

CHAPTER 224

AN ACT authorizing the expenditure of funds by the New Jersey Environmental Infrastructure Trust for the purpose of making loans to eligible project sponsors to finance a portion of the cost of construction of environmental infrastructure projects, and supplementing P.L.1985, c.334 (C.58:11B-1 et seq.).

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. a. The New Jersey Environmental Infrastructure Trust, established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), as amended and supplemented by P.L.1997, c.224, is authorized to expend the aggregate sum of up to \$200,000,000, and any unexpended balance of the aggregate expenditures authorized pursuant to section 1 of P.L.1998, c.85, section 1 of P.L.1999, c.173 and section 1 of P.L.2000, c.93 for the purpose of making loans, to the extent sufficient funds are available, to or on behalf of local government units or public water utilities (hereinafter referred to as "project sponsors") to finance a portion of the cost of construction of environmental infrastructure projects listed in sections 2 and 4 of this act.

b. The trust is authorized to increase the aggregate sums specified in subsection a. of this section by:

(1) the amounts of capitalized interest and the bond issuance expenses as provided in subsection b. of section 7 of this act;

(2) the amounts of reserve capacity expenses and debt service reserve fund requirements as provided in subsection c. of section 7 of this act; and

(3) the interest earned on amounts deposited for project costs pending their distribution to project sponsors as provided in subsection d. of section 7 of this act.

c. For the purposes of this act:

(1) "capitalized interest" means the amount equal to interest paid on trust bonds which is funded with trust bond proceeds and the earnings thereon;

(2) "issuance expenses" means and includes, but need not be limited to, the costs of financial document printing, bond insurance premiums or other credit enhancement, underwriters' discount, verification of financial calculations, the services of bond rating agencies and trustees, the employment of accountants, attorneys, financial advisors, loan servicing agents, registrars, and paying agents, and any other costs related to the issuance of trust bonds;

(3) "reserve capacity expenses" means those project costs for reserve capacity not eligible for loans under rules and regulations governing zero interest loans adopted by the Commissioner of Environmental Protection pursuant to section 4 of P.L.1985, c.329 but which are eligible for loans from the trust in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27); and

(4) "debt service reserve fund expenses" means the debt service reserve fund costs associated with reserve capacity expenses, water supply projects for which the project sponsors are public water utilities as provided in section 9 of P.L.1985, c.334 (C.58:11B-9), and other drinking water projects not eligible for, or interested in, State or federal debt service reserve funds pursuant to the "Water Supply Bond Act of 1981," P.L.1981, c.261, as amended and supplemented by P.L.1997, c.223.

d. The trust is authorized to increase the loan amount in the future to compensate for a refunding of the issue, provided adequate savings are achieved, for the loans issued pursuant to P.L.1989, c.190, P.L.1990, c.97, P.L.1991, c.324, P.L.1992, c.37, P.L.1993, c.192, P.L.1994, c.105, P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85, P.L.1999, c.173, P.L.2000, c.93 and P.L.2001, c.224.

2. a. (1) The New Jersey Environmental Infrastructure Trust is authorized to expend funds for the purpose of making supplemental loans to or on behalf of the project sponsors listed below for the following environmental infrastructure projects:

Project Number	Project Sponsor	Estimated Allowable Loan Amount
809-03/4-1	Atlantic County UA	\$2,350,000
809-07-1	Atlantic County UA	\$500,000
287-01-1	Oaklyn Borough	\$150,000

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839-02-1	Franklin Township SA	\$1,600,000
118-02-1	Keansburg Borough	\$500,000
	TOTAL	\$5,100,000

(2) The loans authorized in this subsection shall be made for the difference between the allowable loan amounts required by these projects based upon final building costs pursuant to subsection a. of section 7 of this act and the loan amounts certified by the chairman of the trust in State fiscal years 1996, 1998, 2000 and 2001 and for increased allowable costs as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27). The loans authorized in this subsection shall be made to or on behalf of the project sponsors listed, up to the individual amounts indicated and in the priority stated, to the extent sufficient funds are available, except as a project fails to meet the requirements of section 6 of this act.

