

P.L. 2018, CHAPTER 85, *approved August 10, 2018*
Assembly, No. 4170

1 **AN ACT** appropriating moneys to the Department of Environmental
2 Protection for the purpose of making grants, zero interest loans,
3 or principal forgiveness loans to project sponsors to finance a
4 portion of the costs of environmental infrastructure projects.

5
6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8
9 1. a. (1) There is appropriated to the Department of
10 Environmental Protection from the "Clean Water State Revolving
11 Fund" established pursuant to section 1 of P.L.2009, c.77, an
12 amount equal to the federal fiscal year 2018 capitalization grant
13 made available to the State for clean water project loans pursuant to
14 the "Water Quality Act of 1987" (33 U.S.C. s.1251 et seq.), and any
15 amendatory and supplementary acts thereto (hereinafter referred to
16 as the "Federal Clean Water Act").

17 (2) There is appropriated to the Department of Environmental
18 Protection from the "Interim Environmental Financing Program
19 Fund" created and established by the New Jersey Infrastructure
20 Bank pursuant to subsection d. of section 9 of P.L.1985, c.334
21 (C.58:11B-9) such amounts as may be necessary to supplement the
22 sums appropriated from the Clean Water State Revolving Fund for
23 the purposes of clean water project loans and providing the State
24 match as required or will be required for the award of the
25 capitalization grants made available to the State for clean water
26 projects pursuant to the Federal Clean Water Act.

27 (3) There is appropriated to the Department of Environmental
28 Protection from the "Disaster Relief Emergency Financing Program
29 Fund" created and established by the New Jersey Infrastructure
30 Bank pursuant to section 1 of P.L.2013, c.93 (C.58:11B-9.5) such
31 amounts as may be necessary to supplement the sums appropriated
32 from the Clean Water State Revolving Fund for the purposes of
33 clean water project loans and providing the State match as required
34 or will be required for the award of the capitalization grants made
35 available to the State for clean water projects pursuant to the
36 Federal Clean Water Act.

37 (4) There is appropriated to the Department of Environmental
38 Protection from the "Drinking Water State Revolving Fund"
39 established pursuant to section 1 of P.L.1998, c.84 an amount equal
40 to the federal fiscal year 2018 capitalization grant made available to
41 the State for drinking water projects pursuant to the "Safe Drinking
42 Water Act Amendments of 1996," Pub.L.104-182, and any
43 amendatory and supplementary acts thereto (hereinafter referred to
44 as the "Federal Safe Drinking Water Act").

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

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

16 (5) There is appropriated to the Department of Environmental
17 Protection the unappropriated balances from the Clean Water State
18 Revolving Fund, including the balances from the Federal Disaster
19 Relief Appropriations Act, and any repayments of loans and interest
20 therefrom, for the purposes of clean water project loans and
21 providing the State match as available on or before June 30, 2019,
22 as required or will be required for the award of the capitalization
23 grants made available to the State for clean water projects pursuant
24 to the Federal Clean Water Act.

25 (6) There is appropriated to the Department of Environmental
26 Protection the unappropriated balances from the "Wastewater
27 Treatment Fund" established pursuant to section 15 of the
28 "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329), and
29 any repayments of loans and interest therefrom, as available on or
30 before June 30, 2019, for the purposes of clean water project loans
31 and providing the State match as required or will be required for the
32 award of the capitalization grants made available to the State for
33 clean water projects pursuant to the Federal Clean Water Act.

34 (7) There is appropriated to the Department of Environmental
35 Protection the unappropriated balances from the "1992 Wastewater
36 Treatment Fund" established pursuant to section 27 of the "Green
37 Acres, Clean Water, Farmland and Historic Preservation Bond Act
38 of 1992" (P.L.1992, c.88), and any repayments of loans and interest
39 therefrom, as available on or before June 30, 2019, for the purposes
40 of clean water project loans and providing the State match as
41 required or will be required for the award of the capitalization
42 grants made available to the State for clean water projects pursuant
43 to the Federal Clean Water Act.

44 (8) There is appropriated to the Department of Environmental
45 Protection the unappropriated balances from the "2003 Water
46 Resources and Wastewater Treatment Fund" established pursuant to
47 subsection a. of section 19 of the "Dam, Lake, Stream, Flood
48 Control, Water Resources, and Wastewater Treatment Project Bond

1 Act of 2003” (P.L.2003, c.162), and any repayments of loans and
2 interest therefrom, as available on or before June 30, 2019, for the
3 purposes of clean water project loans and providing the State match
4 as required or will be required for the award of the capitalization
5 grants made available to the State for clean water projects pursuant
6 to the Federal Clean Water Act.

7 (9) There is appropriated to the Department of Environmental
8 Protection the unappropriated balances from the “Pinelands
9 Infrastructure Trust Fund” established pursuant to section 14 of the
10 “Pinelands Infrastructure Trust Bond Act of 1985” (P.L.1985,
11 c.302), and any repayments of loans and interest therefrom, as
12 available on or before June 30, 2019, for the purposes of clean
13 water project loans and providing the State match as required or
14 will be required for the award of the capitalization grants made
15 available to the State for clean water projects pursuant to the
16 Federal Clean Water Act.

17 (10) There is appropriated to the Department of Environmental
18 Protection the unappropriated balances from the "Stormwater
19 Management and Combined Sewer Overflow Abatement Fund,"
20 established pursuant to the “Stormwater Management and
21 Combined Sewer Overflow Abatement Bond Act of 1989”
22 (P.L.1989, c.181), and any repayments of loans and interest
23 therefrom, as available on or before June 30, 2019, for the purposes
24 of clean water project loans and providing the State match as
25 required or will be required for the award of the capitalization
26 grants made available to the State for clean water projects pursuant
27 to the Federal Clean Water Act.

28 (11) There is appropriated to the Department of Environmental
29 Protection the unappropriated balances from the Drinking Water
30 State Revolving Fund, including the balances from the Disaster
31 Relief Appropriations Act of 2013, for the purposes of drinking
32 water project loans and any repayments of loans and interest
33 therefrom, that are or may become available on or before June 30,
34 2019.

