bond Act of 2003 was adopted, authorizing the State to issue bonds for \$200 million. It appropriated \$5 million to the Trust for debt service reserve funds and \$45 million to the DEP for financing water supply and wastewater treatment projects.

Through these actions, the State Legislature and the public have authorized substantial monies for the DEP and the Trust to provide low cost financing for environmental infrastructure projects in the State.

### ELIGIBLE ACTIVITIES

The clean water component of the NJEIFP finances emergency type projects which include unforeseen failures of collection, conveyance and/or treatment systems as well as wastewater management, stormwater management, and non-point source pollution control projects, such as land acquisition, landfill closure and new cell construction, well sealing and remedial actions to protect water resources for eligible municipalities, counties and authorities throughout the state. The drinking water component of the NJEIFP finances drinking water projects for eligible authorities, municipalities, counties and privately owned or nonprofit non-community drinking water systems.

The Tax Reform Act of 1986 imposes restrictions on the types of projects that can be financed with tax-exempt bonds. In the past, the Trust was only authorized to finance projects that were government owned and either governmentally owned

or operated by private entities under conforming management contracts under IRS guidelines. Where these IRS guidelines could not be met, the Trust has issued AMT bonds for clean water projects in the past. However, with the authorization to finance private or nonprofit drinking water systems, the Trust may issue additional series of AMT bonds or taxable bonds to finance projects involving nonprofit use, private use, private payments, or private loans and not otherwise complying with Federal income tax requirements for tax exempt governmental bonds. If allowable under applicable law, the Trust will seek to combine these respective series of drinking water project bonds with like series of clean water project bonds.

The issuance of AMT bonds imposes additional conditions precedent to the issuance of Trust bonds, including, without limitation, the receipt of a volume cap allocation from the Treasurer, 2% costs of issuance limitation and hearings under the Tax and Equity Fiscal Responsibility Act of 1982 ("TEFRA").

Eligibility to seek funding in the FY2014 Financing Program is limited to (1) projects for which letters of intent, planning documents were submitted by October 4, 2011, applications by March 4, 2013, and construction drawings, and contract documents submitted by April 1, 2013 (Track I Projects); (2) projects for which letters of intent and applications were submitted by March 4, 2013, and planning documents, applications, construction drawings, and contract documents submitted by April 1, 2013 (Track II Projects).

Only drinking water systems and their owner(s) who demonstrate adequate technical, managerial and financial capacity, or that the award of financing will address the noted compliance issues are eligible for funding under the federal Safe Drinking Water Act. Generally, the three areas of capacity development may be summarized as follows:

- **Technical capacity** – The project sponsor must be in compliance with New Jersey's Safe Drinking Water rules, Water Supply Allocation Permit rules and statutes, must have a licensed operator pursuant to N.J.A.C. 7:10A and not be in significant noncompliance.
- **Managerial capacity** – The project sponsor or water system must not be in receivership, must demonstrate clear ownership and must not have any continuing violations.
- **Financial capacity** – Drinking water systems must receive approvals from the Local Finance Board or the Board of Public Utilities. Those private drinking water systems not subject to BPU review will be evaluated on a case by case basis.

A more detailed discussion of technical, managerial, and financial capacity appear in the New Jersey Drinking Water State Revolving Fund FFY2013 Intended Use Plan.

#### PROJECT LIST / RANKING

The FY2014 Financing Program Clean Water Project Priority List set forth in the January 2013 Report, identified seventy (70) projects with an estimated cost of \$437.3 million. The Drinking Water Project Priority List identified sixty seven (67) projects with an estimated cost of \$181.3 million. The detailed ranking methodologies for Clean Water and Drinking Water Projects are set forth in the FFY2013 Intended Use Plans available at [www.njeit.org/publications](http://www.njeit.org/publications).

The Clean Water and Drinking Water Project Priority Lists of the January 2013 report have been modified both with regard to structure and project pool due to one change in the Financing Program. At the time of publication of the January 2013 Report, the FY2014 Track II Application schedule was not announced. The Program accepted additional Letters of Intent and Applications through March 4, 2013 resulting in 17 additional projects in the FY2014 Financing Program at an estimated cost of \$71.7 million all of which are ranked below Track I projects.

The FY2014 Financing Program Project Priority Lists include a total of 165 projects at an estimated cost of \$780.3 million. The Clean Water Project Priority List includes 90 projects at an estimated cost of \$560.2 million are set forth in Appendix A. Funding in the amount of \$333 million is available for CW project loans. The Drinking Water Project priority List includes 75 projects at an estimated cost of \$220.1 million are set forth in Appendix B. Funding in the amount of \$43.5 million is available for DW project loans.

The Clean Water list also includes 5 clean water supplemental loan projects funded in a prior Financing Program at an estimated cost of \$41.1 million. These supplemental loans cover the difference between the loan amounts based on engineering estimates (i.e., amounts certified and loaned in prior funding years) and the actual costs based on bids received, and/or additional funding due as a result of the changes to the rules. The supplemental loans for this year's Financing Program will be given priority over new project loans in each of the programs. The DW project list also includes 3 drinking water supplemental loan projects funded in a prior Financing Program at an estimated cost of \$2.2 million.

In this third year of advancing Governor Christie's initiative to improve the water quality of the Barnegat Bay Watershed, the NJEIFP has expanded Barnegat Bay Watershed principal forgiveness loan eligibility to clean water environmental infrastructure projects. There are a total of 4 Barnegat Bay Watershed projects on the CW Project Priority List at an estimated cost of \$5.5 million. These projects are separately identified on the project list. Funding eligibility of Barnegat Bay

Watershed projects is based on the ranked order relative to other such projects as they appear on the project list. Funding in the amount of \$20 million is available for Barnegat Bay project loans which is a portion of the total \$333 million CW available funding.

Also included on the Clean Water Project List are CSO Abatement projects with a focus on those projects utilizing green technology (e.g., green roofs, rain gardens, porous pavement, and other activities that maintain and restore natural hydrology). These projects are separately identified on the project list. There are a total of 4 CSO Abatement projects on the CW Project Priority List at an estimated cost of \$24.6 million. Funding eligibility is based on the ranked order of CSO Abatement projects relative to other such projects as they appear on the project list with CSO Green projects ranked above other CSO projects. Funding in the amount of \$20 million is available for CSO Abatement project loans which is a portion of the total \$333 million CW available funding.

The FY2014 Financing Program also includes a Redevelopment Project Reserve for eligible redevelopment projects. There are a total of 3 Redevelopment Projects on the CW Project Priority List at an estimated cost of \$38.8 million. Loans (combined State and Trust sources) in the amount of \$40 million are available for clean water redevelopment loans, and funding eligibility is based on the ranked order of Redevelopment Projects relative to other such projects as they appear on the project list.

Typically, not all of the projects listed in the project list will receive funding for numerous reasons such as voluntary withdrawal, failure to secure all permits and technical approvals, and failure to satisfy the program's credit and security requirements. As a result, the project lists only serve to define the pool of projects from which loans will be made. The projects listed in Appendices A, B, C, and D are prospective recipients of financing in this year's Financing Program. Similarly, the project costs set forth in the Appendices are based on Applicant engineering estimates and all are subject to adjustments during application review process for project eligibility.

## PROGRAM STRUCTURE

### LOAN STRUCTURE / SOURCES OF FUNDS

**Traditional Project Loans** - The interest rate charged for FY2014 Traditional Project loans is a blended rate from two funding components. For projects other than supplemental loans and those very small drinking water systems receiving principal forgiveness loans, the structure is as follows: (i) three-quarters of each project financing is an interest-free Fund loan administered by the DEP; and (ii) one-quarter of each project financing is a market-rate loan from the Trust, which will sell its AAA-rated tax exempt bonds for the purpose of funding the majority of such Trust loans. For Supplemental Loans, the loan structure mirrors that of the project's original NJEIFP loan. Very small drinking water system principal forgiveness loans are discussed below.

The source of funds for the State Loan Component are USEPA Capitalization Grant funds, proceeds from State general obligation bonds, repayments from prior Fund loans deposited into the various Funds, Fund loan deobligations, State appropriations, a portion of the fees collected under Title I of the Marine Protection, Research and Sanctuaries Act and interest earnings thereon, as applicable. The source of funds for the Trust Loan Component are the proceeds from Trust issued bonds. Trust Bonds are not State of New Jersey Bonds nor are they backed in any way by the State of New Jersey. The Trust sells New Jersey Environmental Infrastructure Trust Bonds secured by the borrowers and not by the State. Since 1995 the Trust Bonds have been rated a natural AAA/AAA/Aaa by the three major rating agencies. No bond insurance is required, so the Trust is not impacted by the current turmoil in the bond insurance market.

**Sources of Funds –Traditional Project Loans** (including supplemental loans and excluding those very small drinking water systems receiving principal forgiveness) may be a combination of the four sources listed below:

- 1) A Trust loan at market rates to finance between 25% and 75% of the allowable cost of the project.
- 2) A Fund loan at zero-interest to finance between 25% and 75% of the allowable cost of the project.
- 3) An Equity contribution and/or financing (outside NJEIFP financing sources) by the borrowers for the unallowable costs of the project and for allowable costs which exceed the financial assistance provided by the Traditional Financing Program.
- 4) Other State and Federal grant programs.

**Barnegat Bay Principal Forgiveness Loans** - A \$10 million reserve has been established for loans for Barnegat Bay Watershed projects. It is anticipated that a total of \$20 million will be available for such loans. Principal forgiveness loans for municipalities for environmental infrastructure projects.

**Sources of Funds – Barnegat Bay Principal Forgiveness Loans** in FY2014 may be a combination of the five sources listed below:

- 1) A Trust market rate loan for up to 25% of the allowable cost (exclusive of fees), a Fund loan at zero-interest for up to 25% of the allowable cost(exclusive of fees), and a fund Loan at zero-interest for 50% of the allowable cost subject to principal forgiveness, such forgiveness being expected to occur within the first year of the making of the Fund and Trust loans and upon satisfaction of certain conditions precedent;
- 2) The source of funds for Traditional Loans set forth in Section a. above for allowable costs not principally forgiven;
- 3) An Equity contribution and/or financing (outside NJEIPF financing sources) by the borrowers for the unallowable costs of the project and for allowable costs which exceed the financial assistance provided through Traditional or Principal Forgiveness Loans;
- 4) The funding source for those portions of loans subject to principal forgiveness is limited to the FFY2010 and FFY2013 clean water capitalization grants.
- 5) Other Federal and State grant programs.

**Principal Forgiveness Loans (CSO Abatement projects)** - A \$10 million reserve has been established for loans for CSO Abatement projects. It is anticipated that a total of \$20 million will be available for such loans. The loan structure and sources of funds are identical to those of Barnegat Bay project loans discussed above.

**Small Public Water Systems Loans** - Commencing in FY2014, Drinking Water Loans for improvements to water supply systems serving populations less than 10,000 will be funded through the Nano Loan Infrastructure Program (NLP). The NLP will be funded in an amount not to exceed \$4,000,000 and each NLP loan shall consist of a fifty percent (50%) NJDEP principal forgiveness loan, a twenty five percent (25%) NJDEP zero interest loan and a twenty five percent (25%) Trust loan. The Trust is authorized to expend a total of \$1,000,000 in Trust bond proceeds for NLP Loans which will be issued separately from other Trust loan bonds. No single NLP shall exceed \$1 million. The source of funds for the Trust portion of the Nano Loan Program is the sale of competitively marketed Trust bonds secured by the underlying repayments and the borrower's commitment to such repayments. Those small system applicants, which are not within the NLP, are eligible to receive FY 2014 Financing Program loans through the Traditional Loan program i.e., 75 percent zero interest loans and 25 percent market rate loans (See section a. above), upon satisfaction of NJEIPF requirements.

**Table 1: CWSRF and DWSRF Funding Histories** - The following table indicates New Jersey's historical share of CWSRF and DWSRF funds. Starting in 1999, the DEP initiated, in accordance with the provisions of the Federal Safe Drinking Water Act, the transfer of funds from the repayments of loans issued under the Clean Water Program to the Drinking Water SRF Program. These figures are listed on the following table in the fourth column. It is possible that an amount up to \$6.0 million may be transferred in the FY2014 Financing Program.

| Federal Fiscal Year | Clean Water Capitalization Grant Amount<br>(in millions) | Drinking Water Capitalization Grant Amount<br>(in millions) | Clean Water SRF Funds Transferred to the Drinking Water SRF<br>(in millions) |
|---------------------|--|---|--|
| 1988                | \$70   | N/A   |  |
| 1989                | 65   | N/A   |  |
| 1990                | 69   | N/A   |  |
| 1991                | 84   | N/A   |  |
| 1992                | 79   | N/A   |  |
| 1993                | 78   | N/A   |  |
| 1994                | 49   | N/A   |  |
| 1995                | 50   | N/A   |  |
| 1996                | 82   | N/A   |  |
| 1997                | 25   | 28  |  |
| 1998                | 59   | 17  |  |
| 1999                | 55   | 18  | 9  |
| 2000                | 55   | 19  | 11   |
| 2001                | 55   | 19  | 12   |
| 2002                | 54   | 18  | 6  |
| 2003                | 54   | 18  | 6  |
| 2004                | 54   | 19  | 6  |
| 2005                | 44   | 19  | 6  |
| 2006                | 36   | 18  | 6  |
| 2007                | 51   | 18  | 6  |
| 2008                | 28   | 18  | 0  |
| 2009                | 18   | 18  | 0  |
| 2009 ARRA           | 63   | 43  | 0  |
| 2010                | 83   | 29  | 0  |
| 2011 (SFY12)        | 81   | 20  | 0  |
| 2012 (SFY13)        | 60   | 19  | 6  |
| 2013 (SFY14)        | 50   | 14  | 12   |
| TOTAL               | \$1,551  | \$372   | \$86   |

USEPA policies and requirements have been evolving as the federal CWSRF program has matured. Since New Jersey has already negotiated and executed twenty-four CWSRF Capitalization Grant Agreements with USEPA, any non-substantive changes in policies or requirements can easily be addressed by amendments to the operating agreement (OA) for the Clean Water Program. New Jersey has already negotiated and executed sixteen DWSRF Capitalization Grant Agreements with USEPA. Similarly, any non-substantive changes in policies or requirements can easily be addressed by amendments to the OA for the Drinking Water Program. The DWSRF OA and CWSRF OA were recently amended to include the requirement that New Jersey has agreed to conduct a single program joint audit for the DEP and the Trust annually.

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## LOAN STRUCTURE DETAIL

**Trust and Fund Loan Components** - The interest rate charged for FY2014 Traditional Project loans is a blended rate from the Trust Loan and Fund Loan components.

- i. For Barnegat Bay Watershed Projects and CSO Abatement projects eligible to receive 50% principal forgiveness loans, the Fund loan component will be structured as follows: fifty percent of the loan will be principal forgiveness, twenty five percent of the loan will be a zero interest fund loan, and twenty five percent of the loan will be a Trust market rate loan.. That portion of a project's cost for which principal forgiveness is unavailable, will be funded with a seventy five percent (75%) zero interest Fund Loan component and twenty five percent (25%) market rate Trust Loan component.
- ii. For projects other than those eligible to receive Barnegat Bay Watershed and CSO Abatement principal forgiveness loans, the Trust loan will generally finance 25% of the allowable cost of each project. The interest rate on this loan is primarily comprised of the rate on the Trust revenue bonds sold to finance the loans to NJEIFP participants. The Trust is currently rated AAA by the three national rating agencies. During construction, investment income on the reserve fund, if any, supplements optional capitalized interest funded from bond proceeds. For the rest of the not-to-exceed twenty-year life of the Trust bonds and for those NJEIFP participants who do not capitalize interest, reserve fund earnings, if any, are used as a credit to the program participants' debt service obligations to the Trust. The Fund will issue a loan at zero interest for up to 50% or 75% of the allowable cost of each project.

**Direct Loans** - In accordance with the adopted Trust Policy, the Trust may determine that for FY2014 Financing Program loans up to \$300,000 (generally, combined Trust and Fund loans of \$1.2 million), it may be advantageous to issue a direct loan as compared to a bond financed loan. The Fund portion of the loan would continue to be financed through the same mechanism as the regular Fund loans. The Trust loan would be the same as the regular Trust loan, except for the source of funds and a possible shorter loan repayment period. The funding for the Trust loans will come from earnings on funds held in reserve or from other accounts available for such purposes. The Fund loan will be at 0% interest. The interest rate on the Trust loan will be calculated based on the market conditions on the date of the direct loan closing compared to the interest rate and market conditions associated with the Trust's most recent tax-exempt bond sale.

**Interim Financing Loans** - Each year there are projects that are ready to proceed with construction prior to the issuance of the Trust Bonds. In order to move forward with such projects, the participant must procure financing for the period between receipt of the authorization to award the final construction contract and the Traditional Financing Program loan closing. In 2002, the Trust's enabling legislation was amended authorizing the Trust to establish an Interim Financing Program as another source of short-term financing available to participants for pre-award projects. Interim loans are taken at the option of the participant provided all of the following conditions are met:

- i. The project sponsor has received an authorization to award the final construction contract and project certification from the DEP and the Trust;
- ii. The project is in the fundable range for the current year's funding cycle given the availability of Trust and Fund funds for loans;
- iii. Funds are available in the Trust's Interim Financing Program account; and
- iv. The project sponsor enters into the requisite interim loan documentation with the Trust.

The project sponsor is limited to one Interim loan per project scope and interim loans will be made on a readiness to proceed basis until the funds available for interim loan awards are exhausted. The interim loans are intended to cover expenses incurred or to be incurred prior to closing on the long-term loan.

The loan is required to be repaid on the day of closing of the long-term loan, even if, for some reason, the borrower has failed to meet the requirements for the long-term loan and is not included in the pooled financing. The Interim Loan will be paid in one of two ways; 1) if the borrower is in the Traditional Financing Program, the loan will be repaid from funds made available from both the Trust and Fund loans; or 2) if the borrower has failed to meet the Traditional Financing Program requirements, the borrower must find another source to repay the interim loan.

The loans will be subject to an interest rate determined by the Trust Board. The interest rate for an interim loan issued to a local government unit in the FY2013 Financing Program was zero percent and a 2% interest rate Interim Loan to a public water utility, any other private person, or a local government unit on behalf of any private entity. At that time the Trust did not charge a fee for the Interim Loan, provided the borrower had secured long-term loan approvals in the then current year Financing Program. If for some reason the borrower failed to close on a regular loan, the Trust would have imposed a loan

surcharge of up to 0.004 times the principal amount of the Interim Loan. Said loan surcharge would be due and payable along with the loan repayment.

The FY2014 IFP Board Policy authorizes a 0% interest rate Interim Loan to government entities and 2% interest rate Interim Loan to public water utilities, any other private persons, or local government units on behalf of any private entity. Moreover, commencing in 2008, the IFP Board Policy permits the Trust to fund Interim Loans through a line of credit in the event NJEIFP reserves are committed to project loans. The line of credit will be procured in compliance with State procurement laws.

The Comprehensive Priority Lists in Appendices C and D of this report represent an updated IFP Eligibility List for both Clean Water and Drinking Water Projects.

### **Miscellaneous Provisions Pertaining to all FY2014 Financing Program Loans**

- The Trust will finance up to 100% of the cost of reserve capacity. However, in support of the Smart Growth and Green Project Initiatives, the DEP may issue a zero interest loan for a portion of the reserve capacity depending upon the type and location of the project. The Trust will finance the balance.
- A borrower may issue its own bonds to finance unallowable costs, or may finance these costs from other funds.
- A borrower may apply for a supplemental loan for the project to cover allowable increased project costs.
- Trust bonds prior to 2007 were secured by a debt service reserve fund of approximately 10% of the issue size. The Trust's Debt Service Reserve Fund was generally funded from a portion of the required state match (20% of the federal grant), General obligation Bond proceeds and project loan repayments. In 2007 and 2008, the Trust utilized these funds for project loans while maintaining its natural AAA credit rating. This practice will be continued in FY2014, to the extent permitted by the rating agencies, for local government unit borrowers.

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### **FUNDING ENHANCEMENTS**

**Lower Cost Financing** - Consistent with the FY2013 Financing Program, the FY2014 Financing Program will offer 25% market rate loans for the majority of traditional loan projects (including second chance projects). Previously, traditional loans consisted of 50% market rate loans. This change does not apply to projects that qualify for principal forgiveness, certain small drinking water systems, and some projects receiving supplemental loans. Additional information regarding the details of the project eligibility is set forth in the January 2013 Project Priority List set forth at [www.njeit.org/publications.htm](http://www.njeit.org/publications.htm).

**Barnegat Bay Initiative** - In continued support of the Governor's initiatives, the DEP has established a reserve for Barnegat Bay Watershed environmental infrastructure projects designed to remove pollutants that adversely impact the Barnegat Bay. The source of funds utilized to finance projects from the reserve fund is the FFY2010 and FFY2013 CWSRF capitalization grant. For the FY2014 Program, the NJEIFP is making up to \$20 million available in Principal Forgiveness Loans for these projects. Each loan consists of fifty percent principal forgiveness, a twenty five percent Fund Loan, and a twenty five percent Trust Loan, subject to certain limitations in the approved appropriations bill or other factors. Projects eligible for financing from the reserve are those sponsored by a government unit in the Barnegat Bay Watershed.

**CSO Abatement Project Reserve** - The FY2014 Financing Program will include a CSO Abatement Project Reserve with a focus on utilizing practices that restore natural hydrology through infiltration, evapotranspiration, usage or the harvesting of stormwater. CSO Abatement projects are include such practices as replacing existing pavement with porous pavement, bioretention, green roofs and other practices that mimic natural hydrology and reduce effective imperviousness for the purposes of reducing stormwater inflow into combined sewer overflow systems. The source of funds utilized to finance projects from the reserve fund is the FFY2012 and FFY2013 CWSRF capitalization grant. For the FY2014 Program, the NJEIFP is making up to \$20 million available in Principal Forgiveness Loans for these projects. Each loan consists of fifty percent principal forgiveness, a twenty five percent Fund Loan, and a twenty five percent Trust Loan, subject to certain limitations in the approved appropriations bill or other factors.

**Drinking Water Green Project Reserve** - The FY2014 Financing Program will include a Green Project Reserve (GPR) equal to a minimum of 20 percent of the State's FFY2013 allocation for the FFY2013 Appropriation to the DWSRF Program (discretionary). In the event insufficient applications are approved utilizing the GPR, the DEP may use residual GPR funds

to finance other clean water projects in the FFY2013/FY2014 Program. Green Projects are drinking water projects that implement green infrastructure, water or energy efficiency improvements (including projects that are designed to reduce greenhouse gas emissions). Green infrastructure includes such practices as replacing existing pavement with porous pavement, bioretention, green roofs and other practices that mimic natural hydrology and reduce effective imperviousness, provided, however, that renewable energy improvements and/or any other type of Green Project, including, without limitation, a solar panel project or a wind turbine project, shall be eligible for financing through the Financing Program as a Green Project only to the extent that such project is physically located at the site of, and serves primarily to meet the energy consumption or other infrastructure improvement needs of a drinking water treatment plant.

**Redevelopment Reserve** - The FFY2013 Priority System continues a separate classification for projects where a government unit serves as the applicant on behalf of a private entity for a remediation or redevelopment project to statutorily qualify for NJEIFP loans and where the loan is guaranteed by other than the government unit sponsor.<sup>4</sup> The FFY2013 Priority System document continues the reserve dedicated solely to these projects and may establish a separate source of funds to securitize loans for these projects. The DEP has allocated \$30 million in Fund loans as the "Brownfield Set-Aside" for the FY2014 Financing Program. It is estimated that total loans for Brownfield Set-Aside projects are anticipated to be approximately \$40 million.

Project priority will be determined in accordance with the ranking methodology included in this document and the set-aside funds will be allocated based on the project's rank, the sponsor's ability to meet program requirements and the amount of funds available for these purposes. In cases where the available Fund loan does not cover 50 or 75 percent of the allowable project costs, the Trust may finance the remaining allowable costs, which may exceed their traditional 25 or 50 percent contribution. Financing above and beyond the amount set-aside for such projects will be considered if monies are available after the need for funding of higher ranking projects during the funding cycle has been satisfied. Conversely, if there are unexpended funds in the set-aside due to insufficient demand for brownfield remediation loans in the FY2014 Financing Program, those funds may be used to finance projects listed on the Priority List that may otherwise not receive financing in the FY2014 Program.

The DEP is also continuing the practice of setting a \$25 million per project limit on the amount of Fund monies that any conduit borrower/private entity project can receive in the FY2014 Program. Previously-financed conduit borrowers will not be eligible for supplemental fund loans from the DEP to cover unanticipated cost increases due to bid receipt, differing site conditions, change orders or other circumstances.

**Small Systems Set Aside** - (Drinking Water Projects only) The Federal SDWA amendments of 1996 established a goal for states to provide at least 15 percent of all funds credited to the DWSRF project account to provide loan assistance to systems serving fewer than 10,000 persons (Small Systems). Therefore, 15 percent of the DWSRF fund will be reserved to provide financing for small systems serving fewer than 10,000 residents. However, if Small System projects do not exhaust the 15 percent reserve, the remaining funds would be utilized for other eligible projects, in priority order, that have met program requirements. Moreover, principal forgiveness loans are available to drinking water systems servicing more than 500 residents in an amount not to exceed the lesser of 20 percent or \$2.5 million of the combined trust loan amount and fund loan amount per project sponsor. Principal forgiveness loans are available to drinking water systems servicing fewer than 500 residents in an amount not to exceed the lesser of 50 percent or \$5 million of the combined trust loan amount and fund loan amount per project.

**Nano Infrastructure Loan Financing Program** - (Drinking Water Projects only) Commencing in FY2014, the NLP will serve as the sole source of funding for Drinking Water Loans for improvements to water supply systems serving populations less than 10,000. The NLP will be funded in an amount not to exceed \$4,000,000 and each NLP loan shall consist of a fifty percent (50%) NJDEP principal forgiveness loan, a twenty five percent (25%) NJDEP zero interest loan and a twenty five percent (25%) Trust loan. The Trust is authorized to expend a total of \$1,000,000 in Trust bond proceeds for NLP Loans which will be issued separately from other Trust loan bonds. No single NLP Loan shall exceed \$1 million.

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<sup>4</sup> In cases where a local government unit that sponsors a project on behalf of a private entity and commits to providing a general obligation pledge (including its unlimited taxing power or municipal guarantee) as security for the DEP and Trust loans, the project is considered exempt from the conduit financing classification.

Unique to the NLP is the establishment of a Loan Loss Reserve Fund (LLR Fund). The LLR Fund will serve as a credit enhancement to ensure Trust's public issued bonds receive AAA/AAA/Aaa ratings. The DEP will initially fund the LLR Fund in such amounts as are necessary for that purpose. Moreover, NLP applicants that do not directly or indirectly pledge *ad valorem* taxing authority as security for such loans will pay an annual guarantee fee equal to 1% of the outstanding Trust loan ("LLR Fee"). The LLR Fee will be deposited into the LLR Fund, which over time will reduce the need for the DEP to fund the LLR Fund.

The source of funds for the Trust portion of the Traditional Loan Program and the Nano Loan Program is the sale of competitively marketed Trust bonds secured by the underlying repayments and the borrower's commitment to such repayments.

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## LOAN TERM

NJEIFP loans are normally for a 20-year period, although a borrower may elect a shorter repayment term. Participants have the option to capitalize interest during construction for up to three years. Repayment of principal begins no later than the fourth year for both Trust and Fund loans. Debt service payments on the Trust loan pays debt service on the Trust bonds. Debt service payments on the Fund loan are repayments of principal only, since the Fund loan is at a zero interest rate. After providing security for Trust revenue bonds for a period of approximately one year, the Fund loan repayments will be made available to future NJEIFP participants to finance additional environmental infrastructure projects and will be matched by the Trust through new leveraged bond issues.

## OTHER LOAN PROGRAMS

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### TRUST EMERGENCY LOAN PROGRAM

In 2008, the NJEIT's enabling legislation was amended to provide for Trust only Emergency Loans the source of which is Trust accounts, such as interest earnings. Eligible environmental infrastructure projects that are not currently under review for NJEIFP funding may receive a Trust Emergency Loan, limited to \$600,000 per project. Due to concerns that emergency repairs arise from inadequately maintained infrastructure, the Trust now requires project sponsors to agree to create and implement asset management plans as a condition of such loans. The following are prerequisites to receipt of a Trust Emergency Loan:

- 1) Declaration by the Department the existence of an emergency due to an imminent threat to the environment or the public health, safety or welfare
- 2) Determination by the Department that the repair is for an eligible environmental infrastructure Project by a local government unit
- 3) Satisfaction of the Trust's financial eligibility requirements;
- 4) Agreement of the project sponsor to create and implement an asset management program.

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### TRUST PLANNING AND DESIGN LOAN PROGRAM

The Planning and Design Financing Program (Planning Loan Program) provides low interest loans to finance the cost of preparing environmental planning documents and engineering design services for environmental infrastructure projects to local government units and public water utilities (Eligible Borrower), as those terms are defined in N.J.S.A. 58:11B-3, with the intent of incentivizing the number of environmental infrastructure projects. The loans are structured as temporary financing for preliminary project activities with the expectation that the environmental infrastructure projects will secure long-term financing through the NJEIFP.

The following are prerequisites to receipt of a planning loan:

- 1) A DEP determination that the project activity constitutes an environmental infrastructure project capable of funding under either the Clean Water or Drinking Water Program state revolving fund.
- 2) The loan amount shall not exceed \$500,000 per principal amount per project;

- 3) The loan matures on or before the date of issuance by the Trust of its final Trust bond issuance that shall close at any time during FY2014;
- 4) Funds are available in the Trust's Planning and Design Financing Program account; and
- 5) The project sponsor enters into the requisite interim loan documentation with the Trust.

Planning loans will be made until the funds dedicated to planning loan awards are exhausted. Funding shall be prioritized based on the order of approved loan applications.

The Planning Loan is required to be repaid on the day of closing of the regular loan or before the date of issuance by the Trust of its final Trust bond issuance that shall close at any time during FY2014. The Planning Loan will be paid in one of two ways; 1) if the borrower is in the FY2014 Financing Program, the loan will be repaid from funds made available from both the Trust and Fund loans; or 2) if the borrower has failed to meet the FY2014 Financing Program requirements, the borrower must find another source to repay the interim loan.

The loans are subject to interest rates determined by the Trust Board. Planning loans issued in FY2014 to local government units and those public water utilities serving fewer than 10,000 residents will be subject to an annual interest rate of 0%; and Planning Loans to all other eligible borrowers will be subject to an annual interest rate of 2%. The Trust does not anticipate charging a fee for the Planning Loan, provided the borrower is a participant in the FY2014 Financing Program. If for some reason the borrower fails to close on a regular loan during this period, the Trust will impose a loan surcharge of up to 0.004 times the principal amount of the Planning Loan. Said loan surcharge would be due and payable along with the loan repayment.

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#### TRUST/FUND/GREEN ACRES FINANCING PROGRAM

Since 2001, this Financing Program has financed open space land acquisition projects. The land purchases financed must help to protect or maintain ground or surface water quality in the project areas. Water quality related restrictions are placed on the use of parcels purchased with Clean Water SRF funds.

