

CHAPTER 326

AN ACT concerning the financing of environmental infrastructure projects in Fiscal Year 2018 and amending P.L.2017, c.143.

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

1. Section 1 of P.L.2017, c.143 is amended to read as follows:

1. a. (1) There is appropriated to the Department of Environmental Protection from the "Clean Water State Revolving Fund" established pursuant to section 1 of P.L.2009, c.77, an amount equal to the federal fiscal year 2017 capitalization grant made available to the State for clean water project loans 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 "Interim Financing Program Fund" created and established by the New Jersey Environmental Infrastructure Trust pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9) such amounts as may be necessary to supplement the sums appropriated from the Clean Water State Revolving Fund for the purposes of clean water project loans and 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.

(3) There is appropriated to the Department of Environmental Protection from the "Disaster Relief Emergency Financing Program Fund" created and established by the New Jersey Environmental Infrastructure Trust pursuant to section 1 of P.L.2013, c.93 (C.58:11B-9.5) such amounts as may be necessary to supplement the sums appropriated from the Clean Water State Revolving Fund for the purposes of clean water project loans and 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.

(4) There is appropriated to the Department of Environmental Protection from the "Loan Origination Fee Fund" created and established by the New Jersey Environmental Infrastructure Trust pursuant to section 1 of P.L.2005, c.202 (C.58:11B-10.2), and any repayments of loans and interest therefrom, such amounts as may be necessary to supplement the sums appropriated from the Clean Water State Revolving Fund for the purposes of clean water project loans and 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.

(5) There is appropriated to the Department of Environmental Protection from the "Drinking Water State Revolving Fund" established pursuant to section 1 of P.L.1998, c.84 an amount equal to the federal fiscal year 2017 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 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 that maximum amount is hereby appropriated to the department for those purposes.

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

(6) There is appropriated to the Department of Environmental Protection the unappropriated balances from the Clean Water State Revolving Fund, including the balances from the Federal Disaster Relief Appropriations Act, and any repayments of loans and interest therefrom, for the purposes of clean water project loans and providing the State match as available on or before June 30, 2018, 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) 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), and any repayments of loans and interest therefrom, as available on or before June 30, 2018, for the purposes of clean water project loans and 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.

(8) There is appropriated to the Department of Environmental Protection the unappropriated balances 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), and any repayments of loans and interest therefrom, as available on or before June 30, 2018, for the purposes of clean water project loans and 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.

(9) There is appropriated to the Department of Environmental Protection the unappropriated balances 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), and any repayments of loans and interest therefrom, as available on or before June 30, 2018, for the purposes of clean water project loans and 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.

(10) There is appropriated to the Department of Environmental Protection the unappropriated balances from the Drinking Water State Revolving Fund, including the balances from the Disaster Relief Appropriations Act of 2013, for the purposes of drinking water project loans and any repayments of loans and interest therefrom, that are or may become available on or before June 30, 2018.

(11) There is appropriated to the Department of Environmental Protection such sums as may be needed from loan repayments and interest earnings from the "Water Supply Fund" established pursuant to section 14 of the "Water Supply Bond Act of 1981" (P.L.1981, c.261) for the "Drinking Water State Revolving Fund Match Accounts" contained within that 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.

(12) There is appropriated to the Department of Environmental Protection from the "Interim Financing Program Fund" created and established by the New Jersey Environmental Infrastructure Trust pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9) such amounts as may be or become available on or before June 30, 2018, and any repayments of loans and interest therefrom, as may be necessary to supplement the sums appropriated from the Drinking Water State Revolving Fund for the purposes of drinking water project loans and 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 Safe Drinking Water Act.

(13) There is appropriated to the Department of Environmental Protection from the "Disaster Relief Emergency Financing Program Fund" created and established by the New Jersey Environmental Infrastructure Trust pursuant to section 1 of P.L.2013, c.93 (C.58:11B-9.5) such amounts as may be necessary to supplement the sums appropriated from the Drinking Water State Revolving Fund for the purposes of drinking water project loans and 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.

(14) There is appropriated to the Department of Environmental Protection from the "Loan Origination Fee Fund" created and established by the New Jersey Environmental Infrastructure Trust pursuant to section 1 of P.L.2005, c.202 (C.58:11B-10.2), and any repayments of loans and interest therefrom, such amounts as may be necessary to supplement the sums appropriated from the Drinking Water State Revolving Fund for the purposes of drinking water project loans and 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.