35 (12) There is appropriated to the Department of Environmental
36 Protection such sums as may be needed from loan repayments and
37 interest earnings from the "Water Supply Fund" established
38 pursuant to section 14 of the “Water Supply Bond Act of 1981”
39 (P.L.1981, c.261) for the "Drinking Water State Revolving Fund
40 Match Accounts" contained within that fund for the purpose of
41 providing the State match as required or will be required for the
42 award of the capitalization grants made available to the State for
43 drinking water projects pursuant to the Federal Safe Drinking Water
44 Act.

45 (13) There is appropriated to the Department of Environmental
46 Protection from the “Interim Environmental Financing Program
47 Fund” created and established by the New Jersey Infrastructure
48 Bank pursuant to subsection d. of section 9 of P.L.1985, c.334

1 (C.58:11B-9) such amounts as may be or become available on or
2 before June 30, 2019, and any repayments of loans and interest
3 therefrom, as may be necessary to supplement the sums
4 appropriated from the Drinking Water State Revolving Fund for the
5 purposes of drinking water project loans and providing the State
6 match as required or will be required for the award of the
7 capitalization grants made available to the State for clean water
8 projects pursuant to the Federal Safe Drinking Water Act.

9 (14) There is appropriated to the Department of Environmental
10 Protection from the "Disaster Relief Emergency Financing Program
11 Fund" created and established by the New Jersey Infrastructure
12 Bank pursuant to section 1 of P.L.2013, c.93 (C.58:11B-9.5) such
13 amounts as may be necessary to supplement the sums appropriated
14 from the Drinking Water State Revolving Fund for the purposes of
15 drinking water project loans and providing the State match as
16 required or will be required for the award of the capitalization
17 grants made available to the State for drinking water projects
18 pursuant to the Federal Safe Drinking Water Act.

19 (15) There is appropriated to the Department of Environmental
20 Protection such sums as may be received by the Department of
21 Community Affairs as the grantee from the United States
22 Department of Housing and Urban Development Community
23 Development Block Grant - Disaster Recovery Program (CDBG-
24 DR), as anticipated and upon availability on or before June 30,
25 2019, for the purposes of CDBG-DR eligible clean water and
26 drinking water project loans and providing the State match as
27 required or will be required for the award of the capitalization
28 grants made available to the State for clean water projects pursuant
29 to the Federal Clean Water Act and drinking water projects pursuant
30 to the Federal Safe Drinking Water Act, respectively.

31 (16) There is appropriated to the Department of Environmental
32 Protection such sums as may be or become available on or before
33 June 30, 2019, as repayments of drinking water project loans and
34 any interest therefrom from the "Water Supply Fund" established
35 pursuant to section 14 of the "Water Supply Bond Act of 1981"
36 (P.L.1981, c.261) for the purposes of drinking water project loans
37 and providing the State match as required or will be required for the
38 award of the capitalization grants made available to the State for
39 drinking water projects pursuant to the Federal Safe Drinking Water
40 Act.

41 (17) Of the sums appropriated to the Department of
42 Environmental Protection from the "Water Supply Fund" pursuant
43 to P.L.1999, c.174, P.L.2001, c.222, P.L.2002, c.70 and P.L.2003,
44 c.158, the department is authorized to transfer any unexpended
45 balances and any repayments of loans and interest therefrom as may
46 be or become available on or before June 30, 2019, in such amounts
47 as needed to the Drinking Water State Revolving Fund accounts
48 contained within the Water Supply Fund established for the

1 purposes of providing drinking water project loans and providing
2 the State match as required or will be required for the award of the
3 capitalization grants made available to the State for drinking water
4 projects pursuant to the Federal Safe Drinking Water Act.

5 (18) Of the sums appropriated to the Department of
6 Environmental Protection from the "1992 Wastewater Treatment
7 Fund" pursuant to P.L.1996, c.85, P.L.1997, c.221, P.L.1998, c.84,
8 P.L.1999, c.174, P.L.2000, c.92, P.L.2001, c.222 and P.L.2002,
9 c.70, the department is authorized to transfer any unexpended
10 balances and any repayments of loans and interest therefrom as may
11 be or become available on or before June 30, 2019, in such amounts
12 as needed to the Clean Water State Revolving Fund accounts
13 contained within the 1992 Wastewater Treatment Fund for the
14 purposes of providing clean water project loans and providing the
15 State match as required or will be required for the award of the
16 capitalization grants made available to the State for clean water
17 projects pursuant to the Federal Clean Water Act.

18 (19) Of the sums appropriated to the Department of
19 Environmental Protection from the "2003 Water Resources and
20 Wastewater Treatment Fund" pursuant to P.L.2004, c.109, and
21 P.L.2007, c.139, the department is authorized to transfer any
22 unexpended balances and any repayments of loans and interest
23 therefrom as may be or become available on or before June 30,
24 2019, in such amounts as needed to the Clean Water State
25 Revolving Fund accounts contained within the 2003 Water
26 Resources and Wastewater Treatment Fund for the purposes of
27 providing clean water project loans and providing the State match
28 as required or will be required for the award of the capitalization
29 grants made available to the State for clean water projects pursuant
30 to the Federal Clean Water Act.

31 (20) There is appropriated to the Department of Environmental
32 Protection the sums deposited by the New Jersey Infrastructure
33 Bank into the Clean Water State Revolving Fund, the "Wastewater
34 Treatment Fund," the "1992 Wastewater Treatment Fund," the
35 "Water Supply Fund," the "Stormwater Management and Combined
36 Sewer Overflow Abatement Fund," established pursuant to the
37 "Stormwater Management and Combined Sewer Overflow
38 Abatement Bond Act of 1989" (P.L.1989, c.181), the "2003 Water
39 Resources and Wastewater Treatment Fund" and the Drinking
40 Water State Revolving Fund, as appropriate, pursuant to paragraph
41 (6) of subsection c. of section 1 of P.L. , c. (pending before the
42 Legislature as Senate Bill No. 2647 of 2018 and Assembly Bill No.
43 of 2018), as available on or before June 30, 2019, for the purposes
44 of providing clean water project loans and drinking water project
45 loans and providing the State match as required or will be required
46 for the award of the capitalization grants made available to the State
47 for clean water projects pursuant to the Federal Clean Water Act

1 and drinking water projects pursuant to the Federal Safe Drinking
2 Water Act.

