

**[CORRECTED COPY]**  
**CHAPTER 109**

**AN ACT** appropriating moneys to the Department of Environmental Protection for the purpose of making zero interest loans to project sponsors to finance a portion of the costs of construction of environmental infrastructure projects.

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

1. a. (1) There is appropriated to the Department of Environmental Protection from the Clean Water Fund - State Revolving Fund Accounts (hereinafter referred to as the "Clean Water State Revolving Fund Accounts") an amount equal to the federal fiscal year 2004 capitalization grant made available to the State for clean water projects pursuant to the "Water Quality Act of 1987" (33 U.S.C.s.1251 et seq.), and any amendatory and supplementary acts thereto (hereinafter referred to as the "Federal Clean Water Act").

(2) There is appropriated to the Department of Environmental Protection from the Drinking Water State Revolving Fund an amount equal to the federal fiscal year 2004 capitalization grant made available to the State for drinking water projects pursuant to the "Safe Drinking Water Act Amendments of 1996" Pub.L.104-182, and any amendatory and supplementary acts thereto (hereinafter referred to as the "Federal Safe Drinking Water Act").

The Department of Environmental Protection is authorized to transfer from the Clean Water State Revolving Fund Accounts to the Drinking Water State Revolving Fund an amount up to the maximum amount authorized to be transferred pursuant to the Federal Safe Drinking Water Act to meet present and future needs for the financing of eligible drinking water projects, and an amount equal to said maximum amount is hereby appropriated to the department for those purposes.

(3) There is appropriated to the Department of Environmental Protection the unappropriated balances from the "Wastewater Treatment Fund" established pursuant to section 15 of the "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329).

(4) There is appropriated to the Department of Environmental Protection the sum of \$20,000,000 from the "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).

(5) Of the sums appropriated to 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) pursuant to P.L.2001, c.222, the department is authorized to transfer such amounts as needed to the Drinking Water State Revolving Fund for the purpose of providing the State match as required or will be required for the award of the capitalization grants made available to the State for drinking water projects pursuant to the Federal Safe Drinking Water Act.

(6) Of the sums appropriated to the Department of Environmental Protection from 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) pursuant to P.L.1996, c.85, P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92, P.L.2001, c.222 and P.L.2002, c.70, the department is authorized to transfer any unexpended balances and any repayments of loans therefrom in such amounts as needed to the Clean Water State Revolving Fund Accounts for the purpose of providing the State match as required or will be required for the award of the capitalization grants made available to the State for clean water projects pursuant to the Federal Clean Water Act.

(7) Of the sums appropriated to the Department of Environmental Protection from the "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) pursuant to P.L.2004, c.109, the department is authorized to transfer such amounts as needed to the Clean Water State Revolving Fund Accounts for the purpose of providing the State match as required or will be required for the award of the capitalization grants made available to the State for clean water projects pursuant to the Federal Clean Water Act.

Any such amounts shall be for the purpose of making zero interest 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 clean water projects and drinking water projects listed in sections 2 and 3 of this act, and for the purpose of implementing and administering the provisions of this act, to the extent permitted by the Federal Clean Water Act, and any amendatory and supplementary acts thereto, the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329), the "Water Supply Bond Act of 1981," (P.L.1981, c.261), the "Stormwater Management and Combined Sewer Overflow Abatement Bond Act of 1989" (P.L.1989, c.181), the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," (P.L.1992, c.88), the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003," (P.L.2003, c.162), the Federal Safe Drinking Water Act, and any amendatory and supplementary acts thereto, and State law.

b. The department is authorized to make zero interest loans to or on behalf of the project sponsors for the environmental infrastructure projects listed in subsection a. of section 2 and subsection a. of section 3 of this act for clean water projects, and subsection b. of section 2 and subsection b. of section 3 of this act for drinking water projects, up to the individual amounts indicated and in the priority stated, except as any such amount may be reduced by the Commissioner of Environmental Protection pursuant to section 6 of this act, or if a project fails to meet the requirements of section 4 of this act.