(15) There is appropriated to the Department of Environmental Protection such sums as may be received by the Department of Community Affairs as the grantee from the United States Department of Housing and Urban Development Community Development Block Grant - Disaster Recovery Program (CDBG-DR), as anticipated and upon availability on or before June 30, 2018, for the purposes of CDBG-DR eligible clean water and drinking water project loans and 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 and drinking water projects pursuant to the Federal Safe Drinking Water Act, respectively.

(16) There is appropriated to the Department of Environmental Protection such sums as may be or become available on or before June 30, 2018, as repayments of drinking water project loans and any interest therefrom from 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 drinking water project loans and 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.

(17) Of the sums appropriated to the Department of Environmental Protection from the "Water Supply Fund" pursuant to P.L.1999, c.174, P.L.2001, c.222, P.L.2002, c.70 and P.L.2003, c.158, the department is authorized to transfer any unexpended balances and any

repayments of loans and interest therefrom as may be or become available on or before June 30, 2018, in such amounts as needed to the Drinking Water State Revolving Fund accounts contained within the Water Supply Fund established for the purposes of providing drinking water project loans and 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.

(18) Of the sums appropriated to the Department of Environmental Protection from the "1992 Wastewater Treatment Fund" 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 and interest therefrom as may be or become available on or before June 30, 2018, in such amounts as needed to the Clean Water State Revolving Fund accounts contained within the 1992 Wastewater Treatment Fund for the purposes of providing clean water project loans and 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.

(19) Of the sums appropriated to the Department of Environmental Protection from the "2003 Water Resources and Wastewater Treatment Fund" pursuant to P.L.2004, c.109, and P.L.2007, c.139, the department is authorized to transfer any unexpended balances and any repayments of loans and interest therefrom as may be or become available on or before June 30, 2018, in such amounts as needed to the Clean Water State Revolving Fund accounts contained within the 2003 Water Resources and Wastewater Treatment Fund for the purposes of providing clean water project loans and 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.

(20) There is appropriated to the Department of Environmental Protection the sums deposited by the New Jersey Environmental Infrastructure Trust into the Clean Water State Revolving Fund, the "Wastewater Treatment Fund," the "1992 Wastewater Treatment Fund," the "Water Supply Fund," the "Stormwater Management and Combined Sewer Overflow Abatement Fund," established pursuant to the "Stormwater Management and Combined Sewer Overflow Abatement Bond Act of 1989" (P.L.1989, c.181), the "2003 Water Resources and Wastewater Treatment Fund" and the Drinking Water State Revolving Fund, as appropriate, pursuant to paragraph (6) of subsection c. of section 1 of P.L.2017, c.142, as available on or before June 30, 2018, for the purposes of providing clean water project loans and drinking water project loans and 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 and drinking water projects pursuant to the Federal Safe Drinking Water Act.

Any such amounts shall be for the purpose of making zero interest and principal forgiveness financing 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 P.L.2017, c.143, as amended by P.L.2017, c.326, and for the purpose of implementing and administering the provisions of P.L.2017, c.143, as amended by P.L.2017, c.326, to the extent permitted by the Federal Disaster Relief Appropriations Act, the Federal Clean Water Act, and any amendatory and supplementary

acts thereto, P.L.2009, c.77, 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 and principal forgiveness financing 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 P.L.2017, c.143, as amended by P.L.2017, c.326, for clean water projects, up to the individual amounts indicated and in the priority stated, to the extent there are sufficient eligible project applications, and except that any such amounts may be reduced if a project fails to meet the requirements of section 4 or 5 of P.L.2017, c.143, as amended by P.L.2017, c.326, or by the Commissioner of Environmental Protection pursuant to section 7 of P.L.2017, c.143, as amended by P.L.2017, c.326, provided:

(1) a maximum of \$6 million in principal forgiveness loans shall be issued to finance Barnegat Bay Watershed environmental infrastructure projects as provided in subsection a. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, wherein principal forgiveness shall be a minimum of 25 percent of the fund loan amount per project sponsor in an amount not to exceed \$2 million of principal forgiveness per project sponsor;

(2) a maximum of \$30 million shall be issued to finance clean water redevelopment projects as provided in subsection a. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326;