(3) The loans authorized in this subsection shall have priority over the environmental infrastructure projects listed in subsection a. of section 4 of this act.

b. (1) The trust is authorized to expend funds for the purpose of making a supplemental loan to or on behalf of the project sponsor listed below for the following environmental infrastructure project:

Project Number	Project Sponsor	Estimated Allowable Loan Amount
0103001-001/5-1	Brigantine City	\$100,000
	TOTAL	\$100,000

(2) The loan authorized in this subsection shall be made for the difference between the allowable loan amount required by this project based upon final building costs pursuant to subsection a. of section 7 of this act and the loan amount certified by the chairman of the trust in State fiscal year 2000, and for increased allowable costs as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27). The loan authorized in this subsection shall be made to or on behalf of the project sponsor listed, up to the individual amount indicated and in the priority stated, to the extent sufficient funds are available, except as the project fails to meet the requirements of section 6 of this act.

(3) The loan authorized in this subsection shall have priority over the environmental infrastructure projects listed in subsection b. of section 4 of this act.

3. a. The New Jersey Environmental Infrastructure Trust is authorized to make loans to or on behalf of the project sponsors for the clean water projects listed in subsection a. of section 2 and subsection a. of section 4 of this act up to the individual amounts indicated and in the priority stated, except as any such amount may be reduced by the trust pursuant to subsection a. of section 7 of this act, or if a project fails to meet the requirements of section 6 of this act. The trust is authorized to increase any such amount pursuant to subsections b., c. or d. of section 7 or section 8 of this act.

b. The trust is authorized to make loans to project sponsors for the drinking water projects listed in subsection b. of section 2 and subsection b. of section 4 of this act up to the individual amounts indicated and in the priority stated, except as any such amount may be reduced by the trust pursuant to subsection a. of section 7 of this act, or if a project fails to meet the requirements of section 6 of this act. The trust is authorized to increase any such amount pursuant to subsections b., c. or d. of section 7 or section 8 of this act.

4. a. The following environmental infrastructure projects shall be known and may be cited as the "State Fiscal Year 2002 Clean Water Project Priority List":

Project Number	Project Sponsor	Estimated Allowable Loan Amount
488-03	Hopatcong Borough	\$2,800,000
701-03	West Milford Township MUA	\$850,000
928-02	Jersey City MUA	\$8,150,000
942-03	Elizabeth City	\$4,550,000
750-05	Ocean Township SA	\$4,300,000
362-03	Harrison Township (Gloucester)	\$2,050,000
372-24	Ocean County UA	\$5,600,000
639-03	Ridgewood Village	\$10,150,000
680-06	Middlesex County UA	\$17,700,000
2007-01/2	Burlington County	
	Board of Chosen Freeholders	\$9,750,000
3004-01	Mercer County	\$1,900,000
322-02	Passaic Valley Water Commission	\$5,600,000
526-07	Gloucester County UA	\$2,350,000
3027-01	Edison Township	\$11,900,000
3010-01	Brick Township	\$3,450,000
3017-01	Franklin Township (Somerset)	\$400,000
2003-01	Evesham Township	\$1,750,000
3023-01	Evesham Township	\$4,550,000
3006-01	Bridgewater Township	\$1,000,000
895-06	Winslow Township (Albion Area)	\$1,950,000
3002-01	Roxbury Township	\$450,000
3005-01	West Windsor Township	\$2,200,000
3030-01	Montville Township	\$2,100,000
3034-01	Readington Township	\$800,000
3008-01	Princeton Township	\$1,000,000
3003-01	Hanover Township	\$1,150,000
3028-01	Holmdel Township	\$2,100,000
3012-01	Clinton Township	\$13,450,000
3020-01	Washington Township (Mercer)	\$1,450,000
3033-01	Edgewater Borough	\$300,000
3026-01	Eastampton Township	\$6,000,000
3013-01	Allamuchy Township	\$4,500,000
875-01	Voorhees Township	\$2,950,000
2001-01	Atlantic County UA	\$3,400,000
2008-02	Sussex County MUA	\$3,200,000
641-01	Camden City	\$6,650,000
399-25	Bayonne MUA	\$1,800,000
448-04	Brick Township MUA	\$1,600,000
364-02	Gloucester Township MUA	\$1,200,000
293-01	Union Township	\$150,000
259-03	Kearny MUA	\$750,000
550-04	Cumberland County UA	\$1,100,000
545-04	Glassboro Borough	\$1,900,000
291-02	Collingswood Borough	\$700,000
385-02	Berkeley Heights Township	\$1,000,000
958-03	Gloucester City	\$800,000
163-01	Waterford Township MUA	\$1,000,000
827-01	Brigantine City	\$650,000
967-04	Matawan Borough	\$1,400,000
666-02	Margate City	\$350,000
944-02	Chesterfield Township	\$3,000,000
258-02	Cape May City	\$300,000
375-01	Hainesport Township	\$7,250,000
366-04	Camden City	\$2,450,000
437-11	New Brunswick City	\$2,350,000
649-03	Pemberton Township	\$400,000
870-03	Pennsville Township	\$1,000,000
161-01	Lumberton Township	\$1,800,000
827-02	Brigantine City	\$200,000
	TOTAL	\$185,600,000

b. The following environmental infrastructure projects shall be known and may be cited as