c. The department is authorized to make zero interest loans to or on behalf of the project sponsors for the environmental infrastructure projects listed in sections 2 and 3 of this act under the same terms, conditions and requirements as set forth in this section from any unexpended balances of the amounts appropriated pursuant to section 1 of P.L.1987, c.200, section 2 of P.L.1988, c.133, section 1 of P.L.1989, c.189, section 1 of P.L.1990, c.99, section 1 of P.L.1991, c.325, section 1 of P.L.1992, c.38, section 1 of P.L.1993, c.193, section 1 of P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1 of P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of P.L.1998, c.84, section 2 of P.L.1999, c.174, or section 2 of P.L.2000, c.92, including amounts resulting from the final building cost reductions authorized pursuant to section 6 of P.L.1987, c.200, section 7 of P.L.1988, c.133, section 6 of P.L.1989, c.189, section 6 of P.L.1990, c.99, section 6 of P.L.1991, c.325, section 6 of P.L.1992, c.38, section 6 of P.L.1993, c.193, section 6 of P.L.1994, c.106, section 6 of P.L.1995, c.219, section 6 of P.L.1996, c.85, section 6 of P.L.1997, c.221, section 7 of P.L.1998, c.84, section 6 of P.L.1999, c.174, section 6 of P.L.2000, c.92, section 6 of P.L.2001, c.222, section 6 of P.L.2002, c.70 and section 6 of P.L.2003, c.158, and from any repayments of loans from the "Wastewater Treatment Fund," the "1992 Wastewater Treatment Fund," or amounts deposited therein during State fiscal year 2004 pursuant to the provisions of section 16 of P.L.1985, c.329, including any Clean Water State Revolving Fund Accounts contained within the "Wastewater Treatment Fund," and from any repayment of loans from the Drinking Water State Revolving Fund.

2. a. (1) The department is authorized to expend funds for the purpose of making supplemental zero interest loans to or on behalf of the project sponsors listed below for the following clean water environmental infrastructure projects:

<b>Project Number</b>	<b>Project Sponsor</b>	<b>Estimated Allowable Loan Amount</b>
340385-02-1	Berkeley Heights Township	\$340,000
340641-02-1	Camden City	\$3,710,000
340536-05-1	Mercer County Improvement Authority	\$150,000
340321-01-1	Montclair State University	\$822,000
340750-05-1	Ocean Township SA	\$1,815,000
340547-07/09-1	Rahway Valley SA	\$1,890,000
343046-01-1	Middle Township	\$198,000
343043-01-1	Old Bridge Township	<u>\$6,183,000</u>
<b>TOTAL</b>		<u><b>\$15,108,000</b></u>

(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 section 6 of this act and the loan amounts certified by the commissioner in State fiscal years 2002, 2003 and 2004 and for increased allowable costs as defined and determined in accordance with the rules and regulations adopted by the department pursuant to section 4 of P.L.1985, c.329. 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 4 of this act.

(3) The zero interest loans for the projects authorized in this subsection shall have priority over projects listed in subsection a. of section 3 of this act.

b. (1) The department 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 drinking water environmental infrastructure projects:

<b>Project Number</b>	<b>Project Sponsor</b>	<b>Estimated Allowable Loan Amount</b>
0408001-012-1	Camden City	\$1,357,000
0720001-002-1	Verona Township	\$1,200,000
0818004-001-1	Washington Township MUA	<u>\$1,751,000</u>
	<b>TOTAL</b>	<u><b>\$4,308,000</b></u>

(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 commissioner in State fiscal years 2002 and 2003, and for increased allowable costs as defined and determined in accordance with the rules and regulations adopted by the department pursuant to section 5 of P.L.1981, c.261. 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 4 of this act.

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

3. a. The following environmental infrastructure projects shall be known and may be cited as the "State Fiscal Year 2005 Clean Water Project Priority List":

<b>Project Number</b>	<b>Project Sponsor</b>	<b>Estimated Allowable Loan Amount</b>
340815-05	Newark City	\$11,396,000
340259-02	Kearny Town	\$9,972,000
340952-03	North Hudson SA	\$12,000,000
340547-10	Rahway Valley SA	\$69,340,000
340928-04	Jersey City MUA	\$1,761,000
340926-02	Paterson City	\$5,270,000
340848-01	East Newark Borough	\$375,000
340381-06	Roxbury Township	\$973,000
340416-13	Trenton City	\$1,114,000
343045-01	Cape May City	\$3,819,000
343037-01	Burlington County BCF	\$3,164,000
340815-07	Newark City	\$10,401,000
340815-08	Newark City	\$1,691,000