(3) to the extent funds are available, principal forgiveness loans shall be issued as provided in subsection a. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, to communities in combined sewer overflow sewersheds sponsoring construction projects that reduce or eliminate excessive infiltration/inflow or extraneous flows wherein principal forgiveness loans shall not exceed \$5 million per borrower subject to the availability of funds wherein 50 percent of the principal of the fund loan shall be forgiven, 25 percent of the loan shall be a zero interest rate fund loan, and 25 percent of the loan shall be a trust market rate loan. A 100 percent DEP interest-free loan will be issued to borrowers for amounts in excess of the cap;

(4) to the extent funds are available, principal forgiveness loans shall be issued as provided in subsection a. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, for combined sewer overflow abatement projects, including projects that use practices that restore natural hydrology through infiltration, evapotranspiration, or the usage or harvesting of stormwater, wherein 50 percent of the principal of the fund loan shall be forgiven, 25 percent of the loan shall be a zero interest rate fund loan, and 25 percent of the loan shall be a trust market rate loan subject to the availability of funds;

(5) to the extent funds are available, a maximum of \$1 million in principal forgiveness loans shall be issued to finance clean water environmental infrastructure projects as provided in subsection a. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, for systems serving populations of up to 10,000 residents for the development of asset management plans wherein principal forgiveness shall be 100 percent of the fund loan amount per project in an amount not to exceed \$100,000 per project sponsor subject to the availability of funds; and

(6) those projects listed in subsection a. of section 2 of P.L.2017, c.143, as amended by P.L.2017, c.326, and subsection a. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, that were previously identified in P.L.2016, c.32, as amended by P.L.2017, c.14, are granted continued priority status and shall be subject to the provisions of P.L.2016, c.32, as amended by P.L.2017, c.14, provided such projects receive short-term funding prior to June 30, 2018.

c. The department is authorized to make zero interest and principal forgiveness financing loans to or on behalf of the project sponsors for the environmental infrastructure projects listed in subsection b. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, for drinking water projects, up to the individual amounts indicated and in the priority stated, provided:

(1) a maximum of 30 percent of the 2017 Drinking Water State Revolving Fund loans not to exceed \$5 million may be issued as provided in subsection b. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, for drinking water systems, as follows:

(a) up to \$4 million of Drinking Water State Revolving Fund loans shall be available for drinking water systems serving populations of up to 10,000 residents wherein principal forgiveness shall not exceed \$500,000 in the aggregate and shall not exceed 50 percent of the total loan amount per project sponsor in an amount not to exceed \$1 million per project sponsor.

Loans for drinking water systems serving 500 or fewer residents shall be given the highest priority, followed by systems serving between 501 to 10,000 residents;

(b) a maximum of \$1 million in principal forgiveness loans shall be issued to drinking water systems serving populations of up to 10,000 residents for the development of asset management plans wherein principal forgiveness shall be 100 percent of the fund loan amount per project in an amount not to exceed \$100,000 per project sponsor subject to the availability of funds; and

(c) a maximum of \$30 million of principal forgiveness for drinking water systems serving communities with a median household income less than the median household income for the county in which they are located for lead line replacement wherein principal forgiveness shall not exceed \$1 million of principal forgiveness per water system.

Loans may be made pursuant to this subsection to the extent there are sufficient eligible project applications and 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. Any such amounts may be reduced by the Commissioner of Environmental Protection pursuant to section 7 of P.L.2017, c.143, as amended by P.L.2017, c.326, or if a project fails to meet the requirements of section 4 or 5 of P.L.2017, c.143, as amended by P.L.2017, c.326.

(2) Those projects listed in subsection a. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, and subsection b. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, that were previously identified in P.L.2016, c.32, as amended by P.L.2017, c.14, are granted continued priority status and shall be subject to the provisions of P.L.2016, c.32, as amended by P.L.2017, c.14, provided such projects receive short-term funding prior to June 30, 2017.