3 Any such amounts shall be for the purpose of making zero
4 interest and principal forgiveness financing loans, to the extent
5 sufficient funds are available, to or on behalf of local government
6 units or public water utilities (hereinafter referred to as "project
7 sponsors") to finance a portion of the cost of construction of clean
8 water projects and drinking water projects listed in sections 2 and 3
9 of this act, and for the purpose of implementing and administering
10 the provisions of this act, to the extent permitted by the Federal
11 Disaster Relief Appropriations Act, the Federal Clean Water Act,
12 and any amendatory and supplementary acts thereto, P.L.2009, c.77,
13 the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329),
14 the "Water Supply Bond Act of 1981" (P.L.1981, c.261), the
15 "Stormwater Management and Combined Sewer Overflow
16 Abatement Bond Act of 1989" (P.L.1989, c.181), the "Green Acres,
17 Clean Water, Farmland and Historic Preservation Bond Act of
18 1992" (P.L.1992, c.88), the "Dam, Lake, Stream, Flood Control,
19 Water Resources, and Wastewater Treatment Project Bond Act of
20 2003" (P.L.2003, c.162), the Federal Safe Drinking Water Act, and
21 any amendatory and supplementary acts thereto, and State law.

22 b. The department is authorized to make zero interest and
23 principal forgiveness financing loans to or on behalf of the project
24 sponsors for the environmental infrastructure projects listed in
25 subsection a. of section 2 and subsection a. of section 3 of this act
26 for clean water projects, up to the individual amounts indicated and
27 in the priority stated, to the extent there are sufficient eligible
28 project applications, and except that any such amounts may be
29 reduced if a project fails to meet the requirements of section 4 or 5
30 of this act, or by the Commissioner of Environmental Protection
31 pursuant to section 7 of this act, provided:

32 (1) a maximum of \$3 million, as well as any unallocated funds
33 unspent at the end of State fiscal year 2018 from \$10 million
34 reserved in State fiscal year 2018 for Barnegat Bay Watershed
35 projects, in principal forgiveness loans shall be issued to finance
36 Barnegat Bay Watershed environmental infrastructure projects as
37 provided in subsection a. of section 3 of this act, wherein principal
38 forgiveness shall be a minimum of 25 percent of the fund loan
39 amount per project sponsor in an amount not to exceed \$2 million
40 of principal forgiveness per project sponsor;

41 (2) a maximum of \$30 million shall be issued to finance clean
42 water redevelopment projects as provided in subsection a. of section
43 3 of this act;

44 (3) to the extent funds are available from funds appropriated but
45 not allocated in State fiscal year 2018 from \$30 million reserved in
46 State fiscal year 2018 for combined sewer overflow projects,
47 principal forgiveness loans shall be issued as provided in subsection
48 a. of section 3 of this act to communities in combined sewer

1 overflow sewersheds sponsoring construction projects that reduce
2 or eliminate excessive infiltration/inflow or extraneous flows
3 wherein principal forgiveness loans shall not exceed \$5 million per
4 borrower subject to the availability of funds wherein 50 percent of
5 the principal of the fund loan shall be forgiven, 25 percent of the
6 loan shall be a zero interest rate fund loan, and 25 percent of the
7 loan shall be a trust market rate loan. A 100 percent DEP interest-
8 free loan will be issued to borrowers for amounts in excess of the
9 cap;

10 (4) a maximum of \$6 million, as well as any appropriated but
11 unallocated funds designated in State fiscal year 2018 for combined
12 sewer overflow projects, in principal forgiveness loans shall be
13 issued as provided in subsection a. of section 3 of this act for
14 combined sewer overflow abatement projects, including projects
15 that use practices that restore natural hydrology through infiltration,
16 evapotranspiration, or the usage or harvesting of stormwater,
17 wherein principal forgiveness loans shall not exceed \$2 million per
18 borrower subject to the availability of funds, and wherein 50
19 percent of the principal of the fund loan shall be forgiven, 25
20 percent of the loan shall be a zero interest rate fund loan, and 25
21 percent of the loan shall be a trust market rate loan subject to the
22 availability of funds. A 100 percent DEP interest-free loan will be
23 issued to borrowers for amounts in excess of the cap;

24 (5) to the extent funds are available, a maximum of \$1 million
25 in principal forgiveness loans shall be issued to finance clean water
26 environmental infrastructure projects as provided in subsection a. of
27 section 3 of this act for systems serving populations of up to 10,000
28 residents for the development of asset management plans wherein
29 principal forgiveness shall be 100 percent of the fund loan amount
30 per project in an amount not to exceed \$100,000 per project sponsor
31 subject to the availability of funds; and

32 (6) those projects listed in subsection a. of section 2 of this act
33 and subsection a. of section 3 of this act that were previously
34 identified in P.L.2017, c.143, as amended by P.L.2017, c.326, are
35 granted continued priority status and shall be subject to the
36 provisions of P.L.2017, c.143, as amended by P.L.2017, c.326
37 provided such projects receive short-term funding prior to June 30,
38 2019.

39 c. The department is authorized to make zero interest and
40 principal forgiveness financing loans to or on behalf of the project
41 sponsors for the environmental infrastructure projects listed in
42 subsection b. of section 3 of this act for drinking water projects, up
43 to the individual amounts indicated and in the priority stated,
44 provided:

45 (1) a maximum of 30 percent of the 2018 Drinking Water State
46 Revolving Fund capitalization grant not to exceed \$5 million may
47 be issued as provided in subsection b. of section 3 of this act for
48 drinking water systems, as follows:

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

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

10 (b) a maximum of \$1 million in principal forgiveness loans shall
11 be issued to drinking water systems serving populations of up to
12 10,000 residents for the development of asset management plans
13 wherein principal forgiveness shall be 100 percent of the fund loan
14 amount per project in an amount not to exceed \$100,000 per project
15 sponsor subject to the availability of funds; and

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

22 Loans may be made pursuant to this subsection to the extent
23 there are sufficient eligible project applications and as required or
24 will be required for the award of the capitalization grants made
25 available to the State for drinking water projects pursuant to the
26 Federal Safe Drinking Water Act. Any such amounts may be
27 reduced by the Commissioner of Environmental Protection pursuant
28 to section 7 of this act, or if a project fails to meet the requirements
29 of section 4 or 5 of this act.