P.L. 2004, CHAPTER 109

340809-05	Atlantic County UA	\$4,026,000
343051-01	Hamilton Township	\$1,155,000
340366-07	Camden City	\$ 4,821,000
343058-01	Voorhees Township	\$5,198,000
343010-02	Brick Township	\$1,585,000
343021-02	Middletown Township	\$2,958,000
343055-01	New Jersey Water Supply Authority - Manasquan Basin	\$825,000
343055-01A	New Jersey Water Supply Authority/Howell Township	\$2,944,000
343023-02	Evesham Township	\$495,000
342005-01/ 340679-01	Linden City	\$5,686,000
343054-01	New Jersey Water Supply Authority - Raritan Basin	\$1,677,000
343054-01A	New Jersey Water Supply Authority/Clinton Township/ Lebanon Township/ Bethlehem Township/ Readington Township	\$12,916,000
343056-01	Ridgewood Village	\$2,968,000
340029-02	Secaucus Township	\$3,564,000
343034-03	Readington Township	\$572,000
340620-05	Barneget Township	\$1,320,000
343012-01	Clinton Township	\$7,875,000
343047-01	Byram Township	\$1,382,000
343052-01	Milltown Borough	\$3,349,000
343053-01	Mine Hill Township	\$990,000
343057-01	Stockton Borough	\$212,000
340366-05	Camden City	\$2,926,000
340103-01	South Orange Village	\$825,000
340372-25	Ocean County UA	\$6,385,000
340801-05	Somerset Raritan Valley SA	\$5,357,000
340364-03	Gloucester Township MUA	\$2,277,000
340377-02	South Monmouth Regional SA	\$3,460,000
340969-04	Berkeley Township SA	\$1,493,000
340837-01	Montclair Township	\$479,000
340888-01	North Brunswick Township	\$639,000
340858-02	Cranford Township	\$1,135,000
340858-03	Cranford Township	\$2,920,000
340947-02	West Deptford Township	\$5,435,000
340881-03	Hawthorne Borough	\$992,000
340170-02	Cinnaminson SA	\$1,108,000
340698-01	Middlesex Borough	\$930,000
340873-01	Clinton Township SA	\$296,000
340778-05	West Paterson Borough	\$544,000
340569-03	Byram Township	\$150,000
340110-01	Bergen County Improvement Authority	\$100,000,000
340108-01	Edgewater Park SA	\$250,000
340391-07	Ewing Lawrence SA	\$4,671,000
340109-01	Pohatcong Township	<u>\$315,000</u>
	<b>TOTAL</b>	<b><u>\$340,380,000</u></b>

b. The following environmental infrastructure projects shall be known and may be cited as the "State Fiscal Year 2005 Drinking Water Project Priority List":

<b>Project Number</b>	<b>Project Sponsor</b>	<b>Estimated Allowable Loan Amount</b>
2119001-005	Aqua New Jersey Inc.	\$1,437,000
1613001-013	North Jersey District Water Supply Commission	\$28,378,000
1011001-004	New Jersey American Water Company - Frenchtown	\$487,000
0613001-001	Seabrook Water Corporation	\$318,000
1505004-001	Berkeley Township MUA	\$4,402,000
0408001-014	Camden City	\$706,000
0408001-013	Camden City	\$12,292,000
1518001-001/002	Cedar Glen Homes Inc.	\$452,000
0604001-004	Bayview Water Company/ Middlesex Water Company	\$339,000
0324001-005	Mount Laurel Township MUA	\$8,893,000
0319001-003	Maple Shade Township	\$1,923,000
1111001-003	Trenton City	\$7,623,000
1339001-002	Shorelands Water Company, Inc.	\$3,025,000
1216001-004	Perth Amboy City	\$596,000
0221001-001/002	Garfield City	\$3,355,000
0820001-001	West Deptford Township	\$1,063,000
1225001-008	Middlesex Water Company	\$3,575,000
1225001-017	Middlesex Water Company	\$5,079,000
0808001-002	South Jersey Water Supply Company	\$195,000
2101001-002	Allamuchy Township	\$500,000
1616001-002/003	West Paterson Borough	\$650,000
1415001-003	Fayson Lake Water Company	\$237,000
0103001-007	Brigantine City	\$2,512,000
0424001-002	Merchantville-Pennsauken Water Commission	\$1,636,000
1530004-001	Stafford Township	\$5,868,000
1504001-002	Beachwood Borough	\$304,000
0324001-003	Mount Laurel Township MUA	\$776,000
0713001-008	Montclair Township	\$556,000
1415001-007	Fayson Lake Water Company	<u>\$160,000</u>
	<b>TOTAL</b>	<b><u>\$91,481,000</u></b>