d. The department is authorized to make zero interest and principal forgiveness financing loans to or on behalf of the project sponsors for the environmental infrastructure projects listed in sections 2 and 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, 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, section 2 of P.L.2000, c.92, sections 1 and 2 of P.L.2001, c.222, sections 1 and 2 of P.L.2002, c.70, sections 1 and 2 of P.L.2003, c.158, sections 1 and 2 of P.L.2004, c.109, sections 1 and 2 of P.L.2005, c.196, sections 1 and 2 of P.L.2006, c.68, sections 1 and 2 of P.L.2007, c.139, sections 1 and 2 of P.L.2008, c.68, sections 1 and 2 of P.L.2009, c.102, sections 1 and 2 of P.L.2010, c.63, sections 1 and 2 of P.L.2011, c.93, sections 1 and 2 of P.L.2012, c.43, sections 1 and 2 of P.L.2013, c.95, sections 1 and 2 of P.L.2014, c.25, sections 1 and 2 of P.L.2015, c.108, sections 1 and 2 of P.L.2016, c.32, as amended by P.L.2017, c.14, and sections 1 and 2 of P.L.2017, c.143, as amended by P.L.2017, c.326, including amounts resulting from the low bid and 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, section 6 of P.L.2003, c.158, section 6 of P.L.2004, c.109, section 6 of P.L.2005, c.196, section 6 of P.L.2006, c.68, section 6 of P.L.2007, c.139, section 6 of P.L.2008, c.68, section 7 of P.L.2009, c.102, section 6 of P.L.2010, c.63, section 6 of P.L.2011, c.93, section 6 of P.L.2012, c.43, section 6 of P.L.2013, c.95, section 6 of P.L.2014, c.25, section 6 of P.L.2015, c.108, section 6 of P.L.2016, c.32, as amended by P.L.2017, c.14, and section 6 of P.L.2017, c.143, as amended by P.L.2017, c.326, and from any repayments of loans and interest from the Clean Water State Revolving Fund, the "Wastewater Treatment Fund," the "Water Supply Fund," the "1992 Wastewater Treatment Fund," the "2003 Water Resources and Wastewater Treatment Fund," and amounts deposited therein during State fiscal year 2016 and State fiscal year 2017 pursuant to the provisions of section 16 of P.L.1985, c.329, and section 2 of P.L.2009, c.77 and any amendatory and supplementary acts thereto, including any Clean Water State Revolving Fund Accounts contained within the "Wastewater Treatment Fund," and from any repayment of loans and interest from the Drinking Water State Revolving Fund.

e. The department is authorized to make zero interest and principal forgiveness Sandy financing loans to or on behalf of the project sponsors for the Sandy environmental infrastructure projects listed in subsection a. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, for clean water projects and subsection b. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, for drinking water projects, in a manner consistent with the Federal Disaster Relief Appropriations Act, up to the individual amounts indicated, except that any such amount may be reduced by the Commissioner of Environmental Protection pursuant to section 7 of P.L.2017, c.143, as amended by P.L.2017, c.326, or if a project fails to meet the requirements of section 4, 5, or 7 of P.L.2017, c.143, as amended by P.L.2017, c.326, provided a maximum of \$300 million shall be provided for Sandy financing loans for clean water and drinking water projects to provide financial assistance to communities

affected by the Storm Sandy, and for projects whose purpose is to reduce flood damage risk and vulnerability or to enhance resiliency to rapid hydrologic change or a natural disaster.

f. For the purposes of P.L.2017, c.143, as amended by P.L.2017, c.326:

“Base financing” means zero interest loans provided by the Department of Environmental Protection from moneys made available for the purposes of P.L.2017, c.143, as amended by P.L.2017, c.326, from any source other than funds received pursuant to the Federal Disaster Relief Appropriations Act, related State matching funds, and interest earned thereon.

"Federal Disaster Relief Appropriations Act" means the "Disaster Relief Appropriations of 2013" (Pub.L.113-2), and any amendatory and supplementary acts thereto.

"Sandy financing” or “Sandy funding" means grants, zero interest loans or principal forgiveness loans provided by the Department of Environmental Protection from funds made available to the State for clean water projects, clean water project match, drinking water projects or drinking water project match pursuant to the Federal Disaster Relief Appropriations Act.

2. Section 2 of P.L.2017, c.143 is amended to read as follows:

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:

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Allowable Loan Amount
Burlington Township	S320712-14-1	\$150,000	\$200,000
Manasquan Borough	S340450-01-1	\$1,582,500	\$2,110,000
Mendham Township	S340477-01-1	\$1,615,500	\$2,154,000
North Hudson SA	S340952-19-1	\$150,000	\$200,000
Ventnor City	S340667-02-1	\$3,750,000	\$5,000,000
Wanaque Valley RSA	S340780-04-1	\$1,125,000	\$1,500,000
Total projects: 6		\$8,373,000	\$11,164,000

(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 section 7 of P.L.2017, c.143, as amended by P.L.2017, c.326, and the loan amounts certified by the Commissioner of Environmental Protection in State fiscal years 2015, 2016, and 2017 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, 5, or 7 of P.L.2017, c.143, as amended by P.L.2017, c.326.