- 1) Projects certified under this financing program generally receive a grant from the Green Acres Program for a portion of the allowable cost and up to a twenty-year loan from the Trust/Fund for the remaining allowable cost.
- 2) Participants may issue their own bonds to finance the unallowable costs of the project and allowable costs which exceed the Trust/Fund/Green Acres amounts or participants may finance these costs from other funds. Each participant must be capable of financing these costs in order to be eligible for financing from the NJEIFP.
- 3) Participants may apply for a supplemental Trust/Fund loan to cover increased allowable project cost not covered by the original Trust/Fund loan or Green Acres financing.
- 4) If a portion of a property does not conform to the NJEIFP's allowable uses, NJEIFP financing will be utilized to fund the portion of the property that is eligible.
- 5) Like other NJEIFP funded projects, financing may be secured for project administration (up to 3% of land costs) and/or taking an allowance for planning and design (generally 10 to 15% of land costs).
- 6) The Trust Interim Financing Program is also available for these projects.

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#### THE TRUST/PINELANDS FINANCING PROGRAM

Established by the Pinelands Infrastructure Trust Bond Act of 1985, this program provides funding for infrastructure projects needed to accommodate existing and future needs in the 23 designated Pinelands Regional Growth Areas. Funding is available for the construction of new collection systems, interceptors, and the expansion/upgrading of wastewater treatment facilities. Water supply projects are also authorized in the existing Bond Act, however none have been financed. Unfortunately, the funds from the Bond Act have been exhausted.

When additional funds become available, Pinelands/Trust financing for environmental infrastructure projects would come from the following sources:

- 1) Projects certified under this program generally receive a grant for up to 40% of the allowable cost and a twenty-year, half market rate loan for up to 20% of the allowable cost. Projects are funded by the DEP from the Pinelands Infrastructure Trust Bond Act of 1985.
- 2) The Trust loan will represent approximately 40% of the remaining cost of the allowable project. However, if the Pinelands grant/loan is not sufficient to cover 60% of the allowable cost, the Trust loan will be increased to cover the balance not covered by the Pinelands grant/loan. The interest rate on this loan is the rate on the Trust revenue bonds sold to finance the loans to the program participants. Pinelands participants are required to authorize the Trust to bond for the debt service reserve fund amount associated with the Trust loan.
- 3) A participant may issue their own bonds to finance the unallowable costs of the project and allowable costs which exceed the Trust/Pinelands amounts or participants may finance these costs from other funds. Each participant must be capable of financing these costs in order to be eligible for financing from the Financing Program.
- 4) Only those eligible costs not funded through the Pinelands Program may be financed under a Trust loan.
- 5) A participant may apply for a supplemental Trust loan to cover increased allowable project costs and may be eligible (limited to no more than 10 percent of the amount originally allocated to the projects) for receipt of additional monies through the Pinelands Program, if funds are available.

The loans are normally for a 20-year period, although a borrower may elect a shorter repayment term. The Trust loan permits participants to capitalize interest during construction for up to three years. Principal repayment begins no later than the fourth year for both Trust and Pinelands loans. Debt service payments on the Trust loan go to pay debt service on the Trust bonds. Debt service payments on the Pinelands loan are for both principal and interest. The Pinelands loan repayments will be made available to future financing program participants to finance additional projects. These funds may be matched by the Trust through new leveraged bond issues.

There are no Pinelands Projects participating in the FY2014 Financing Program.

#### NATURAL DISASTER EMERGENCY FINANCING PROGRAM LOANS.

**Introduction / Overview** - Draft legislation has been prepared that will establish the Natural Disaster Emergency Financing Program (NDEFP) to aid in the temporary financing of wastewater treatment system or water supply facility projects necessitated by a natural disaster, and the associated improvements necessary to repair and/or to mitigate the risk of future damage to a wastewater treatment system or water supply facility arising from future natural disasters. Due to the potential that any project receiving NDEFP short-term funding will receive long-term funding through the NJEIFP, each project must also comply with NJEIFP requirements.

In addition, the proposed legislation provides NDEFP project funding to local government units, public water utilities or private persons upon the determination and certification in writing by the Department that the project is necessary and appropriate (1) to repair damages to a wastewater treatment system or water supply facility directly arising from seismic activity or weather conditions which occurred within the prior three fiscal years that gave rise to a declaration by the Governor of a state of emergency, provided the wastewater treatment system or water supply facility is located in a County included in the Governor's state of emergency declaration; or (2) to mitigate the risk of future damage to a wastewater treatment system or water supply facility from seismic activity or weather conditions comparable in scope and severity to seismic activity or weather conditions which occurred within the prior three fiscal years that gave rise to a declaration by the Governor of a state of emergency, provided the wastewater treatment system or water supply facility is located in a County included in the Governor's state of emergency declaration. Furthermore, unlike the current emergency financing program for temporary repairs, NDEFP financing will only be available to projects satisfying the NJEIFP's administrative, technical, environmental, and permitting requirements.

**Funding** - The funding is anticipated to be primarily federal funding sources appropriated to the DEP pursuant to P.L. 13-002. It is anticipated that the DEP will receive a total of \$228 million for Clean Water and Drinking Water project loans. The Trust and DEP will be requesting the legislature to appropriate up to \$200,000,000 of State and federal funds to the Trust for deposit in the NDEFP account upon approval of the Commissioner of the Department of Environmental Protection. The Trust may procure a line of credit or similar credit instrument from a commercial bank (the "Line of Credit") to secure additional sums necessary for NDEFP Program loans. The Trust Board of Directors will formally adopt a resolution outlining the NDEFP features, including eligibility for an NDEFP loan, the limitation on the loan amounts and the calculation of the interest rates.

The USEPA will require the State to comply with USEPA guidance in the distribution of Disaster Relief Appropriations Act funds for environmental infrastructure projects funds for environmental infrastructure projects. As of the date of adoption of

this Financial Plan, the DEP and NJEIT await the USEPA guidance document and as such insufficient information is available to define the methodology to be utilized to rank projects for the distribution of limited funds, the application schedule, and other necessary components of the Natural Disaster Emergency Financing Program. Upon receipt of USEPA guidance, Program staff will develop the program parameters and inform the public through publication of New Jersey's proposed Federal Fiscal Year 2013 Clean Water Act Intended Use Plan and Safe Drinking Water Act Intended Use Plan as well as various independent communications to prior borrowers to alert them of the availability of funds.

## BENEFITS OF PARTICIPATING IN THE FINANCING PROGRAM.

The NJEIFP enables participants to join together to finance their environmental infrastructure projects at a lower cost than if they financed their projects independently. The main cost savings are achieved by combining the zero-interest Fund loan and the market-rate, AAA rated Trust loan and savings arising from the reduction of the Trust loan debt service by the reserve fund income. In the case of a Pinelands and/or Green Acres financed project, the savings come from the combination of the Pinelands and or Green Acres grant/loan and the market-rate, AAA rated Trust loan. Moreover, with a combined issue, smaller or lower-rated borrowers have better access to the debt market. Finally, aggregating many project financings into one bond issue reduces financing costs for program participants. Participating in the NJEIFP has resulted in Borrower savings between twenty five and thirty percent of the cost of debt service relative to borrowing on their own. In total, borrowers have saved in excess of \$1.9 billion since the NJEIFP's inception. The addition of aggressive loan discounts for stormwater controls such as pervious surface, green roofs, and rain gardens in the Barnegat Bay Watershed through loans consisting of twenty five percent principal forgiveness and twenty five twenty five percent market rate loans and in FY2014 provides substantial additional savings for the limited number of high ranked borrowers qualifying borrowers.

In addition to low interest rates, Trust loans eliminate the need for borrowers to obtain bond insurance, manage arbitrage responsibilities, and reduce many other ancillary borrowing costs. The FY2014 Financing Program also permits level debt service payments, allow borrowers to capitalize interest and implement net funding of the project.

## FINANCING PROJECTS THROUGH THE NJEIFP

The discussion that follows represents the current intentions for the loan agreements under the NJEIFP and is based upon loan agreements with general obligation borrowers, although the other agreement forms may be mentioned. Not all the differences among the various agreements are presented. Likewise, not every condition appearing in the various loan agreements is described. The Trust and the State reserve the right to include special items in individual loan agreements, conditions, and covenants unique to the circumstances of particular borrowers, when necessary even if not anticipated in this document. Additionally, Principal Forgiveness Loan agreements may contain additional representations and covenants that are not contained in the loan agreements with respect to the Traditional Loans.

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## PROGRAM OBJECTIVE

As in the past, the goal of this year's NJEIFP is to provide subsidized financing to spur the construction of environmental infrastructure projects.

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## THE TRUST AND FUND LOANS.

Each borrower enters into two loan agreements: one agreement with the Trust and one with the State, acting by and through the DEP, for the Fund or the Pinelands Program. These loan agreements have been drafted to reflect the differences between the security features for general obligation borrowers, revenue borrowers and private water system borrowers. The principal terms and conditions are conformed among the versions and permit a generic description of the terms and conditions.

**The Trust Loans** - Historically, half of each project's estimated allowable costs are funded with a loan from the Trust. The Trust finances these loans by issuing its own revenue bonds and lending the proceeds to the program participants pursuant to draw schedules established by the participants. As described above, funding from the Trust in the FY2014 Financing Program for a large majority of projects will be 25% of each loan but may equal 50% for certain loans depending upon the nature, type and location of the project.

Each Trust bond issue is structured to allow for composite level debt service after the project construction period. Participants will be permitted a construction period and capitalized interest of up to three years, with principal repayments to commence in year four or sooner if the projected construction period is shorter than three years, or if a participant desires to begin principal amortization earlier.

The Trust bonds are expected to net fund the project account to be established by the Trust bond resolution. The capitalized interest account will be either net funded or fully funded by the Trust bonds. The bonds are also expected to finance the underwriters' discount, any bond insurance premium, rating agency fees and a loan surcharge of up to 0.1% of the issue size for other costs of issuance and the State fee. The Trust bonds will also fund the allocable share of the Debt Service Reserve Fund for reserve capacity borrowers, Pinelands/Green Acres borrowers and private drinking water system borrowers. Final maturity of the bonds will not exceed 20 years.

The Trust Loans are structured to match the Trust bonds. The rate on the loan to each program participant includes the interest rate on the Trust bonds. The aggregate of the debt service schedules of all of the participants loans also cover the debt service schedule on the Trust bonds.

Trust bonds are ultimately secured by a general obligation pledge from each municipal borrower to levy and collect taxes to pay debt service. Authority borrowers are expected to have deficiency agreements in place with their underlying municipalities, backed by general obligation pledges from those underlying municipalities. If such deficiency agreements cannot be obtained, the bonds issued to the Trust by the Authorities are expected to have at least an investment grade rating (which may be a shadow rating) and may be required to be supported by some form of credit enhancement, unless these loans fall into a deminimis size or other related exception. In the case of private drinking water systems, loans will be secured by collateral, which may include letters of credit, water system mortgages and/or guaranties of owners or operators or any other collateral that the Trust may deem appropriate.

The Trust bonds are also secured by the intercept of State-aid payable to all municipal participants and the municipalities underlying those Authority participants that have executed deficiency agreements with such underlying municipalities. If a participant fails to make timely debt service payments to the Trust, the Fund Loan repayments from this year and prior years will be available; the State-aid intercept mechanism authorized in the Trust's enabling statute may be triggered and State-aid may be diverted from the participant, or an underlying municipality of the participant, to the bond trustee to pay debt service to the bondholders.

**The Fund Loans** - The FY2014 Financing Program Fund Loan (a.k.a. State loan component) will be issued at a zero percent interest rate. Participants will begin repaying the principal on their Traditional Fund Loans coincident with the initiation of debt service payments on the Trust Loans. Unless changed due to specific project circumstances, annual repayments of Fund Loan principal are designed to be level for the duration of the loans when combined with the Trust principal and interest repayments.

The State loan component for Traditional Project Loans will comprise 75% of the total loan for most loans. Supplemental loans are structured consistent with that of the original project loan. The Principal Forgiveness Loan (a.k.a. State loan component), will also be issued at a zero interest rate. The State has set aside \$10 million in prior capitalization grants for principal forgiveness loans to eligible green infrastructure projects in the Barnegat Bay Watershed. A total of \$40 million in principal forgiveness loans will be available for this initiative in FY2014. Up to \$20 million will be available as principal forgiveness, up to \$10 million will be 0% State Loans and up to \$10 million will be a Trust market rate loans. Each project receiving principal forgiveness may be eligible for up to 50% principal forgiveness, 25% State loan at an interest rate of zero percent, and a 25% Trust Loan at the market interest rate. In the event the State issues principal forgiveness loans for other projects, a portion of the State loan component, equal to 30% of the total loan for a given borrower (i.e., up to \$2 million, may be subject to principal forgiveness, excluding certain very small drinking water systems. The State loan component for Principal Forgiveness Project Loans to very small water system will comprise 75% of the total loan.

Participants will begin repaying the remaining principal on their Fund Loans coincident with the initiation of debt service payments on the Trust Loans. Unless changed due to specific project circumstances, annual repayments of Fund Loan principal are designed to be level for the duration of the loans when combined with the Trust principal and interest repayments.

The Funds are set up as revolving loan funds. As the Fund Loans are repaid, the money is held for approximately one year by the Master Program Trustee to provide security for Trust bonds designated to benefit from this security. Thereafter, the money is transferred back to the State and made available for originating new loans to participants in future financing cycles.

## Fees

- 1) **The Fund Loan Origination Fee.** It is anticipated that the FY2014 Appropriation Act will require the DEP to assess an annual administrative fee and provide monies to the State Treasury to help offset the cost of NJEIFP administration. The DEP received legislative approval in June 2005 to institute a 2 percent loan origination fee to

fund the annual fee requirement. This origination fee was based on a five-year program cost evaluation. This evaluation will be conducted annually to ensure NJEIFP funding is adequate. This fee will be assessed on the total loan amount regardless of any amounts subject to principal forgiveness. Generally, 1% of this fee is financed as part of each borrower's Trust Loan and 1% is collected as a post-closing administrative fee via eight equal semiannual installments.

Any fees collected above the amount necessary to fund the NJEIFP will be held by the Trust in a separate account. Interest earned on this account will be applied toward NJEIFP administrative costs. Specifically, funds from the account will be disbursed to Treasury every year to meet the anticipated State revenue established under the Annual Appropriations Act. If the fees collected are insufficient to fund the program, the DEP will request that the shortfall amount be appropriated from the special account. (Note: Monies collected through the DEP Fee can only be used for NJEIFP administrative costs).

- 2) **Trust Loan Origination Fee.** The Trust Loan is typically one-half of the total loan or one-fourth of the total loan for if a smart growth project. A Trust Loan origination fee of 0.01 percent may be applied to the Trust loan to fund the costs of issuance associated with the bond sale and any such fee shall be uniformly applied to all borrowers. This fee is generally financed as part of each borrower's Trust Loan.
- 3) **The Trust Annual Administrative Fee.** The Trust will charge FY2014 borrowers an annual administrative fee payable semiannually commencing early 2014 and ending with the final loan payment. The amount may not exceed 0.3% of the initial principal amount of the Trust loan and any such fee shall be uniformly applied to all borrowers. The fee shall be utilized to fund NJEIT's activities as enumerated in the FY2014 operating budget (Exhibit I).
- 4) **Security Research Fee.** The Trust may charge non-governmental participants for any expenses incurred by or on behalf of the Trust in connection with the evaluation of the acceptability of any collateral provided as security for the Trust and Fund loans, regardless of whether the loan is actually closed. The Trust will not incur such expense without the prior notification to the potential borrower.

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#### BORROWER ELIGIBILITY.

A municipal borrower must be a municipal corporation established under the laws of New Jersey. Local, regional and State authorities must be constituted as public bodies corporate and politic, with corporate succession. Private drinking water systems must be corporations or other entities duly organized and existing under or authorized to transact business under the corporation or other applicable laws of New Jersey. Each borrower must have made a timely application to, and received approval from, the Trust and the DEP (for the Fund or Pinelands Program). The municipal and authority NJEIFP participants must issue a bond to secure the Trust Loan and a bond to the State to secure either the Fund Loan or the Pinelands Loan. Participants must agree to complete the project and perform under the specific terms and covenants of the loan agreements. Each of the loan agreements will cite the source of funds for the loan. In the case of private drinking water systems, collateral issued to secure the Trust and Fund Loans (which may include bonds, particularly in the case of larger private drinking water systems) must be approved by both the Trust and the State.

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#### FINANCING SCHEDULE OVERVIEW

- 1) **Financial Addendum** - Each borrower is required to complete a Financial Addendum form by the submission deadline, which is expected to be in December, 2013 to demonstrate a project sponsor's commitment to proceed with project financing. A single Financial Addendum is required to request financing for a Traditional or Principal Forgiveness project loan for either a clean water or drinking water project. Two financial addenda must be submitted if both clean water and drinking water project loans are sought. This submission is in addition to the State loan application typically due in March of each year. While the actual requirements typically vary by type of applicant (municipal, authority or public water utility), applicant obligations generally include but are not limited to completion of a financial addendum form, passage of an authorizing resolution, reimbursement resolution and bond resolution.
- 2) **Local Finance Board/Board of Public Utilities Approval** - Each Project must secure approval from the Local Finance Board or Board of Public Utilities, as applicable, as a statutory requirement of the Financing Program (other than private entities which are not subject to NJBPU jurisdiction).
- 3) **DEP Project Certification** - For a project to receive NJEIFP financing, the DEP must certify to the Trust that all planning and design requirements have been completed in accordance with the Financing Program Rules; all of the environmental issues have been adequately addressed; all of the required permits for the project have been obtained, an authorization to award has been issued and the DEP has received executed construction contracts.
- 4) **Trust Project Certification Trust** - Loan Certification is required for all projects seeking program financing and is most frequently issued by the Trust Board of Directors. Trust Loan certification is awarded upon DEP project certification and the applicant's satisfaction of the Program's credit worthiness requirements.

- 5) **Escrow Closing** - Upon issuance of project certification, and when the borrower has all the necessary ordinances, resolutions, authorizations and necessary financial covenants in place, the Trust conducts an escrow closing for each participant.
- 6) **Bond Issue** - Subsequent to escrow closing, the Trust will schedule its bond sale. Both the Trust's enabling legislation and the Annual Debt Management Plan require that the Trust's bonds be sold on a competitive basis.
- 7) **Loan Closing** - Typically within two weeks of bond sale, the Trust will conduct loan closings with the borrowers.

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## THE TRUST FINANCING DETAIL

### THE TRUST BONDS

The Trust currently intends to issue one or more series of bonds for governmental borrowers participating in the FY2014 Financing Program. These series will be secured by the availability of Fund loan repayments from the FY2014 Financing Program and from certain prior bond issues and local unit bonds which are, in turn, secured by one or more of the following: project operating revenues, *ad valorem* taxes, deficiency agreements or credit enhancements covering such local unit bonds. All series of Trust bonds will also be secured by the State aid intercept to the extent each such series is secured by local unit bonds of municipalities or counties, or authorities that have entered into deficiency agreements with underlying municipalities.

The Trust may also, depending upon the borrowers' characteristics, issue a series of alternative minimum tax (AMT) bonds for the private drinking water systems or other projects with a significant private use component in this year's financing. In past years, the Trust has funded a separate series of AMT bonds for clean water projects and may do so again depending on the responses received from borrowers in their financial addenda. If clean water AMT bonds and drinking water AMT bonds are necessitated by the operational and financial structure of certain borrowers, the Trust will attempt to combine the AMT bonds in a single series of Trust bonds, to the extent practicable and allowed under the Clean Water Act and the Safe Drinking Water Act and other applicable law. Through the issuance of AMT bonds, the Trust retains the flexibility to finance certain kinds of projects involving private use, private payments or private loans in excess of Federal income tax standards available for the more traditional type of Trust financing. Drinking water loans may be secured by letters of credit, mortgages on drinking water facilities, personal guaranties of system owners or operators, special reserves and/or other available security required by the Trust to ensure repayment.

A taxable series of bonds may also be issued, such as in situations where some projects have non-governmental relationships beyond allowable limits set by Federal income tax law. Any series of taxable or AMT bonds will have the same security features as any other series of Trust bonds or, in the case of private drinking water systems, collateral acceptable to the Trust and the DEP.

The Trust will consider various alternative structural features with respect to its bonds to be issued for the purpose of funding Trust loans for borrowers participating in the FY2014 Financing Program to the extent such structural features will serve the best interests of the NJEIFP and will provide additional savings for such borrowers.

The Trust will consider all such new structural features, permissible pursuant to state and federal law, to the extent that such new structural features will serve the best intent of the NJEIFP and will provide additional savings for borrowers.

Each series of bonds will fund a pool of loans. Participants will be assigned to a loan pool based upon their individual credit characteristics, effect on coverage, the terms and conditions of their own outstanding bond documents and the following considerations:

- **Trust bond ratings** - Because of the cash flow structure of the Financing Program, most participants will be placed in a single uninsured pool for which the Trust anticipates AAA/AAA/Aaa ratings from Fitch, Standard & Poor's and Moody's, respectively.
- **The Trust's need to minimize transaction costs** - Assigning participants to various pools can minimize the complexity and cost of the bond issue.
- **Participants' need for insurance or other credit enhancement** - Some participants may be required to insure or obtain other credit enhancement with respect to the bonds they sell to the Trust. This may include participants who do not have an investment grade rating of their own, who cannot obtain deficiency agreements, who have certain restrictions in their existing bond documents, or who are required to issue junior lien debt. At times, the Trust may request a waiver by the State Treasurer of the state's credit worthiness standards for a specific borrower.
- **Federal tax law considerations** - AMT bonds, taxable bonds and varying construction draw schedules among participants may make it beneficial to pool certain participants together in order to comply with federal tax law.

- **State law limitations** - Restrictions in certain State general obligation bond acts preclude the use of certain bond act moneys as security for private borrowers.

Based primarily on the above considerations, the Trust will decide on the number of and the participants for each bond series to be issued when the final list for this year's Financing Program is established.

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#### ESCROW CLOSING

Upon the Trust's and DEP's issuance of project certification, and when this is accomplished, and the borrower has all the necessary ordinances, resolutions, authorizations and necessary financial covenants in place, the Trust conducts an escrow closing for each participant. This closing is a full financial closing (i.e., loan agreements executed, bonds issued, and approved collateral pledged in escrow) without the benefit of the bond sale. These documents are held in escrow until after bond sale and all conditions precedent to final closing have been met. At that time, the documents are released from escrow and final closing takes place.

This process assures, to the greatest extent possible, that the competitive bond sale and the closing can go forward as planned. Escrow is estimated to commence in April, 2014. (See schedule herein).

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#### COMPETITIVE SALE OF TRUST BONDS.

Subsequent to escrow closing, the Trust will schedule its respective bond sales. Both the Trust's enabling legislation and the Annual Debt Management Plan require that the Trust's bonds be sold on a competitive basis. The Trust's enabling legislation allows the Trust to publish a summary of the Notice of Sale once in three New Jersey newspapers and once in a recognized bond publication. The bonds will be awarded on the basis of the lowest true interest cost bid. In the past, several underwriting syndicates have bid on the bonds and it is expected that several will do so again this year. The Trust will again give bidders the option of submitting their bids electronically for its Series 2014 bond issues.

The Trust has provided underwriting syndicates with the option to include term bond(s) with sinking fund installments in their bids. Under certain market conditions, the use of term bonds in place of serial bonds will result in lower financing costs for the participants. The Trust, depending on market conditions at the time of the publication of the Notice of Sale, will permit underwriting syndicates to increase the amount of original issue discount which they may include in the bids.

Generally, however, bidders must specify a purchase price which equals or exceeds 98% of the initial aggregate purchase price of the bonds. Given current conditions, a premium bid, e.g., one in which the purchase price exceeds 100% of the initial price, is also a possible outcome of the bidder. Both the use of term bond(s) and a larger original issue discount will provide underwriting syndicates increased flexibility which may result in a lower true interest cost for the Trust's bonds. The Trust reserves the right to issue premium bonds to the extent market anomalies would dictate their use or to satisfy authorization or other limitations.

The Trust will utilize a streamlined procedure for its investment of bond proceeds by establishing, prior to the bond sale, either the portfolio of securities or a flexible repurchase agreement to be bid on. The Trust may also choose to invest its Construction Fund in a collateralized guaranteed investment contract. Since the investment earnings are taken into account in sizing the bond issues, the investments must be calculated on the day of bond sale. The effect of this procedure allows for a much quicker award of the Trust bonds to the successful underwriters. This reduction in award time results in a higher rate of return on Trust investments. Trust may also determine to accept investment bids on an electronic basis.

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#### DISCLOSURE

Program participants are expected to provide, through completion of the Financial Addendum Form and certification of the data's accuracy, information necessary for disclosure in the Trust's Official Statements. Full disclosure will be required for pool participants whose debt service payments make up 10% or more of the total cash flow of the combined pools. Reduced disclosure will be required from the balance of the participants.

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#### SECONDARY MARKET DISCLOSURE

Rule 15c2-12 of the Securities and Exchange Commission requires that certain issuers provide information on an ongoing basis for use in the secondary bond market. The Trust has developed a policy consistent with Rule 15c2-12 that will place

responsibility on the borrowers to provide ongoing information. Based on the policy as set forth below, very few borrowers will be required to provide ongoing secondary disclosure.

Those Borrowers (for any particular Financing Program) whose remaining Fund Loan repayments in all Coverage Providing Financing Programs, when aggregated with their remaining Trust Loan repayments for any such particular Financing Program, if any, exceed ten percent (10%) of the sum of:

- 1) The aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs, and
- 2) The aggregate of all remaining Trust Loan repayments in any such particular Financing Program from all Borrowers, shall be considered material "obligated persons" within the meaning and for the purposes of Rule 15c2-12. To the extent any such material "obligated person" Borrowers have entered into Borrower Service Agreements with Participants and if any such Participants have entered into Indirect Borrower Service Agreements with Indirect Participants whereby Annual Charges or Indirect Annual Charges, as the case may be, materially secure such Loan payments of any such Borrower, any such Participants and Indirect Participants shall also be considered material "obligated persons" within the meaning and for the purposes of Rule 15c2-12 for the Series 1995 and subsequent Financing Programs.

Under certain commentary promulgated by the SEC pursuant to Rule 15c2-12, the Financing Programs that provide coverage appear to be considered materially "obligated persons" under the Rule. Accordingly, the Trust will make the appropriate secondary market disclosures on these Financing Programs in the 2014 Financing Program as it has in the past programs commencing in 1995.

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#### UNDERFUNDED OR OVERFUNDED ALLOWABLE COSTS

Financing is based upon awarded contracts or the best estimate of project costs available at the time the loans are executed. If final bids are higher than the estimates, or if differing site conditions are encountered, the participant is eligible to return to the Financing Program for supplemental funding for the increased allowable costs, subject to certain IRS procedural requirements that must be followed. In the interim, the participant must be able to finance the extra costs before they are eligible to receive their loan disbursements.

If final bids for a participating project are lower than the original awards, or if final building costs are lower than the allowable costs based on the low bid building cost, a surplus of monies may exist. In the case of a Trust Loan, this money is expected to be used to make debt service payments on the participant's Trust Loan. These Trust monies may also be available to fund cost increases due to differing site conditions, certain other project costs or for allowable reserve capacity costs, subject to approval by the Trust. In the case of a Fund Loan or Pinelands and/or Green Acres Grant/Loan, this surplus will be deobligated via an amended debt service schedule eliminating payments starting from the back end (year 20) and moving forward until the deobligated amount is realized.

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#### UNALLOWABLE COSTS.

Project financing for the unallowable portion of project costs must come from the program participant, who may bond for this cost or pay for it out of other funds. For municipal or county borrowers, local financing must be available before they can receive their loans. This means that the municipal or county borrower must have either cash available or bond ordinances and Local Finance Board approvals (if required) authorizing the borrowing of the necessary funds. Authorities and private drinking water systems must have cash on hand or the equivalent thereof prior to any disbursement of their loans. The Trust has imposed these requirements to provide assurance that projects will be completed.

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#### PROGRAM BOND INSURANCE

Rather than requiring certain program participants to insure their own loans, the Trust may purchase insurance for a pool of participants to help minimize transaction costs for these participants and to simplify program administration for the Trust. The Trust will evaluate the benefits of bond insurance for one or more bond series prior to the sale. The Trust may arrange for a participant to insure its own loan and may require the other participants in the same pool of loans to allocate the cost of the premium since all the participants would be benefited by the insured participant's resultant higher credit rating. Since the Trust received its programmatic AAA rating in 1995, separate insured pools are usually reserved for large borrowers whose lower rating could potentially adversely affect the Trust's AAA program rating.

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## PROJECT ACCOUNT DISBURSEMENTS

Financing Program participants draw their funds for construction from two sources: one funded by the Trust bonds and the other funded by either (i) the Clean Water or Drinking Water Fund,(ii) the DEP under the Pinelands program or (iii) State Bond proceeds. The project construction drawdown schedules are developed by the DEP, based upon the participants' own submissions, prior to the escrow closings. The Trust then develops a composite drawdown schedule from all of the individual borrowers in any given pool in order to net fund the Construction Fund from bond proceeds for the Trust component.

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## LOAN REPAYMENTS

Participants make scheduled debt service payments on both of their loans with a single payment to a loan servicer, which maybe the Trust. Payments are required to begin by the fourth year of the loans, but may commence earlier if the construction period is shorter or if the borrower chooses to begin amortization prior to the end of its construction period. Each debt service payment is determined as follows:

- Scheduled principal and interest due the Trust, net of investment income on the reserve fund credited for the period and net of any other applicable credits; and
- Scheduled principal due to the Clean Water or Drinking Water Fund or State Bond Fund or principal and interest due under the Pinelands Loan.

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## INVESTMENT OF PROJECT LOAN ACCOUNT PROCEEDS

The Trust will continue to invest project loan account monies on an aggregate basis to the expected drawdown dates. These investments will either continue to be in U.S. Treasury securities, the providers of which will be chosen competitively or on a collateralized guaranteed investment contract that will also be competitively procured. If determined to be advantageous, the project account may be invested in State and Local Government Securities.

The Trust is still considering the feasibility of using flexible repurchase agreements, guaranteed income contracts or other forms of investment agreements to reinvest bond proceeds deposited into the project loan account. If any are found to be advantageous, the Trust will seek authorization from the Director of the Division of Investment in the DEP of the Treasury to use them.

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## FLOW OF REPAYMENTS

The Loan Servicer or Trustee receives the above noted repayments from the borrower and within each pool: (1) satisfies the requirements to pay the bondholders; (2) deposits the collected administrative fees; and (3) pays the Master Program Trustee the Fund repayments. The Master Program Trustee will hold these funds for a period of up to one year to provide coverage for the next two payments due on the Trust bonds issued in 1995 and in subsequent years so designated. Immediately following the second payment upon which the funds were available, the Master Program Trustee will deposit the principal and any interest earnings while invested by the Master Program Trustee in a state DEP account which the DEP will then deposit into the respective State CWSRF, DWSRF and non-SRF accounts. Once deposited in the revolving fund accounts, these monies are available to make future loans for clean water and drinking water purposes, respectively.

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## MISCELLANEOUS PROVISIONS

The Trust plans to sell its bonds soon after project loan agreements and local unit bonds evidencing such loans or other collateral provided by private drinking water systems to evidence such loans are delivered in escrow.