4. Any loan made by the Department of Environmental Protection pursuant to this act shall be subject to the following requirements:

a. The commissioner has certified that the project is in compliance with the provisions of P.L.1977, c.224, P.L.1985, c.329, P.L.1992, c.88, P.L.1997, c.223 or P.L.1997, c.225, and any rules and regulations adopted pursuant thereto;

b. The loan amount shall not exceed 50% of the allowable project cost of the environmental infrastructure facility, except that for (1) projects serving a designated Urban Center or Urban Complex; (2) projects that eliminate, reduce or improve combined sewer overflows; or (3) open space land acquisition projects, the loan amount shall not exceed 75% of the allowable project cost of the environmental infrastructure facility;

c. The loan shall be repaid within a period not to exceed 23 years of the making of the loan;

d. The loan shall be conditioned upon approval of a loan from the New Jersey Environmental Infrastructure Trust pursuant to P.L.2004, c.110;

e. The loan shall be subject to any other terms and conditions as may be established by the commissioner and approved by the State Treasurer, which may include, notwithstanding any other provision of law to the contrary, subordination of a loan authorized in this act to loans made by the trust pursuant to P.L.2004, c.110, or to administrative fees payable to the trust

pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5).

5. The priority lists and authorization for the making of loans pursuant to sections 2 and 3 of this act shall expire on July 1, 2005, and any project sponsor which has not executed and delivered a loan agreement with the department for a loan authorized in this act shall no longer be entitled to that loan.

6. The Commissioner of Environmental Protection is authorized to reduce or increase the individual amount of loan funds made available to or on behalf of project sponsors pursuant to sections 2 and 3 of this act based upon final building costs defined in and determined in accordance with rules and regulations adopted by the commissioner 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, provided that the total loan amount does not exceed the original loan amount.

7. The expenditure of the funds appropriated by this act is subject to the provisions and conditions of P.L.1977, c.224, P.L.1985, c.329, P.L.1992, c.88, P.L.1997, c.223 or P.L.1997, c.225, and the rules and regulations adopted by the commissioner pursuant thereto, and the provisions of the Federal Clean Water Act or the Federal Safe Drinking Water Act, as appropriate.

8. The Department of Environmental Protection shall provide general technical assistance to any project sponsor requesting assistance regarding environmental infrastructure project development or applications for funds for a project.

9. a. Prior to repayment to the "Wastewater Treatment Fund" pursuant to the provisions of section 16 of P.L.1985, c.329, prior to repayment to the "1992 Wastewater Treatment Fund" pursuant to the provisions of section 28 of P.L.1992, c.88, prior to repayment to the Drinking Water State Revolving Fund, prior to repayment to the "Stormwater Management and Combined Sewer Overflow Abatement Fund" pursuant to the provisions of section 15 of P.L.1989, c.181, prior to repayment to the "2003 Water Resources and Wastewater Treatment Fund" pursuant to the provisions of section 20 of P.L.2003, c.162, or prior to repayment to the "Water Supply Fund" pursuant to the provisions of section 15 of P.L.1981, c.261, repayments of loans made pursuant to these acts may be utilized by 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, under terms and conditions established by the commissioner and trust, and approved by the State Treasurer, and consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) and federal tax, environmental or securities law, to the extent necessary to secure repayment of trust bonds issued to finance loans approved pursuant to P.L.2004, c.110, and to secure the 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.