30 (2) Those projects listed in subsection a. of section 3 of this act
31 and subsection b. of section 3 of this act that were previously
32 identified in P.L.2017, c.143, as amended by P.L.2017, c.326, are
33 granted continued priority status and shall be subject to the
34 provisions of P.L.2017, c.143, as amended by P.L.2017, c.326,
35 provided such projects receive short-term funding prior to June 30,
36 2018.

37 d. The department is authorized to make zero interest and
38 principal forgiveness financing loans to or on behalf of the project
39 sponsors for the environmental infrastructure projects listed in
40 sections 2 and 3 of this act under the same terms, conditions and
41 requirements as set forth in this section from any unexpended
42 balances of the amounts appropriated pursuant to section 1 of
43 P.L.1987, c.200, section 2 of P.L.1988, c.133, section 1 of
44 P.L.1989, c.189, section 1 of P.L.1990, c.99, section 1 of P.L.1991,
45 c.325, section 1 of P.L.1992, c.38, section 1 of P.L.1993, c.193,
46 section 1 of P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1
47 of P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of
48 P.L.1998, c.84, section 2 of P.L.1999, c.174, section 2 of P.L.2000,

1 c.92, sections 1 and 2 of P.L.2001, c.222, sections 1 and 2 of
2 P.L.2002, c.70, sections 1 and 2 of P.L.2003, c.158, sections 1 and
3 2 of P.L.2004, c.109, sections 1 and 2 of P.L.2005, c.196, sections 1
4 and 2 of P.L.2006, c.68, sections 1 and 2 of P.L.2007, c.139,
5 sections 1 and 2 of P.L.2008, c.68, sections 1 and 2 of P.L.2009,
6 c.102, sections 1 and 2 of P.L.2010, c.63, sections 1 and 2 of
7 P.L.2011, c.93, sections 1 and 2 of P.L.2012, c.43, sections 1 and 2
8 of P.L.2013, c.95, sections 1 and 2 of P.L.2014, c.25, sections 1 and
9 2 of P.L.2015, c.108, and sections 1 and 2 of P.L.2016, c.32, as
10 amended by P.L.2017, c.14, and sections 1 and 2 of P.L.2017,
11 c.143, as amended by P.L.2017, c.326, including amounts resulting
12 from the low bid and final building cost reductions authorized
13 pursuant to section 6 of P.L.1987, c.200, section 7 of P.L.1988,
14 c.133, section 6 of P.L.1989, c.189, section 6 of P.L.1990, c.99,
15 section 6 of P.L.1991, c.325, section 6 of P.L.1992, c.38, section 6
16 of P.L.1993, c.193, section 6 of P.L.1994, c.106, section 6 of
17 P.L.1995, c.219, section 6 of P.L.1996, c.85, section 6 of P.L.1997,
18 c.221, section 7 of P.L.1998, c.84, section 6 of P.L.1999, c.174,
19 section 6 of P.L.2000, c.92, section 6 of P.L.2001, c.222, section 6
20 of P.L.2002, c.70, section 6 of P.L.2003, c.158, section 6 of
21 P.L.2004, c.109, section 6 of P.L.2005, c.196, section 6 of
22 P.L.2006, c.68, section 6 of P.L.2007, c.139, section 6 of P.L.2008,
23 c.68, section 7 of P.L.2009, c.102, section 6 of P.L.2010, c.63,
24 section 6 of P.L.2011, c.93, section 6 of P.L.2012, c.43, section 6 of
25 P.L.2013, c.95, section 6 of P.L.2014, c.25, section 6 of P.L.2015,
26 c.108, and section 6 of P.L.2016, c.32, as amended by P.L.2017,
27 c.14, and section 6 of P.L.2017, c.143 as amended by P.L.2017,
28 c.326, and from any repayments of loans and interest from the
29 Clean Water State Revolving Fund, the "Wastewater Treatment
30 Fund," the "Water Supply Fund," the "1992 Wastewater Treatment
31 Fund," the "2003 Water Resources and Wastewater Treatment
32 Fund," and amounts deposited therein during State fiscal year 2017
33 and State fiscal year 2018 pursuant to the provisions of section 16
34 of P.L.1985, c.329, and section 2 of P.L.2009, c.77 and any
35 amendatory and supplementary acts thereto, including any Clean
36 Water State Revolving Fund Accounts contained within the
37 "Wastewater Treatment Fund," and from any repayment of loans
38 and interest from the Drinking Water State Revolving Fund.

39 e. The department is authorized to make zero interest and
40 principal forgiveness Sandy financing loans to or on behalf of the
41 project sponsors for the Sandy environmental infrastructure projects
42 listed in subsection a. of section 3 of this act for clean water
43 projects and subsection b. of section 3 of this act for drinking water
44 projects, in a manner consistent with the Federal Disaster Relief
45 Appropriations Act, up to the individual amounts indicated, except
46 that any such amount may be reduced by the Commissioner of
47 Environmental Protection pursuant to section 7 of this act, or if a
48 project fails to meet the requirements of section 4, 5, or 7 of this

1 act, provided a maximum of \$300 million shall be provided for
2 Sandy financing loans for clean water and drinking water projects
3 to provide financial assistance to communities affected by the
4 Storm Sandy, and for projects whose purpose is to reduce flood
5 damage risk and vulnerability or to enhance resiliency to rapid
6 hydrologic change or a natural disaster.

7 f. For the purposes of this act:

8 “Base financing” means zero interest loans provided by the
9 Department of Environmental Protection from moneys made
10 available for the purposes of this act from any source other than
11 funds received pursuant to the Federal Disaster Relief
12 Appropriations Act, related State matching funds, and interest
13 earned thereon.