Construction draws will be made pursuant to requisitions submitted by project participants. During the construction period, money in the project loan account established under the Trust bond resolution for each participant will be invested. The corpus and associated interest earnings will be used to fund each project's allowable project costs.

All of the Trust bonds will mature within twenty years from the respective date of issuance thereof. Interest on each Trust Loan will be payable at least semiannually and after an initial optional deferment period for construction, principal will be retired at least annually. It is possible that nonprofit or private drinking water system borrowers for drinking water projects

may be required to pay debt service on a monthly or quarterly basis. Payments are typically structured to provide level debt service payments after the construction period for the life of the loan.

If a borrower elects to capitalize interest during this period, its allocable share of the interest earnings derived from its capitalized interest account will be credited against the capitalized interest. The borrower's allocable share of earnings from the Debt Service Reserve Fund, if any, will also be used in this manner during the capitalized interest period.

For participants who elect not to capitalize interest and for all other participants following the construction period, all such participants will receive their proportionate share of the reserve fund earnings, if any, through a credit against their Trust Loan repayment obligations. The allocations of earnings from the reserve fund are based on the total Trust loan size.

The Trust and State reserve the right to make such modifications as may, in their discretion, be necessary, convenient, or desirable to the NJEIFP provided such modifications are consistent with the purposes of the Financing Program and with the provisions of the enabling legislation and corresponding rules and regulations.

## CREDIT OF THE TRUST BONDS

### CREDIT STRUCTURE AND BOND RATING

The credit structure of the Trust's Bonds provides a major benefit to borrowers by allowing the Fund loan repayments of one borrower to secure the Trust loan repayments of all borrowers within the same pool of loans. In addition, Fund Loan repayments from all borrowers participating in the 1993 to present Financing Programs will be used to cross collateralize, on a subordinated basis, all or a portion of future Trust Bond issues. Since 1995, this technique has been used to enhance Trust Bond ratings with respect to particular pools or specific loans.

The Trust's structure has produced AAA/AAA/Aaa bond ratings from all three rating agencies (Fitch Ratings, Standard & Poor's and Moody's) for each series of the Trust's 1995 through 2012 bonds. This "true pool" structure further secures the Trust Bonds, improves the bond ratings, lowers the interest cost of the Bonds, and eliminates the need for bond insurance. In addition, the Trust established cross collateralization between the Clean Water and Drinking Water Programs to extend the benefits available to clean water borrowers to drinking water borrowers. New Jersey was first in the nation to be approved for cross-collateralization between the two programs.

Participants will finance their projects through one or more loan pools. The Trust will place Program participants in a pool that best meets their needs and the interest of the Trust. Given the financing structures described above, it is likely that most participants will be included in an uninsured tax-exempt pool.

With private water systems eligible to participate in the Drinking Water SRF, the Trust expects to issue bonds subject to the alternative minimum tax (AMT). In past years, the Trust has funded a separate series of AMT bonds for clean water projects and may do so again depending on the responses received from borrowers in their Financial Addenda. If clean water AMT bonds and drinking water AMT bonds are needed due to the operational and financial structure of borrowers, the Trust will attempt to combine the AMT bonds in a single series of Trust bonds.

Through the issuance of AMT bonds, the Trust retains the flexibility to finance certain projects involving private use, private payments or private loans in excess of Federal income tax standards available for more traditional types of Trust financing.

If necessary, the Trust will consider funding additional pools of loans by issuing taxable bonds.

The Trust may also consider alternative financing structures, such as Build America Bonds, as described in Section II(E)(5)(a) of this financial plan.

## MARKETING TRUST BONDS

Minimizing costs for the participants in the Financing Program requires that the Trust bonds be backed by the strongest available credit structure. Without a uniform credit feature, the rating agencies would rate the Trust bonds no higher than the lowest credit in the group. The credit structure of the Financing Program attempts to provide that uniform credit, while also simplifying the Trust's credit and security arrangements.

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## SECURITY FOR TRUST BONDS

The Trust may issue tax-exempt, AMT or taxable bonds that will be uninsured to finance its share of the FY2014 Financing Program. The credit structure for the Trust's bonds is created through provisions in the bond documents, loan agreements and related support agreements executed by the participants.

Security for the Trust bonds relies on the following seven major credit features, as well as other protective covenants typically supporting revenue bonds:

- The pledge of revenues from self-supporting projects;
- For a municipal borrower, the pledge of its full faith and credit and taxing power to pay debt service on bonds sold to the Trust. For an authority borrower; a deficiency agreement under which the municipalities being directly or indirectly served by the borrower make this pledge or a shadow investment grade rating; for a private water system, collateral approved by the Trust;
- Other forms of credit enhancement, if necessary;
- The ability of the State to intercept State-aid payable to borrower municipalities or, in the case of authority borrowers, underlying municipalities;
- A pledge of the reserve fund, if any, to pay debt service on the Trust bonds in the event of default by a participant;
- Subordination of Fund Loans and Pinelands Loans to the Trust Loans within the particular pool to increase coverage of debt service on the Trust bonds; and
- Cross coverage from pools sold since 1993, after the individual pool Trust payments have been made, to provide additional coverage for Trust bonds sold in 1995-2013 and into the future (if so designated by the Trust).

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## SELF-SUFFICIENCY OF PROJECTS

The Trust Loan agreements impose debt service coverage tests and other requirements on those loans secured by project revenues to assure that the project will be self-sufficient. Projects supported solely by the taxing power of local governments through general obligation bonds are not necessarily self-supporting. Some local governments operating environmental infrastructure systems have decided to pay for their systems with ad valorem property taxes, and the Trust does not plan to alter such arrangements.

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## DEFICIENCY AGREEMENT/CREDIT ENHANCEMENTS

In the case of authorities which have no taxing power, which must secure their bonds with project revenues and which, absent credit enhancement, do not themselves have an investment grade rating, the Trust may require the local unit bonds to be additionally secured by general obligation deficiency agreements with underlying municipalities, bond insurance or other form of credit enhancement. The use of deficiency agreements is a conventional tool for governmental utility revenue bond financings in New Jersey. It is anticipated that local unit bonds supported by such deficiency agreements will have the same credit quality as the general obligation bonds issued by the underlying municipalities.

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## COLLATERAL FOR PRIVATE DRINKING WATER SYSTEMS

All private water system projects must demonstrate that revenue is sufficient to cover operation, maintenance and debt service. For large private drinking water systems, the Trust will require a revenue bond to be issued to the Trust as part of the collateral for the loan. For very small private community and nonprofit non-community drinking water systems, a variety of collateral will be considered on a case by case basis. Some of the collateral that may be considered will include, but not be limited to, a bank letter of credit, a mortgage on property and facilities, personal guarantee of owner, increased reserve funds, etc. The intermediate private drinking water systems will require some combination of the above based on a case by case determination.

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## COLLATERAL FOR SMALL BORROWERS

For some of the smaller borrowers, additional security in the form of a borrower financed two-year reserve fund may be required. This fund will be held by the Trustee in the case of a bond financed Trust loan or by the Trust in the case of a direct loan. Draw downs on the loan may also be restricted to the percentage of the fund-up of the special borrower financed reserve fund.

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## NANO INFRASTRUCTURE LOAN PROGRAM (NLP)

NLP loans are the sole source of funding to drinking water projects serving less than 10,000 households. Unique to the NLP is the establishment of a Loan Loss Reserve Fund (LLR Fund). The LLR Fund will serve as a credit enhancement to ensure Trust's public issued bonds receive AAA/AAA/Aaa ratings. The DEP will initially fund the LLR Fund in such amounts as are necessary for that purpose. Moreover, NLP applicants that do not directly or indirectly pledge ad valorem taxing authority as security for such loans will pay an annual guarantee fee equal to 1% of the outstanding Trust loan ("LLR Fee"). The LLR Fee will be deposited into the LLR Fund, which over time will reduce the need for the DEP to fund the LLR Fund.

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## STATE-AID INTERCEPT

The Trust's enabling legislation authorizes the State Treasurer to intercept State aid to local governments borrowing or certain local governments benefiting from the borrowing of money from the Trust. This money will be used to meet the obligations to the Trust if the local unit defaults.

The model for this approach is the State's Qualified Bond Program, which has been widely used by the State's lower rated urban borrowers. Many of the revenues securing Qualified Bonds issued by participants in the Qualified Bond Program can be intercepted by the Trust as well. The State's experience with the Qualified Bond Program indicates that the State aid intercept can raise the ratings on bonds issued by weaker borrowers to at least an "A". Therefore, participating municipalities and municipalities which are subject to deficiency agreements with participating authorities will be required to allow the State Treasurer to intercept their State aid on behalf of the Trust if project revenues are ever insufficient to pay debt service on the Trust Loan. The Trust may also require certain participating communities benefiting from projects and receiving small quantities of State aid to execute agreements which allow the Trust to tap their State aid.

The intercept under the Trust Program is subordinate to the intercept securing bonds issued under the Qualified Bond Program. Should participants in the Financing Program have outstanding Qualified Bonds, financing documents will include covenants requiring that the coverage ratio of debt service by State aid be calculated by including those bonds as well as both Financing Program loans. This will mitigate the adverse effect of the senior claim on State aid of those Qualified Bonds.

The Trust will continue to employ its State aid intercept powers to intercept the State funds of any borrower who has defaulted on its Trust obligation. Intercepted funds will be applied to make up any repayment deficiencies to the Trust. Further, the Trust and/or the State may take other actions to cause the local government unit to repay in a timely manner any sums in default. To date the Financing Program has not had to employ its State aid intercept powers.

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## RESERVE FUND

Trust bonds prior to 2007 were secured by a debt service reserve fund of approximately 10% of the issue size. Prior to 2007, the Trust's Debt Service Reserve Fund was generally funded from a portion of the required state match (20% of the federal grant), General obligation Bond proceeds and project loan repayments. Commencing in 2007, the Trust utilized these funds for project loans while maintaining its natural AAA credit rating. To the extent permitted by the rating agencies, this practice will be continued in FY2014.

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## SUBORDINATION OF STATE LOANS

Within each bond series, each borrower's Fund Loan or Pinelands Loan repayments are subordinated to that borrower's Trust Loan repayments. Thus, a borrower's Fund Loan or Pinelands Loan repayments provide coverage on its Trust Loan repayment obligations. In addition, the appropriation bills, Trust bond resolution, and loan servicing agreement by and among the Trust, the State and the Financing Program's loan servicer will permit all Fund Loan and Pinelands Loan repayments to be applied to any Trust bond debt service payment whenever any Trust Loan repayment deficiency by any borrower occurs.

Fund Loan repayments for all 1990 through 2011 borrowers for each loan repayment period, once they are credited to such borrowers and once the Trust bond debt service payment for the repayment period is satisfied, are paid to the Master Program Trustee to be held for a period of up to one year to provide additional coverage for the next two Trust debt service payments due on the 1995 Trust bonds and any future Trust bonds so designated prior to being paid to the State.

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## CROSS COVERAGE BETWEEN SERIES

As noted above, the credit quality of each issue of Trust Bonds is enhanced by the fact that Fund Loan or Pinelands Loan repayments from all borrowers within each pool are available to make debt service payments on the Trust Bonds in the event of a Trust Bond debt service payment deficiency by one or more borrowers in the pool. Since the Trust began using this technique in its 1989 borrowing, it has never become necessary to use the Fund Loan repayments for this purpose. Once each semi-annual Trust Bond debt service payment was satisfied, the Fund Loan repayments associated with that payment date were transferred to the DEP.

In 1995 the Trust instituted the concept of Cross Coverage. Once Trust debt service on individual bond issues is satisfied, the remaining funds are transferred to the Master Program Trustee to cover potential debt service deficiencies for the 1995 bonds and subsequent bond issues so designated. The Trust will continue to use some or all of the Fund Loan repayments associated with the 1993 through 2013 Trust Bond issues, as well as subsequent Trust Bond issues so designated, to cross collateralize, on a subordinated basis, all or a portion of future Trust Bond issues so designated. This cross coverage credit structure would reduce the risk of default on the Trust bonds by increasing the likelihood that sufficient funds will be available to pay debt service on those bonds. It is important to note that, notwithstanding such subordination, any borrower that has made its Trust, Fund or Pinelands Loan payments has fully discharged its obligation to make such payment. This technique could potentially be used either to enhance all future Trust borrowings or to enhance particular pools or even specific loans if a real cost benefit can be demonstrated.

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## CROSS COLLATERALIZATION BETWEEN THE CLEAN WATER AND DRINKING WATER PROGRAMS

Under the cross collateralization option, repayments of clean water and drinking water Fund Loans may be used to satisfy any default in Trust loan repayments from all deposits in the Master Program Trust Account for approximately one year. Notwithstanding the foregoing, to the extent Fund loan repayments are received in connection with Fund loans originally funded by State general obligation bond proceeds, these Fund Loan repayments may not be available to secure Trust Loans made to private drinking water systems. Even after allowing for this minor restriction on cross collateralization, the ability to use Clean Water and Drinking Water Program funds to support each Financing Program will result in significant savings to the project sponsors under the Drinking Water Program. Since there is not a large pool of Fund Loan repayments available for this program, the Drinking Water Program Trust bonds would almost certainly not receive the AAA programmatic rating without this cross collateralization between Programs. However, the State's cross collateralization involves only a temporary use of funds from the CWSRF or the DWSRF, if a default in loan repayment did occur (which, to date, has not occurred under the Clean Water Program). The Trust and the DEP would take steps to collect the defaulted loan repayments to reimburse the appropriate Drinking Water or Clean Water Fund.

After being available for two semi-annual debt service payments, these cross-collateralized funds are returned to the State for deposit in the respective CWSRF and DWSRF accounts. Once in the respective SRFs, these monies can be used to make new loans for their respective Clean Water and Drinking Water Programs.

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## RATING THE TRUST BONDS

Because of the Cross Coverage, the Trust's 2012 bonds were rated and the 2013 bonds are expected to be rated, AAA/AAA/Aaa by all three rating agencies: Standard & Poor's, Fitch and Moody's, respectively. Cross Coverage will help avoid weaker credits penalizing the stronger credits in the uninsured pool.

To the extent a series of taxable or AMT bonds will be issued to accommodate a single borrower, the advantages found in the pooling structures will not apply. However, cross coverage and the primary advantage of the AAA/AAA/Aaa ratings may still be available. Alternatively, a separate series of taxable or AMT bonds issued for several borrowers will reap the benefits of the pooled structure and the ratings will be set accordingly.

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## JUNIOR LIEN BOND POLICY

The Trust has amended its policy regarding the acceptance of junior lien bonds from participants in the Financing Program. Heretofore, the Trust and the State would accept either a senior lien bond or a junior lien bond on the condition that the borrower covenants not to issue any more senior lien bonds.

Trust Loan Bonds are typically secured by revenues of the Authority Borrowers' wastewater or water supply systems under the terms of the Authority Borrowers Bond Resolutions, but sometimes are additionally secured by service, deficiency or other agreements of (i) municipalities that possess and use their general obligation taxing power to secure their payment obligations under such service agreements ("Direct Service Agreements") or (ii) authority participants or customers, that in turn have service, deficiency or other agreements with municipalities that possess and use their general obligation taxing power to secure their payment obligations under such service agreements ("Indirect Service Agreements" and together with Direct Service Agreements, "General Obligation Service Agreements").

Some Authority Borrowers are required to fund a debt service reserve fund under the terms of their Authority Borrower Bond Resolutions, but not under the terms of the Financing Program. In order to avoid the costs of funding such Authority Borrower debt service reserve funds, some Authority Borrowers have requested permission from the Trust to issue subordinate Trust Loan Bonds to the Trust under the Financing Program.

The old policy requirement of closing off the senior lien Authority Borrower Bond Resolution (i) has caused Authority Borrowers great inconvenience and cost in the past, (ii) under the conditions set forth below not materially relevant to the ability of Authority Borrowers to make timely payment of debt service on their Trust Loan Bonds.

Therefore, the Trust has adopted the following policy regarding the Fund Loans based on the above, the recommendations of counsels and concurrence with the State Treasurer:

- 1) The Trust may accept junior lien Trust Loan bonds of an Authority Borrower without forcing any such Authority Borrower to close off their senior lien bond resolution, indenture or other related document, so long as such junior lien Trust Loan Bonds:
  - a. Will be directly or indirectly secured by General Obligation Service Agreements.
  - b. would carry an investment grade rating (which may be evidenced by a shadow rating or otherwise) if such bonds were not part of the Financing Program or would meet any of the "safe harbors" outlined in the letter of the State Treasurer dated October 29, 2001; and
  - c. The junior lien Authority Borrower Bond Resolution under which any such Trust Loan Bonds are to be issued carries the same rate covenant applicable to such Borrower's senior lien obligations.
- 2) Notwithstanding the foregoing, when determined to be in the best interest of the NJEIFP, the Executive Director may determine not to accept a junior lien bond which complies with paragraph (a), so long as he reports this action and the reasons therefore to the Trust board of directors at the next meeting.

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## COVENANTS AFFECTING THE LOCAL UNIT.

The loan agreements are legally valid and binding obligations between the Trust/State and the borrower. The local unit bonds or approved collateral are legally valid and binding obligations of the municipal government, authority or private water system.

Consequently, each borrower must be able to make unequivocal representations concerning its status in the transaction. Ordinances and resolutions of the governing body must be in place to establish that the borrower has the legal right and authority to undertake the specific project, and own, efficiently operate and appropriately maintain an environmental infrastructure system. All applicable permits and approvals for construction must be obtained as a precondition for execution of the agreements and the local unit bonds. The borrower will need to certify that no undisclosed fact or event, and no pending litigation, will materially adversely affect the environmental infrastructure system, the ability to make timely loan repayments, or the prospects for completion of the project. A reasonable and accurate estimate of project costs compiled by a New Jersey licensed professional engineer will be required, and the borrower must obligate itself to assume capital costs in excess of the Trust and Fund or Trust and Pinelands funding from its resources.

Other covenants include:

- For a general obligation borrower, a pledge of full faith and credit to exercise the unlimited taxing power of the local government to insure the timely repayment of principal and interest;
- The intercept of State aid payable to a general obligation borrower who fails to meet Trust Loan repayment and/or administrative fee payment schedules; or
- For a revenue borrower, an irrevocable pledge of (1) local or regional authority or private water system revenues and other receipts of the environmental infrastructure system, (2) moneys payable pursuant to service agreements or local unit bond credit enhancement, if any, and (3) State aid of municipalities, if any, which have executed deficiency agreements with the borrower to secure Trust Loan repayments;
- The establishment of levies, fees or rates sufficient to meet operating and maintenance expenses (particularly with authority/privately owned drinking water system borrowers), to comply with all outstanding covenants relating to bonds or other evidence of indebtedness, and to pay other amounts due;
- A limitation on the borrower's discretion to issue Qualified Bonds unless the coverage afforded by State aid anticipated for the current fiscal year is equal to a reasonable coverage test, which test in the past has been equal to 2 times the sum of (1) the maximum debt service on all outstanding Qualified Bonds and (2) one year of loan repayment obligations;
- A limitation on the use of loan proceeds financing the allowable costs of the project funded by the loan, or reimbursement for allowable costs previously paid or incurred by a borrower for those projects receiving pre-award approvals from the DEP and the Trust for construction;
- A limitation on the borrower's discretion to sell, lease, abandon or otherwise dispose of the environmental infrastructure system without an effective assignment of the loan obligations and the prior written approval of the Trust/State;
- A prohibition on actions that may jeopardize the tax status of the bonds issued by the Trust and, where appropriate, the State;
- A provision to provide secondary market disclosure information in accordance with the provisions of SEC Rule 15c2-12 and the policy established by the Trust, if required under the Rule; and
- The Trust and the State may impose additional covenants on Principal Forgiveness Loans borrowers in order to ensure compliance provisions unique to the FFY2011 EPA Capitalization Grants.

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## TERMS OF DISBURSEMENT AND REPAYMENT

The NJEIPF intends to offer each borrower on the Clean Water and Drinking Water Project Priority Lists, the full amount authorized by the appropriation bills subject to a borrower's satisfaction of financing program requirements and funding limitations, and unless reduced based on the DEP's review of allowable project costs. Interest begins accruing when the Trust Loan proceeds are placed in the respective project loan accounts created under the Trust bond resolution. The Fund Loan and Pinelands/Green Acres Loan (if applicable) are based on the moneys available and the DEP's review of allowable

project costs. In addition, the borrower, if a municipality, must certify to the Trust and the DEP that it has funds available, or if an authority or private water system, moneys on hand, for project costs that exceed the actual amounts of the loan commitments. This amount includes unallowable project costs.

Disbursement of Trust Loan proceeds will be made by the Trustee, acting as agent for the Trust, following receipt of authorization from the Trust based on a borrower's certified requisitions. Fund Loan and Pinelands grant and loan disbursements will be made by the State, also upon receipt of a borrower's certified requisitions.

The repayments for the Fund Loans and Pinelands/Green Acres Loans are subordinate to those received for the Trust and may be used to satisfy Trust debt service obligations (across Trust programs beginning in 1995 and into the future) if any Trust Loan repayment deficiencies exist. However, no borrower will be responsible for the repayments of any other borrower.

Other terms include:

- A level repayment schedule for Trust Loans with interest payable in semiannual installments, and principal payable in annual installments, provided however, that private drinking water systems may be required to pay more frequently than semiannually. Depending on the circumstances, such borrowers could be required to pay 1/12 of their annual principal and 1/6 of their semi-annual interest on a monthly basis;
- A level repayment schedule for Fund Loans at zero interest, with principal payable in semiannual installments or, with respect to certain authority participants, annual installments; provided, however, that private drinking water systems may be required to pay 1/12 of their annual principal on a monthly basis;
- A level repayment schedule for Pinelands Loans with interest payable in semiannual installments, and principal payable in annual installments;
- Semiannual payment of one half the administrative fee for the Trust beginning in 2014; provided, however, that private drinking water systems may be required to pay more frequently than semiannually. Depending on the circumstances, such borrowers could be required to pay 1/12 of their annual administrative fee on a monthly basis;
- Semiannual payment of one half the administrative fee for the DEP, if approved; provided, however, that private drinking water systems may be required to pay more frequently than semiannually. Depending on the circumstances, such borrowers could be required to pay 1/12 of their annual administrative fee on a monthly basis;
- A late charge of 12% per annum, or .50% above the prime rate, whichever is greater, for any payment received 10 days past due, calculated from the due date;
- The application of each Trust Loan repayment to interest first, then principal;
- A credit against the debt service obligations of each project for the allocable share of reserve fund income;
- Debt service payments to amortize principal must begin within one year of the anticipated completion of construction date;
- The anticipated completion date must be established within three years of the loan closing date;
- Tax exempt borrowers may capitalize interest for a period up to six months following the anticipated completion of construction date; and
- Alternative Minimum Tax (AMT) borrowers may capitalize interest up to the payment date immediately preceding the anticipated completion of construction date.

The loan agreements may also provide borrowers with an option to prepay loan obligations. Trust Loan prepayments must be in \$100,000.00 increments, the Fund Loan minimum is \$25,000.00. Prepayment on either the Trust or Fund Loan requires a 90-day written notice to the Trust and a written approval thereof. Fund Loan prepayments also require a 90-day written notice to the DEP and a written approval thereof. Trust Loan prepayments, at a minimum, must take out accrued interest (if applicable), any premium, and principal through the prospective payment date for which the prepayment is to be credited. Advance repayments will be applied first to interest on the portion prepaid, then to principal. It should also be understood that the Trust/Fund financing is based on a split between the Trust and the State for the financing of a project's eligible cost. Therefore, the prepayment of any Trust Loan must be accompanied by a corresponding pro-rata prepayment on the State Loan. In addition, whether or not prepayment is involved, any refunding of the local government bond securing a Trust Loan will require prior approval of the Trust.

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## DEFAULT

The loan agreements define an event of default as:

- the failure by the borrower to make a loan repayment within 15 days of the due date;
- the failure to make timely payment of an administrative fee on the Trust or Fund Loan within 30 days after written notice is given;
- the representation of false and misleading information that has a material effect on the integrity of the loan agreements or related documents;
- the appropriate filing by or against a borrower of any petition of bankruptcy or insolvency;
- the general failure of the borrower to pay its debts; and
- the failure to observe or perform any other duties, obligations or responsibilities required by the Trust or State for participation in the Financing Program, within 30 days after written notice.

With respect to the events of default specified in (2) and (6), the Trustee may be authorized to provide relief for up to 120 days if the borrower can represent that the failure to pay, observe or perform is correctable within that time frame. In addition, default may be averted if a petition of bankruptcy or insolvency is dismissed without prospects for appeal.

In an event of default, the Trust and/or State may accelerate the Trust and State loans and in the event of any default, the Trust and/or the State may elect to take whatever action at law or equity is necessary to recover the deficiencies manifested by the default, or direct the Trustee (in the case of Trust Loans) to pursue these remedies.

Recovered funds may be applied in the following order:

- 1) To pay the fees for attorneys and other expenses incurred by virtue of the proceedings;
- 2) For interest payable on the Trust Loan obligation;
- 3) For principal payable on the Trust Loan obligation;
- 4) For other amounts due and payable to the Trust;
- 5) For interest, principal and other amounts due the Trust as the obligations become due and payable in accordance with the terms of the loan agreement; and
- 6) For principal and other amounts due the State for the Fund or Pinelands Loan obligation and for other amounts due and payable to the State.

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## ASSIGNMENT OF OBLIGATIONS

Each participant will acknowledge that all rights, title and interest of the Trust in the agreement and the local unit bond or other approved collateral are, except for certain reserved rights, assigned by the Trust, at its discretion, to the Trustee. Further, each participant will consent to any transfer of the loans deemed necessary by the Trust for any refunding or additional debt issuance in connection with the NJEIFP.

A participant will be restrained from assigning its debt service obligation on its own bond or any other obligations under the agreement unless certain conditions are met. Prior written approval of the Trust and the Trustee must be secured for both the Trust and Fund or Pinelands Loans. In addition, the DEP must provide prior written approval for assignment of Fund or Pinelands Loans. The assignee must have expressly represented in writing its full and faithful observance of the covenants assumed; and the assignee cannot be, at the time of the assignment or as a result of the assignment, in default on any obligations that would materially affect the loan agreement or the local unit bond. Finally, the Trust must receive an opinion from bond counsel assuring that the terms of the assignment preserve the tax-exempt status of the Trust bonds.

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## LEGISLATION

Bills providing for the authorizations and expenditures involved in the Financing Program have been submitted to the Senate and Assembly. The appropriations package is currently expected to provide, in part, for the following:

- Creation of the Natural Disaster Emergency Financing Program (NDEFP) as a source of short-term or temporary loans for environmental infrastructure projects to repair damage from natural disasters and mitigate the risk of future damage

to a wastewater treatment system or water supply facility in areas subject to a Governor declared state of emergency within the prior three preceding fiscal years, upon certification by the Commissioner, and authorizing the Trust to expend up to \$5 billion to make short-term loans up to 100% of the allowable project costs for periods of to four years.

- Appropriation to the Trust from repayments of loans and interest deposited in any account, on or before June 30, 2014, and from any net earnings received from the investment and reinvestment of such deposits, such sums necessary for Interim Financing Program Loans or Natural Disaster Emergency Financing Program Loans.
- Appropriation to the Trust Disaster Relief APPROPRIATIONS Act (PUBLIC LAW No. 113-002) funds deposited in any account, on or before June 30, 2014, and from any net earnings received from the investment and reinvestment of such deposits, such sums necessary for Natural Disaster Emergency Financing Program Loans upon the approval of the Commissioner of the Department of Environmental Protection.
- Authorization of the Trust to issue interim finance program loans for periods up to four years;
- Authorization for the Trust to expend over \$702 million of its revenue bond proceeds to make loans for up to 40% or more of the allowable project costs, plus, at the option of the borrower, 100% of the allowable costs for reserve capacity, and to fund capitalized interest, issuance costs including rating agencies fees, debt service reserve fund requirements (if necessary) for reserve capacity and private water system projects and loan origination fee.
- Clean Water Appropriation of the FFY2013 USEPA Clean Water Capitalization Grant funds, an appropriation of the FFY2013 USEPA Safe Drinking Water Capitalization Grant funds, an appropriation of the "1981 Safe Drinking Water Supply Act" funds pursuant to section 14 of the "Water Supply Bond Act of 1981" (P.L.1981, c.261), appropriation of the "Wastewater Treatment Fund" established pursuant to section 15 of the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329), "1992 Wastewater Treatment Fund" established pursuant to section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992" (P.L. 1992, c.88), "2003 Water Resources and Wastewater Treatment Fund" established pursuant to subsection a. of section 19 of the "Dam, Lake, Stream, Flood Control, Water Resources and Wastewater Treatment Project Bond Act of 2003" (P.L. 2003, c.162), and the Clean Water State Revolving Fund" established pursuant to section 1 of P.L.2009, c.77, 77, to be deposited in the respective Funds for zero interest loans to finance approximately 75% of the allowable project costs and for the purpose of State match to federal capitalization grants.
- Appropriation of additional 1981 Safe Drinking Water Supply Act funds from (1) unfunded interconnection water supply system projects, (2) unfunded water supply contamination remediation projects; and (3) unfunded water supply rehabilitation projects, to be deposited in the respective Funds for zero interest loans to finance approximately 75% of the allowable project costs and for the purpose of State match to federal capitalization grants.
- Making available in cash, from previous Program Fund Loan repayments or the appropriate bond acts, up to approximately 10% of the par amount of the Trust revenue bonds which will be used to establish a reserve fund for the Trust to secure revenue bonds issued to publicly owned projects (if necessary).
- Authorization for total program loans approximating \$20 million as clean water principal forgiveness loans for Barnegat Bay Watershed and CSO Abatement projects, wherein up to fifty percent of each loan will be in the form of principal forgiveness.
- Authorization for twenty-five percent market rate loans in the total amount of approximating \$40 million for clean water redevelopment projects.
- Authorization for Drinking Water principal forgiveness loans, wherein principal forgiveness to other than drinking water systems servicing fewer than 500 residents shall not exceed the lesser of 20 percent or \$2.5 million of the combined trust loan amount and fund loan amount per project sponsor or wherein principal forgiveness to drinking water systems servicing fewer than 500 residents shall not exceed the lesser of 50 percent or \$5 million of the combined trust loan amount and fund loan amount per project sponsor.
- Authorization for the Trust to temporarily use State loan repayments as coverage, if necessary, to pay debt service on the Trust bonds issued under this year's Financing Program and thereafter, for an additional year, for Financing Programs starting from 1995-2011 are designated by the Trust as eligible to receive this security.
- Continued authorization for the Trust to hold the DEP loan origination fee payments in excess of the annual revenue anticipation amount. This excess amount is only to be used to cover years in which the DEP origination fees received are less than the revenue anticipated.
- Appropriation of the "Wastewater Treatment Fund" established pursuant to section 15 of the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329), "1992 Wastewater Treatment Fund" established pursuant to section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992" (P.L.1992, c.88), "2003 Water Resources and Wastewater Treatment Fund" established pursuant to subsection a. of section 19 of the "Dam, Lake,

Stream, Flood Control, Water Resources and Wastewater Treatment Project Bond Act of 2003" (P.L. 2003, c.162), and the Clean Water State Revolving Fund" established pursuant to section 1 of P.L.2009, c.77, 77.