b. Prior to repayment to the "Wastewater Treatment Fund" pursuant to the provisions of section 16 of P.L.1985, c.329, prior to repayment to the "1992 Wastewater Treatment Fund" pursuant to the provisions of section 28 of P.L.1992, c.88, prior to repayment to the "Water Supply Fund" pursuant to the provisions of section 15 of P.L.1981, c.261, prior to repayment to the Drinking Water State Revolving Fund, prior to repayment to the "2003 Water Resources and Wastewater Treatment Fund" pursuant to the provisions of section 20 of P.L.2003, c.162, or prior to repayment to the "Stormwater Management and Combined Sewer Overflow Abatement Fund" pursuant to the provisions of section 15 of P.L.1989, c.181, the trust is further authorized to utilize repayments of loans made pursuant to P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38, P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85, P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92, P.L.2001, c.222, P.L.2002, c.70, P.L.2003, c.158 or P.L.2004, c.110 to secure repayment of trust bonds issued to finance loans approved pursuant to 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, P.L.2001, c.224, P.L.2002, c.71, P.L.2003, c.159 or P.L.2004, c.110, and to secure the administrative fees payable to the trust under these

loans pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5).

c. To the extent that any loan repayment sums are used to satisfy any trust bond repayment or administrative fee payment deficiencies, the trust shall repay such sums to the department for deposit into the "Wastewater Treatment Fund," the "1992 Wastewater Treatment Fund," the "Water Supply Fund," the Drinking Water State Revolving Fund, the "2003 Water Resources and Wastewater Treatment Fund," or the "Stormwater Management and Combined Sewer Overflow Abatement Fund," as appropriate, from amounts received by or on behalf of the trust from project sponsors causing any such deficiency.

10. The Commissioner of Environmental Protection is authorized to enter into capitalization grant agreements as may be required pursuant to the Federal Clean Water Act or the Federal Safe Drinking Water Act.

11. There is appropriated to the New Jersey Environmental Infrastructure Trust established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) from repayments of loans deposited in any account, including the Clean Water State Revolving Fund Accounts contained within the "Wastewater Treatment Fund," the "1992 Wastewater Treatment Fund," the "Water Supply Fund," the "Stormwater Management and Combined Sewer Overflow Abatement Fund," or the Drinking Water State Revolving Fund, as appropriate, and from any net earnings received from the investment and reinvestment of such deposits, such sums as the chairman of the trust shall certify to the Commissioner of Environmental Protection to be necessary and appropriate for deposit into one or more reserve funds established by the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

12. a. There is appropriated to the New Jersey Environmental Infrastructure Trust established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) from repayments of loans deposited in any account, including the Clean Water State Revolving Fund Accounts contained within the "Wastewater Treatment Fund," the "1992 Wastewater Treatment Fund," the "Water Supply Fund," the "Stormwater Management and Combined Sewer Overflow Abatement Fund," or the Drinking Water State Revolving Fund, as appropriate, and from any net earnings received from the investment and reinvestment of such deposits, the sum of \$100,000,000, consisting of:

(1) the unexpended balance of \$50,000,000 currently on deposit in the special fund (hereinafter referred to as the "Interim Financing Program Fund") created and established by the trust for the short-term or temporary loan financing or refinancing program (hereinafter referred to as the "Interim Financing Program") authorized pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), which balance previously had been appropriated to the trust for such purpose pursuant to section 12 of P.L.2001, c.222, and

(2) \$50,000,000 to be deposited in the Interim Financing Program Fund, provided that the amount so reappropriated and appropriated to the trust for deposit in the Interim Financing Program Fund shall be utilized by the trust to make short-term or temporary loans pursuant to the Interim Financing Program to any one or more of the project sponsors, for the respective projects thereof, identified in the interim financing project priority list (hereinafter referred to as the "Interim Financing Program Eligibility List") in the form provided to the Legislature by the Commissioner of Environmental Protection.

b. The Interim Financing Program Eligibility List shall be submitted to the Legislature on or before June 17, 2004 on a day when both Houses are meeting. The President of the Senate and the Speaker of the General Assembly shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. Any environmental infrastructure project or the project sponsor thereof not identified in the Interim Financing Program Eligibility List shall not be eligible for a short-term or temporary loan from the Interim Financing Program Fund.

13. This act shall take effect immediately.

Approved July 23, 2004.