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

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

23

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

28

29

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Allowable Loan Amount
Burlington Township	S340712-14-1	\$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	\$525,000	\$700,000
Warren Township SA	S340964-02-1	\$262,500	\$350,000
Total Projects: 5		\$4,135,500	\$5,514,000

30

31 (2) The loans authorized in this subsection shall be made for the
32 difference between the allowable loan amounts required by these
33 projects based upon final building costs pursuant to section 7 of this

1 act and the loan amounts certified by the Commissioner of
2 Environmental Protection in State fiscal years 2016, 2017, and 2018
3 and for increased allowable costs as defined and determined in
4 accordance with the rules and regulations adopted by the
5 department pursuant to section 4 of P.L.1985, c.329. The loans
6 authorized in this subsection shall be made to or on behalf of the
7 project sponsors listed, up to the individual amounts indicated and
8 in the priority stated, to the extent sufficient funds are available,
9 except as a project fails to meet the requirements of section 4, 5, or
10 7 of this act.

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

14 b. The Department of Environmental Protection is authorized
15 to adjust the allowable Department of Environmental Protection
16 loan amount for projects authorized in this section to between 25
17 percent and 75 percent of the total allowable loan amount.

18
19 3. a. The following environmental infrastructure projects shall
20 be known and may be cited as the "Storm Sandy and State Fiscal
21 Year 2019 Clean Water Project Eligibility List":
22
23

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 County UA	S340809-23	\$11,040,000	\$11,040,000
Atlantic County UA	S340809-24	\$600,000	\$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	S340809-28	\$3,075,000	\$4,100,000
Bayshore RSA	S340697-05	\$9,750,000	\$13,000,000
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

Camden County MUA	S340640-17	\$2,625,000	\$3,500,000
Carteret Borough	S340939-09	\$11,257,500	\$15,010,000
Cinnaminson SA	S340170-08	\$870,000	\$1,160,000
Elizabeth City	S340942-19	\$5,775,000	\$7,700,000
Glen Ridge Borough	S340861-03	\$334,387	\$445,849
Gloucester City	S340958-08	\$1,575,000	\$2,100,000
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	S340928-30	\$2,033,250	\$2,711,000
Jersey City MUA	S340928-15	\$30,750,000	\$41,000,000
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
Kearny MUA	S340259-07	\$4,875,000	\$6,500,000
Little Egg Harbor MUA	S340579-02	\$3,187,500	\$4,250,000
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 County	S344080-11	\$262,500	\$350,000
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
Paulsboro Borough	S340164-01	\$2,062,500	\$2,750,000
Perth Amboy City	S340435-11	\$4,844,513	\$6,459,351
Perth Amboy City	S340435-13	\$637,500	\$850,000
Plumsted Township	S340607-03	\$20,250,000	\$27,000,000
Point Pleasant Beach Borough	S344190-02	\$2,250,000	\$3,000,000
Rahway Valley SA	S340547-15	\$1,941,389	\$2,588,518
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
Rockaway Valley RSA	S340821-09	\$1,650,000	\$2,200,000
Roxbury Township	S340381-07	\$5,625,000	\$7,500,000
Ship Bottom Borough	S340311-03	\$3,525,000	\$4,700,000
Somerset Raritan Valley SA	S340801-08	\$12,375,000	\$16,500,000
Somerville Borough	S342013-01	\$8,625,000	\$11,500,000
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: 70		\$389,100,418	\$508,780,557

b. The following environmental infrastructure projects shall be known and may be cited as the "Storm Sandy and State Fiscal Year 2019 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
Bellmawr Borough	0404001-006	\$1,725,000	\$2,300,000
Berkeley Township	1505004-009	\$1,650,000	\$2,200,000

MUA			
Berkeley Township MUA	1505004-007	\$525,000	\$700,000
Bordentown City	0303001-008	\$1,650,000	\$2,200,000
Brick Township MUA	1506001-012	\$4,065,000	\$5,420,000
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	0414001-022	\$900,000	\$1,200,000
Hoboken City	0905001-001	\$6,375,000	\$8,500,000
Jackson Township MUA	1511001-012	\$8,250,000	\$11,000,000
Jackson Township MUA	1511001-013	\$15,000,000	\$20,000,000
Jackson Township MUA	1511001-010	\$6,150,000	\$8,200,000
Lavallette Borough	1515001-001	\$998,250	\$1,331,000
Little Egg Harbor MUA	1516001-004	\$2,250,000	\$3,000,000
Long Beach Township	1517001-501	\$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	1225001-026	\$9,750,000	\$13,000,000
Netcong Borough	1428001-007	\$2,775,000	\$3,700,000
Netcong Borough	1428001-008	\$825,000	\$1,100,000
Netcong Borough	1428001-009	\$300,000	\$400,000
Newark City	0714001-016	\$10,500,000	\$14,000,000
Newark City	0714001-500	\$3,825,000	\$5,100,000
NJ American Water Co., Inc.	1345001-017	\$7,575,000	\$10,100,000
NJ American Water Co., Inc.	2004002-013	\$12,000,000	\$16,000,000
NJ American Water Co., Inc.	2004002-500	\$27,000,000	\$36,000,000
NJ American Water Co., Inc.	1345001-016	\$10,125,000	\$13,500,000
NJ American Water	2004002-011	\$9,600,000	\$12,800,000

Co., Inc.			
North Jersey District Water Supply Comm.	1613001-022	\$12,750,000	\$17,000,000
North Jersey District Water Supply Comm.	1613001-025	\$18,000,000	\$24,000,000
Old Bridge MUA	1613001-033	\$3,075,000	\$4,100,000
Paulsboro Borough	1209002-013	\$3,000,000	\$4,000,000
Pennington Borough	0814001-003	\$2,100,000	\$2,800,000
Rahway City	1108001-002	\$937,500	\$1,250,000
Red Bank Borough	2013001-007	\$13,650,000	\$18,200,000
Saddle Brook Township	1340001-002	\$1,500,000	\$2,000,000
Ship Bottom Borough	0257001-002	\$1,425,000	\$1,900,000
Stafford Township	1528001-002	\$2,812,500	\$3,750,000
Total Projects: 44	1530004-018	\$1,800,000	\$2,400,000
		\$222,263,250	\$296,351,000