(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 P.L.2017, c.143, as amended by P.L.2017, c.326.

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:

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Allowable Loan Amount
North Jersey District Water Supply Comm.	1613001-017-1	\$2,700,000	\$3,600,000
Total Projects: 1		\$2,700,000	\$3,600,000

(2) The loans 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 section 6 of P.L.2017, c.143, as amended by P.L.2017, c.326, and the loan amount certified by the Commissioner of Environmental Protection in State fiscal year 2017 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, 5, or 7 of P.L.2017, c.143, as amended by P.L.2017, c.326.

(3) The zero interest loans for the projects authorized in this subsection shall have priority over projects listed in subsection b. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326.

3. Section 3 of P.L.2017, c.143 is amended to read as follows:

3. a. The following environmental infrastructure projects shall be known and may be cited as the "Storm Sandy and State Fiscal Year 2018 Clean Water Project Eligibility List":

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Allowable Loan Amount
Aberdeen Township	S340869-02	\$6,750,000	\$9,000,000
Atlantic	S340809-23	\$11,040,000	\$11,040,000

County UA			
Atlantic County UA	S340809-24	\$800,000	\$800,000
Atlantic County UA	S340809-25	\$17,520,000	\$17,520,000
Atlantic County UA	S340809-26	\$1,500,000	\$1,500,000
Atlantic County UA	S340809-27	\$3,200,000	\$3,200,000
Atlantic County UA	S340809-28	\$3,075,000	\$4,100,000
Bayshore RSA	S340697-05	\$21,150,000	\$28,200,000
Bayshore RSA	S340697-06	\$11,325,000	\$15,100,000
Bradley Beach Borough	S340472-01	\$2,025,000	\$2,700,000
Bradley Beach Borough	S340472-02	\$1,942,538	\$2,590,050
Burlington City	S340140-01	\$1,275,000	\$1,700,000
Burlington Township	S340712-15	\$825,000	\$1,100,000
Carteret Borough	S340939-09	\$11,257,500	\$15,010,000
Cinnaminson SA	S340170-07	\$6,750,000	\$9,000,000
Cinnaminson SA	S340170-08	\$870,000	\$1,160,000
Cumberland County UA	S340550-07	\$975,000	\$1,300,000
Cumberland County UA	S340550-08	\$975,000	\$1,300,000
Elizabeth City	S340942-18	\$6,150,000	\$8,200,000
Elizabeth City	S340942-19	\$5,775,000	\$7,700,000
Gloucester City	S340958-07	\$900,000	\$1,200,000
Gloucester City	S340958-08	\$1,575,000	\$2,100,000
Gloucester County IA	S342024-01	\$6,000,000	\$8,000,000

Gloucester County UA	S340902-14	\$33,750,000	\$45,000,000
Gloucester County UA	S340902-16	\$1,575,000	\$2,100,000
Hightstown Borough	S340915-05	\$1,050,000	\$1,400,000
Hoboken City	S340635-07	\$3,750,000	\$5,000,000
Jersey City MUA	S340928-15	\$30,300,000	\$40,400,000
Jersey City MUA	S340928-19	\$5,625,000	\$7,500,000
Jersey City MUA	S340928-20	\$5,400,000	\$7,200,000
Jersey City MUA	S340928-22	\$562,500	\$750,000
Jersey City	S340928-30	\$2,033,250	\$2,711,000
Kearny MUA	S340259-07	\$4,875,000	\$6,500,000
Little Egg Harbor MUA	S340579-02	\$2,475,000	\$3,300,000
Long Beach Township	S340023-06	\$3,750,000	\$5,000,000
Manasquan River RSA	S340911-03	\$495,000	\$660,000
Mendham Township	S340477-01	\$1,875,000	\$2,500,000
Millville City	S340921-07	\$9,000,000	\$12,000,000
Montclair Township	S340837-04	\$1,275,000	\$1,700,000
Newark City	S340815-22	\$7,875,000	\$10,500,000
North Bergen MUA	S340652-14	\$17,250,000	\$23,000,000
North Hudson SA	S340952-22	\$13,500,000	\$18,000,000
North Hudson SA	S340952-23	\$2,325,000	\$3,100,000
North Hudson SA	S340952-28	\$1,275,000	\$1,700,000
Northwest Bergen County UA	S340700-13	\$3,900,000	\$5,200,000
Ocean County	S344080-09	\$975,000	\$1,300,000
Ocean County	S344080-10	\$187,500	\$250,000
Ocean	S344080-11	\$262,500	\$350,000