- Appropriation to the DEP, of the unappropriated balances from the "Drinking Water State Revolving Fund" established pursuant to section 1 of P.L.1998, c.84 for the purposes of drinking water project loans.
- Appropriation to the DEP, such sums as may be or become available on or before June 30, 2014, from drinking water loan repayments in the "Water Supply Fund" established pursuant to section 14 of the "Water Supply Bond Act of 1981" (P.L.1981, c.261) for the purposes of making drinking water project loans and providing the State match as required or will be required for the award of the capitalization grant made available to the State for drinking water projects pursuant to the Federal Safe Drinking Water Act.
- Appropriation to the Trust, such sums as may be or become available on or before June 30, 2014, from repayments in the "Water Supply Fund" established pursuant to section 14 of the "Water Supply Bond Act of 1981" (P.L.1981, c.261) for the purposes of making drinking water project loans and providing the State match as required or will be required for the award of the capitalization grant made available to the State for drinking water projects pursuant to the Federal Safe Drinking Water Act.

## APPENDICES

FY2014 State Clean Water Project Priority List (All Projects including Barnegat Bay, CSO Abatement)

Alphabetical Order

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Ranked Order

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FY2014 State Drinking Water Project Priority List

Alphabetical Order

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Ranked Order

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## **APPENDIX A1**

**APPENDIX A1**  
**State Clean Water Project Priority List**  
**FY2014 Financing Program**  
**Alphabetical Order**

| Rank                      | Applicant                        | Project No.  | Project Name  | Estimated Project Cost |
|---------------------------|----------------------------------|--------------|---|------------------------|
| <b>Supplemental Loans</b> |                                  |              |   |                        |
| Sup1                      | Newark City                      | S340815-05-1 | CSO Abatement                                       | \$10,117,000           |
| Sup5                      | Northwest Bergen County UA       | S340700-09-1 | Franklin Lakes Bus. District Sanitary Sewer         | \$5,048,000            |
| Sup7                      | Ocean Township                   | S340112-03-1 | Replace ACP Sewer Main Hornblower Drive             | \$452,000              |
| Sup2                      | Passaic Valley Sew. Comm.        | S340689-03-1 | EPS & WWPS Electrical Improvements                  | \$19,314,000           |
| Sup3                      | Passaic Valley Sew. Comm.        | S340689-10-1 | Contract A315 Phase IV Sewer                        | \$13,354,000           |
|                           |                                  |              | <b>Total Supplemental CW Loan Applications (5):</b> | <b>\$48,285,000</b>    |
| <b>Traditional</b>        |                                  |              |   |                        |
| 171                       | Atlantic Highlands-Highlands RSA | S340857-03   | Sewerage Force Main Replacement Project             | \$3,140,000            |
| 280                       | Bellmawr Borough                 | S340337-03   | Various Sewer Improvements                          | \$650,000              |
| 645                       | Bellmawr Borough                 | S342011-02   | Bellmawr Waterfront Develop. Remediation            | \$9,821,000            |
| 111                       | Bergen County UA                 | S340386-11   | Sludge Digester System Improvements                 | \$16,767,000           |
| 111                       | Bergen County UA                 | S340386-12   | Edgewater WPCF Outfall Extension                    | \$20,096,000           |
| 531                       | Burlington County                | S340818-06   | Stormwater Quality Enhancement Projects             | \$3,629,000            |
| 251                       | Burlington Township              | S340712-11   | Sanitary Sewer Rehab. in Various Locations          | \$1,103,000            |
| 1001                      | Burlington Township              | S340712-12   | New Sanitary Sewer Jet Vactor Truck                 | \$421,000              |
| 9                         | Camden City                      | S340366-09   | Repair/Rehab of Wastewater Pump Station             | \$11,155,000           |
| 2                         | Camden County MUA                | S340640-14   | Camden City Green / Grey Infrastruct. Improv.       | \$5,387,000            |
| 731                       | Carteret Borough                 | S340939-07   | Carteret Marina Dredging                            | \$13,899,000           |
| 496                       | Chatham Township                 | S340403-07   | Sanitary Sewer System Modifications                 | \$7,104,000            |
| 69                        | Delran Township                  | S340794-07   | Delran Wastewater Treat. Plant Improv.              | \$2,230,000            |
| 655                       | Edison Township                  | S342020-01   | Edison Landfill Closure                             | \$12,285,000           |
| 225                       | Egg Harbor Township MUA          | S340753-04   | Washington Avenue Interceptor                       | \$1,502,000            |
| 20                        | Elizabeth City                   | S340942-13   | Western Interceptor Modifications                   | \$11,802,000           |
| 88                        | Evesham MUA                      | S340838-04   | Woodstream / Elmwood WWTP Improv.                   | \$2,585,000            |
| 88                        | Evesham MUA                      | S340838-05   | Wastewater Treatment Plant Upgrades                 | \$3,657,000            |
| 77                        | Ewing Lawrence SA                | S340391-10   | WWTP Improvements Project                           | \$26,832,000           |
| 594                       | Fanwood Borough                  | S340429-01   | Glenwood Avenue Area Drainage Improv.               | \$2,264,000            |
| 80                        | Gloucester City                  | S340958-05   | Various Sanitary Sewer Improvements                 | \$1,623,000            |
| 1002                      | Gloucester City                  | S340958-06   | Various San. Swr. Syst. Improvements, Phase II      | \$608,000              |
| 1003                      | Gloucester City                  | S340958-07   | Various San. Swr. Syst. Improvements, Phase II      | \$608,000              |
| 541                       | Gloucester Township              | S340364-10   | Gloucester Township Stormwater Improv.              | \$2,334,000            |
| 62                        | Hackensack City                  | S340923-10   | Hackensack Storm Sewer Separation - Phase I         | \$4,032,000            |
| 250                       | Hamilton Township MUA            | S340903-04   | Pump Station Upgrades                               | \$953,000              |
| 179                       | Hammonton Town                   | S340927-05   | Pratt/Packard/Second/Grape St. Swr. Rehab.          | \$5,463,000            |

|      |                              |            |  |              |
|------|------------------------------|------------|--|--------------|
| 79   | Hanover Sewer Authority      | S340388-05 | Rehabilitation of Primary Digester No. 2       | \$10,116,000 |
| 497  | Harrison Township            | S340326-06 | Richwood Water Reclamation Facility            | \$19,252,000 |
| 608  | Highlands Borough            | S340901-03 | Stormwater System Improvements                 | \$4,506,000  |
| 23   | Jersey City MUA              | S340928-11 | Brown Place Sewer Rehab                        | \$4,460,000  |
| 23   | Jersey City MUA              | S340928-12 | Newark Ave/SIP Ave/Trenton St. Sewer Rehab.    | \$9,265,000  |
| 23   | Jersey City MUA              | S340928-13 | Duncan St Outfall Replacement                  | \$15,064,000 |
| 23   | Jersey City MUA              | S340928-14 | Grand St. Sewer Cleaning & Insp. Phase II      | \$2,597,000  |
| 327  | Long Beach Township          | S340023-05 | Sewer Main Replacement Project                 | \$3,701,000  |
| 136  | Long Beach Township          | S344170-02 | (BB) - DPW Yard Non-Point Source-Stormwater    | \$762,000    |
| 243  | Long Hill Township           | S340404-06 | STP (Infiltration/Inflow Correction)           | \$1,523,000  |
| 104  | Long Hill Township           | S340404-08 | STP (UV Disinfection System)                   | \$2,562,000  |
| 133  | Maple Shade Township         | S340710-08 | WWTP Improvements                              | \$1,995,000  |
| 182  | Middlesex County UA          | S340699-10 | Main Trunk Sewer Rehabilitation - Phase I      | \$10,265,000 |
| 539  | Middletown Township          | S340097-01 | Shadow Lake Restoration Project                | \$3,875,000  |
| 166  | Milltown Borough             | S340102-03 | Electric Utility Flood Mitigation Project      | \$14,700,000 |
| 65   | Millville City               | S340921-07 | Wastewater Treat. Plant Upgrade Phase II       | \$10,314,000 |
| 329  | National Park Borough        | S340419-01 | Replacement of Pump Stations 1 & 2             | \$1,714,000  |
| 7    | Newark City                  | S340815-21 | Phase -VI(H)Sewer Rehabilitation               | \$10,393,000 |
| 7    | Newark City                  | S340815-22 | Queen Ditch Restoration                        | \$4,849,000  |
| 542  | NJ Water Supply Authority    | S340421-01 | Dredging of the Delaware and Raritan Canal     | \$31,104,000 |
| 34   | North Bergen MUA             | S340652-13 | Woodcliff Plant Improvements                   | \$6,594,000  |
| 53   | North Hudson Sewer Authority | S340952-19 | Combined Sewer Improvements                    | \$5,048,000  |
| 102  | Ocean County                 | S344080-03 | (BB) - Berkeley Shores Basin #050055           | \$504,000    |
| 128  | Ocean County                 | S344080-05 | (BB) - Twilight Lake Dredging                  | \$2,621,000  |
| 353  | Ocean County UA              | S340372-48 | Areawide Biosolids Management Plan             | \$18,484,000 |
| 340  | Ocean Gate Borough           | S340151-01 | San Sewer Rehab and Infilt and inflow          | \$581,000    |
| 137  | Ocean Gate Borough           | S344180-01 | (BB) Storm Sewer MTD                           | \$1,614,000  |
| 167  | Ocean Township               | S340112-04 | Montclair Road Sewer Improvements              | \$394,000    |
| 230  | Ocean Township SA            | S340750-11 | Collection System Upgrades 2013                | \$4,778,000  |
| 543  | Old Bridge Township          | S340945-12 | Old Bridge Clean Energy Center                 | \$10,506,000 |
| 292  | Oradell Borough              | S340835-01 | Phase 2 Sanitary Sewer Improvements            | \$1,279,000  |
| 292  | Oradell Borough              | S340835-03 | Phase 3 Sanitary Sewer Improvements            | \$3,186,000  |
| 358  | Palmyra Borough              | S340030-04 | Sludge Thickening and Odor Control Project     | \$3,549,000  |
| 86   | Passaic Valley Sew. Comm.    | S340689-20 | Boiler Upgrade and Obtaining Exemption         | \$4,795,000  |
| 126  | Passaic Valley Sew. Comm.    | S340689-21 | Rehab Kearny-Harrison-Newark Branch Intercept. | \$1,176,000  |
| 1004 | Passaic Valley Sew. Comm.    | S340689-22 | Contract A781 Yantacaw PS Rehabilitation       | \$2,516,000  |
| 58   | Perth Amboy City             | S340435-10 | Collection System Component Improv.            | \$2,447,000  |
| 76   | Phillipsburg Town            | S340874-05 | WWTP Expansion & Outfall Relocation            | \$8,201,000  |
| 1005 | Pine Hill MUA                | S340274-04 | Atlantic Avenue Pump Station                   | \$777,000    |
| 350  | Point Pleasant Borough       | S340428-01 | Rehab Meadow Point Rd. and Bradley Rd. PS      | \$2,129,000  |
| 153  | Princeton Borough            | S340656-08 | Sanitary Sewer Rehabilitation Project          | \$3,529,000  |
| 90   | Raritan Township MUA         | S340485-09 | Treatment Plant Motor Control Center Replace.  | \$2,493,000  |
| 238  | Raritan Township MUA         | S340485-10 | Woodside Farms Pump Station Rehab.             | \$1,519,000  |

|      |                                   |            |  |                      |
|------|-----------------------------------|------------|--|----------------------|
| 198  | Rockaway Valley RSA               | S340821-06 | Rockaway River - Emergency Replacement             | \$6,846,000          |
| 449  | Secaucus Town                     | S340029-04 | born street pump station improvements              | \$2,237,000          |
| 1006 | Secaucus Town/Hud. County IA      | S342021-01 | Malanka Landfill Closure and Redevelopment         | \$18,501,000         |
| 1007 | South Monmouth RSA                | S340377-03 | Pump Station Improvements                          | \$8,463,000          |
| 96B  | Stafford Township                 | S344100-02 | Purchase Jet Vac Truck / Street Clean. Equip.      | \$990,000            |
| 96B  | Stafford Township                 | S344100-03 | Neptune Basin Expansion                            | \$3,186,000          |
| 200  | Toms River MUA                    | S340145-03 | Gravity, Sewer, Manhole and FM Improv.             | \$2,642,000          |
| 200  | Toms River MUA                    | S340145-04 | Sewage Pump Station Upgrades                       | \$3,340,000          |
| 67   | Warren County (Pequest River) MUA | S340454-04 | Oxford Area WWTF Upgrade                           | \$16,782,000         |
| 456  | Watchung Borough                  | S340823-02 | San. Sewer Extension Johnston Dr./Bonnie Burn      | \$1,310,000          |
| 202  | Western Monmouth UA               | S340128-04 | Pump Station Rehabilitation                        | \$5,489,000          |
| 158  | Wildwood Crest Borough            | S340719-03 | Street & Utility Reconstruction - San Swrs         | \$9,300,000          |
| 508  | Wildwood Crest Borough            | S340719-04 | Street & Utility Reconstruction - Stormwater       | \$3,997,000          |
| 122  | Willingboro MUA                   | S340132-04 | WWTP and Collection System Improvements            | \$3,833,000          |
| 161  | Willingboro MUA                   | S340132-05 | WWTP and Collection System Improvements            | \$1,307,000          |
|      |                                   |            | <b>CW Loan Applications (excluding Supp.) (85)</b> | <b>\$511,910,000</b> |
|      |                                   |            | <b>Total CW Loan Applications (90)</b>             | <b>\$560,195,000</b> |

## **APPENDIX A2**

**APPENDIX A2**  
**State Clean Water Project Priority List**  
**FY2014 Financing Program**  
**Ranked Order**

| Rank                      | Applicant                         | Project No.  | Project Name                                   | Estimated Project Cost |
|---------------------------|-----------------------------------|--------------|--|------------------------|
| <b>Supplemental Loans</b> |                                   |              |  |                        |
| Sup1                      | Newark City                       | S340815-05-1 | CSO Abatement                                  | \$10,117,000           |
| Sup2                      | Passaic Valley Sew. Comm.         | S340689-03-1 | EPS & WWPS Electrical Improvements             | \$19,314,000           |
| Sup3                      | Passaic Valley Sew. Comm.         | S340689-10-1 | Contract A315 Phase IV Sewer                   | \$13,354,000           |
| Sup5                      | Northwest Bergen County UA        | S340700-09-1 | Franklin Lakes Business District Sanitary Swr  | \$5,048,000            |
| Sup7                      | Ocean Township                    | S340112-03-1 | Replace ACP Sewer Main Hornblower Drive        | \$452,000              |
|                           |                                   |              | <b>Total Supplemental CW Loan Applic. (5):</b> | <b>\$48,285,000</b>    |
| <b>Traditional</b>        |                                   |              |  |                        |
| 2                         | Camden County MUA                 | S340640-14   | Camden City Green / Grey Infrastruct. Improv.  | \$5,387,000            |
| 7                         | Newark City                       | S340815-21   | Phase -VI(H)Sewer Rehabilitation               | \$10,393,000           |
| 7                         | Newark City                       | S340815-22   | Queen Ditch Restoration                        | \$4,849,000            |
| 9                         | Camden City                       | S340366-09   | Repair/Rehab of Wastewater Pump Station        | \$11,155,000           |
| 20                        | Elizabeth City                    | S340942-13   | Western Interceptor Modifications              | \$11,802,000           |
| 23                        | Jersey City MUA                   | S340928-11   | Brown Place Sewer Rehab                        | \$4,460,000            |
| 23                        | Jersey City MUA                   | S340928-12   | Newark Ave/SIP Ave/Trenton St. Sewer Rehab.    | \$9,265,000            |
| 23                        | Jersey City MUA                   | S340928-13   | Duncan St Outfall Replacement                  | \$15,064,000           |
| 23                        | Jersey City MUA                   | S340928-14   | Grand St. Sewer Cleaning & Insp. Phase II      | \$2,597,000            |
| 34                        | North Bergen MUA                  | S340652-13   | Woodcliff Plant Improvements                   | \$6,594,000            |
| 53                        | North Hudson Sewer Authority      | S340952-19   | Combined Sewer Improvements                    | \$5,048,000            |
| 58                        | Perth Amboy City                  | S340435-10   | Collection System Component Improv.            | \$2,447,000            |
| 62                        | Hackensack City                   | S340923-10   | Hackensack Storm Sewer Separation - Phase I    | \$4,032,000            |
| 65                        | Millville City                    | S340921-07   | Wastewater Treat. Plant Upgrade Phase II       | \$10,314,000           |
| 67                        | Warren County (Pequest River) MUA | S340454-04   | Oxford Area WWTF Upgrade                       | \$16,782,000           |
| 69                        | Delran Township                   | S340794-07   | Delran Wastewater Treat. Plant Improv.         | \$2,230,000            |
| 76                        | Phillipsburg Town                 | S340874-05   | WWTP Expansion & Outfall Relocation            | \$8,201,000            |
| 77                        | Ewing Lawrence SA                 | S340391-10   | WWTP Improvements Project                      | \$26,832,000           |
| 79                        | Hanover Sewer Authority           | S340388-05   | Rehabilitation of Primary Digester No. 2       | \$10,116,000           |
| 80                        | Gloucester City                   | S340958-05   | Various Sanitary Sewer Improvements            | \$1,623,000            |
| 86                        | Passaic Valley Sew. Comm.         | S340689-20   | Boiler Upgrade and Obtaining Exemption         | \$4,795,000            |
| 88                        | Evesham MUA                       | S340838-04   | Woodstream / Elmwood WWTP Improv.              | \$2,585,000            |
| 88                        | Evesham MUA                       | S340838-05   | Wastewater Treatment Plant Upgrades            | \$3,657,000            |
| 90                        | Raritan Township MUA              | S340485-09   | Treatment Plant Motor Control Center Replace.  | \$2,493,000            |
| 96B                       | Stafford Township                 | S344100-02   | Purchase Jet Vac Truck / Street Clean. Equip.  | \$990,000              |
| 96B                       | Stafford Township                 | S344100-03   | Neptune Basin Expansion                        | \$3,186,000            |
| 102                       | Ocean County                      | S344080-03   | (BB) - Berkeley Shores Basin #050055           | \$504,000              |

|     |                                  |            |  |              |
|-----|----------------------------------|------------|--|--------------|
| 104 | Long Hill Township               | S340404-08 | STP (UV Disinfection System)                   | \$2,562,000  |
| 111 | Bergen County UA                 | S340386-11 | Sludge Digester System Improvements            | \$16,767,000 |
| 111 | Bergen County UA                 | S340386-12 | Edgewater WPCF Outfall Extension               | \$20,096,000 |
| 122 | Willingboro MUA                  | S340132-04 | WWTP and Collection System Improvements        | \$3,833,000  |
| 126 | Passaic Valley Sew. Comm.        | S340689-21 | Rehab Kearny-Harrison-Newark Branch Intercept. | \$1,176,000  |
| 128 | Ocean County                     | S344080-05 | (BB) - Twilight Lake Dredging                  | \$2,621,000  |
| 133 | Maple Shade Township             | S340710-08 | WWTP Improvements                              | \$1,995,000  |
| 136 | Long Beach Township              | S344170-02 | (BB) - DPW Yard Non-Point Source-Stormwater    | \$762,000    |
| 137 | Ocean Gate Borough               | S344180-01 | (BB) Storm Sewer MTD                           | \$1,614,000  |
| 153 | Princeton Borough                | S340656-08 | Sanitary Sewer Rehabilitation Project          | \$3,529,000  |
| 158 | Wildwood Crest Borough           | S340719-03 | Street & Utility Reconstruction - San Swrs     | \$9,300,000  |
| 161 | Willingboro MUA                  | S340132-05 | WWTP and Collection System Improvements        | \$1,307,000  |
| 166 | Milltown Borough                 | S340102-03 | Electric Utility Flood Mitigation Project      | \$14,700,000 |
| 167 | Ocean Township                   | S340112-04 | Montclair Road Sewer Improvements              | \$394,000    |
| 171 | Atlantic Highlands-Highlands RSA | S340857-03 | Sewerage Force Main Replacement Project        | \$3,140,000  |
| 179 | Hammonton Town                   | S340927-05 | Pratt/Packard/Second/Grape Street Swr. Rehab.  | \$5,463,000  |
| 182 | Middlesex County UA              | S340699-10 | Main Trunk Sewer Rehabilitation - Phase I      | \$10,265,000 |
| 198 | Rockaway Valley RSA              | S340821-06 | Rockaway River - Emergency Replacement         | \$6,846,000  |
| 200 | Toms River MUA                   | S340145-03 | Gravity, Sewer, Manhole and FM Improv.         | \$2,642,000  |
| 200 | Toms River MUA                   | S340145-04 | Sewage Pump Station Upgrades                   | \$3,340,000  |
| 202 | Western Monmouth UA              | S340128-04 | Pump Station Rehabilitation                    | \$5,489,000  |
| 225 | Egg Harbor Township MUA          | S340753-04 | Washington Avenue Interceptor                  | \$1,502,000  |
| 230 | Ocean Township SA                | S340750-11 | Collection System Upgrades 2013                | \$4,778,000  |
| 238 | Raritan Township MUA             | S340485-10 | Woodside Farms Pump Station Rehab.             | \$1,519,000  |
| 243 | Long Hill Township               | S340404-06 | STP (Infiltration/Inflow Correction)           | \$1,523,000  |
| 250 | Hamilton Township MUA            | S340903-04 | Pump Station Upgrades                          | \$953,000    |
| 251 | Burlington Township              | S340712-11 | Sanitary Sewer Rehab. in Various Locations     | \$1,103,000  |
| 280 | Bellmawr Borough                 | S340337-03 | Various Sewer Improvements                     | \$650,000    |
| 292 | Oradell Borough                  | S340835-01 | Phase 2 Sanitary Sewer Improvements            | \$1,279,000  |
| 292 | Oradell Borough                  | S340835-03 | Phase 3 Sanitary Sewer Improvements            | \$3,186,000  |
| 327 | Long Beach Township              | S340023-05 | Sewer Main Replacement Project                 | \$3,701,000  |
| 329 | National Park Borough            | S340419-01 | Replacement of Pump Stations 1 & 2             | \$1,714,000  |
| 340 | Ocean Gate Borough               | S340151-01 | San Sewer Rehab and Infilt and inflow          | \$581,000    |
| 350 | Point Pleasant Borough           | S340428-01 | Rehab Meadow Point Rd. and Bradley Rd. PS      | \$2,129,000  |
| 353 | Ocean County UA                  | S340372-48 | Areawide Biosolids Management Plan             | \$18,484,000 |
| 358 | Palmyra Borough                  | S340030-04 | Sludge Thickening and Odor Control Project     | \$3,549,000  |
| 449 | Secaucus Town                    | S340029-04 | born street pump station improvements          | \$2,237,000  |
| 456 | Watchung Borough                 | S340823-02 | San. Sewer Extension Johnston Dr./Bonnie Burn  | \$1,310,000  |
| 496 | Chatham Township                 | S340403-07 | Sanitary Sewer System Modifications            | \$7,104,000  |
| 497 | Harrison Township                | S340326-06 | Richwood Water Reclamation Facility            | \$19,252,000 |
| 508 | Wildwood Crest Borough           | S340719-04 | Street & Utility Reconstruction - Stormwater   | \$3,997,000  |

|      |                              |            |  |               |
|------|------------------------------|------------|--|---------------|
| 531  | Burlington County            | S340818-06 | Stormwater Quality Enhancement Projects            | \$3,629,000   |
| 539  | Middletown Township          | S340097-01 | Shadow Lake Restoration Project                    | \$3,875,000   |
| 541  | Gloucester Township          | S340364-10 | Gloucester Township Stormwater Improv.             | \$2,334,000   |
| 542  | NJ Water Supply Authority    | S340421-01 | Dredging of the Delaware and Raritan Canal         | \$31,104,000  |
| 543  | Old Bridge Township          | S340945-12 | Old Bridge Clean Energy Center                     | \$10,506,000  |
| 594  | Fanwood Borough              | S340429-01 | Glenwood Avenue Area Drainage Improv.              | \$2,264,000   |
| 608  | Highlands Borough            | S340901-03 | Stormwater System Improvements                     | \$4,506,000   |
| 645  | Bellmawr Borough             | S342011-02 | Bellmawr Waterfront Develop. Remediation           | \$9,821,000   |
| 655  | Edison Township              | S342020-01 | Edison Landfill Closure                            | \$12,285,000  |
| 731  | Carteret Borough             | S340939-07 | Carteret Marina Dredging                           | \$13,899,000  |
| 1001 | Burlington Township          | S340712-12 | New Sanitary Sewer Jet Vactor Truck                | \$421,000     |
| 1002 | Gloucester City              | S340958-06 | Various San. Swr. Syst. Improvements, Phase II     | \$608,000     |
| 1003 | Gloucester City              | S340958-07 | Various San. Swr. Syst. Improvements, Phase II     | \$608,000     |
| 1004 | Passaic Valley Sew. Comm.    | S340689-22 | Contract A781 Yantacaw PS Rehabilitation           | \$2,516,000   |
| 1005 | Pine Hill MUA                | S340274-04 | Atlantic Avenue Pump Station                       | \$777,000     |
| 1006 | Secaucus Town/Hudson City IA | S342021-01 | Malanka Landfill Closure and Redevelopment         | \$18,501,000  |
| 1007 | South Monmouth RSA           | S340377-03 | Pump Station Improvements                          | \$8,463,000   |
|      |                              |            | <b>CW Loan Applications (excluding Supp.) (85)</b> | \$511,910,000 |
|      |                              |            | <b>Total CW Loan Applications (90)</b>             | \$560,195,000 |

## **APPENDIX B1**

**APPENDIX B1**  
**State Drinking Water Project Priority List**  
**FY2014 Financing Program**  
**Alphabetical Order**

| Rank                      | Applicant                    | Project No.   | Project Name                               | Estimated Project Cost |
|---------------------------|------------------------------|---------------|--|------------------------|
| <b>Supplemental Loans</b> |                              |               |  |                        |
| Sup1                      | Boonton Town                 | 1401001-002-1 | Green Street 1MG Tank Replacement          | \$1,827,000            |
| Sup2                      | Ocean Gate Borough           | 1521001-001   | Wind Energy System (Turbine No. 2)         | \$79,000               |
|                           |                              |               | <b>Supplemental DW Loan Applic. (2):</b>   |                        |
|                           |                              |               |  | <b>\$1,906,000</b>     |
| <b>Traditional Loans</b>  |                              |               |  |                        |
| 98                        | Bellmawr Borough             | 0404001-005   | Warren Ave and Leaf Ave WTP rehab.         | \$602,000              |
| 184                       | Berkeley Township MUA        | 1505004-006   | Install 10,000 LF of new water mains       | \$2,205,000            |
| 145                       | Berkeley Township MUA        | 1505004-007   | Install new well #4 with 1,000 LF of main  | \$1,158,000            |
| 341                       | Brielle Borough              | 1308001-001   | Replace Union Lane storage tank            | \$3,529,000            |
| 1224                      | Bloomingdale Borough         | 1601001-004   | Multiple Water Line upgrades               | \$1,035,000            |
| 59                        | Camden City                  | 0408001-018   | Rehab/Paint standpipe elevated tanks       | \$5,597,000            |
| 316                       | Clayton Borough              | 0801001-001   | Water System Improvements                  | \$4,001,000            |
| 284                       | Clayton Borough              | 0801001-002   | Rehab two Storage Tanks                    | \$4,001,000            |
| 271                       | Clinton Town                 | 1005001-005   | Water main Rehab.                          | \$1,858,000            |
| 185                       | Evesham MUA                  | 0313001-001   | Wells 13 & 14 Treatment Improvements       | \$1,869,000            |
| 148                       | Fountainhead Properties Inc. | 1511013-001   | Upgrade Improve Water System               | \$687,000              |
| 227                       | Fountainhead Properties Inc. | 1511013-002   | Loop system with 400 LF of water main      | \$687,000              |
| 426                       | Fountainhead Properties Inc. | 1511013-003   | Rehabilitation of well #2                  | \$687,000              |
| 425                       | Fountainhead Properties Inc. | 1511013-004   | Improvements/Replacement of well #1        | \$687,000              |
| 305                       | Gloucester City              | 0414001-016   | Replacement of automatic read meters       | \$969,000              |
| 1134                      | Gloucester City              | 0414001-017   | Various Water Sys. Improvements, Phase II  | \$1,199,000            |
| 219                       | Hamilton Township MUA        | 0112001-003   | Replacement of antiquated water mains      | \$2,703,000            |
| 11                        | Hammonton Town               | 0113001-006   | Radium removal treatment well #4           | \$2,747,000            |
| 306                       | Hammonton Town               | 0113001-007   | Replace 1,500 meters                       | \$891,000              |
| 139                       | Hammonton Town               | 0113001-008   | Replacement of water mains on Pratt St     | \$597,000              |
| 138                       | Hammonton Town               | 0113001-009   | Replace water mains Packard/Grape/2nd Sts. | \$1,073,000            |
| 376                       | Hammonton Town               | 0113001-010   | Installation of SCADA at water facilities  | \$225,000              |
| 386                       | Hampton Borough              | 1013001-001   | Hampton Borough                            | \$478,000              |
| 356                       | Independence MUA             | 2112001-001   | Autumn Lane Wellhead Rehab & Plant Improv. | \$262,000              |
| 104                       | Jersey City MUA              | 0906001-006   | Transmission Main Installation             | \$17,147,000           |
| 71                        | Long Beach Township          | 1517001-014   | Replacement of Water Mains                 | \$3,277,000            |
| 87                        | Manchester UA                | 1603001-006   | Rehabilitate Central Avenue Storage Tank   | \$2,817,000            |
| 86                        | Manchester UA                | 1603001-012   | Reservoir rehab/security improv.           | \$2,817,000            |
| 232                       | Manchester UA                | 1603001-013   | Various Improvements at old filter plant.  | \$2,817,000            |
| 187                       | Marlboro Township            | 1328002-002   | Harbor Road Water Treatment Plant          | \$11,918,000           |

|      |   |             |  |              |
|------|---|-------------|--|--------------|
| 315  | Matawan Borough                           | 1329001-005 | Middlesex Road Water ST Improvements                   | \$987,000    |
| 254  | Merch-Penn Water Comm.                    | 0424001-007 | Rehab Park Avenue Storage Tank                         | \$2,678,000  |
| 213  | Middlesex Water Company                   | 1225001-015 | Clean and line phase 12 (Renew 2014)                   | \$4,200,000  |
| 49   | Milford Borough                           | 1020001-003 | Install booster pump station Mt Pleasant Rd            | \$435,000    |
| 350  | Milford Borough                           | 1020001-004 | Rehab. of the standpipe Mt Pleasant Rd                 | \$261,000    |
| 441  | Montclair Township                        | 0713001-008 | Nishuane Well Production and Treat. Facil.             | \$2,098,000  |
| 53   | Mountain Shores Prop. Owners Assoc.       | 1414009-001 | Water main Rehab.                                      | \$863,000    |
| 24   | Newark City                               | 0714001-015 | Rehabilitation of Water Distribution Mains             | \$11,225,000 |
| 21   | Newark City                               | 0714001-016 | Pequannock Water Treat. Plant Rehab                    | \$9,365,000  |
| 25   | Newark City                               | 0714001-017 | Water Distribution System Upgrades                     | \$1,479,000  |
| 18   | Newfield Borough                          | 0813001-001 | Install radium treat well & emerg. Gen.                | \$1,053,000  |
| 392  | Newfield Borough                          | 0813001-002 | Replace Vineland interconnect. metering sta.           | \$48,000     |
| 20   | NJ American Water Co., Inc.               | 1707001-005 | Design Build centralized water treatment plant         | \$14,959,000 |
| 1064 | North Jersey District WSC                 | 1613001-022 | Basins 5 & 6 Rehabilitation                            | \$14,362,000 |
| 1066 | North Jersey District WSC                 | 1613001-026 | Low Lift Natural Gas Pump                              | \$9,601,000  |
| 1358 | North Jersey District WSC                 | 1613001-030 | Central Receiving Expansion & Modifications            | \$783,000    |
| 1067 | North Jersey District WSC                 | 1613001-027 | Expansion of Aeration System                           | \$1,995,000  |
| 1069 | North Jersey District WSC                 | 1613001-029 | Basins 1-4 Flocculator Rehabilitation                  | \$2,489,000  |
| 1065 | North Jersey District WSC                 | 1613001-025 | WWTP Recycle Lagoon Clear Phase                        | \$6,279,000  |
| 1068 | North Jersey District WSC                 | 1613001-028 | Filter Building Pipe Gallery Dehumid / Painting        | \$1,622,000  |
| 303  | North Shore Water Assoc.                  | 1904004-002 | Replacement of 1,800 LF of Water Mains                 | \$407,000    |
| 7    | North Shore Water Assoc.                  | 1904004-004 | Drilling Test Well                                     | \$154,000    |
| 208  | Ocean Township                            | 1520001-005 | Replacement of undersized water mains                  | \$709,000    |
| 322  | Old Bridge MUA                            | 1209002-007 | Higgins Rd/Route 516 Wtr Stor. Tank Connect.           | \$6,374,000  |
| 250  | Old Bridge MUA                            | 1209002-010 | Replace 2,100 LF of water main Rte 516                 | \$1,399,000  |
| 338  | Pemberton Township                        | 0329004-005 | Seal Well #4 and Drill test well #14                   | \$395,000    |
| 140  | Pemberton Township                        | 0329004-006 | Replacement of 4,900 LF of water mains                 | \$593,000    |
| 172  | Pemberton Township                        | 0329004-007 | Rehabilitation of Various Storage Tanks                | \$2,390,000  |
| 377  | Pemberton Township                        | 0329004-008 | Install. SCADA at wells and storage facil.             | \$373,000    |
| 436  | Pine Beach Borough                        | 1522001-001 | Townwide Water Meter Replacement Proj.                 | \$914,000    |
| 451  | Pine Beach Borough                        | 1522001-002 | Replacement of well #1 Merion Ave.                     | \$457,000    |
| 1221 | Pine Hill MUA                             | 0428002-002 | Mt. Clement Water Storage Tank Rehab.                  | \$484,000    |
| 291  | Roosevelt Borough                         | 1341001-001 | Cleaning and lining of 8,900 LF of water mains         | \$657,000    |
| 194  | Roosevelt Borough                         | 1341001-004 | WTP upgrades   | \$537,000    |
| 19   | Sea Village Marina/NJ Am. Water Co., Inc. | 0108021-002 | Water Main Extension                                   | \$1,144,000  |
| 285  | Stanhope Borough                          | 1919001-001 | Replace water mains various roads                      | \$1,892,000  |
| 345  | Stanhope Borough                          | 1919001-002 | Rehab. 50,000 gallon Elevated storage tank             | \$311,000    |
| 149  | Trenton City                              | 1111001-008 | Clean/lining 128,000 LF / 5,500 LF water mains         | \$24,969,000 |
| 80   | Vineland City                             | 0614003-011 | Replace radionuclide treatment at well #12             | \$3,150,000  |
| 50   | Wildwood City                             | 0514001-002 | Replacement & looping of water mains in Wildwood Crest | \$2,657,000  |
| 70   | Willingboro MUA                           | 0338001-004 | Installation of emergency generators at 3 wells        | \$783,000    |

|    |                 |             |   |                      |
|----|-----------------|-------------|---|----------------------|
| 29 | Willingboro MUA | 0338001-005 | Replace. Elec. distr. equip / gen. well # 6 WTP | \$1,390,000          |
| 51 | Willingboro MUA | 0338001-006 | Paint two storage tanks-JFK Way / Ember Ln      | \$733,000            |
| 90 | Willingboro MUA | 0338001-007 | Replacement of 1,250 water meters               | \$728,000            |
|    |                 |             | <b>DW Loan Applic. (Excluding Supp.) (73):</b>  | <b>\$218,244,000</b> |
|    |                 |             |   |                      |
|    |                 |             | <b>Total DW Loan Applications (75):</b>         | <b>\$220,150,000</b> |