1
2
3 c. The Department of Environmental Protection is authorized
4 to adjust the allowable Department of Environmental Protection
5 loan amount for projects authorized in this section to between 25
6 percent and 75 percent of the total allowable loan amount and loan
7 amounts to less than 25 percent to the extent the priority ranking
8 and an insufficiency of funding prevents the department from
9 making the loan.
10
11 4. Any financing loan made by the Department of
12 Environmental Protection pursuant to this act shall be subject to the
13 following requirements:
14 a. The Commissioner Environmental Protection has certified
15 that the project is in compliance with the provisions of P.L.1977,
16 c.224, P.L.1985, c.329, P.L.1992, c.88, P.L.1997, c.223, P.L.1997,
17 c.225 or P.L.2003, c.162, and any rules and regulations adopted
18 pursuant thereto;
19 b. A loan for an environmental infrastructure project listed in
20 section 2 or 3 of this act shall be subject to the terms and conditions
21 of the financing program year in which the trust issued an interim
22 financing program fund loan for such project or the terms and
23 conditions of the state fiscal year 2019 financing program in the
24 absence of an interim financing program fund loan.
25 c. The estimated Department of Environmental Protection
26 allowable loan amount shall not exceed 75 percent of the total
27 allowable loan amount of the environmental infrastructure facility

1 for projects listed in subsections a. and b. of section 2 of this act,
2 and in subsections a. and b. of section 3 of this act, provided that:

3 (1) for clean water project and drinking water project loans to
4 (a) municipalities that do not satisfy the New Jersey Infrastructure
5 Bank credit policy but are subject to State financial supervision and
6 oversight pursuant to the "Local Government Supervision Act
7 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), or (b) municipal,
8 county, or regional sewerage authorities, or utilities authorities, that
9 do not satisfy the New Jersey Infrastructure Bank credit policy but
10 where the municipal participant through its service agreement with
11 the authority or utility is under State financial supervision and
12 oversight pursuant to the "Local Government Supervision Act
13 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), and the repayment
14 obligation of the authority or utility is secured by the full faith and
15 credit of the participating municipality pursuant to the service
16 agreement, the Department of Environmental Protection allowable
17 loan amount shall be up to 100 percent of the total allowable loan
18 amount not to exceed a total of \$10 million for all such loans;

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

25 (3) for loans to communities in a combined sewer overflow
26 sewershed sponsoring construction projects that reduce or eliminate
27 excessive infiltration, inflow, or extraneous flows, the Department
28 of Environmental Protection allowable loan amount shall be up to
29 100 percent of the total allowable loan amount;

30 d. With the exception of paragraphs (1) through (3) of
31 subsection c. of this section, the loan shall be conditioned upon
32 approval of a loan from the New Jersey Infrastructure Bank
33 pursuant to P.L. , c. , (pending before the Legislature as Senate
34 Bill No. of 2018 and Assembly Bill No. of 2018, prior to June
35 30, 2010;

36 e. The loan shall be repaid within a period not to exceed 30
37 years, or 45 years for combined sewer overflow abatement projects,
38 of the making of the loan; and

39 f. The loan shall be subject to any other terms and conditions
40 as may be established by the commissioner and approved by the
41 State Treasurer, which may include, notwithstanding any other
42 provision of law to the contrary, subordination of a loan authorized
43 in this act to loans made by the New Jersey Infrastructure Bank
44 pursuant to P.L. , c. (pending before the Legislature as Senate Bill
45 No. 2647 of 2018 and Assembly Bill No. of 2018), or to
46 administrative fees payable to the trust pursuant to subsection o. of
47 section 5 of P.L.1985, c.334 (C.58:11B-5).

1 5. a. Any Sandy financing loan made by the Department of
2 Environmental Protection pursuant to this act shall be subject to the
3 following requirements:

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

8 (2) The commissioner has certified that the project is in
9 compliance with the provisions of P.L.1977, c.224, P.L.1985, c.329,
10 P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.225 or P.L.2003,
11 c.162, and any rules and regulations adopted pursuant thereto.

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

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

27 (2) the loan shall be conditioned upon approval of a loan from
28 the New Jersey Infrastructure Bank pursuant to P.L. , c. (pending
29 before the Legislature as Senate Bill No. 2647 of 2018 and Assembly
30 Bill No. of 2018) prior to June 30, 2019; and

31 (3) the loan shall be subject to any other terms and conditions as
32 may be established by the commissioner and approved by the State
33 Treasurer, which may include, notwithstanding any other provision
34 of law to the contrary, subordination of a loan authorized in this act
35 to loans made by the trust pursuant to P.L. , c. (pending before
36 the Legislature as Senate Bill No. 2647 of 2018 and Assembly Bill No.
37 of 2018) prior to June 30, 2019, or to administrative fees payable to
38 the trust pursuant to subsection o. of section 5 of P.L.1985, c.334
39 (C.58:11B-5).

40
41 6. The eligibility lists and authorization for the making of loans
42 pursuant to sections 2 and 3 of this act shall expire on July 1, 2019,
43 and any project sponsor which has not executed and delivered a
44 loan agreement with the department for a loan authorized in this act
45 shall no longer be entitled to that loan.

46
47 7. The Commissioner of Environmental Protection is
48 authorized to reduce or increase the individual amount of loan funds

1 made available to or on behalf of project sponsors pursuant to
2 sections 2 and 3 of this act based upon final or low bid building
3 costs defined in and determined in accordance with rules and
4 regulations adopted by the commissioner pursuant to section 4 of
5 P.L.1985, c.329, section 2 of P.L.1999, c.362 (C.58:12A-12.2), or
6 section 5 of P.L.1981, c.261, provided that the total loan amount
7 does not exceed the estimated total allowable loan amount. The
8 commissioner is authorized to reduce or increase the individual
9 amount of loan funds made available to or on behalf of project
10 sponsors pursuant to sections 2 and 3 of this act in an amount not to
11 exceed 10 percent of the total allowable loan amount based upon
12 additional project costs to comply with the Department of
13 Environmental Protection's guidance for asset management,
14 emergency response, flood protection, and auxiliary power.
15