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the "State Fiscal Year 2002 Drinking Water Project Priority List":

Project Number	Project Sponsor	Estimated Allowable Loan Amount
0601001-001	Bridgeton City	\$950,000
0705001-001	East Orange City	\$4,800,000
0408001-003	Camden City	\$3,400,000
0613001-001	Seabrook Water Corp.	\$550,000
0435003-004	Waterford Township MUA	\$1,200,000
0604001-002/4	Middlesex Water Company (Bayview Water Company)	\$900,000
0435003-003	Waterford Township MUA	\$950,000
1605002-005	Passaic Valley Water Commission	\$43,500,000
1707001-003	Pennsgrove Water Supply Company	\$350,000
0502001-003	Cape May City	\$250,000
0408001-012	Camden City	\$2,500,000
0822001-002	Woodbury City	\$1,600,000
1345001-002	New Jersey American Water Company - Monmouth	\$11,750,000
0424001-001	Merchantville-Pennsauken Water Commission	\$2,150,000
0704002-006	Essex County UA	\$1,350,000
0435003-002	Waterford Township MUA	\$700,000
1506001-001	Brick Township MUA	\$9,500,000
0116001-001	Margate City	\$200,000
1225001-006/7	Middlesex Water Company	\$2,550,000
1904001-001	Brookwood Musconetcong River POA	\$600,000
1429001-001	Parsippany-Troy Hills Township	\$350,000
0713001-005	Montclair Township	\$800,000
1615017-002	Wonder Lakes Properties, Inc.	\$100,000
1514001-003	New Jersey American Water Company - Lakewood	\$200,000
0508001-001	New Jersey American Water Company - Ocean City	\$100,000
0506010-001	New Jersey American Water Company - Neptune	\$50,000
2121001-001	New Jersey American Water Company - Washington (Warren)	\$50,000
0119002-002	New Jersey American Water Company - Atlantic	\$250,000
1533001-001	Barnegat Township	\$450,000
2103001-001	New Jersey American Water Company - Belvidere	\$50,000
1011001-001	New Jersey American Water Company - Frenchtown	\$50,000
0510001-001	Stone Harbor Borough	\$450,000
1429001-002	Parsippany-Troy Hills Township	\$600,000
1504001-002	Beachwood Borough	\$300,000
0327001-004	New Jersey American Water Company - Western Division	\$850,000
1208001-001	New Jersey American Water Company - Jamesburg	\$100,000
1345001-001	New Jersey American Water Company - Monmouth	\$850,000
0712001-002	New Jersey American Water Company - Short Hills	\$700,000
1502001-001	New Jersey American Water Company - Ocean County	\$250,000
1605001-001	New Jersey American Water Company - Little Falls	\$100,000

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1502001-003	New Jersey American Water Company - Ocean County	\$450,000
0511001-001	New Jersey American Water Company - Strathmere	\$50,000
2004002-001	Watchung Borough	\$300,000
0720001-002	ECUA/Verona	\$950,000
	TOTAL	\$98,150,000

5. In accordance with and subject to the provisions of sections 5, 6 and 23 of P.L.1985, c.334 (C.58:11B-5, 58:11B-6, and 58:11B-23) and as set forth in the financial plan required pursuant to section 21 of P.L.1985, c.334 (C.58:11B-21), or the financial plan required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-21.1), any proceeds from bonds issued by the trust to make loans for priority environmental infrastructure projects listed in sections 2 and 4 of this act which are not expended for that purpose may be applied for the payment of all or any part of the principal of and interest and premium on the trust bonds whether due at stated maturity, the interest payment dates or earlier upon redemption. A portion of the proceeds from bonds issued by the trust to make loans for priority environmental infrastructure projects pursuant to this act may be applied for the payment of capitalized interest and for the payment of any issuance expenses; for the payment of reserve capacity expenses; for the payment of debt service reserve fund expenses; and for the payment of increased costs as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27).