## **APPENDIX B2**

**APPENDIX B2**  
**State Drinking Water Project Priority List**  
**FY2014 Financing Program**  
**Ranked Order**

| Rank                      | Applicant                                 | Project No.   | Project Name   | Estimated Project Cost |
|---------------------------|---|---------------|--|------------------------|
| <b>Supplemental Loans</b> |   |               |  |                        |
| Sup1                      | Boonton Town                              | 1401001-002-1 | Green Street 1MG Tank Replacement                      | \$1,827,000            |
| Sup2                      | Ocean Gate Borough                        | 1521001-001   | Wind Energy System (Turbine No. 2)                     | \$79,000               |
|                           |   |               | <b>Supplemental DW Loan Applications (2):</b>          |                        |
|                           |   |               |  | <b>\$1,906,000</b>     |
| <b>Traditional Loans</b>  |   |               |  |                        |
| 7                         | North Shore Water Assoc.                  | 1904004-004   | Drilling Test Well                                     | \$154,000              |
| 11                        | Hammonton Town                            | 0113001-006   | Radium removal treatment well #4                       | \$2,747,000            |
| 18                        | Newfield Borough                          | 0813001-001   | Install radium treat well & emerg. Gen.                | \$1,053,000            |
| 19                        | Sea Village Marina/NJ Am. Water Co., Inc. | 0108021-002   | Water Main Extension                                   | \$1,144,000            |
| 20                        | NJ American Water Co., Inc.               | 1707001-005   | Design Build centralized water treatment plant         | \$14,959,000           |
| 21                        | Newark City                               | 0714001-016   | Pequannock Water Treat. Plant Rehab                    | \$9,365,000            |
| 24                        | Newark City                               | 0714001-015   | Rehabilitation of Water Distribution Mains             | \$11,225,000           |
| 25                        | Newark City                               | 0714001-017   | Water Distribution System Upgrades                     | \$1,479,000            |
| 29                        | Willingboro MUA                           | 0338001-005   | Replace. Elec. distr. equip / gen. well # 6 WTP        | \$1,390,000            |
| 49                        | Milford Borough                           | 1020001-003   | Install booster pump station Mt Pleasant Rd            | \$435,000              |
| 50                        | Wildwood City                             | 0514001-002   | Replacement & looping of water mains in Wildwood Crest | \$2,657,000            |
| 51                        | Willingboro MUA                           | 0338001-006   | Paint two storage tanks-JFK Way / Ember Ln             | \$733,000              |
| 53                        | Mountain Shores Prop. Owners Assoc.       | 1414009-001   | Water main Rehab.                                      | \$863,000              |
| 59                        | Camden City                               | 0408001-018   | Rehab/Paint standpipe elevated tanks                   | \$5,597,000            |
| 70                        | Willingboro MUA                           | 0338001-004   | Installation of emergency generators at 3 wells        | \$783,000              |
| 71                        | Long Beach Township                       | 1517001-014   | Replacement of Water Mains                             | \$3,277,000            |
| 80                        | Vineland City                             | 0614003-011   | Replace radionuclide treatment at well #12             | \$3,150,000            |
| 86                        | Manchester UA                             | 1603001-012   | Reservoir rehab/security improv.                       | \$2,817,000            |
| 87                        | Manchester UA                             | 1603001-006   | Rehabilitate Central Avenue Storage Tank               | \$2,817,000            |
| 90                        | Willingboro MUA                           | 0338001-007   | Replacement of 1,250 water meters                      | \$728,000              |
| 98                        | Bellmawr Borough                          | 0404001-005   | Warren Ave and Leaf Ave WTP rehab.                     | \$602,000              |
| 104                       | Jersey City MUA                           | 0906001-006   | Transmission Main Installation                         | \$17,147,000           |
| 138                       | Hammonton Town                            | 0113001-009   | Replace water mains Packard/Grape/2nd Sts.             | \$1,073,000            |
| 139                       | Hammonton Town                            | 0113001-008   | Replacement of water mains on Pratt St                 | \$597,000              |
| 140                       | Pemberton Township                        | 0329004-006   | Replacement of 4,900 LF of water mains                 | \$593,000              |
| 145                       | Berkeley Township MUA                     | 1505004-007   | Install new well #4 with 1,000 LF of main              | \$1,158,000            |
| 148                       | Fountainhead Properties Inc.              | 1511013-001   | Upgrade Improve Water System                           | \$687,000              |

|      |                              |             |   |              |
|------|------------------------------|-------------|---|--------------|
| 149  | Trenton City                 | 1111001-008 | Clean/lining 128,000 LF / 5,500 LF water mains  | \$24,969,000 |
| 172  | Pemberton Township           | 0329004-007 | Rehabilitation of Various Storage Tanks         | \$2,390,000  |
| 184  | Berkeley Township MUA        | 1505004-006 | Install 10,000 LF of new water mains            | \$2,205,000  |
| 185  | Evesham MUA                  | 0313001-001 | Wells 13 & 14 Treatment Improvements            | \$1,869,000  |
| 187  | Marlboro Township            | 1328002-002 | Harbor Road Water Treatment Plant               | \$11,918,000 |
| 194  | Roosevelt Borough            | 1341001-004 | WTP upgrades                                    | \$537,000    |
| 208  | Ocean Township               | 1520001-005 | Replacement of undersized water mains           | \$709,000    |
| 213  | Middlesex Water Company      | 1225001-015 | Clean and line phase 12 (Renew 2014)            | \$4,200,000  |
| 219  | Hamilton Township MUA        | 0112001-003 | Replacement of antiquated water mains           | \$2,703,000  |
| 227  | Fountainhead Properties Inc. | 1511013-002 | Loop system with 400 LF of water main           | \$687,000    |
| 232  | Manchester UA                | 1603001-013 | Various Improvements at old filter plant.       | \$2,817,000  |
| 250  | Old Bridge MUA               | 1209002-010 | Replace 2,100 LF of water main Rte 516          | \$1,399,000  |
| 254  | Merch-Penn Water Comm.       | 0424001-007 | Rehab Park Avenue Storage Tank                  | \$2,678,000  |
| 271  | Clinton Town                 | 1005001-005 | Water main Rehab.                               | \$1,858,000  |
| 284  | Clayton Borough              | 0801001-002 | Rehab two Storage Tanks                         | \$4,001,000  |
| 285  | Stanhope Borough             | 1919001-001 | Replace water mains various roads               | \$1,892,000  |
| 291  | Roosevelt Borough            | 1341001-001 | Cleaning and lining of 8,900 LF of water mains  | \$657,000    |
| 303  | North Shore Water Assoc.     | 1904004-002 | Replacement of 1,800 LF of Water Mains          | \$407,000    |
| 305  | Gloucester City              | 0414001-016 | Replacement of automatic read meters            | \$969,000    |
| 306  | Hammonton Town               | 0113001-007 | Replace 1,500 meters                            | \$891,000    |
| 315  | Matawan Borough              | 1329001-005 | Middlesex Road Water ST Improvements            | \$987,000    |
| 316  | Clayton Borough              | 0801001-001 | Water System Improvements                       | \$4,001,000  |
| 322  | Old Bridge MUA               | 1209002-007 | Higgins Rd/Route 516 Wtr Stor. Tank Connect.    | \$6,374,000  |
| 338  | Pemberton Township           | 0329004-005 | Seal Well #4 and Drill test well #14            | \$395,000    |
| 341  | Brielle Borough              | 1308001-001 | Replace Union Lane storage tank                 | \$3,529,000  |
| 345  | Stanhope Borough             | 1919001-002 | Rehab. 50,000 gallon Elevated storage tank      | \$311,000    |
| 350  | Milford Borough              | 1020001-004 | Rehab. of the standpipe Mt Pleasant Rd          | \$261,000    |
| 356  | Independence MUA             | 2112001-001 | Autumn Lane Wellhead Rehab & Plant Improv.      | \$262,000    |
| 376  | Hammonton Town               | 0113001-010 | Installation of SCADA at water facilities       | \$225,000    |
| 377  | Pemberton Township           | 0329004-008 | Install. SCADA at wells and storage facil.      | \$373,000    |
| 386  | Hampton Borough              | 1013001-001 | Hampton Borough                                 | \$478,000    |
| 392  | Newfield Borough             | 0813001-002 | Replace Vineland interconnect. metering sta.    | \$48,000     |
| 425  | Fountainhead Properties Inc. | 1511013-004 | Improvements/Replacement of well #1             | \$687,000    |
| 426  | Fountainhead Properties Inc. | 1511013-003 | Rehabilitation of well #2                       | \$687,000    |
| 436  | Pine Beach Borough           | 1522001-001 | Townwide Water Meter Replacement Proj.          | \$914,000    |
| 441  | Montclair Township           | 0713001-008 | Nishuane Well Production and Treat. Facil.      | \$2,098,000  |
| 451  | Pine Beach Borough           | 1522001-002 | Replacement of well #1 Merion Ave.              | \$457,000    |
| 1064 | North Jersey District WSC    | 1613001-022 | Basins 5 & 6 Rehabilitation                     | \$14,362,000 |
| 1065 | North Jersey District WSC    | 1613001-025 | WWTP Recycle Lagoon Clear Phase                 | \$6,279,000  |
| 1066 | North Jersey District WSC    | 1613001-026 | Low Lift Natural Gas Pump                       | \$9,601,000  |
| 1067 | North Jersey District WSC    | 1613001-027 | Expansion of Aeration System                    | \$1,995,000  |
| 1068 | North Jersey District WSC    | 1613001-028 | Filter Building Pipe Gallery Dehumid / Painting | \$1,622,000  |

|      |                           |             |   |                      |
|------|---------------------------|-------------|---|----------------------|
| 1069 | North Jersey District WSC | 1613001-029 | Basins 1-4 Flocculator Rehabilitation               | \$2,489,000          |
| 1134 | Gloucester City           | 0414001-017 | Various Water Sys. Improvements, Phase II           | \$1,199,000          |
| 1221 | Pine Hill MUA             | 0428002-002 | Mt. Clement Water Storage Tank Rehab.               | \$484,000            |
| 1224 | Bloomingdale Borough      | 1601001-004 | Multiple Water Line upgrades                        | \$1,035,000          |
| 1358 | North Jersey District WSC | 1613001-030 | Central Receiving Expansion & Modifications         | \$783,000            |
|      |                           |             | <b>DW Loan Applications (Excluding Supp.) (73):</b> | <b>\$218,244,000</b> |
|      |                           |             |   |                      |
|      |                           |             | <b>Total DW Loan Applications (75):</b>             | <b>\$220,150,000</b> |

## **APPENDIX C**

**APPENDIX C**  
**FY2014 State Clean Water**  
**Interim Financing Project List**  
**Alphabetical Order**

| Rank                      | Applicant                        | Project No.  | Project Name  | Estimated Project Cost |
|---------------------------|----------------------------------|--------------|---|------------------------|
| <b>Supplemental Loans</b> |                                  |              |   |                        |
| Sup1                      | Newark City                      | S340815-05-1 | CSO Abatement                                       | \$10,117,000           |
| Sup5                      | Northwest Bergen County UA       | S340700-09-1 | Franklin Lakes Bus. District Sanitary Sewer         | \$5,048,000            |
| Sup7                      | Ocean Township                   | S340112-03-1 | Replace ACP Sewer Main Hornblower Drive             | \$452,000              |
| Sup2                      | Passaic Valley Sew. Comm.        | S340689-03-1 | EPS & WWPS Electrical Improvements                  | \$19,314,000           |
| Sup3                      | Passaic Valley Sew. Comm.        | S340689-10-1 | Contract A315 Phase IV Sewer                        | \$13,354,000           |
|                           |                                  |              | <b>Total Supplemental CW Loan Applications (5):</b> | <b>\$48,285,000</b>    |
| <b>Traditional</b>        |                                  |              |   |                        |
| 171                       | Atlantic Highlands-Highlands RSA | S340857-03   | Sewerage Force Main Replacement Project             | \$3,140,000            |
| 280                       | Bellmawr Borough                 | S340337-03   | Various Sewer Improvements                          | \$650,000              |
| 645                       | Bellmawr Borough                 | S342011-02   | Bellmawr Waterfront Develop. Remediation            | \$9,821,000            |
| 111                       | Bergen County UA                 | S340386-11   | Sludge Digester System Improvements                 | \$16,767,000           |
| 111                       | Bergen County UA                 | S340386-12   | Edgewater WPCF Outfall Extension                    | \$20,096,000           |
| 531                       | Burlington County                | S340818-06   | Stormwater Quality Enhancement Projects             | \$3,629,000            |
| 251                       | Burlington Township              | S340712-11   | Sanitary Sewer Rehab. in Various Locations          | \$1,103,000            |
| 1001                      | Burlington Township              | S340712-12   | New Sanitary Sewer Jet Vactor Truck                 | \$421,000              |
| 9                         | Camden City                      | S340366-09   | Repair/Rehab of Wastewater Pump Station             | \$11,155,000           |
| 2                         | Camden County MUA                | S340640-14   | Camden City Green / Grey Infrastruct. Improv.       | \$5,387,000            |
| 731                       | Carteret Borough                 | S340939-07   | Carteret Marina Dredging                            | \$13,899,000           |
| 496                       | Chatham Township                 | S340403-07   | Sanitary Sewer System Modifications                 | \$7,104,000            |
| 69                        | Delran Township                  | S340794-07   | Delran Wastewater Treat. Plant Improv.              | \$2,230,000            |
| 655                       | Edison Township                  | S342020-01   | Edison Landfill Closure                             | \$12,285,000           |
| 225                       | Egg Harbor Township MUA          | S340753-04   | Washington Avenue Interceptor                       | \$1,502,000            |
| 20                        | Elizabeth City                   | S340942-13   | Western Interceptor Modifications                   | \$11,802,000           |
| 88                        | Evesham MUA                      | S340838-04   | Woodstream / Elmwood WWTP Improv.                   | \$2,585,000            |
| 88                        | Evesham MUA                      | S340838-05   | Wastewater Treatment Plant Upgrades                 | \$3,657,000            |
| 77                        | Ewing Lawrence SA                | S340391-10   | WWTP Improvements Project                           | \$26,832,000           |
| 594                       | Fanwood Borough                  | S340429-01   | Glenwood Avenue Area Drainage Improv.               | \$2,264,000            |
| 80                        | Gloucester City                  | S340958-05   | Various Sanitary Sewer Improvements                 | \$1,623,000            |
| 1002                      | Gloucester City                  | S340958-06   | Various San. Swr. Syst. Improvements, Phase II      | \$608,000              |
| 1003                      | Gloucester City                  | S340958-07   | Various San. Swr. Syst. Improvements, Phase II      | \$608,000              |
| 541                       | Gloucester Township              | S340364-10   | Gloucester Township Stormwater Improv.              | \$2,334,000            |
| 62                        | Hackensack City                  | S340923-10   | Hackensack Storm Sewer Separation - Phase I         | \$4,032,000            |
| 250                       | Hamilton Township MUA            | S340903-04   | Pump Station Upgrades                               | \$953,000              |
| 179                       | Hammonton Town                   | S340927-05   | Pratt/Packard/Second/Grape St. Swr. Rehab.          | \$5,463,000            |

|      |                              |            |  |              |
|------|------------------------------|------------|--|--------------|
| 79   | Hanover Sewer Authority      | S340388-05 | Rehabilitation of Primary Digester No. 2       | \$10,116,000 |
| 497  | Harrison Township            | S340326-06 | Richwood Water Reclamation Facility            | \$19,252,000 |
| 608  | Highlands Borough            | S340901-03 | Stormwater System Improvements                 | \$4,506,000  |
| 23   | Jersey City MUA              | S340928-11 | Brown Place Sewer Rehab                        | \$4,460,000  |
| 23   | Jersey City MUA              | S340928-12 | Newark Ave/SIP Ave/Trenton St. Sewer Rehab.    | \$9,265,000  |
| 23   | Jersey City MUA              | S340928-13 | Duncan St Outfall Replacement                  | \$15,064,000 |
| 23   | Jersey City MUA              | S340928-14 | Grand St. Sewer Cleaning & Insp. Phase II      | \$2,597,000  |
| 327  | Long Beach Township          | S340023-05 | Sewer Main Replacement Project                 | \$3,701,000  |
| 136  | Long Beach Township          | S344170-02 | (BB) - DPW Yard Non-Point Source-Stormwater    | \$762,000    |
| 243  | Long Hill Township           | S340404-06 | STP (Infiltration/Inflow Correction)           | \$1,523,000  |
| 104  | Long Hill Township           | S340404-08 | STP (UV Disinfection System)                   | \$2,562,000  |
| 133  | Maple Shade Township         | S340710-08 | WWTP Improvements                              | \$1,995,000  |
| 182  | Middlesex County UA          | S340699-10 | Main Trunk Sewer Rehabilitation - Phase I      | \$10,265,000 |
| 539  | Middletown Township          | S340097-01 | Shadow Lake Restoration Project                | \$3,875,000  |
| 166  | Milltown Borough             | S340102-03 | Electric Utility Flood Mitigation Project      | \$14,700,000 |
| 65   | Millville City               | S340921-07 | Wastewater Treat. Plant Upgrade Phase II       | \$10,314,000 |
| 329  | National Park Borough        | S340419-01 | Replacement of Pump Stations 1 & 2             | \$1,714,000  |
| 7    | Newark City                  | S340815-21 | Phase -VI(H)Sewer Rehabilitation               | \$10,393,000 |
| 7    | Newark City                  | S340815-22 | Queen Ditch Restoration                        | \$4,849,000  |
| 542  | NJ Water Supply Authority    | S340421-01 | Dredging of the Delaware and Raritan Canal     | \$31,104,000 |
| 34   | North Bergen MUA             | S340652-13 | Woodcliff Plant Improvements                   | \$6,594,000  |
| 53   | North Hudson Sewer Authority | S340952-19 | Combined Sewer Improvements                    | \$5,048,000  |
| 102  | Ocean County                 | S344080-03 | (BB) - Berkeley Shores Basin #050055           | \$504,000    |
| 128  | Ocean County                 | S344080-05 | (BB) - Twilight Lake Dredging                  | \$2,621,000  |
| 353  | Ocean County UA              | S340372-48 | Areawide Biosolids Management Plan             | \$18,484,000 |
| 340  | Ocean Gate Borough           | S340151-01 | San Sewer Rehab and Infilt and inflow          | \$581,000    |
| 137  | Ocean Gate Borough           | S344180-01 | (BB) Storm Sewer MTD                           | \$1,614,000  |
| 167  | Ocean Township               | S340112-04 | Montclair Road Sewer Improvements              | \$394,000    |
| 230  | Ocean Township SA            | S340750-11 | Collection System Upgrades 2013                | \$4,778,000  |
| 543  | Old Bridge Township          | S340945-12 | Old Bridge Clean Energy Center                 | \$10,506,000 |
| 292  | Oradell Borough              | S340835-01 | Phase 2 Sanitary Sewer Improvements            | \$1,279,000  |
| 292  | Oradell Borough              | S340835-03 | Phase 3 Sanitary Sewer Improvements            | \$3,186,000  |
| 358  | Palmyra Borough              | S340030-04 | Sludge Thickening and Odor Control Project     | \$3,549,000  |
| 86   | Passaic Valley Sew. Comm.    | S340689-20 | Boiler Upgrade and Obtaining Exemption         | \$4,795,000  |
| 126  | Passaic Valley Sew. Comm.    | S340689-21 | Rehab Kearny-Harrison-Newark Branch Intercept. | \$1,176,000  |
| 1004 | Passaic Valley Sew. Comm.    | S340689-22 | Contract A781 Yantacaw PS Rehabilitation       | \$2,516,000  |
| 58   | Perth Amboy City             | S340435-10 | Collection System Component Improv.            | \$2,447,000  |
| 76   | Phillipsburg Town            | S340874-05 | WWTP Expansion & Outfall Relocation            | \$8,201,000  |
| 1005 | Pine Hill MUA                | S340274-04 | Atlantic Avenue Pump Station                   | \$777,000    |
| 350  | Point Pleasant Borough       | S340428-01 | Rehab Meadow Point Rd. and Bradley Rd. PS      | \$2,129,000  |
| 153  | Princeton Borough            | S340656-08 | Sanitary Sewer Rehabilitation Project          | \$3,529,000  |
| 90   | Raritan Township MUA         | S340485-09 | Treatment Plant Motor Control Center Replace.  | \$2,493,000  |
| 238  | Raritan Township MUA         | S340485-10 | Woodside Farms Pump Station Rehab.             | \$1,519,000  |

|      |                                   |            |  |                      |
|------|-----------------------------------|------------|--|----------------------|
| 198  | Rockaway Valley RSA               | S340821-06 | Rockaway River - Emergency Replacement             | \$6,846,000          |
| 449  | Secaucus Town                     | S340029-04 | born street pump station improvements              | \$2,237,000          |
| 1006 | Secaucus Town/Hud. County IA      | S342021-01 | Malanka Landfill Closure and Redevelopment         | \$18,501,000         |
| 1007 | South Monmouth RSA                | S340377-03 | Pump Station Improvements                          | \$8,463,000          |
| 96B  | Stafford Township                 | S344100-02 | Purchase Jet Vac Truck / Street Clean. Equip.      | \$990,000            |
| 96B  | Stafford Township                 | S344100-03 | Neptune Basin Expansion                            | \$3,186,000          |
| 200  | Toms River MUA                    | S340145-03 | Gravity, Sewer, Manhole and FM Improv.             | \$2,642,000          |
| 200  | Toms River MUA                    | S340145-04 | Sewage Pump Station Upgrades                       | \$3,340,000          |
| 67   | Warren County (Pequest River) MUA | S340454-04 | Oxford Area WWTF Upgrade                           | \$16,782,000         |
| 456  | Watchung Borough                  | S340823-02 | San. Sewer Extension Johnston Dr./Bonnie Burn      | \$1,310,000          |
| 202  | Western Monmouth UA               | S340128-04 | Pump Station Rehabilitation                        | \$5,489,000          |
| 158  | Wildwood Crest Borough            | S340719-03 | Street & Utility Reconstruction - San Swrs         | \$9,300,000          |
| 508  | Wildwood Crest Borough            | S340719-04 | Street & Utility Reconstruction - Stormwater       | \$3,997,000          |
| 122  | Willingboro MUA                   | S340132-04 | WWTP and Collection System Improvements            | \$3,833,000          |
| 161  | Willingboro MUA                   | S340132-05 | WWTP and Collection System Improvements            | \$1,307,000          |
|      |                                   |            | <b>CW Loan Applications (excluding Supp.) (85)</b> | <b>\$511,910,000</b> |
|      |                                   |            | <b>Total CW Loan Applications (90)</b>             | <b>\$560,195,000</b> |