16 8. The expenditure of the funds appropriated by this act is
17 subject to the provisions and conditions of P.L.1977, c.224,
18 P.L.1085, c.302, P.L.1985, c.329, P.L.1989, c.181, P.L.1992, c.88,
19 P.L.1997, c.223, P.L.1997, c.225 or P.L.2003, c.162, and the rules
20 and regulations adopted by the Commissioner of Environmental
21 Protection pursuant thereto, and the provisions of the Federal
22 Disaster Relief Appropriations Act, the Federal Clean Water Act or
23 the Federal Safe Drinking Water Act, and any amendatory and
24 supplementary acts thereto, as appropriate.
25

26 9. The Department of Environmental Protection shall provide
27 general technical assistance to any project sponsor requesting
28 assistance regarding environmental infrastructure project
29 development or applications for funds for a project.
30

31 10. a. Prior to repayment to the Clean Water State Revolving
32 Fund pursuant to sections 1 and 2 of P.L.2009, c.77 and any
33 amendatory and supplementary acts thereto, prior to repayment to
34 the "Wastewater Treatment Fund" pursuant to the provisions of
35 section 16 of P.L.1985, c.329, prior to repayment to the "1992
36 Wastewater Treatment Fund" pursuant to the provisions of section
37 28 of P.L.1992, c.88, prior to repayment to the Drinking Water
38 State Revolving Fund, prior to repayment to the "Stormwater
39 Management and Combined Sewer Overflow Abatement Fund"
40 pursuant to the provisions of section 15 of P.L.1989, c.181, prior to
41 repayment to the "2003 Water Resources and Wastewater
42 Treatment Fund" pursuant to the provisions of section 20 of
43 P.L.2003, c.162, or prior to repayment to the "Water Supply Fund"
44 pursuant to the provisions of section 15 of P.L.1981, c.261,
45 repayments of loans made pursuant to these acts may be utilized by
46 the New Jersey Infrastructure Bank established pursuant to
47 P.L.1985, c.334 (C.58:11B-1 et seq.), as amended and
48 supplemented by P.L.1997, c.224, under terms and conditions

1 established by the commissioner and trust, and approved by the
2 State Treasurer, and consistent with the provisions of P.L.1985,
3 c.334 (C.58:11B-1 et seq.) and federal tax, environmental or
4 securities law, to the extent necessary to secure repayment of trust
5 bonds issued to finance loans approved pursuant to P.L. , c.
6 (pending before the Legislature as Senate Bill No. 2647 of 2018 and
7 Assembly Bill No. of 2018), and to secure the administrative fees
8 payable to the trust pursuant to subsection o. of section 5 of
9 P.L.1985, c.334 (C.58:11B-5) by the project sponsors receiving
10 trust loans.

11 b. Prior to repayment to the Clean Water State Revolving Fund
12 pursuant to section 1 and 2 of P.L. 2009, c.77 and any amendatory
13 and supplementary acts thereto, prior to repayment to the
14 "Wastewater Treatment Fund" pursuant to the provisions of section
15 16 of P.L.1985, c.329, prior to repayment to the "1992 Wastewater
16 Treatment Fund" pursuant to the provisions of section 28 of
17 P.L.1992, c.88, prior to repayment to the "Water Supply Fund"
18 pursuant to the provisions of section 15 of P.L.1981, c.261, prior to
19 repayment to the Drinking Water State Revolving Fund, prior to
20 repayment to the "2003 Water Resources and Wastewater
21 Treatment Fund" pursuant to the provisions of section 20 of
22 P.L.2003, c.162, or prior to repayment to the "Stormwater
23 Management and Combined Sewer Overflow Abatement Fund"
24 pursuant to the provisions of section 15 of P.L.1989, c.181, the trust
25 is further authorized to utilize repayments of loans made pursuant to
26 P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38,
27 P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85,
28 P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92,
29 P.L.2001, c.222, P.L.2002, c.70, P.L.2003, c.158, P.L.2004, c.109,
30 P.L.2005, c.196, P.L.2006, c.68, P.L.2007, c.139, P.L.2008, c.68,
31 P.L.2009, c.102, P.L.2010, c.63, P.L.2011, c.93, P.L.2012, c.43,
32 P.L.2013, c.95, P.L.2014, c.25, P.L.2015, c.108, P.L.2016, c.32,
33 P.L.2017, c.143, or P.L. , c. (pending before the Legislature as
34 Senate Bill No. 2646 of 2018 and Assembly Bill No. of 2018), to
35 secure repayment of trust bonds issued to finance loans approved
36 pursuant to P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222,
37 P.L.1998, c.85, P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224,
38 P.L.2002, c.71, P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197,
39 P.L.2006, c.67, P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101,
40 P.L.2010, c.62, P.L.2011, c.95, P.L.2012, c.38, P.L.2013, c.94,
41 P.L.2014, c.26, P.L.2015, c.107 P.L.2016, c.31, P.L.2017, c.142, or
42 P.L. , c. (pending before the Legislature as Senate Bill No. 2647 of
43 2018 and Assembly Bill No. of 2018), and to secure the
44 administrative fees payable to the trust under these loans pursuant
45 to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5).

46 c. To the extent that any loan repayment sums are used to
47 satisfy any trust bond repayment or administrative fee payment
48 deficiencies, the trust shall repay such sums to the department for

1 deposit into the Clean Water State Revolving Fund, the
2 "Wastewater Treatment Fund," the "1992 Wastewater Treatment
3 Fund," the "Water Supply Fund," the Drinking Water State
4 Revolving Fund, the "2003 Water Resources and Wastewater
5 Treatment Fund," or the "Stormwater Management and Combined
6 Sewer Overflow Abatement Fund," as appropriate, from amounts
7 received by or on behalf of the trust from project sponsors causing
8 any such deficiency.

9
10 11. The Commissioner of Environmental Protection is
11 authorized to enter into capitalization grant agreements as may be
12 required pursuant to the Federal Disaster Relief Appropriations Act,
13 the Federal Clean Water Act, or the Federal Safe Drinking Water
14 Act.