County			
Ocean Township	S340112-07	\$2,250,000	\$3,000,000
Ocean Township SA	S340750-11	\$4,875,000	\$6,500,000
Ocean Township SA	S340750-13	\$412,500	\$550,000
Ocean Township SA	S340750-14	\$1,875,000	\$2,500,000
Passaic Valley SC	S340689-25	\$6,825,000	\$9,100,000
Passaic Valley SC	S340689-30	\$2,775,000	\$3,700,000
Passaic Valley SC	S340689-31	\$3,000,000	\$4,000,000
Passaic Valley SC	S340689-32	\$7,500,000	\$10,000,000
Passaic Valley SC	S340689-34	\$2,175,000	\$2,900,000
Passaic Valley SC	S340689-38	\$15,750,000	\$21,000,000
Passaic Valley SC	S340689-39	\$3,612,000	\$4,816,000
Perth Amboy City	S340435-11	\$4,844,513	\$6,459,351
Perth Amboy City	S340435-13	\$637,500	\$850,000
Pine Hill MUA	S340274-05	\$1,350,000	\$1,800,000
Plumsted Township	S340607-03	\$20,250,000	\$27,000,000
Rahway Valley SA	S340547-14	\$7,125,000	\$9,500,000
Riverdale Borough	S340729-02	\$217,342	\$289,789
Riverside SA	S340490-01	\$630,000	\$840,000
Rockaway Valley RSA	S340821-06	\$6,000,000	\$8,000,000
Rockaway Valley RSA	S340821-07	\$6,150,000	\$8,200,000
Roxbury Township	S340381-07	\$5,625,000	\$7,500,000
Ship Bottom Borough	S340311-03	\$3,525,000	\$4,700,000
Somerset	S340801-08	\$12,375,000	\$16,500,000

Raritan Valley SA			
Somerville Borough	S342013-01	\$8,625,000	\$11,500,000
South Monmouth RSA	S340377-05	\$2,625,000	\$3,500,000
Stafford Township	S344100-03	\$4,200,000	\$5,600,000
Stony Brook RSA	S340400-10	\$3,825,000	\$5,100,000
Sussex County MUA	S342008-05	\$9,750,000	\$13,000,000
Ventnor City	S340667-03	\$1,500,000	\$2,000,000
Total Projects: 77		\$429,299,643	\$561,046,190

b. The following environmental infrastructure projects shall be known and may be cited as the "Storm Sandy and State Fiscal Year 2018 Drinking Water Project Eligibility List":

Project Sponsor	Project No.	Estimated Allowable DEP Loan Amount	Estimated Total Allowable Loan Amount
Aberdeen Township	1330004-001	\$2,925,000	\$3,900,000
Berkeley Township MUA	1505004-007	\$525,000	\$700,000
Bordentown City	0303001-006	\$1,125,000	\$1,500,000
Bordentown City	0303001-008	\$1,650,000	\$2,200,000
Cape May City	0502001-004	\$1,650,000	\$2,200,000
Clinton Town	1005001-008	\$1,125,000	\$1,500,000
Clinton Town	1005001-009	\$900,000	\$1,200,000
Elmer Borough	1702001-001	\$600,000	\$800,000
Gloucester City	0414001-020A	\$975,000	\$1,300,000
Gloucester City	0414001-022	\$900,000	\$1,200,000
Hoboken City	0905001-001	\$6,375,000	\$8,500,000
Jackson	1511001-010	\$6,150,000	\$8,200,000

Township MUA			
Lavallette Borough	1515001-001	\$998,250	\$1,331,000
Little Egg Harbor MUA	1516001-004	\$2,250,000	\$3,000,000
Long Beach Township	1517001-500	\$6,900,000	\$9,200,000
Long Beach Township	1517001-501	\$1,725,000	\$2,300,000