## **APPENDIX D**

**APPENDIX D**  
**FY2014 State Drinking Water**  
**Interim Financing Project List**  
**Alphabetical Order**

| Rank                      | Applicant                    | Project No.   | Project Name                               | Estimated Project Cost |
|---------------------------|------------------------------|---------------|--|------------------------|
| <b>Supplemental Loans</b> |                              |               |  |                        |
| Sup1                      | Boonton Town                 | 1401001-002-1 | Green Street 1MG Tank Replacement          | \$1,827,000            |
| Sup2                      | Ocean Gate Borough           | 1521001-001   | Wind Energy System (Turbine No. 2)         | \$79,000               |
|                           |                              |               | <b>Supplemental DW Loan Applic. (2):</b>   |                        |
|                           |                              |               |  | <b>\$1,906,000</b>     |
| <b>Traditional Loans</b>  |                              |               |  |                        |
| 98                        | Bellmawr Borough             | 0404001-005   | Warren Ave and Leaf Ave WTP rehab.         | \$602,000              |
| 184                       | Berkeley Township MUA        | 1505004-006   | Install 10,000 LF of new water mains       | \$2,205,000            |
| 145                       | Berkeley Township MUA        | 1505004-007   | Install new well #4 with 1,000 LF of main  | \$1,158,000            |
| 1224                      | Bloomingdale Borough         | 1601001-004   | Multiple Water Line upgrades               | \$1,035,000            |
| 341                       | Brielle Borough              | 1308001-001   | Replace Union Lane storage tank            | \$3,529,000            |
| 59                        | Camden City                  | 0408001-018   | Rehab/Paint standpipe elevated tanks       | \$5,597,000            |
| 316                       | Clayton Borough              | 0801001-001   | Water System Improvements                  | \$4,001,000            |
| 284                       | Clayton Borough              | 0801001-002   | Rehab two Storage Tanks                    | \$4,001,000            |
| 271                       | Clinton Town                 | 1005001-005   | Water main Rehab.                          | \$1,858,000            |
| 185                       | Evesham MUA                  | 0313001-001   | Wells 13 & 14 Treatment Improvements       | \$1,869,000            |
| 148                       | Fountainhead Properties Inc. | 1511013-001   | Upgrade Improve Water System               | \$687,000              |
| 227                       | Fountainhead Properties Inc. | 1511013-002   | Loop system with 400 LF of water main      | \$687,000              |
| 426                       | Fountainhead Properties Inc. | 1511013-003   | Rehabilitation of well #2                  | \$687,000              |
| 425                       | Fountainhead Properties Inc. | 1511013-004   | Improvements/Replacement of well #1        | \$687,000              |
| 305                       | Gloucester City              | 0414001-016   | Replacement of automatic read meters       | \$969,000              |
| 1134                      | Gloucester City              | 0414001-017   | Various Water Sys. Improvements, Phase II  | \$1,199,000            |
| 219                       | Hamilton Township MUA        | 0112001-003   | Replacement of antiquated water mains      | \$2,703,000            |
| 11                        | Hammonton Town               | 0113001-006   | Radium removal treatment well #4           | \$2,747,000            |
| 306                       | Hammonton Town               | 0113001-007   | Replace 1,500 meters                       | \$891,000              |
| 139                       | Hammonton Town               | 0113001-008   | Replacement of water mains on Pratt St     | \$597,000              |
| 138                       | Hammonton Town               | 0113001-009   | Replace water mains Packard/Grape/2nd Sts. | \$1,073,000            |
| 376                       | Hammonton Town               | 0113001-010   | Installation of SCADA at water facilities  | \$225,000              |
| 386                       | Hampton Borough              | 1013001-001   | Hampton Borough                            | \$478,000              |
| 356                       | Independence MUA             | 2112001-001   | Autumn Lane Wellhead Rehab & Plant Improv. | \$262,000              |
| 104                       | Jersey City MUA              | 0906001-006   | Transmission Main Installation             | \$17,147,000           |
| 71                        | Long Beach Township          | 1517001-014   | Replacement of Water Mains                 | \$3,277,000            |
| 87                        | Manchester UA                | 1603001-006   | Rehabilitate Central Avenue Storage Tank   | \$2,817,000            |
| 86                        | Manchester UA                | 1603001-012   | Reservoir rehab/security improv.           | \$2,817,000            |
| 232                       | Manchester UA                | 1603001-013   | Various Improvements at old filter plant.  | \$2,817,000            |
| 187                       | Marlboro Township            | 1328002-002   | Harbor Road Water Treatment Plant          | \$11,918,000           |

|      |   |             |  |              |
|------|---|-------------|--|--------------|
| 315  | Matawan Borough                           | 1329001-005 | Middlesex Road Water ST Improvements                   | \$987,000    |
| 213  | Middlesex Water Company                   | 1225001-015 | Clean and line phase 12 (Renew 2014)                   | \$4,200,000  |
| 49   | Milford Borough                           | 1020001-003 | Install booster pump station Mt Pleasant Rd            | \$435,000    |
| 350  | Milford Borough                           | 1020001-004 | Rehab. of the standpipe Mt Pleasant Rd                 | \$261,000    |
| 441  | Montclair Township                        | 0713001-008 | Nishuane Well Production and Treat. Facil.             | \$2,098,000  |
| 53   | Mountain Shores Prop. Owners Assoc.       | 1414009-001 | Water main Rehab.                                      | \$863,000    |
| 24   | Newark City                               | 0714001-015 | Rehabilitation of Water Distribution Mains             | \$11,225,000 |
| 21   | Newark City                               | 0714001-016 | Pequannock Water Treat. Plant Rehab                    | \$9,365,000  |
| 25   | Newark City                               | 0714001-017 | Water Distribution System Upgrades                     | \$1,479,000  |
| 18   | Newfield Borough                          | 0813001-001 | Install radium treat well & emerg. Gen.                | \$1,053,000  |
| 392  | Newfield Borough                          | 0813001-002 | Replace Vineland interconnect. metering sta.           | \$48,000     |
| 20   | NJ American Water Co., Inc.               | 1707001-005 | Design Build centralized water treatment plant         | \$14,959,000 |
| 1064 | North Jersey District WSC                 | 1613001-022 | Basins 5 & 6 Rehabilitation                            | \$14,362,000 |
| 1066 | North Jersey District WSC                 | 1613001-026 | Low Lift Natural Gas Pump                              | \$9,601,000  |
| 1358 | North Jersey District WSC                 | 1613001-030 | Central Receiving Expansion & Modifications            | \$783,000    |
| 1067 | North Jersey District WSC                 | 1613001-027 | Expansion of Aeration System                           | \$1,995,000  |
| 1069 | North Jersey District WSC                 | 1613001-029 | Basins 1-4 Flocculator Rehabilitation                  | \$2,489,000  |
| 1065 | North Jersey District WSC                 | 1613001-025 | WWTP Recycle Lagoon Clear Phase                        | \$6,279,000  |
| 1068 | North Jersey District WSC                 | 1613001-028 | Filter Building Pipe Gallery Dehumid / Painting        | \$1,622,000  |
| 303  | North Shore Water Assoc.                  | 1904004-002 | Replacement of 1,800 LF of Water Mains                 | \$407,000    |
| 7    | North Shore Water Assoc.                  | 1904004-004 | Drilling Test Well                                     | \$154,000    |
| 208  | Ocean Township                            | 1520001-005 | Replacement of undersized water mains                  | \$709,000    |
| 322  | Old Bridge MUA                            | 1209002-007 | Higgins Rd/Route 516 Wtr Stor. Tank Connect.           | \$6,374,000  |
| 250  | Old Bridge MUA                            | 1209002-010 | Replace 2,100 LF of water main Rte 516                 | \$1,399,000  |
| 338  | Pemberton Township                        | 0329004-005 | Seal Well #4 and Drill test well #14                   | \$395,000    |
| 140  | Pemberton Township                        | 0329004-006 | Replacement of 4,900 LF of water mains                 | \$593,000    |
| 172  | Pemberton Township                        | 0329004-007 | Rehabilitation of Various Storage Tanks                | \$2,390,000  |
| 377  | Pemberton Township                        | 0329004-008 | Install. SCADA at wells and storage facil.             | \$373,000    |
| 436  | Pine Beach Borough                        | 1522001-001 | Townwide Water Meter Replacement Proj.                 | \$914,000    |
| 451  | Pine Beach Borough                        | 1522001-002 | Replacement of well #1 Merion Ave.                     | \$457,000    |
| 1221 | Pine Hill MUA                             | 0428002-002 | Mt. Clement Water Storage Tank Rehab.                  | \$484,000    |
| 291  | Roosevelt Borough                         | 1341001-001 | Cleaning and lining of 8,900 LF of water mains         | \$657,000    |
| 194  | Roosevelt Borough                         | 1341001-004 | WTP upgrades   | \$537,000    |
| 19   | Sea Village Marina/NJ Am. Water Co., Inc. | 0108021-002 | Water Main Extension                                   | \$1,144,000  |
| 285  | Stanhope Borough                          | 1919001-001 | Replace water mains various roads                      | \$1,892,000  |
| 345  | Stanhope Borough                          | 1919001-002 | Rehab. 50,000 gallon Elevated storage tank             | \$311,000    |
| 149  | Trenton City                              | 1111001-008 | Clean/lining 128,000 LF / 5,500 LF water mains         | \$24,969,000 |
| 80   | Vineland City                             | 0614003-011 | Replace radionuclide treatment at well #12             | \$3,150,000  |
| 50   | Wildwood City                             | 0514001-002 | Replacement & looping of water mains in Wildwood Crest | \$2,657,000  |
| 70   | Willingboro MUA                           | 0338001-004 | Installation of emergency generators at 3 wells        | \$783,000    |
| 29   | Willingboro MUA                           | 0338001-005 | Replace. Elec. distr. equip / gen. well # 6 WTP        | \$1,390,000  |

|    |                 |             |   |                      |
|----|-----------------|-------------|---|----------------------|
| 51 | Willingboro MUA | 0338001-006 | Paint two storage tanks-JFK Way / Ember Ln    | \$733,000            |
| 90 | Willingboro MUA | 0338001-007 | Replacement of 1,250 water meters             | \$728,000            |
|    |                 |             | <b>DW Loan Applic. (Excluding Supp) (73):</b> | <b>\$218,244,000</b> |
|    |                 |             |   |                      |
|    |                 |             | <b>Total DW Loan Applications (75):</b>       | <b>\$220,150,000</b> |

## **APPENDIX E**

**APPENDIX E**  
**Distribution of Financing Program Funds**  
**Throughout the State 1987 - 2012**

| <b>County</b> | <b>Loan Amounts</b>           |
|---------------|-------------------------------|
| Atlantic      | \$101,972,128                 |
| Bergen        | \$492,464,660                 |
| Burlington    | \$376,375,187                 |
| Camden        | \$616,047,376                 |
| Cape May      | \$58,743,128                  |
| Cumberland    | \$40,056,151                  |
| Essex         | \$520,010,454                 |
| Gloucester    | \$112,394,565                 |
| Hudson        | \$411,952,720                 |
| Hunterdon     | \$60,611,021                  |
| Mercer        | \$274,488,757                 |
| Middlesex     | \$582,737,288                 |
| Monmouth      | \$324,379,480                 |
| Morris        | \$359,908,237                 |
| Ocean         | \$460,628,633                 |
| Passaic       | \$192,561,215                 |
| Salem         | \$35,430,013                  |
| Somerset      | \$159,299,128                 |
| Sussex        | \$75,660,423                  |
| Union         | \$302,186,470                 |
| Warren        | \$78,209,375                  |
|               | <b><u>\$5,636,116,409</u></b> |

## **APPENDIX F**

**APPENDIX F**

| NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM |                |   |                      |                          |                                      |  |
|---|----------------|---|----------------------|--------------------------|--------------------------------------|--|
| November 1, 2013  | LOAN RECIPIENT | PROJECT/CONTRACT NUMBER                   | TOTAL ALLOWABLE COST | % PAID/ Advertise Target | % CONSTRUCTION COMPLETE/Award Target |  |
| <b>ACTIVE PROJECTS</b>                                    |                |   |                      |                          |                                      |  |
| SFY 88 PROJECTS   |                | 1987 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 89 PROJECTS   |                | 1988 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 90 PROJECTS   |                | 1989 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 91 PROJECTS   |                | 1990 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 92 PROJECTS   |                | 1991 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 93 PROJECTS   |                | 1992 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 94 PROJECTS   |                | 1993 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 95PROJECTS  |                | 1994 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 96 PROJECTS   |                | 1995 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 97 PROJECTS   |                | 1996 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 98 PROJECTS   |                | 1997 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 99 PROJECTS   |                | 1998 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 2000 PROJECTS   |                | 1999 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 2001 PROJECTS   |                | 2000 FINANCING PROGRAM                    |                      |                          |                                      |  |
| SFY 2002 PROJECTS   |                | 2001 FINANCING PROGRAM                    |                      |                          |                                      |  |
|   |                | ALL PROJECTS SFY 1988- SFY2002 CLOSED OUT |                      |                          |                                      |  |
| SFY 2003 LOANS  |                | 2002 FINANCING PROGRAM                    |                      |                          |                                      |  |
| Brick Twp MUA   |                | S340448-05/06                             | \$ 8,369,206         | 96%                      | 99%                                  | active                                 |
| North Hudson SA   |                | S340952-01                                | \$ 32,402,800        | 87%                      | 70%                                  | Easement litigation/Appeal response    |
|   |                | Contract W-1234                           |                      | T 04/13                  | T 05/13                              |  |
| SFY 2004 LOANS  |                | 2003 FINANCING PROGRAM                    |                      |                          |                                      |  |
| New Brunswick City  |                | S340437-11                                | \$ 4,633,000         | 93%                      | 90%                                  | active                                 |
| SFY 2005 LOANS  |                | 2004 FINANCING PROGRAM                    |                      |                          |                                      |  |
| Middlesex Boro  |                | S340698-01                                | \$ 1,689,656         | 76%                      | 90%                                  | appeal to add PS contract approved     |
|   |                | Bound Brook PS                            |                      | T 05/13                  | T 06/13                              |  |
| SFY 2006 LOANS  |                | 2005 FINANCING PROGRAM                    |                      |                          |                                      |  |
| Newark City   |                | S340815-05/07                             | \$ 25,372,726        | 86%                      | 70%                                  | precon delays/ now active              |
|   |                | Freeman Street CSO                        |                      | A 12/12                  | T 05/13                              | supp needed/Local approval needed      |
| North Hudson SA   |                | S340952-05/01-1                           | \$ 8,051,745         | 22%                      | 80%                                  | Easement litigation/Appeal response    |
|   |                | Contract W-1234                           |                      | T 04/13                  | T 05/13                              |  |
|   |                | S340865-02                                | \$ 2,434,182         | 66%                      | 92%                                  | Target completion is 1/13 as per email |
| SFY 2007 LOANS  |                | 2006 FINANCING PROGRAM                    |                      |                          |                                      |  |
| Camden Co MUA   |                | S340640-08/1/709-03&04                    | \$ 33,802,462        | 69%                      | 80%                                  | active                                 |
| Linden City   |                | S340679-01-1                              | \$ 1,083,600         | 98%                      | 98%                                  | active                                 |
| North Hudson SA   |                | S340952-04/05-1/07/08                     | \$ 8,992,636         | 89%                      | 95%                                  | active                                 |
| Passaic Valley SC   |                | S340689-01/03&10                          | \$ 34,050,675        | 13%                      | 15%                                  | Active/\$32m needed, supp for SFY13    |
|   |                | Contract A601                             |                      | A 11/12                  | A 01/30/13                           |  |
|   |                | Contract A315                             |                      | A 11/12                  | A 2/8/13                             |  |
| Princeton Sew Oper Com Boro                               |                | S340656-03A                               | \$ 1,778,284         | 75%                      | 99%                                  | last contract to be awarded            |
| Princeton Sew Oper Com Twp                                |                | S340656-03B                               | \$ 1,778,284         | 75%                      | 99%                                  | last contract to be awarded            |
|   |                | PSOC 2005-02 Equip                        |                      | A 09/12                  | T 05/13                              |  |
| North Jersey District WSC(64%/36%)                        |                | 1613001-015/017                           | \$ 3,455,273         | 40%                      | 45%                                  | active                                 |
|   |                | Wanaque South PS (64%/36%)                |                      | T 06/13                  | T 07/13                              |  |
| SFY 2008 LOANS  |                | 2007 FINANCING PROGRAM                    |                      |                          |                                      |  |
| Franklin Twp SA   |                | S340839-01                                | \$ 12,500,000        | 71%                      | 70%                                  | active                                 |
|   |                | Contract 2                                |                      | T 06/13                  | T 08/13                              | flow study complete                    |
| Jersey City MUA   |                | N92 928-05                                | \$ 12,151,154        | 90%                      | 90%                                  | ATAdv pending on final contract        |
|   |                | WPS-2007-23-NB(rebid)                     |                      | T 05/13                  | T 06/13                              |  |
| Magnolia Boro   |                | S340285-01/2                              | \$ 1,826,574         | 89%                      | 99%                                  | awaiting final payment                 |
| Newark City   |                | S340815-08/09/10                          | \$ 32,050,707        | 73%                      | 70%                                  | active                                 |
|   |                | 4th St., Delavan,Roanoke                  |                      | T 05/13                  | T 06/13                              |  |
| Passaic Valley SC   |                | S340689-11/14                             | \$ 24,189,156        | 46%                      | 77%                                  | active                                 |
| Princeton Sew Oper Com Boro                               |                | S340656-04A                               | \$ 1,696,443         | 62%                      | 95%                                  | last contract to be awarded            |
| Princeton Sew Oper Com Twp                                |                | S340656-04B                               | \$ 1,696,443         | 62%                      | 95%                                  | last contract to be awarded            |
|   |                | 05-03A/05-03B                             |                      | A 09/12                  | T 05/13                              |  |
| Rockaway Valley RSA                                       |                | S340821-03                                | \$ 8,311,640         | 98%                      | 99%                                  | active                                 |
| Seaside Park Boro   |                | S340083-01                                | \$ 3,906,212         | 97%                      | 99%                                  | awaiting final payment                 |
| Seaside Park Boro   |                | 1527001-001                               | \$ 3,817,716         | 97%                      | 99%                                  | awaiting final payment                 |
| Stony Brook RSA   |                | S340400-04                                | \$ 5,300,000         | 91%                      | 100%                                 | active                                 |
| Trenton City  |                | 1111001-004-1                             | \$ 12,881,160        | 84%                      | 99%                                  | awaiting final payment                 |

**APPENDIX F**

| NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM |                      |                                |                      |                          |                                      |  |
|---|----------------------|--------------------------------|----------------------|--------------------------|--------------------------------------|--|
| November 1, 2013  | LOAN RECIPIENT       | PROJECT/CONTRACT NUMBER        | TOTAL ALLOWABLE COST | % PAID/ Advertise Target | % CONSTRUCTION COMPLETE/Award Target |  |
| <b><u>ACTIVE PROJECTS</u></b>                             |                      |                                |                      |                          |                                      |  |
|   |                      |                                |                      |                          |                                      |  |
| <b>SFY 2009 LOANS</b>                                     |                      | <b>2008 FINANCING PROGRAM</b>  |                      |                          |                                      |  |
| Bergen Co UA  |                      | S340386-04-1/768-03-1/386-07   | \$ 27,235,178        | 87%                      | 100%                                 |  |
| Burlington City   |                      | S340712-07                     | \$ 7,225,708         | 81%                      | 95%                                  | active   |
| Haddon Twp  |                      | S340115-01                     | \$ 6,375,000         | 93%                      | 100%                                 | 30 day letter resent 3/25/13                   |
| North Hudson SA   |                      | S340952-10/11                  | \$ 11,112,036        | 60%                      | 93%                                  | active   |
| Ocean Co UA   |                      | S340372-27-1/32/33/34/35       | \$ 14,674,000        | 64%                      | 98%                                  | active   |
| Paterson City   |                      | N92 850-03                     | \$ 8,757,606         | 0%                       | 0%                                   | ATAdv 6/13                                     |
|   |                      | Outfall Facility CSO Point 029 |                      | T 06/13                  | T 07/13                              |  |
| Princeton Sew Op Com Boro                                 |                      | S340656-05A                    | \$ 2,068,454         | 46%                      | 90%                                  | last contract to be awarded                    |
| Princeton Sew Op Com Twp                                  |                      | S340656-05B                    | \$ 2,068,454         | 46%                      | 90%                                  | last contract to be awarded                    |
|   |                      | contract 08 - 03               |                      | A 09/12                  | T 05/13                              |  |
| East Windsor MUA  |                      | 1101002-001/002/003            | \$ 16,354,000        | 90%                      | 100%                                 | active   |
| Old Bridge MUA  |                      | 1209002-008/009                | \$ 3,562,000         | 75%                      | 98%                                  | active   |
| Orange City   |                      | 0717001-001/002/003/004-1      | \$ 7,329,438         | 89%                      | 98%                                  | active   |
| <b>SFY 2010 LOANS</b>                                     |                      | <b>2009 FINANCING PROGRAM</b>  |                      |                          |                                      |  |
| Asbury Park   |                      | S340883-04                     | \$ 14,389,737        | 82%                      | 100%                                 | 30 day letter sent 1/8/13                      |
| Atlantic Highlands/Highlands RSA                          |                      | S340857-02                     | \$ 915,000           | 0%                       | 65%                                  | emails sent/working with loanee                |
| <b>ARRA</b>   | Bayshore RSA         | S340697-04                     | \$ 7,700,000         | 81%                      | 77%                                  |  |
| Berkeley Heights Twp                                      |                      | S340385-04-1                   | \$ 1,802,980         | 77%                      | 90%                                  | change order work pending                      |
| <b>ARRA</b>   | Bordentown SA        | S340219-01                     | \$ 1,536,020         | 92%                      | 100%                                 | ext granted for equip                          |
| Bordentown SA   |                      | S340219-02                     | \$ 1,430,592         | 80%                      | 100%                                 |  |
| Brick Twp MUA   |                      | S340448-07/08                  | \$ 2,097,600         | 74%                      | 100%                                 |  |
| Carteret Boro   |                      | S340939-05                     | \$ 4,030,000         | 14%                      | 10%                                  | Bill follow-up/notice to proceed in June       |
| Chatham Boro  |                      | S340403-06                     | \$ 1,665,000         | 38%                      | 98%                                  |  |
| Dumont Boro   |                      | S340922-04                     | \$ 3,800,000         | 52%                      | 75%                                  | active/delayed for easements                   |
| East Orange City  |                      | S340843-01                     | \$ 3,040,500         | 62%                      | 98%                                  |  |
| <b>ARRA</b>   | East Windsor MUA     | S340536-07                     | \$ 1,756,880         | 97%                      | 100%                                 | send 30 day                                    |
| Gibbsboro Boro  |                      | S340871-03                     | \$ 1,039,614         | 47%                      | 95%                                  |  |
| Gloucester Twp MUA  |                      | S340364-01                     | \$ 2,205,000         | 64%                      | 100%                                 |  |
| Harrison Town/Harrison RA                                 |                      | S340098-02                     | \$ 3,593,485         | 88%                      | 100%                                 | active   |
| Hillsborough Twp  |                      | S340099-01                     | \$ 5,895,914         | 61%                      | 100%                                 |  |
| Jersey City MUA   |                      | S340928-05-1                   | \$ 2,041,195         | 0%                       | 90%                                  | ATAdv pending for final contract               |
|   |                      | WPS-2007-23-NB(rebid)          |                      | T 05/13                  | T 06/13                              |  |
| <b>ARRA</b>   | Long Branch SA       | S340336-03                     | \$ 13,735,000        | 96%                      | 97%                                  |  |
| Long Branch SA  |                      | S340336-07                     | \$ 4,701,241         | 87%                      | 100%                                 |  |
| Long Hill Twp   |                      | S340404-07                     | \$ 1,516,000         | 76%                      | 96%                                  |  |
| <b>ARRA</b>   | Middlesex Co UA      | S340699-05A                    | \$ 12,484,900        | 96%                      | 99%                                  |  |
| Middlesex Co UA   |                      | S340699-06-1                   | \$ 19,464,742        | 98%                      | 99%                                  |  |
| <b>ARRA</b>   | Montgomery Twp       | S340130-01                     | \$ 14,586,046        | 95%                      | 100%                                 |  |
| <b>ARRA</b>   | Mount Laurel Twp MUA | S340943-03                     | \$ 4,438,400         | 91%                      | 100%                                 | only Trust money remains/told to decr.         |
| Neptune Twp   |                      | S340410-04                     | \$ 1,288,500         | 97%                      | 98%                                  |  |
| Newark City   |                      | S340815-13                     | \$ 5,256,860         | 70%                      | 97%                                  |  |
| Newark City   |                      | S340815-14                     | \$ 648,000           | 89%                      | 100%                                 | working with loanee                            |
| <b>ARRA</b>   | Newark City          | S340815-17                     | \$ 12,873,134        | 73%                      | 95%                                  |  |
| NJ Sports & Exposition Auth                               |                      | S340138-02                     | \$ 22,513,039        | 91%                      | 99%                                  | final inspection delayed                       |
| <b>ARRA</b>   | North Bergen MUA     | S340652-09                     | \$ 9,062,904         | 87%                      | 95%                                  |  |
| North Hudson SA   |                      | S340952-12                     | \$ 11,098,000        | 66%                      | 70%                                  |  |
| <b>ARRA</b>   | North Hudson SA      | S340952-13A                    | \$ 22,070,270        | 90%                      | 98%                                  |  |
| North Hudson SA   |                      | S340952-13B                    | \$ 5,993,217         | 8%                       | 96%                                  |  |
| <b>ARRA</b>   | Ocean Twp SA         | S340750-08A                    | \$ 1,791,130         | 93%                      | 100%                                 | trust decrease only (\$143,553)/final in-house |
| Parsippany-Troy Hills Twp                                 |                      | S340886-01                     | \$ 25,344,280        | 91%                      | 98%                                  |  |
| <b>ARRA</b>   | Passaic Valley SC    | S340689-15A                    | \$ 17,383,494        | 69%                      | 75%                                  |  |
| Passaic Valley SC   |                      | S340689-15B                    | \$ 31,702,276        | 66%                      | 74%                                  |  |
| Pennsauken SA   |                      | S340349-05                     | \$ 932,000           | 80%                      | 85%                                  |  |
| <b>ARRA</b>   | Phillipsburg Town    | S340874-04                     | \$ 5,656,880         | 97%                      | 100%                                 | awaiting final payment                         |
| Princeton Sew Op Com Boro                                 |                      | S340656-06A                    | \$ 3,069,756         | 26%                      | 90%                                  |  |
| Princeton Sew Op Com Twp                                  |                      | S340656-06B                    | \$ 2,655,442         | 59%                      | 90%                                  |  |
|   |                      | Equipment purchase             |                      | A 12/12                  | T 05/13                              |  |
| Rockaway Valley Reg SA                                    |                      | S340756-02                     | \$ 2,830,000         | 35%                      | 98%                                  |  |
| <b>ARRA</b>   | Secaucus MUA         | S340154-01                     | \$ 2,746,164         | 95%                      | 98%                                  |  |
| <b>ARRA</b>   | Stony Brook RSA      | S340400-05                     | \$ 3,313,831         | 95%                      | 100%                                 |  |
| Toms River MUA  |                      | S340145-01                     | \$ 10,120,000        | 60%                      | 55%                                  |  |
|   |                      | PS06-09                        |                      | Scope Change             | A 02/13/13                           | partial award                                  |
|   |                      | PS05-09                        |                      | Scope Change             | A 02/13/13                           | partial award                                  |
|   |                      | SR-03-09                       |                      | T 5/13                   | T 7/13                               |  |

**APPENDIX F**

| NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM |                                |                                     |                      |                          |                                      |   |
|---|--------------------------------|-------------------------------------|----------------------|--------------------------|--------------------------------------|---|
| November 1, 2013  | LOAN RECIPIENT                 | PROJECT/CONTRACT NUMBER             | TOTAL ALLOWABLE COST | % PAID/ Advertise Target | % CONSTRUCTION COMPLETE/Award Target |   |
| <b>ACTIVE PROJECTS</b>                                    |                                |                                     |                      |                          |                                      |   |
| <b>SFY 2010 LOANS (CONT.)</b>                             |                                | <b>2009 FINANCING PROGRAM</b>       |                      |                          |                                      |   |
| ARRA  | Waldwick Boro                  | S340195-01                          | \$ 185,056           | 88%                      | 100%                                 |   |
| ARRA  | Western Monmouth UA            | S340128-02                          | \$ 2,117,480         | 86%                      | 100%                                 |   |
| ARRA  | Willingboro MUA                | S340132-02                          | \$ 7,014,448         | 91%                      | 100%                                 | 30 day letter sent 3/19/13                |
| ARRA  | Atlantic City MUA              | 0102001-002/004                     | \$ 3,096,156         | 87%                      | 100%                                 |   |
| ARRA  | Atlantic City MUA              | 0102001-003                         | \$ 1,980,000         | 79%                      | 98%                                  |   |
| ARRA  | Beach Haven Boro               | 1503001-001/003                     | \$ 1,637,800         | 90%                      | 100%                                 |   |
| ARRA  | Beach Haven Boro               | 1503001-004                         | \$ 4,082,251         | 92%                      | 100%                                 |   |
| ARRA  | Bridgeton City                 | 0601001-004                         | \$ 2,196,107         | 97%                      | 100%                                 | pending decrease                          |
|   | Brigantine City                | 0103001-009                         | \$ 1,242,000         | 98%                      | 99%                                  | working with loanee                       |
|   | Dover Town                     | 1409001-002                         | \$ 610,000           | 44%                      | 90%                                  |   |
|   | Flemington Boro                | 1009001-003/004-1                   | \$ 320,000           | 0%                       | 100%                                 | working with loanee                       |
|   | Harrison Town (Redevel Agency) | 0904001-003                         | \$ 720,011           | 85%                      | 99%                                  | 30 day letter sent 7/2 / extended to Sept |
|   | Hightstown Boro                | 1104001-004                         | \$ 1,935,000         | 88%                      | 100%                                 |   |
|   | Jersey City MUA                | 0906001-001                         | \$ 10,376,040        | 94%                      | 99%                                  |   |
| ARRA  | Keansburg Boro                 | 1321001-001                         | \$ 2,619,000         | 98%                      | 100%                                 |   |
|   | Kearny Town                    | 0907001-002                         | \$ 1,043,640         | 88%                      | 100%                                 |   |
|   | Manasquan Boro                 | 1327001-001                         | \$ 6,279,000         | 76%                      | 98%                                  |   |
| ARRA  | Manchester UA                  | 1603001-002/010                     | \$ 4,911,645         | 83%                      | 100%                                 | fund decreased/Trust remains active       |
| ARRA  | Montclair Twp                  | 0713001-009                         | \$ 734,657           | 56%                      | 100%                                 |   |
| ARRA  | Newark City                    | 0714001-005                         | \$ 9,866,276         | 92%                      | 100%                                 |   |
|   | NJ Water SA (SE Mon MUA)       | 1352005-002/003                     | \$ 7,984,518         | 76%                      | 99%                                  |   |
| ARRA  | Salem City                     | 1712001-001                         | \$ 11,602,416        | 94%                      | 99%                                  | change order work required                |
| ARRA  | Stafford Twp W&S U Dept        | 1530004-012                         | \$ 384,924           | 94%                      | 100%                                 |   |
|   | Trenton City                   | 1111001-006                         | \$ 8,550,000         | 81%                      | 80%                                  |   |
| ARRA  | Willingboro MUA                | 0338001-001                         | \$ 2,477,480         | 88%                      | 100%                                 | 30 day letter sent 3/19/13                |
| <b>SFY 2011 LOANS</b>                                     |                                |                                     |                      |                          |                                      |   |
| <b>2010 FINANCING PROGRAM</b>                             |                                |                                     |                      |                          |                                      |   |
|   | Brigantine City                | S340827-03                          | \$ 5,025,300         | 83%                      | 99%                                  |   |
|   | Camden Co MUA                  | S340640-06-1/09-1/11-1              | \$ 19,823,973        | 89%                      | 99%                                  |   |
|   | Cape May Co MUA                | S340661-11/12/13                    | \$ 8,473,074         | 87%                      | 99%                                  |   |
|   | Edgewater Park SA              | S340108-02                          | \$ 1,914,327         | 91%                      | 100%                                 |   |
|   | Ewing-Lawrence SA              | S340391-08                          | \$ 5,318,580         | 66%                      | 97%                                  | 10/11- appeal granted                     |
|   | Glen Ridge Boro                | S340861-01                          | \$ 361,030           | 79%                      | 94%                                  |   |
|   | Hackensack City                | S340923-11                          | \$ 2,110,000         | 94%                      | 95%                                  |   |
|   | Hamburg Boro                   | S340149-01                          | \$ 1,082,702         | 85%                      | 98%                                  |   |
|   | Lambertville MUA               | S340882-07                          | \$ 354,000           | 7%                       | 0%                                   | equipment purchase                        |
|   | Equipment                      |                                     |                      | T 05/13                  | T 06/13                              | Reauthorization ATA                       |
|   | Lyndhurst Twp                  | S340426-08                          | \$ 3,190,000         | 0%                       | 0%                                   | Notice to Proceed issued 11/29/12         |
|   |                                |                                     |                      | A 07/12                  | A 10/12                              | Precon held 11/29/12                      |
|   | Medford Twp                    | S340346-07                          | \$ 3,415,000         | 97%                      | 98%                                  |   |
|   | Middlesex Co UA                | S340699-09                          | \$ 11,548,000        | 74%                      | 75%                                  |   |
|   | Montgomery Twp                 | S340130-02-1                        | \$ 9,660,500         | 94%                      | 99%                                  |   |
|   | Newark City                    | S340815-20                          | \$ 12,816,520        | 87%                      | 65%                                  |   |
|   | North Hudson SA                | S340952-14/15/16                    | \$ 6,025,330         | 72%                      | 95%                                  |   |
|   | Northwest Bergen Co UA         | S340700-10                          | \$ 3,360,000         | 94%                      | 98%                                  |   |
|   | Norwood Boro                   | S340230-01                          | \$ 1,073,700         | 66%                      | 72%                                  |   |
|   | Ocean Co UA                    | S340372-42/43/44                    | \$ 8,282,318         | 77%                      | 93%                                  |   |
|   | Passaic Valley SC              | S340689-18                          | \$ 19,064,258        | 49%                      | 56%                                  |   |
|   | Pequannock, LP & F SA          | S340880-03-1                        | \$ 2,231,000         | 90%                      | 96%                                  |   |
|   | Somers Point City              | S340618-01                          | \$ 2,930,000         | 54%                      | 100%                                 |   |
|   | Stone Harbor Boro              | S340722-03                          | \$ 2,205,000         | 50%                      | 100%                                 |   |
|   | Stony Brook Reg SA             | S340400-06                          | \$ 12,021,600        | 68%                      | 72%                                  |   |
|   | Sussex Boro                    | S340155-01                          | \$ 1,150,800         | 70%                      | 99%                                  |   |
|   | Beach Haven Boro               | 1503001-002                         | \$ 2,572,000         | 76%                      | 100%                                 |   |
|   | Boonton Town                   | 1401001-001                         | \$ 1,285,388         | 78%                      | 80%                                  |   |
|   | Clinton Town                   | 1005001-001/002                     | \$ 2,931,532         | 94%                      | 100%                                 |   |
|   | East Orange City               | 0705001-008                         | \$ 7,324,000         | 0%                       | 0%                                   |   |
|   | Water Sys Improvement          |                                     |                      | T 04/13                  | T 05/13                              |   |
|   | Great Gorge Terrace Condo Asso | 1922014-001                         | \$ 855,907           | 68%                      | 100%                                 |   |
|   | Island Heights Boro            | 1510001-002/003                     | \$ 4,902,000         | 50%                      | 66%                                  |   |
|   | Lyndhurst Twp                  | 0232001-001                         | \$ 8,816,949         | 77%                      | 98%                                  |   |
|   | Newark City                    | 0714001-006                         | \$ 8,882,622         | 80%                      | 100%                                 |   |
|   | NJ American Water Co           | 0119002-005                         | \$ 3,073,437         | 75%                      | 98%                                  |   |
|   | NJ American Water Co           | 0712001-012/0327001-011/1345001-013 | \$ 9,393,793         | 93%                      | 99%                                  |   |