6. Any loan made by the New Jersey Environmental Infrastructure Trust pursuant to this act shall be subject to the following requirements:

a. The chairman of the trust has certified that the project is in compliance with the provisions of P.L.1977, c.224, P.L.1985, c.334, P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.224, P.L.1997, c.225 or P.L.1999, c.175, and any rules and regulations adopted pursuant thereto. In making this certification, the chairman may conclusively rely on the project review conducted by the Department of Environmental Protection without any independent review thereof by the trust;

b. The loan shall be conditioned upon approval of a zero interest loan from the Department of Environmental Protection from the "Water Supply Fund" established pursuant to section 14 of the "Water Supply Bond Act of 1981," (P.L.1981, c.261), as amended by P.L.1983, c.355 and amended and supplemented by P.L.1997, c.223, the "Wastewater Treatment Fund" established pursuant to section 15 of the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329), the "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), or the Drinking Water State Revolving Fund established pursuant to section 1 of P.L.1998, c.84;

c. The loan shall be repaid within a period not to exceed 20 years of the making of the loan;

d. The loan shall not exceed the allowable project cost of the environmental infrastructure facility, exclusive of capitalized interest and issuance expenses as provided in subsection b. of section 7 of this act, reserve capacity expenses and the debt service reserve fund expenses as provided in subsection c. of section 7 of this act, interest earned on project costs as provided in subsection d. of section 7 of this act, refunding increases as provided in section 8 of this act and increased costs as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27);

e. The loan shall bear interest, exclusive of any late charges or administrative fees payable to the trust pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5) by the project sponsors receiving trust loans, at or below the interest rate paid by the trust on the bonds issued to make or refund the loans authorized by this act, adjusted for underwriting discount and original issue discount or premium, in accordance with the terms and conditions set forth in the financial plan required pursuant to section 21 of P.L.1985, c.334 (C.58:11B-21) or the financial plan required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-21.1); and

f. The loan shall be subject to all other terms and conditions as the trust shall determine to be consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) and any rules and

regulations adopted pursuant thereto, and with the financial plan required by section 21 of P.L.1985, c.334 (C.58:11B-21) or the financial plan required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-21.1).

The priority lists and authorization for the making of loans pursuant to this act shall expire on July 1, 2002, and any project sponsor which has not executed and delivered a loan agreement with the trust for a loan authorized in this act shall no longer be entitled to that loan.

7. a. The New Jersey Environmental Infrastructure Trust is authorized to reduce the individual amount of loan funds made available to or on behalf of project sponsors pursuant to sections 2 and 4 of this act based upon final building costs defined in and determined in accordance with rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27) or rules and regulations adopted by the Commissioner of Environmental Protection pursuant to section 4 of P.L.1985, c.329, section 11 of P.L.1977, c.224 (C.58:12A-11) or section 5 of P.L.1981, c.261. The trust is authorized to use any such reduction in the loan amount made available to a project sponsor to cover that project sponsor's increased costs due to differing site conditions or other allowable expenses as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27).

b. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of this act by the amount of capitalized interest and issuance expenses allocable to each loan made by the trust pursuant to this act; provided that the increase for issuance expenses, excluding underwriters' discount, original issue discount or premiums, municipal bond insurance premiums and bond rating agency fees, shall not exceed 0.4% of the principal amount of trust bonds issued to make loans authorized by this act.

c. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of this act by the amount of reserve capacity expenses, and by the debt service reserve fund expenses associated with such reserve capacity expenses or associated with loans issued to owners of public water utilities, as may be allowed for the project by the trust in accordance with rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27).

d. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of this act by the interest earned on amounts deposited for project costs pending their distribution to project sponsors.

8. The New Jersey Environmental Infrastructure Trust is authorized to increase the individual amount of loan funds made available to project sponsors by the trust pursuant to P.L.1989, c.190, P.L.1990, c.97, P.L.1991, c.324, P.L.1992, c.37, P.L.1993, c.192, P.L.1994, c.105, P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85, P.L.1999, c.173, P.L.2000, c.93 or P.L.2001, c.224, provided that adequate savings are achieved, to compensate for a refunding of trust bonds issued to make loans authorized by the aforementioned acts.

9. The expenditure of funds authorized pursuant to this act is subject to the provisions of P.L.1977, c.224 (C.58:12A-1 et seq.), P.L.1985, c.329, P.L.1985, c.334 (C.58:11B-1 et seq.), as amended and supplemented by P.L.1997, c.224, P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.225 or P.L.1999, c.175, and the rules and regulations adopted pursuant thereto, and the provisions of the Federal Clean Water Act or the Federal Safe Drinking Water Act, as appropriate.

10. This act shall take effect immediately.

Approved August 24, 2001.