Manchester Township	1518005-002	\$4,125,000	\$5,500,000
Mantua Township MUA	0810004-002	\$1,350,000	\$1,800,000
Mantua Township MUA	0810004-003	\$1,050,000	\$1,400,000
Maple Shade Township	0319001-006	\$1,950,000	\$2,600,000
Middlesex Water Company	1225001-016	\$4,275,000	\$5,700,000
Middlesex Water Company	1225001-023	\$6,000,000	\$8,000,000
Middlesex Water Company	1225001-024	\$2,700,000	\$3,600,000
Middlesex Water Company	1225001-026	\$9,750,000	\$13,000,000
Netcong Borough	1428001-008	\$825,000	\$1,100,000
Netcong Borough	1428001-009	\$300,000	\$400,000
Newark City	0714001-016	\$9,750,000	\$13,000,000
Newark City	0714001-500	\$3,825,000	\$5,100,000
NJ American Water Company, Inc.	1345001-016	\$10,125,000	\$13,500,000
NJ American Water Co.-	2004002-500	\$27,000,000	\$36,000,000

Raritan			
NJ American Water Company, Inc.	2004002-011	\$9,600,000	\$12,800,000
North Jersey District Water Supply Comm.	1613001-022	\$12,750,000	\$17,000,000
North Jersey District Water Supply Comm.	1613001-025	\$5,475,000	\$7,300,000
North Jersey District Water Supply Comm.	1613001-033	\$3,075,000	\$4,100,000
Ocean Township	1520001-007	\$1,050,000	\$1,400,000
Old Bridge MUA	1209002-013	\$2,671,500	\$3,562,000
Pennington Borough	1108001-002	\$937,500	\$1,250,000
Perth Amboy City	1216001-008	\$1,875,000	\$2,500,000
Rahway City	2013001-007	\$13,650,000	\$18,200,000
Red Bank Borough	1340001-002	\$1,500,000	\$2,000,000
Saddle Brook Township	0257001-002	\$1,425,000	\$1,900,000
Ship Bottom Borough	1528001-002	\$2,812,500	\$3,750,000
Stafford Township	1530004-018	\$1,800,000	\$2,400,000
Trenton City	1111001-010	\$7,875,000	\$10,500,000
Washington Township MUA	0818004-010	\$1,425,000	\$1,900,000
Willingboro MUA	0338001-009	\$5,250,000	\$7,000,000
Total Projects: 46		\$192,969,750	\$257,293,000

4. Section 4 of P.L.2017, c.143 is amended to read as follows:

4. Any financing loan made by the Department of Environmental Protection pursuant to P.L.2017, c.143, as amended by P.L.2017, c.326, shall be subject to the following requirements:

a. The Commissioner Environmental Protection 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, P.L.1997, c.225 or P.L.2003, c.162, and any rules and regulations adopted pursuant thereto;

b. A loan for an environmental infrastructure project listed in section 2 or 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, shall be subject to the terms and conditions of the financing program year in which the trust issued an interim financing program fund loan for such project or the terms and conditions of the state fiscal year 2018 financing program in the absence of an interim financing program fund loan.

c. The estimated Department of Environmental Protection allowable loan amount shall not exceed 75 percent of the total allowable loan amount of the environmental infrastructure facility for projects listed in subsections a. and b. of section 2 and subsections a. and b. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, provided that:

(1) for clean water loans to municipalities that do not satisfy the New Jersey Environmental Infrastructure Trust credit policy but are subject to State financial supervision and oversight pursuant to the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), the Department of Environmental Protection allowable loan amount shall be up to 100 percent of the total allowable loan amount not to exceed a total of \$10 million for all such loans;

(2) for clean water and drinking water loans to municipalities receiving funding under the United States Department of Housing and Urban Development Community Development Block Grant – Disaster Recovery Program (CDBG-DR) the Department of Environmental Protection allowable loan amount shall be up to 100 percent of the total allowable loan amount; and

(3) for loans to communities in a combined sewer overflow sewershed sponsoring construction projects that reduce or eliminate excessive infiltration, inflow, or extraneous flows, the Department of Environmental Protection allowable loan amount shall be up to 100 percent of the total allowable loan amount;

d. With the exception of paragraphs (1) through (3) of subsection c. of this section, the loan shall be conditioned upon approval of a loan from the New Jersey Environmental Infrastructure Trust pursuant to P.L.2017, c.142, as amended by P.L.2017, c.326, prior to June 30, 2018;

e. The loan shall be repaid within a period not to exceed 30 years of the making of the loan; and

f. 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 P.L.2017, c.143, as amended by P.L.2017, c.326, to loans made by the New Jersey Environmental Infrastructure Trust pursuant to P.L.2017, c.142, as amended by P.L.2017, c.326, 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. Section 5 of P.L.2017, c.143 is amended to read as follows:

5. a. Any Sandy financing loan made by the Department of Environmental Protection pursuant to P.L.2017, c.143, as amended by P.L.2017, c.326, shall be subject to the following requirements:

(1) The commissioner has certified that the project is in compliance with the provisions of Title X, Chapter 7 of the Federal "Disaster Relief Appropriations Act of 2013" (Pub.L.113-2), and any amendatory and supplementary acts thereto; and

(2) 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, P.L.1997, c.225 or P.L.2003, c.162, and any rules and regulations adopted pursuant thereto.

b. The total amount of Sandy financing loans received by any project sponsor for drinking water projects listed in subsection b. of section 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, shall not exceed \$15 million of which not more than \$4.5 million of the principal may be forgiven. In the event a project sponsor's individual loan needs exceed \$15 million, the borrower may select which of its projects it will seek funding pursuant to this section, and the borrower may seek a loan for excess costs in a base financing loan. In the event that additional Sandy funding becomes available because project sponsors do not close on loans or the project sponsors loan requests are less than originally applied for, the loan not to exceed amount may be increased to the extent needed to assure full utilization of Sandy funding for drinking water projects, provided:

(1) the loan shall be repaid within a period not to exceed 30 years of the making of the loan;

(2) the loan shall be conditioned upon approval of a loan from the New Jersey Environmental Infrastructure Trust pursuant to P.L.2017, c.142, as amended by P.L.2017, c.327, prior to June 30, 2018; and

(3) 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 P.L.2017, c.143, as amended by P.L.2017, c.326, to loans made by the trust pursuant to P.L.2017, c.142, as amended by P.L.2017, c.327, prior to June 30, 2018, 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).

6. Section 6 of P.L.2017, c.143 is amended to read as follows:

6. The eligibility lists and authorization for the making of loans pursuant to sections 2 and 3 of P.L.2017, c.143, as amended by P.L.2017, c.326, shall expire on July 1, 2018, and any project sponsor which has not executed and delivered a loan agreement with the department for a loan authorized in P.L.2017, c.143, as amended by P.L.2017, c.326, shall no longer be entitled to that loan.

7. Section 7 of P.L.2017, c.143 is amended to read as follows:

7. 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 P.L.2017, c.143, as amended by P.L.2017, c.326, based upon final or low bid 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 2 of P.L.1999, c.362 (C.58:12A-12.2), or section 5 of P.L.1981, c.261, provided that the total loan amount does not exceed the estimated total allowable loan amount. The commissioner 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 P.L.2017, c.143, as amended by P.L.2017, c.326, in an amount not to exceed 10 percent of the total allowable loan amount based upon additional project costs to comply with the Department of Environmental Protection's guidance for asset management, emergency response, flood protection, and auxiliary power.

8. Section 8 of P.L.2017, c.143 is amended to read as follows:

8. The expenditure of the funds appropriated by P.L.2017, c.143, as amended by P.L.2017, c.326, 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, P.L.1997, c.225 or P.L.2003, c.162, and the rules and regulations adopted by the Commissioner of Environmental Protection pursuant thereto, and the provisions of the Federal Disaster Relief Appropriations Act, the Federal Clean Water Act or the Federal Safe Drinking Water Act, and any amendatory and supplementary acts thereto, as appropriate.

9. Section 10 of P.L.2017, c.143 is amended to read as follows:

10. a. Prior to repayment to the Clean Water State Revolving Fund pursuant to sections 1 and 2 of P.L.2009, c.77 and any amendatory and supplementary acts thereto, 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.2017, c.142, as amended by P.L.2017, c.327, 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 Clean Water State Revolving Fund pursuant to section 1 and 2 of P.L. 2009, c.77 and any amendatory and supplementary acts thereto, 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, P.L.2004, c.109, P.L.2005, c.196, P.L.2006, c.68, P.L.2007, c.139, P.L.2008, c.68, P.L.2009, c.102, P.L.2010, c.63, P.L.2011, c.93, P.L.2012, c.43, P.L.2013, c.95, P.L.2014, c.25, P.L.2015, c.108, P.L.2016, c.32, as amended by P.L.2017, c.14, or P.L.2017, c.143, as amended by P.L.2017, c.326, 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, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67, P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62, P.L.2011, c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26, P.L.2015, c.107 P.L.2016, c.31, as amended by P.L.2017, c.13, or P.L.2017, c.142, as amended by P.L.2017, c.327, 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 Clean Water State Revolving Fund, 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. This act shall take effect immediately.

Approved January 16, 2018.