**APPENDIX F**

| NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM |                   |                               |                      |                          |                                      |                |
|---|-------------------|-------------------------------|----------------------|--------------------------|--------------------------------------|----------------|
| November 1, 2013  |                   |                               |                      |                          |                                      |                |
|   | LOAN RECIPIENT    | PROJECT/CONTRACT NUMBER       | TOTAL ALLOWABLE COST | % PAID/ Advertise Target | % CONSTRUCTION COMPLETE/Award Target | PROJECT STATUS |
| <b>ACTIVE PROJECTS</b>                                    |                   |                               |                      |                          |                                      |                |
| <b>SFY 2011 LOANS (CONT.)</b>                             |                   | <b>2010 FINANCING PROGRAM</b> |                      |                          |                                      |                |
| Ocean Twp   | 1520001-001       | \$ 1,193,292                  | 93%                  | 99%                      |                                      |                |
| Perth Amboy City  | 1216001-004-1     | \$ 1,700,976                  | 93%                  | 100%                     |                                      |                |
| Sayreville Boro   | 1219001-007       | \$ 15,610,000                 | 70%                  | 88%                      |                                      |                |
| Sea Girt Boro   | 1344001-001/002-1 | \$ 848,516                    | 84%                  | 94%                      |                                      |                |
| Trenton City  | 1111001-009       | \$ 13,490,000                 | 30%                  | 50%                      | pre-con lag delayed                  |                |
| <b>SFY 2012 LOANS</b>                                     |                   | <b>2011 FINANCING PROGRAM</b> |                      |                          |                                      |                |
| Atlantic County UA  | S340809-18        | \$ 2,087,417                  | 94%                  | 92%                      |                                      |                |
| Bergen Co UA  | S340386-05-1      | \$ 1,298,542                  | 95%                  | 100%                     |                                      |                |
| Bordentown SA   | S340219-03        | \$ 2,242,800                  | 44%                  | 60%                      |                                      |                |
| Camden Co MUA   | S340640-10        | \$ 50,050,000                 | 70%                  | 55%                      |                                      |                |
| Cape May Co MUA   | S340661-17        | \$ 192,433                    | 12%                  | 90%                      |                                      |                |
| Cape May Co MUA   | S340661-18        | \$ 239,924                    | 45%                  | 90%                      |                                      |                |
| Clinton Town  | S340924-04        | \$ 1,404,610                  | 77%                  | 90%                      |                                      |                |
| Elizabeth City  | S340942-11        | \$ 7,098,417                  | 35%                  | 32%                      |                                      |                |
| Ewing-Lawrence SA   | S340391-09        | \$ 1,307,469                  | 86%                  | 99%                      |                                      |                |
| Frenchtown Boro   | S340331-01        | \$ 8,746,800                  | 22%                  | 25%                      |                                      |                |
| Gloucester Twp  | S340364-07        | \$ 1,581,250                  | 0%                   | 100%                     |                                      |                |
| Gloucester Twp  | S340364-08        | \$ 451,175                    | 0%                   | 0%                       | dropped loan                         |                |
| Hanover SA  | S340388-04        | \$ 4,890,305                  | 30%                  | 25%                      |                                      |                |
| Harrington Park Boro                                      | S340223-01        | \$ 345,125                    | 96%                  | 100%                     |                                      |                |
| Hightstown Boro   | S340915-03        | \$ 690,573                    | 90%                  | 90%                      |                                      |                |
| Jersey City MUA   | S340928-06-1      | \$ 1,800,160                  | 1%                   | 90%                      |                                      |                |
| Kearny MUA  | S340259-09        | \$ 1,873,270                  | 46%                  | 65%                      |                                      |                |
| Linden Roselle SA   | S340299-07        | \$ 10,255,655                 | 65%                  | 66%                      |                                      |                |
| Linwood City  | S340217-02        | \$ 1,541,242                  | 90%                  | 100%                     |                                      |                |
| Long Beach Twp  | S340023-04        | \$ 2,779,409                  | 47%                  | 75%                      |                                      |                |
| Maple Shade Twp   | S340710-07        | \$ 1,315,755                  | 0%                   | 99%                      | working with loanee                  |                |
| Maywood Boro  | S340226-01        | \$ 876,628                    | 0%                   | 100%                     | working with loanee                  |                |
| Milltown Boro   | S340102-02        | \$ 1,446,422                  | 33%                  | 40%                      |                                      |                |
| Montclair Twp   | S340837-02        | \$ 973,243                    | 0%                   | 75%                      |                                      |                |
| Newark City   | S340815-12        | \$ 16,757,632                 | 55%                  | 15%                      |                                      |                |
| North Hudson SA   | S340952-17        | \$ 2,283,500                  | 0%                   | 55%                      |                                      |                |
| NW Bergen County UA                                       | S340700-09        | \$ 5,127,721                  | 57%                  | 50%                      |                                      |                |
| Ocean County UA   | S340372-45        | \$ 5,019,123                  | 10%                  | 15%                      |                                      |                |
| Ocean County UA   | S340372-46        | \$ 4,134,438                  | 25%                  | 80%                      |                                      |                |
| Ocean County UA   | S340372-47        | \$ 1,572,463                  | 66%                  | 90%                      |                                      |                |
| Ocean Twp   | S340112-02        | \$ 843,434                    | 55%                  | 99%                      |                                      |                |
| Old Bridge MUA  | S340945-11        | \$ 1,860,354                  | 32%                  | 20%                      |                                      |                |
| Old Bridge MUA  | S340945-08        | \$ 8,974,000                  | 36%                  | 30%                      |                                      |                |
| Old Bridge MUA  | S340945-10        | \$ 3,271,000                  | 58%                  | 60%                      |                                      |                |
| Pleasantville City  | S340752-01        | \$ 1,161,401                  | 56%                  | 0%                       |                                      |                |
| Princeton Boro  | S340656-07A       | \$ 1,522,859                  | 0%                   | 98%                      | working with loanee                  |                |
| Princeton Twp   | S340656-07B       | \$ 1,661,872                  | 0%                   | 98%                      | working with loanee                  |                |
| Raritan Twp MUA   | S340485-06        | \$ 1,071,357                  | 77%                  | 73%                      |                                      |                |
| Raritan Twp MUA   | S340485-08        | \$ 1,501,120                  | 70%                  | 84%                      |                                      |                |
| Rockaway Valley RSA                                       | S340821-05        | \$ 4,076,615                  | 86%                  | 93%                      |                                      |                |
| Roselle Boro  | S340332-01        | \$ 1,988,351                  | 0%                   | 98%                      | working with loanee                  |                |
| Seaside Park Boro   | S340083-02        | \$ 2,358,973                  | 25%                  | 35%                      |                                      |                |
| Stone Harbor Boro   | S340722-04        | \$ 3,795,443                  | 45%                  | 90%                      |                                      |                |
| Weehawkin Twp   | S3343077-01       | \$ 8,892,448                  | 99%                  | 100%                     |                                      |                |
| Aberdeen Twp  | 1330002-002       | \$ 1,263,369                  | 86%                  | 100%                     |                                      |                |
| Aqua New Jersey Inc                                       | 2119001-007       | \$ 400,460                    | 91%                  | 100%                     |                                      |                |
| Aqua New Jersey Inc                                       | 0415002-007       | \$ 930,951                    | 87%                  | 100%                     |                                      |                |
| Boonton Town  | 1401001-002       | \$ 1,509,522                  | 50%                  | 50%                      |                                      |                |
| Byram HOA   | 1904009-001       | \$ 90,000                     | 81%                  | 79%                      |                                      |                |
| Byram HOA   | 1904009-002       | \$ 252,500                    | 13%                  | 7%                       |                                      |                |
| Byram HOA   | 1904009-003       | \$ 38,250                     | 70%                  | 67%                      |                                      |                |
| Byram HOA   | 1904009-004       | \$ 27,540                     | 18%                  | 0%                       |                                      |                |
| Byram HOA   | 1904009-005       | \$ 155,500                    | 18%                  | 0%                       |                                      |                |
| Clinton Town  | 1005001-004       | \$ 923,252                    | 80%                  | 87%                      |                                      |                |
| Dover Town  | 1409001-002-1     | \$ 213,039                    | 0%                   | 95%                      | working with loanee                  |                |
| Hamilton Twp MUA  | 0112001-001       | \$ 340,135                    | 96%                  | 100%                     |                                      |                |
| Hammonton Town  | 0113001-004       | \$ 3,161,555                  | 84%                  | 0%                       |                                      |                |
| Hightstown Boro   | 1104001-005       | \$ 913,976                    | 50%                  | 0%                       |                                      |                |
| Kearny Town   | 0907001-001       | \$ 870,504                    | 6%                   | 0%                       |                                      |                |

**APPENDIX F**

| NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM |                |                               |                         |                          |                                      |                          |
|---|----------------|-------------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|
| November 1, 2013  | LOAN RECIPIENT | PROJECT/CONTRACT NUMBER       | TOTAL ALLOWABLE COST    | % PAID/ Advertise Target | % CONSTRUCTION COMPLETE/Award Target |                          |
| <b>ACTIVE PROJECTS</b>                                    |                |                               |                         |                          |                                      |                          |
| <b>SFY 2012 LOANS (CONT.)</b>                             |                | <b>2011 FINANCING PROGRAM</b> |                         |                          |                                      |                          |
| Lakewood Twp MUA  |                | 1514002-002/6/7/8/9/10-1      | \$ 2,065,348            | 30%                      | 97%                                  |                          |
| Lakewood Twp MUA  |                | 1514002-011                   | \$ 3,241,041            | 72%                      | 80%                                  |                          |
| Long Beach Twp  |                | 1517001-011                   | \$ 2,444,414            | 75%                      | 85%                                  |                          |
| Matawan Boro  |                | 1329001-001                   | \$ 4,816,900            | 72%                      | 75%                                  |                          |
| Middlesex Water Co  |                | 1225001-013                   | \$ 3,946,666            | 96%                      | 95%                                  |                          |
| Monroe Twp  |                | 1213002-001                   | \$ 2,958,800            | 70%                      | 100%                                 |                          |
| New Jersey WSA  |                | 1352005-004                   | \$ 3,083,000            | 97%                      | 97%                                  |                          |
| NJ American Water Co                                      |                | 0712001-005                   | \$ 66,186,789           | 96%                      | 95%                                  |                          |
| NJ American Water Co                                      |                | 0323001-002                   | \$ 6,034,685            | 0%                       | 85%                                  |                          |
| Nutley Twp  |                | 0716001-001                   | \$ 1,982,864            | 57%                      | 62%                                  |                          |
| Ocean Twp   |                | 1520001-001-1                 | \$ 300,440              | 0%                       | 99%                                  | working with loanee      |
| Ocean Twp   |                | 1520001-002                   | \$ 258,800              | 0%                       | 99%                                  | working with loanee      |
| Ocean Twp   |                | 1520001-003                   | \$ 722,866              | 72%                      | 98%                                  |                          |
| Seaside Park Boro   |                | 1527001-002                   | \$ 2,006,768            | 35%                      | 45%                                  |                          |
| Stone Harbor Boro   |                | 0510001-005                   | \$ 458,830              | 34%                      | 90%                                  |                          |
| Stone Harbor Boro   |                | 0510001-004                   | \$ 763,814              | 0%                       | 100%                                 | awaiting final payment   |
| Westville Boro  |                | 0821001-002                   | \$ 863,625              | 83%                      | 95%                                  |                          |
| Westville Boro  |                | 0821001-003                   | \$ 98,440               | 49%                      | 95%                                  |                          |
| Winslow Twp   |                | 0436007-007                   | \$ 3,091,028            | 90%                      | 100%                                 |                          |
| Howell Twp  |                | S344040-01 (BBB 12)           | \$ 613,560              | 24%                      | 95%                                  |                          |
| Jackson Twp   |                | S344050-01 (BBB 11)           | \$ 644,488              | 64%                      | 95%                                  |                          |
| Ocean County  |                | BBB3                          | \$ 736,910              | 0%                       | 95%                                  |                          |
| Ocean County  |                | BBB5                          | \$ 674,060              | 0%                       | 95%                                  |                          |
| Ocean County  |                | BBB6                          | \$ 423,990              | 0%                       | 95%                                  |                          |
| Ocean County  |                | BBB7                          | \$ 469,520              | 0%                       | 95%                                  |                          |
| Ocean County  |                | BBB10                         | \$ 397,402              | 0%                       | 95%                                  |                          |
| Ocean County  |                | BBB17                         | \$ 774,528              | 0%                       | 95%                                  |                          |
| Ocean County  |                | BBB20                         | \$ 661,051              | 0%                       | 95%                                  |                          |
| Ocean County  |                | BBB37                         | \$ 549,105              | 0%                       | 95%                                  |                          |
| Stafford Twp  |                | BBB1                          | \$ 1,131,548            | 0%                       | 90%                                  |                          |
| Stafford Twp  |                | BBB2                          | \$ 184,602              | 0%                       | 100%                                 |                          |
| Toms River Twp  |                | BBB4                          | \$ 761,106              | 0%                       | 90%                                  |                          |
| <b>SFY 2013 LOANS</b>                                     |                | <b>2012 FINANCING PROGRAM</b> |                         |                          |                                      |                          |
| Cinnaminson   |                | S340170-04                    | \$ 1,789,000            | 5%                       | 0%                                   | interim closed 2/15/12   |
| Cinnaminson   |                | S340170-06                    | \$ 1,710,376            | 15%                      | 0%                                   | interim closed 2/15/12   |
| Elizabeth City  |                | S340942-14                    | \$ 2,323,000            | 18%                      | 19%                                  | interim closed 9/6/12    |
| National Park Borough                                     |                | S340419-01                    | \$ 890,624              | 26%                      | 0%                                   | interim closed 2/15/12   |
| Hammonton Town  |                | 0113001-005                   | \$ 2,070,400            | 92%                      | 0%                                   | interim closed 3/21/2013 |
| NJWSA - Southeast Monmouth MUA                            |                | 1352005-005                   | \$ 6,098,278            | 47%                      | 35%                                  | Interim closed 8/15/12   |
| Woodbury Borough  |                | 0822001-001                   | \$ 3,349,708            | 0%                       | 90%                                  | interim closed 2/15/12   |
|   |                |                               |                         |                          |                                      |                          |
|   |                |                               |                         |                          |                                      |                          |
| 244   |                | <b>TOTAL ACTIVE</b>           | <b>\$ 1,369,513,615</b> |                          |                                      |                          |
|   |                |                               |                         |                          |                                      |                          |
| 818   |                | <b>TOTAL CLOSED</b>           | <b>\$ 4,101,758,754</b> |                          |                                      |                          |
|   |                |                               |                         |                          |                                      |                          |
| 1062  |                | <b>GRAND TOTAL</b>            | <b>\$ 5,471,272,369</b> |                          |                                      |                          |
|   |                |                               |                         |                          |                                      |                          |
| Updated: 11/01/13   |                |                               |                         |                          |                                      |                          |

## **APPENDIX G**

New Jersey Environmental Infrastructure Trust

NJEIT 2014

## **Trust/Fund Program Financing**

### **Sources and Uses**

|   | <u>Trust Loan</u>     | <u>Fund Loan</u>      | <u>Total</u>          |
|---|-----------------------|-----------------------|-----------------------|
| <b>Sources of Funds:</b>                |                       |                       |                       |
| Loan Proceeds                           | 204,735,000.00        | 585,258,750.00        | <b>789,993,750.00</b> |
| Investment Earnings                     |                       |                       |                       |
| Construction Fund                       | 0.00                  |                       | 0.00                  |
| Capitalized Interest Fund               | 0.00                  |                       | 0.00                  |
| Trust-Level DSRF during Construction    | 0.00                  |                       | 0.00                  |
| Trust Contribution for Trust-Level DSRF | 0.00                  |                       | 0.00                  |
| Accrued Interest                        | 0.00                  |                       | 0.00                  |
| <br>                                    |                       |                       |                       |
| <b>Total Sources of Funds</b>           | <b>204,735,000.00</b> | <b>585,258,750.00</b> | <b>789,993,750.00</b> |

### ***Uses of Funds:***

|                                       |                       |                       |                       |
|---------------------------------------|-----------------------|-----------------------|-----------------------|
| Total Construction Cost               | 195,086,250.00        | 585,258,750.00        | 780,345,000.00        |
| Total Capitalized Interest            | 0.00                  | 0.00                  |                       |
| Underwriters' Discount (\$8/bond)     | 1,637,880.00          |                       | 1,637,880.00          |
| Trust Admin Fee (.001) <sup>(1)</sup> | 204,735.00            |                       | 204,735.00            |
| DEP State Fee (1%) <sup>(2)</sup>     | <b>7,803,450.00</b>   |                       | 7,803,450.00          |
| Bond Insurance Premium                | 0.00                  |                       | 0.00                  |
| Trust-Level Debt Service Reserve Fund | 0.00                  |                       | 0.00                  |
| Accrued Interest                      | 0.00                  |                       | 0.00                  |
| Rounding Amount                       | 2,685.00              |                       | 2,685.00              |
| <br>                                  |                       |                       |                       |
| <b>Total Uses of Funds</b>            | <b>204,735,000.00</b> | <b>585,258,750.00</b> | <b>789,993,750.00</b> |

Dated Date 5/2/2014

**Dated Date**

### **Delivery Date**

### **First Construction Draw Payment First Debt Service Payment Date**

Blended Cost of Capital 1.22098274%

*[1]Trust Admin Fee estimate of .001 of Trust Loan Par Amount paid at closing.*

[2]DEP State Fee estimate of 1% of Total Construction Cost paid at closing.

New Jersey Environmental Infrastructure Trust

NJEIT 2014

Trust/Fund Program Financing

Construction Fund Draw Schedule

| <u>Period<br/>Ending</u> | <u>Beginning<br/>Balance</u> | <u>Plus: CF<br/>Deposits</u> | <u>Plus: CF<br/>Earnings [1]</u> | <u>Plus: Other<br/>Earnings</u> | <u>Less: CF<br/>Draws</u> | <u>Ending<br/>Balance</u> |
|--------------------------|------------------------------|------------------------------|----------------------------------|---------------------------------|---------------------------|---------------------------|
| 5/2/2014                 |                              | 195,086,250.00               |                                  |                                 | (195,086,250.00)          |                           |
| 6/1/2014                 |                              |                              |                                  |                                 |                           |                           |
| 7/1/2014                 |                              |                              |                                  |                                 |                           |                           |
| 8/1/2014                 |                              |                              |                                  |                                 |                           |                           |
| 9/1/2014                 |                              |                              |                                  |                                 |                           |                           |
| 10/1/2014                |                              |                              |                                  |                                 |                           |                           |
| 11/1/2014                |                              |                              |                                  |                                 |                           |                           |
| 12/1/2014                |                              |                              |                                  |                                 |                           |                           |
| 1/1/2015                 |                              |                              |                                  |                                 |                           |                           |
| 2/1/2015                 |                              |                              |                                  |                                 |                           |                           |
| 3/1/2015                 |                              |                              |                                  |                                 |                           |                           |
| 4/1/2015                 |                              |                              |                                  |                                 |                           |                           |
| 5/1/2015                 |                              |                              |                                  |                                 |                           |                           |
| 6/1/2015                 |                              |                              |                                  |                                 |                           |                           |
| 7/1/2015                 |                              |                              |                                  |                                 |                           |                           |
| 8/1/2015                 |                              |                              |                                  |                                 |                           |                           |
| 9/1/2015                 |                              |                              |                                  |                                 |                           |                           |
| 10/1/2015                |                              |                              |                                  |                                 |                           |                           |
| 11/1/2015                |                              |                              |                                  |                                 |                           |                           |
| 12/1/2015                |                              |                              |                                  |                                 |                           |                           |
| 1/1/2016                 |                              |                              |                                  |                                 |                           |                           |
| 2/1/2016                 |                              |                              |                                  |                                 |                           |                           |
| 3/1/2016                 |                              |                              |                                  |                                 |                           |                           |
| 4/1/2016                 |                              |                              |                                  |                                 |                           |                           |
| 5/1/2016                 |                              |                              |                                  |                                 |                           |                           |
| 6/1/2016                 |                              |                              |                                  |                                 |                           |                           |
| 7/1/2016                 |                              |                              |                                  |                                 |                           |                           |
| 8/1/2016                 |                              |                              |                                  |                                 |                           |                           |
| 9/1/2016                 |                              |                              |                                  |                                 |                           |                           |
| 10/1/2016                |                              |                              |                                  |                                 |                           |                           |
| 11/1/2016                |                              |                              |                                  |                                 |                           |                           |
| 12/1/2016                |                              |                              |                                  |                                 |                           |                           |
| 1/1/2017                 |                              |                              |                                  |                                 |                           |                           |
| 2/1/2017                 |                              |                              |                                  |                                 |                           |                           |
| 3/1/2017                 |                              |                              |                                  |                                 |                           |                           |
| 4/1/2017                 |                              |                              |                                  |                                 |                           |                           |
|                          |                              | 195,086,250.00               |                                  |                                 | (195,086,250.00)          |                           |

[1] The Construction Fund earns interest at 0.100% per annum, compounded 2 times per year.

**New Jersey Environmental Infrastructure Trust  
NJEIT 2014  
Trust/Fund Program Financing  
Construction Fund Draw Schedule**

| <b>Date</b> | <b>Trust Loan<br/>Construction</b> | <b>Fund Loan<br/>Construction</b> | <b>Total<br/>Draw</b> |
|-------------|------------------------------------|-----------------------------------|-----------------------|
| 5/2/2014    | (195,086,250.00)                   | (585,258,750.00)                  | (780,345,000.00)      |
| 6/1/2014    |                                    |                                   |                       |
| 7/1/2014    |                                    |                                   |                       |
| 8/1/2014    |                                    |                                   |                       |
| 9/1/2014    |                                    |                                   |                       |
| 10/1/2014   |                                    |                                   |                       |
| 11/1/2014   |                                    |                                   |                       |
| 12/1/2014   |                                    |                                   |                       |
| 1/1/2015    |                                    |                                   |                       |
| 2/1/2015    |                                    |                                   |                       |
| 3/1/2015    |                                    |                                   |                       |
| 4/1/2015    |                                    |                                   |                       |
| 5/1/2015    |                                    |                                   |                       |
| 6/1/2015    |                                    |                                   |                       |
| 7/1/2015    |                                    |                                   |                       |
| 8/1/2015    |                                    |                                   |                       |
| 9/1/2015    |                                    |                                   |                       |
| 10/1/2015   |                                    |                                   |                       |
| 11/1/2015   |                                    |                                   |                       |
| 12/1/2015   |                                    |                                   |                       |
| 1/1/2016    |                                    |                                   |                       |
| 2/1/2016    |                                    |                                   |                       |
| 3/1/2016    |                                    |                                   |                       |
| 4/1/2016    |                                    |                                   |                       |
| 5/1/2016    |                                    |                                   |                       |
| 6/1/2016    |                                    |                                   |                       |
| 7/1/2016    |                                    |                                   |                       |
| 8/1/2016    |                                    |                                   |                       |
| 9/1/2016    |                                    |                                   |                       |
| 10/1/2016   |                                    |                                   |                       |
| 11/1/2016   |                                    |                                   |                       |
| 12/1/2016   |                                    |                                   |                       |
| 1/1/2017    |                                    |                                   |                       |
| 2/1/2017    |                                    |                                   |                       |
| 3/1/2017    |                                    |                                   |                       |
| 4/1/2017    |                                    |                                   |                       |
|             | (195,086,250.00)                   | (585,258,750.00)                  | (780,345,000.00)      |

**New Jersey Environmental Infrastructure Trust**

**NJEIT 2014**

**Trust/Fund Program Financing**

**Debt Service Schedule - Trust Loan**

| <b>Date</b>    | <b>Principal</b> | <b>Coupon</b> | <b>Interest</b> | <b>Total Debt Service</b> | <b>Annual Total Debt Service</b> |
|----------------|------------------|---------------|-----------------|---------------------------|----------------------------------|
| 5/2/2014       |                  |               |                 |                           |                                  |
| 9/1/2014       |                  |               | 1,797,301.29    | 1,797,301.29              | 1,797,301.29                     |
| 3/1/2015       |                  |               | 2,718,607.00    | 2,718,607.00              |                                  |
| 9/1/2015       | 8,830,000        | 1.170%        | 2,718,607.00    | 11,548,607.00             | 14,267,214.00                    |
| 3/1/2016       |                  |               | 2,666,951.50    | 2,666,951.50              |                                  |
| 9/1/2016       | 8,935,000        | 1.310%        | 2,666,951.50    | 11,601,951.50             | 14,268,903.00                    |
| 3/1/2017       |                  |               | 2,608,427.25    | 2,608,427.25              |                                  |
| 9/1/2017       | 9,055,000        | 1.490%        | 2,608,427.25    | 11,663,427.25             | 14,271,854.50                    |
| 3/1/2018       |                  |               | 2,540,967.50    | 2,540,967.50              |                                  |
| 9/1/2018       | 9,190,000        | 1.680%        | 2,540,967.50    | 11,730,967.50             | 14,271,935.00                    |
| 3/1/2019       |                  |               | 2,463,771.50    | 2,463,771.50              |                                  |
| 9/1/2019       | 9,340,000        | 1.890%        | 2,463,771.50    | 11,803,771.50             | 14,267,543.00                    |
| 3/1/2020       |                  |               | 2,375,508.50    | 2,375,508.50              |                                  |
| 9/1/2020       | 9,520,000        | 2.100%        | 2,375,508.50    | 11,895,508.50             | 14,271,017.00                    |
| 3/1/2021       |                  |               | 2,275,548.50    | 2,275,548.50              |                                  |
| 9/1/2021       | 9,720,000        | 2.290%        | 2,275,548.50    | 11,995,548.50             | 14,271,097.00                    |
| 3/1/2022       |                  |               | 2,164,254.50    | 2,164,254.50              |                                  |
| 9/1/2022       | 9,940,000        | 2.470%        | 2,164,254.50    | 12,104,254.50             | 14,268,509.00                    |
| 3/1/2023       |                  |               | 2,041,495.50    | 2,041,495.50              |                                  |
| 9/1/2023       | 10,185,000       | 2.610%        | 2,041,495.50    | 12,226,495.50             | 14,267,991.00                    |
| 3/1/2024       |                  |               | 1,908,581.25    | 1,908,581.25              |                                  |
| 9/1/2024       | 10,455,000       | 2.740%        | 1,908,581.25    | 12,363,581.25             | 14,272,162.50                    |
| 3/1/2025       |                  |               | 1,765,347.75    | 1,765,347.75              |                                  |
| 9/1/2025       | 10,740,000       | 2.890%        | 1,765,347.75    | 12,505,347.75             | 14,270,695.50                    |
| 3/1/2026       |                  |               | 1,610,154.75    | 1,610,154.75              |                                  |
| 9/1/2026       | 11,050,000       | 3.010%        | 1,610,154.75    | 12,660,154.75             | 14,270,309.50                    |
| 3/1/2027       |                  |               | 1,443,852.25    | 1,443,852.25              |                                  |
| 9/1/2027       | 11,380,000       | 3.100%        | 1,443,852.25    | 12,823,852.25             | 14,267,704.50                    |
| 3/1/2028       |                  |               | 1,267,462.25    | 1,267,462.25              |                                  |
| 9/1/2028       | 11,735,000       | 3.180%        | 1,267,462.25    | 13,002,462.25             | 14,269,924.50                    |
| 3/1/2029       |                  |               | 1,080,875.75    | 1,080,875.75              |                                  |
| 9/1/2029       | 12,110,000       | 3.240%        | 1,080,875.75    | 13,190,875.75             | 14,271,751.50                    |
| 3/1/2030       |                  |               | 884,693.75      | 884,693.75                |                                  |
| 9/1/2030       | 12,500,000       | 3.290%        | 884,693.75      | 13,384,693.75             | 14,269,387.50                    |
| 3/1/2031       |                  |               | 679,068.75      | 679,068.75                |                                  |
| 9/1/2031       | 12,910,000       | 3.340%        | 679,068.75      | 13,589,068.75             | 14,268,137.50                    |
| 3/1/2032       |                  |               | 463,471.75      | 463,471.75                |                                  |
| 9/1/2032       | 13,345,000       | 3.390%        | 463,471.75      | 13,808,471.75             | 14,271,943.50                    |
| 3/1/2033       |                  |               | 237,274.00      | 237,274.00                |                                  |
| 9/1/2033       | 13,795,000       | 3.440%        | 237,274.00      | 14,032,274.00             | 14,269,548.00                    |
| <hr/>          |                  |               |                 |                           |                                  |
| 204,735,000.00 |                  |               | 68,189,929.29   | 272,924,929.29            | 272,924,929.29                   |

[1] The structure assumes par bonds at AAA MMD plus 75 bps

**New Jersey Environmental Infrastructure Trust**

**NJEIT 2014**

**Trust/Fund Program Financing**

**Net Debt Service Schedule - Trust Loan**

| <b>Date</b> | <b>Principal</b> | <b>Interest</b> | <b>Total<br/>Debt Service</b> | <b>Less<br/>Accrued<br/>Interest</b> | <b>Less<br/>Capitalized<br/>Interest</b> | <b>Net Debt<br/>Service</b> | <b>Annual Net<br/>Debt Service</b> |
|-------------|------------------|-----------------|-------------------------------|--------------------------------------|--|-----------------------------|------------------------------------|
| 5/2/2014    |                  |                 |                               |                                      |  |                             |                                    |
| 9/1/2014    |                  | 1,797,301.29    | 1,797,301.29                  |                                      |  | 1,797,301.29                | 1,797,301.29                       |
| 3/1/2015    |                  | 2,718,607.00    | 2,718,607.00                  |                                      |  | 2,718,607.00                |                                    |
| 9/1/2015    | 8,830,000.00     | 2,718,607.00    | 11,548,607.00                 |                                      |  | 11,548,607.00               | 14,267,214.00                      |
| 3/1/2016    |                  | 2,666,951.50    | 2,666,951.50                  |                                      |  | 2,666,951.50                |                                    |
| 9/1/2016    | 8,935,000.00     | 2,666,951.50    | 11,601,951.50                 |                                      |  | 11,601,951.50               | 14,268,903.00                      |
| 3/1/2017    |                  | 2,608,427.25    | 2,608,427.25                  |                                      |  | 2,608,427.25                |                                    |
| 9/1/2017    | 9,055,000.00     | 2,608,427.25    | 11,663,427.25                 |                                      |  | 11,663,427.25               | 14,271,854.50                      |
| 3/1/2018    |                  | 2,540,967.50    | 2,540,967.50                  |                                      |  | 2,540,967.50                |                                    |
| 9/1/2018    | 9,190,000.00     | 2,540,967.50    | 11,730,967.50                 |                                      |  | 11,730,967.50               | 14,271,935.00                      |
| 3/1/2019    |                  | 2,463,771.50    | 2,463,771.50                  |                                      |  | 2,463,771.50                |                                    |
| 9/1/2019    | 9,340,000.00     | 2,463,771.50    | 11,803,771.50                 |                                      |  | 11,803,771.50               | 14,267,543.00                      |
| 3/1/2020    |                  | 2,375,508.50    | 2,375,508.50                  |                                      |  | 2,375,508.50                |                                    |
| 9/1/2020    | 9,520,000.00     | 2,375,508.50    | 11,895,508.50                 |                                      |  | 11,895,508.50               | 14,271,017.00                      |
| 3/1/2021    |                  | 2,275,548.50    | 2,275,548.50                  |                                      |  | 2,275,548.50                |                                    |
| 9/1/2021    | 9,720,000.00     | 2,275,548.50    | 11,995,548.50                 |                                      |  | 11,995,548.50               | 14,271,097.00                      |
| 3/1/2022    |                  | 2,164,254.50    | 2,164,254.50                  |                                      |  | 2,164,254.50                |                                    |
| 9/1/2022    | 9,940,000.00     | 2,164,254.50    | 12,104,254.50                 |                                      |  | 12,104,254.50               | 14,268,509.00                      |
| 3/1/2023    |                  | 2,041,495.50    | 2,041,495.50                  |                                      |  | 2,041,495.50                |                                    |
| 9/1/2023    | 10,185,000.00    | 2,041,495.50    | 12,226,495.50                 |                                      |  | 12,226,495.50               | 14,267,991.00                      |
| 3/1/2024    |                  | 1,908,581.25    | 1,908,581.25                  |                                      |  | 1,908,581.25                |                                    |
| 9/1/2024    | 10,455,000.00    | 1,908,581.25    | 12,363,581.25                 |                                      |  | 12,363,581.25               | 14,272,162.50                      |
| 3/1/2025    |                  | 1,765,347.75    | 1,765,347.75                  |                                      |  | 1,765,347.75                |                                    |
| 9/1/2025    | 10,740,000.00    | 1,765,347.75    | 12,505,347.75                 |                                      |  | 12,505,347.75               | 14,270,695.50                      |
| 3/1/2026    |                  | 1,610,154.75    | 1,610,154.75                  |                                      |  | 1,610,154.75                |                                    |
| 9/1/2026    | 11,050,000.00    | 1,610,154.75    | 12,660,154.75                 |                                      |  | 12,660,154.75               | 14,270,309.50                      |
| 3/1/2027    |                  | 1,443,852.25    | 1,443,852.25                  |                                      |  | 1,443,852.25                |                                    |
| 9/1/2027    | 11,380,000.00    | 1,443,852.25    | 12,823,852.25                 |                                      |  | 12,823,852.25               | 14,267,704.50                      |
| 3/1/2028    |                  | 1,267,462.25    | 1,267,462.25                  |                                      |  | 1,267,462.25                |                                    |
| 9/1/2028    | 11,735,000.00    | 1,267,462.25    | 13,002,462.25                 |                                      |  | 13,002,462.25               | 14,269,924.50                      |
| 3/1/2029    |                  | 1,080,875.75    | 1,080,875.75                  |                                      |  | 1,080,875.75                |                                    |
| 9/1/2029    | 12,110,000.00    | 1,080,875.75    | 13,190,875.75                 |                                      |  | 13,190,875.75               | 14,271,751.50                      |
| 3/1/2030    |                  | 884,693.75      | 884,693.75                    |                                      |  | 884,693.75                  |                                    |
| 9/1/2030    | 12,500,000.00    | 884,693.75      | 13,384,693.75                 |                                      |  | 13,384,693.75               | 14,269,387.50                      |
| 3/1/2031    |                  | 679,068.75      | 679,068.75                    |                                      |  | 679,068.75                  |                                    |
| 9/1/2031    | 12,910,000.00    | 679,068.75      | 13,589,068.75                 |                                      |  | 13,589,068.75               | 14,268,137.50                      |
| 3/1/2032    |                  | 463,471.75      | 463,471.75                    |                                      |  | 463,471.75                  |                                    |
| 9/1/2032    | 13,345,000.00    | 463,471.75      | 13,808,471.75                 |                                      |  | 13,808,471.75               | 14,271,943.50                      |
| 3/1/2033    |                  | 237,274.00      | 237,274.00                    |                                      |  | 237,274.00                  |                                    |
| 9/1/2033    | 13,795,000.00    | 237,274.00      | 14,032,274.00                 |                                      |  | 14,032,274.00               | 14,269,548.00                      |
|             |                  |                 |                               |                                      |  |                             |                                    |
|             | 204,735,000.00   | 68,189,929.29   | 272,924,929.29                |                                      |  | 272,924,929.29              | 272,924,929.29                     |

**New Jersey Environmental Infrastructure Trust**

**NJEIT 2014**

**Trust/Fund Program Financing**

**Net Debt Service - Trust and Fund Loan**

| <b>Date</b> | <b>Trust Loan<br/>Net Debt<br/>Service</b> | <b>Fund Loan<br/>Debt Service</b> | <b>Annual<br/>Fund Loan<br/>Debt Service</b> | <b>Total Trust and<br/>Fund Loan Net<br/>Debt Service</b> | <b>DEP Fee <sup>(1)</sup></b> | <b>Trust<br/>Admin Fee <sup>(2)</sup></b> | <b>Total<br/>Annual Net<br/>Debt Service</b> |
|-------------|--|-----------------------------------|--|---|-------------------------------|---|--|
| 5/2/2014    |  |                                   |  |   |                               |   |  |
| 9/1/2014    | 1,797,301.29                               | 19,839,279.66                     | 19,839,279.66                                | 21,636,580.95   | 975,431.25                    | 307,102.50                                | 22,919,114.70                                |
| 3/1/2015    | 2,718,607.00                               | 9,919,639.83                      |  | 12,638,246.83   | 975,431.25                    | 307,102.50                                |  |
| 9/1/2015    | 11,548,607.00                              | 19,839,279.66                     | 29,758,919.49                                | 31,387,886.66   | 975,431.25                    | 307,102.50                                | 46,591,200.99                                |
| 3/1/2016    | 2,666,951.50                               | 9,919,639.83                      |  | 12,586,591.33   | 975,431.25                    | 307,102.50                                |  |
| 9/1/2016    | 11,601,951.50                              | 19,839,279.66                     | 29,758,919.49                                | 31,441,231.16   | 975,431.25                    | 307,102.50                                | 46,592,889.99                                |
| 3/1/2017    | 2,608,427.25                               | 9,919,639.83                      |  | 12,528,067.08   | 975,431.25                    | 307,102.50                                |  |
| 9/1/2017    | 11,663,427.25                              | 19,839,279.66                     | 29,758,919.49                                | 31,502,706.91   | 975,431.25                    | 307,102.50                                | 46,595,841.49                                |
| 3/1/2018    | 2,540,967.50                               | 9,919,639.83                      |  | 12,460,607.33   | 975,431.25                    | 307,102.50                                |  |
| 9/1/2018    | 11,730,967.50                              | 19,839,279.66                     | 29,758,919.49                                | 31,570,247.16   |                               | 307,102.50                                | 45,620,490.74                                |
| 3/1/2019    | 2,463,771.50                               | 9,919,639.83                      |  | 12,383,411.33   |                               | 307,102.50                                |  |
| 9/1/2019    | 11,803,771.50                              | 19,839,279.66                     | 29,758,919.49                                | 31,643,051.16   |                               | 307,102.50                                | 44,640,667.49                                |
| 3/1/2020    | 2,375,508.50                               | 9,919,639.83                      |  | 12,295,148.33   |                               | 307,102.50                                |  |
| 9/1/2020    | 11,895,508.50                              | 19,839,279.66                     | 29,758,919.49                                | 31,734,788.16   |                               | 307,102.50                                | 44,644,141.49                                |
| 3/1/2021    | 2,275,548.50                               | 9,919,639.83                      |  | 12,195,188.33   |                               | 307,102.50                                |  |
| 9/1/2021    | 11,995,548.50                              | 19,839,279.66                     | 29,758,919.49                                | 31,834,828.16   |                               | 307,102.50                                | 44,644,221.49                                |
| 3/1/2022    | 2,164,254.50                               | 9,919,639.83                      |  | 12,083,894.33   |                               | 307,102.50                                |  |
| 9/1/2022    | 12,104,254.50                              | 19,839,279.66                     | 29,758,919.49                                | 31,943,534.16   |                               | 307,102.50                                | 44,641,633.49                                |
| 3/1/2023    | 2,041,495.50                               | 9,919,639.83                      |  | 11,961,135.33   |                               | 307,102.50                                |  |
| 9/1/2023    | 12,226,495.50                              | 19,839,279.66                     | 29,758,919.49                                | 32,065,775.16   |                               | 307,102.50                                | 44,641,115.49                                |
| 3/1/2024    | 1,908,581.25                               | 9,919,639.83                      |  | 11,828,221.08   |                               | 307,102.50                                |  |
| 9/1/2024    | 12,363,581.25                              | 19,839,279.66                     | 29,758,919.49                                | 32,202,860.91   |                               | 307,102.50                                | 44,645,286.99                                |
| 3/1/2025    | 1,765,347.75                               | 9,919,639.83                      |  | 11,684,987.58   |                               | 307,102.50                                |  |
| 9/1/2025    | 12,505,347.75                              | 19,839,279.66                     | 29,758,919.49                                | 32,344,627.41   |                               | 307,102.50                                | 44,643,819.99                                |
| 3/1/2026    | 1,610,154.75                               | 9,919,639.83                      |  | 11,529,794.58   |                               | 307,102.50                                |  |
| 9/1/2026    | 12,660,154.75                              | 19,839,279.66                     | 29,758,919.49                                | 32,499,434.41   |                               | 307,102.50                                | 44,643,433.99                                |
| 3/1/2027    | 1,443,852.25                               | 9,919,639.83                      |  | 11,363,492.08   |                               | 307,102.50                                |  |
| 9/1/2027    | 12,823,852.25                              | 19,839,279.66                     | 29,758,919.49                                | 32,663,131.91   |                               | 307,102.50                                | 44,640,828.99                                |
| 3/1/2028    | 1,267,462.25                               | 9,919,639.83                      |  | 11,187,102.08   |                               | 307,102.50                                |  |
| 9/1/2028    | 13,002,462.25                              | 19,839,279.66                     | 29,758,919.49                                | 32,841,741.91   |                               | 307,102.50                                | 44,643,048.99                                |
| 3/1/2029    | 1,080,875.75                               | 9,919,639.83                      |  | 11,000,515.58   |                               | 307,102.50                                |  |
| 9/1/2029    | 13,190,875.75                              | 19,839,279.66                     | 29,758,919.49                                | 33,030,155.41   |                               | 307,102.50                                | 44,644,875.99                                |
| 3/1/2030    | 884,693.75                                 | 9,919,639.83                      |  | 10,804,333.58   |                               | 307,102.50                                |  |
| 9/1/2030    | 13,384,693.75                              | 19,839,279.66                     | 29,758,919.49                                | 33,223,973.41   |                               | 307,102.50                                | 44,642,511.99                                |
| 3/1/2031    | 679,068.75                                 | 9,919,639.83                      |  | 10,598,708.58   |                               | 307,102.50                                |  |
| 9/1/2031    | 13,589,068.75                              | 19,839,279.66                     | 29,758,919.49                                | 33,428,348.41   |                               | 307,102.50                                | 44,641,261.99                                |
| 3/1/2032    | 463,471.75                                 | 9,919,639.83                      |  | 10,383,111.58   |                               | 307,102.50                                |  |
| 9/1/2032    | 13,808,471.75                              | 19,839,279.66                     | 29,758,919.49                                | 33,647,751.41   |                               | 307,102.50                                | 44,645,067.99                                |
| 3/1/2033    | 237,274.00                                 | 9,919,639.83                      |  | 10,156,913.83   |                               | 307,102.50                                |  |
| 9/1/2033    | 14,032,274.00                              | 19,839,279.69                     | 29,758,919.52                                | 33,871,553.69   |                               | 307,102.50                                | 44,642,672.52                                |
|             | 272,924,929.29                             | 585,258,750.00                    | 585,258,750.00                               | 858,183,679.29  | 7,803,450.00                  | 11,976,997.50                             | 877,964,126.79                               |

[1]DEP State Fee estimate of 1% of Total Construction Cost paid in 8 semi-annual installments.

[2]Trust Admin Fee estimate of .0015 of Trust Loan Par Amount paid semi-annually.

\* Assumes no Principal Forgiveness

## **APPENDIX H**

**APPENDIX H**  
**New Jersey Environmental Infrastructure Trust**  
**FY2014 Financing Program Schedule**

**2013**

- January 1- 31** - Trust compiles contact information for Borrowers and Borrower Bond Counsel.
- Prior to January 15** - Deadline for submission of January Report to the State Legislature.
- Jan. 29 & 30** - Applicant Seminars.
- February 14** - Trust Board Meeting.
- February 20** - Trust makes Interim Financing Program Financial Addendum Forms available on its website.
- March 14** - Trust Board Meeting.
- April 11** - Trust Board Meeting.
- May 9** - Trust Board Meeting.
- Pre May 15** - Deadline for submission to State Legislature of May Report and Appropriations Bills.
- Post May 15** - Approval by State Legislature of: (i) Project Priority List; (ii) Loan amounts; (iii) appropriation for Loans; and (iv) authorization for Trust to finance Projects.  
- Financial Plan approved by Legislature.
- May 27** - State Holiday.
- June 13** - Trust Board Meeting.  
- Trust adopts resolution authorizing master forms of Loan Agreements and Escrow Agreements
- July 4** - State Holiday.
- July 11** - Trust Board Meeting.
- August 8** - Trust Board Meeting.
- September 2** - State Holiday.
- September 12** - Trust Board Meeting.
- September 18** - Deadline for submission by Borrowers of Local Finance Board ("LFB") applications to be considered at October 9 LFB hearing.
- October 9** - LFB consideration of Borrower applications submitted on September 19.
- October 10** - Trust Board Meeting
- October 14** - State Holiday.
- October 21** - Trust makes Financial Addendum Forms ("FAF") available on its website.
- October 21** - Trust makes "Sizing Memos" available on its website and distributes "Sizing Memos" to Borrower Bond Counsel.

- October 23** - Deadline for submission by Borrowers of LFB applications to be considered at November 7 LFB hearing.
- November 11** - State Holiday.
- November 13** - LFB consideration of Borrower applications submitted on October 23.
- November 14** - Trust Board Meeting.
- November 13** - Trust to distribute memorandum to Borrowers with copy to Borrower Bond Counsel reminding them of FAF deadline.
- November 20** - Deadline for submission by Borrowers of LFB applications to be considered at December 11 LFB hearing.
- November 22** - State Holiday.
- December 2** - Trust to distribute final reminder of FAF deadline to Borrowers with copy to Borrower Bond Counsel.
- December 4** - Deadline for Borrowers subject to Board of Public Utilities ("BPU") jurisdiction to submit to BPU for hearing on December 18 their request for approval to incur debt.
- December 6** - Borrowers to submit completed FAFs, acknowledged as reviewed by Borrower Bond Counsel, to the Working Group.
- December 6**
- January 21** - Due diligence re FAFs and follow-up re all Borrower deficiency items.
- December 10** - LFB consideration of Borrower applications submitted on November 20.
- December 12** - Trust Board Meeting.  
- Trust adopts resolution (i) providing delegation to Authorized Officer regarding Escrow Closings and TEFRA hearing and (ii) confirming master forms of Loan Agreements and Escrow Agreements.
- December \_\_** - Deadline for submission by Borrowers of LFB applications to be considered at January \_\_ hearing.
- December 18** - BPU consideration of Borrower applications submitted on December 4.
- December 25** - State Holiday.

## 2014

**Prior to****January 1**

- DEP begins to issue final Project Certifications (Authorization to Award is a condition precedent to final Project Certification).

**January 1**

- State Holiday.

**January 2**

- Trust Bond Counsel to begin drafting Financing Documents.
- DEP to begin drafting Exhibits to Loan Agreements.

**January \_\_**

- Deadline for Borrowers subject to BPU jurisdiction to submit to BPU for hearing on January \_\_ their request for approval to incur debt.

**January \_\_**

- Deadline for submission by Borrowers of LFB applications to be considered at February \_\_ hearing.

**January \_\_**

- LFB consideration of Borrower applications submitted on December \_\_.

**January 9**

- Working Group to preliminarily identify Direct Loan Program candidates.

**January 9**

- Trust Board Meeting.
- Trust approves final Project Certifications submitted by DEP to the Trust prior to January 1.

**January 20**

- State Holiday.

**January \_\_**

- BPU consideration of Borrower applications submitted on January \_\_.

**January 22**

- All day Working Group meeting regarding review of FAFs.

**January 24**

- Trust Bond Counsel to distribute Draft #1 of Loan, Escrow and Continuing Disclosure Agreements to Borrowers with instructional memorandum noting deadlines for submission of comments thereto.
- DEP distributes draft exhibits to Loan Agreements.

**February 1**

- DEP issues all final Project Certifications that were not issued previously.  
(Authorization to Award is a condition precedent to final Project Certification.)

**Week of****February 3**

- Trust Bond Counsel to distribute individual Borrower database reports to Borrower Bond Counsel for review.

**February \_\_**

- Deadline for Borrowers subject to BPU jurisdiction to submit to BPU for hearing on February \_\_ their request for approval to incur debt.

**February 11**

- Trust Bond Counsel to distribute reminder to Borrower Bond Counsel regarding deadline for submission of electronic comments to Draft #1 of Loan, Escrow and Continuing Disclosure Agreements.

**February \_\_**

- LFB consideration of Borrower applications submitted on January \_\_.

**February 13**

- Trust Board Meeting.
- Trust approves final Project Certifications submitted by DEP to the Trust on or prior to February 1.

**February 14**

- Borrower Bond Counsel to confirm accuracy of, or submit comments to, individual Borrower database reports to Trust Bond Counsel.

**February 17**

- State Holiday.

- February 18**    - Borrowers and Borrowers' Counsel submit electronic comments to Draft #1 of Loan, Escrow and Continuing Disclosure Agreements to the Trust, Trust Bond Counsel and Trust General Counsel.
- February \_\_**    - BPU consideration of Borrower applications submitted on February \_\_.
- February \_\_**    - Deadline for submission by Borrowers of LFB applications to be considered at March \_\_ hearing. This is the last opportunity to apply for LFB approval.
- February 25**    - Trust Bond Counsel and Trust General Counsel conference call to review and make decisions regarding revisions requested by Borrowers and Borrowers' Counsel (if necessary).
- March 4**    - DEP to identify Projects to be funded with the proceeds of State GO Bonds.
- March \_\_**    - Deadline for Borrowers subject to BPU jurisdiction to submit to BPU for hearing on March \_\_ their request for approval to incur debt. This is the last opportunity to apply for BPU approval.
- March 7**    - All Borrower Due Diligence is completed.
- March 10**    - Trust Bond Counsel to distribute signature pages for DEP, Treasurer and Trust signatures for Escrow Closing documents.
- Week of March 10**    - Trust Bond Counsel to distribute Draft #2 of Loan, Escrow and Continuing Disclosure Agreements to Borrowers.
- March 11**    - Trust and Trust Bond Counsel to submit to the State Treasurer the form of Treasurer's Certificate approving the Loans.  
 - Trust Bond Counsel to submit request to Director of the Division of Investments regarding Repurchase Agreement (if applicable).  
 - Trust and Trust Bond Counsel submit Volume Cap request to State Treasurer with respect to Series B Trust Bonds.
- March 12**    - LFB consideration of Borrower applications submitted on February 20. This is the last opportunity to obtain LFB approval.
- March 12**    - Trust Bond Counsel to distribute Draft #1 of Trust Bond Resolution[s] to Working Group.  
 - Current draft of Trust Bond Resolution[s] provided to Trust for submission to Governor's Office and Treasurer's Office in connection with approval thereof.
- March 13**    - Trust Board Meeting.
- March 14**    - Trust Bond Counsel to distribute Escrow Closing Schedule to Borrower Bond Counsel with instructional memorandum highlighting deadlines for submission of documents.
- Week of March 17**    - Borrowers submit (i) final written comments to Draft #2 of Loan, Escrow and Continuing Disclosure Agreements to Trust, Trust Bond Counsel and Trust General Counsel, and (ii) forms of Borrower Bond Counsel opinions, Trust Loan Bonds and Fund Loan Bonds to Trust Bond Counsel.
- March 19**    - BPU consideration of Borrower applications submitted on March 6. This is the last opportunity to obtain BPU approval.
- March 21**    - Submit TEFRA Notice to Newspapers.
- March 25**    - Trust Bond Counsel to distribute Draft #2 of Trust Bond Resolution[s].
- March 26**    - Publish TEFRA Notice.
- March 27**    - Trust Bond Counsel to distribute Draft #1 of POS to Working Group.  
 - Trust Bond Counsel to distribute Draft #1 of Notice of Sale ("NOS"), Summary NOS and Bid Form to Working Group.

- March 27**
  - Trust/Financial Advisor distribute financing information and documents to Rating Agencies.
- March 27**
  - All final estoppel periods must have run on Borrowers' bond authorization legislation (e.g., bond ordinances and 2-26 and 2-27 resolutions for municipalities/counties, and bond resolutions/indentures for authorities and private water companies).
  - Borrowers must have adopted Loan, Escrow and Continuing Disclosure Agreement authorization legislation.
  - Authorities must have received positive findings and approval of LFB and adopted LFB review resolution/group affidavit, and provided copies of same to Trust Bond Counsel.
  - Municipalities must have received approval of LFB, and provided copies of same to Trust Bond Counsel.
  - Private sector borrowers subject to BPU jurisdiction must have received BPU approval to incur debt, and provided copies of same to Trust Bond Counsel.
  - Borrowers and DEP must have agreed on final sizing of Trust and Fund Loan amounts and Loan Agreement Draw Schedules.
  - Loan, Escrow and Continuing Disclosure Agreements must have been finalized.
  - Exhibits to Loan Agreements must have been finalized.
- March 31**
  - Estoppel period ends for March 14 Board Minutes.
- April 1-17**
  - Borrower Escrow Closings held at Trust Bond Counsel's offices (authority Borrowers should hold their own Escrow Closings simultaneously).
- April 3**
  - Board agenda and materials disseminated.
- April 4**
  - Governor and Treasurer approve Trust Bond Resolution[s].
- April 9**
  - Trust to follow-up with Director of Division of Investments regarding Repurchase Agreement and State Treasurer regarding Volume Cap.
- April 10**
  - Trust Board Meeting.
  - Trust adopts Trust Bond Resolution[s].
  - TEFRA Hearing.
  - Trust delivers minutes of April 11 meeting to the Governor.
  - Trust delivers TEFRA approval request to the Governor.
- April 11**
  - Trust Bond Counsel to distribute Draft #2 of POS, NOS, Summary NOS and Bid Forms to Working Group.
- April 18**
  - State Holiday.
- April 21**
  - Trust receives bond ratings.
  - Trust Bond Counsel to distribute database summary reports to Working Group.
  - Trust receives approvals re Repurchase Agreement and Volume Cap.
- April 22**
  - Conference call between Trust Bond Counsel and Financial Advisor to discuss database summary reports.
- April 23**
  - Summary NOS to Newspapers.
- April 24**
  - Trust receives TEFRA approval from the Governor.
- April 25**
  - POS, NOS, Bid Forms finalized by Working Group.
- April 26**
  - Estoppel period ends for April 10 Board Minutes.
- April 28**
  - Disseminate POS electronically.
  - Publication of Summary NOS.
- May 7**
  - Bond Sale/purchase of investments.

- May 9**        - Trust Board Meeting.  
                - Report of Executive Director to Trust Board of Directors regarding Bond Sale.
- May 9**        - Borrowers to receive Trust Loan amounts and Trust and Fund Loan repayment schedules from Trust Financial Advisor.
- May 9-16**      - Confirmatory resolutions to be adopted by Borrowers finalizing Trust Loan amounts and Trust and Fund Loan repayment schedules (if necessary).
- May 13**        - Print OS and distribute to successful bidder.
- May 14**        - Trust Bond Counsel distributes drafts of closing documents to Working Group.
- May 16 & 19**    - Borrower pre-closings.
- May 20**        - Financing pre-closing held at Trust Bond Counsel's Offices.
- May 21**        - Financing closing held at Trust Bond Counsel's Offices.

## **APPENDIX I**

**APPENDIX I**

**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
FY2014 Budget**

***REVENUES***

|                                       | <b>2014</b>           |
|---------------------------------------|-----------------------|
| 1 Annual Admin Fee 1994 Financing     | \$138,660.00          |
| 2 Annual Admin Fee 1995 Financing     | \$106,900.00          |
| 3 Annual Admin Fee 1996 Financing     | \$141,650.00          |
| 4 Annual Admin Fee 1997 Financing     | \$111,500.00          |
| 5 Annual Admin Fee 1998 Financing     | \$170,500.00          |
| 6 Annual Admin Fee 1999 Financing     | \$164,300.00          |
| 7 Annual Admin Fee 2000 Financing     | \$289,600.00          |
| 8 Annual Admin Fee 2001 Financing     | \$505,800.00          |
| 9 Annual Admin Fee 2002 Financing     | \$339,000.00          |
| 10 Annual Admin Fee 2003 Financing    | \$199,200.00          |
| 11 Annual Admin Fee 2004 Financing    | \$400,335.00          |
| 12 Annual Admin Fee 2005 Financing    | \$372,500.00          |
| 13 Annual Admin Fee 2006 Financing    | \$513,000.00          |
| 14 Annual Admin Fee 2007 Financing    | \$648,300.00          |
| 15 Annual Admin Fee 2008 Financing    | \$385,400.00          |
| 16 Annual Admin Fee 2009 Financing    | \$202,900.00          |
| 17 Annual Admin Fee 2010A Financing   | \$382,785.00          |
| 18 Annual Admin Fee 2010B&C Financing | \$376,000.00          |
| 19 Annual Admin Fee FY2012 Financing  | \$330,000.00          |
| 20 Annual Admin Fee FY2013 Financing  | \$75,000.00           |
| <i>Projected</i>                      |                       |
| 21 Loan Surcharge                     | \$28,500.00           |
| <b>TOTAL REVENUES</b>                 | <b>\$5,881,830.00</b> |

**APPENDIX I**

**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
FY2014 Budget**

**EXPENDITURES**

|                         |  | <b>2014</b>                  |
|-------------------------|--|------------------------------|
| <b>PROGRAM</b>          | 1 Bond Counsel (McCarter & English)                      | 1,000,000.00                 |
|                         | 2 Financial Advisor (PFM)                                | 380,000.00                   |
|                         | 3 Trustee and Loan Servicer Fees                         | 217,000.00                   |
|                         | 4 Rating Service   | 200,000.00                   |
|                         | 5 Internal Control Audit (WithumSmith+Brown)             | 0.00                         |
|                         | 6 Auditor A. NJEIT Financials                            | 45,000.00                    |
|                         | 7 B. State CW & DW SRF Financials                        | 40,000.00                    |
|                         | 8 Master Program Trustee (US Bank)                       | 11,000.00                    |
|                         | 9 Printing (Bond Issue Exp)                              | 20,000.00                    |
|                         | 10 Arbitrage Rebate Services (Omnicap)                   | 5,000.00                     |
|                         | 11 Publication (Bond Issue Exp)                          | 5,000.00                     |
|                         | 12 Post Issuance Compliance Program                      | 0.00                         |
|                         |  | <u>\$1,923,000.00</u>        |
| <b>TRUST OPERATIONS</b> | 1 Salaries and Fringe                                    | 1,880,607.00                 |
|                         | 2 I.T. A. Expenses (Hardware, Software, Online Services) | 459,000.00                   |
|                         | 3 B. EFP System Expenses                                 | 1,103,223.00                 |
|                         | 4 Admin Expenses General (Seminars, Prof. Fees, Etc.)    | 110,000.00                   |
|                         | 5 Rent & Property Insurance                              | 121,000.00                   |
|                         | 6 Investment Advisor                                     | 120,000.00                   |
|                         | 7 Special Counsel  | 50,000.00                    |
|                         | 8 Document Scanning (Phase I&II)                         | 25,000.00                    |
|                         | 9 Ancillary (Copier, Postage, Phone, Utilities)          | 20,000.00                    |
|                         | 10 Governor's Authorities Unit                           | 25,000.00                    |
|                         | 11 Attorney General                                      | 20,000.00                    |
|                         | 12 Reports & Publications                                | 4,000.00                     |
|                         | 13 Uniform Commercial Code Filings                       | 2,000.00                     |
|                         | 14 Vehicle   | 17,000.00                    |
|                         | 15 Board Member Expenses                                 | 2,000.00                     |
|                         | 16 Unencumbered Contingency                              | 0.00                         |
|                         |  | <u>\$3,958,830.00</u>        |
|                         | <b>TOTAL EXPENDITURES</b>                                | <u><u>\$5,881,830.00</u></u> |

## **APPENDIX J**

**APPENDIX J**  
**REVIEW OF THE FY2015 FINANCING PROGRAM**

**- PROPOSED -**

|                      |   |
|----------------------|---|
| October 3, 2013      | Commitment Letter and Planning Documents (prior to submittal, a pre-planning meeting should be scheduled with the DEP and the Trust)                        |
| Early February, 2014 | Seminar for all Borrowers to explain the remaining financing schedule and requirements.   |
| Early March, 2014    | Design Documents, and Loan Applications   |
| September, 2014      | Trust and DEP project certifications commence upon issuance of authorization to award construction contract   |
| Mid-March, 2014      | Financial Addendum Form due to Trust. Information to be used to structure bond issues, loans and bond sale.   |
| June, 2014           | Deadline for Private Water Purveyors to file with BPU<br>Deadline for Public Agencies to file with Local Finance Board for LFB approval at July LFB meeting |
| February, 2014       | Project certification period end (projects permitted, all planning, design, environmental requirements and permits have been FINALLY approved.              |
| March, 2014          | Escrow closing of loans begins  |
| March, 2014          | Bid Blackout period begins  |
| April, 2014          | Bond Sale   |
| May, 2014            | Loan closing  |
| After Loan Closing   | Bid blackout period ends<br>One half of the planning/design allowance is available plus other approved voucher amounts                                      |

Preliminary Project List will be set forth in the January 2014 Report available at [www.njeit.org/publications.htm](http://www.njeit.org/publications.htm).

## **Trust Meeting Dates**

January 10, 2013

February 14, 2013

March 14, 2013

April 11, 2013

May 9, 2013

June 13, 2013

July 11, 2013

August 8, 2013

September 12, 2013

October 10, 2013

November 14, 2013

(If Necessary)

December 12, 2013

# **New Jersey Environmental Infrastructure Trust**

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