15
16 12. There is appropriated to the New Jersey Infrastructure Bank
17 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) from
18 repayments of loans and interest deposited in any account, on or
19 before June 30, 2019, including the "Clean Water State Revolving
20 Fund," the "1992 Wastewater Treatment Fund," the "Water Supply
21 Fund," the "Stormwater Management and Combined Sewer
22 Overflow Abatement Fund," the "2003 Water Resources and
23 Wastewater Treatment Fund," or the Drinking Water State
24 Revolving Fund, as appropriate, and from any net earnings received
25 from the investment and reinvestment of such deposits, such sums
26 as the chairman of the trust shall certify to the Commissioner of
27 Environmental Protection to be necessary and appropriate for
28 deposit into one or more reserve funds or accounts established by
29 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

30
31 13. There is appropriated to the New Jersey Infrastructure Bank
32 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), funds
33 from the Federal Disaster Relief Appropriations Act, Pub.L.113-2,
34 deposited in any account including the Clean Water State Revolving
35 Fund, the "Water Supply Fund," or the Drinking Water State
36 Revolving Fund, as appropriate, and from any net earnings received
37 from the investment and reinvestment of such deposits, such sums
38 as the chairman of the trust certifies to the Commissioner of
39 Environmental Protection to be necessary and appropriate for
40 deposit into one or more reserve funds or accounts established by
41 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

42
43 14. This act shall take effect immediately.

44
45 **STATEMENT**

46
47 This bill appropriates certain federal and State moneys to the
48 Department of Environmental Protection (DEP) for the purpose of

1 implementing the State Fiscal Year 2019 New Jersey
2 Environmental Infrastructure Financing Program (NJEIFP), which
3 is expected to finance approximately \$810.6 million in Storm Sandy
4 and other environmental infrastructure projects for State Fiscal Year
5 2019.

6 To the extent funds are available, principal forgiveness loans will
7 be available for CSO projects with a focus on green technology
8 (e.g., green roofs, rain gardens, porous pavement, and other
9 activities that maintain and restore natural hydrology). For these
10 projects, 50 percent of the fund loan will be forgiven, 25 percent of
11 the loan will be a zero interest rate fund loan, and 25 percent of the
12 loan will be a trust market rate loan. Principal forgiveness will be
13 available to the highest ranked CSO projects and will be awarded
14 according to the DEP's ranking methodology based on projects'
15 relative water quality benefit in conjunction with project readiness.
16 Approximately \$3 million will be available for principal
17 forgiveness loans for stormwater runoff mitigation environmental
18 infrastructure projects in the Barnegat Bay Watershed to continue
19 addressing the critical water quality issues confronting this
20 waterbody, of which 25 percent will be subject to principal
21 forgiveness in an amount not to exceed \$2 million of principal
22 forgiveness per project sponsor. Approximately 10 percent of the
23 State's clean water capitalization grant and 20 percent of the State's
24 drinking water capitalization grant will be used as a green project
25 reserve as may be required in the 2018 federal appropriation.
26 Approximately \$30 million is available for loans to eligible
27 redevelopment projects.

28 To the extent funds are available, a maximum of \$1 million in
29 principal forgiveness loans will be available to finance the
30 development of asset management plans for systems serving
31 populations up to 10,000 residents of which 100 percent will be
32 subject to principal forgiveness in an amount not to exceed
33 \$100,000 per project sponsor.

34 A maximum of \$4 million in principal forgiveness loans will be
35 available to drinking water systems for improvements to water
36 supply systems serving populations of up to 10,000 people will be
37 in an amount not to exceed \$500,000 and may not exceed 50
38 percent of the total loan amount per project sponsor in an amount
39 not to exceed \$1 million per project sponsor. To the extent funds
40 are available, a maximum of \$30 million of principal forgiveness
41 loans are available for drinking water systems serving communities
42 with a median household income less than the median household
43 income for the county in which they are located for lead line
44 replacement in an amount not to exceed \$1 million of principal
45 forgiveness per project sponsor.

46 Disaster Relief Emergency Financing Program loans will
47 continue to be available for short-term financing (up to three full
48 fiscal years) for projects to repair or improve the resiliency of

1 environmental infrastructure systems adversely impacted by Storm
2 Sandy. The source of funds for such loans is currently repayments
3 of prior NJEIFP Loans and New Jersey Infrastructure Bank (trust)
4 operating funds but private bank financing for such loans may be
5 used as the need arises. Finally, short-term Interim Financing
6 Program (IFP) Loans will be available for projects approved to
7 receive long-term financing. IFP loans will be available upon
8 project certification by the DEP, and satisfaction of financial
9 eligibility requirements. The loans will finance costs disbursed
10 prior to long-term financing. The source of funds for such loans
11 include prior capitalization grants, NJEIFP loan repayments, prior
12 State bond acts, and interest earnings thereon.

13 The DEP would use the funds appropriated under this bill to
14 make zero-interest loans to local governments and privately-owned
15 water companies (project sponsors) for between 25 percent and 75
16 percent of project costs totaling (1) \$508.78 million for new clean
17 water projects included in the "Storm Sandy and State Fiscal Year
18 2019 Clean Water Project Eligibility List," and \$5.51 million for
19 clean water projects through supplemental zero interest loans to
20 project sponsors that had previously received a loan subject to the
21 availability of funds; and (2) \$296.35 million for new drinking
22 water projects included in the "Storm Sandy and State Fiscal Year
23 2019 Drinking Water Project Eligibility List." The supplemental
24 loans constitute the difference between the allowable loan amount
25 required by the project and the loan amount certified by the
26 Commissioner of Environmental Protection in State Fiscal Year
27 2019. The bill authorizes the DEP to issue loans up to 100 percent
28 of the total allowable loan amount (1) for clean water loans to
29 municipalities that do not satisfy the trust credit policy but are
30 subject to State financial supervision and oversight pursuant to the
31 "Local Government Supervision Act (1947)," P.L.1947, c.151
32 (C.52:27BB-1 et seq.), (2) for clean water and drinking water loans
33 to county or regional sewerage or utility authorities that do not
34 satisfy the trust's credit policy but where the municipal participant
35 via its service agreement with the authority is under State financial
36 supervision and oversight pursuant to the "Local Government
37 Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.)
38 and the repayment obligation of the authority remains secured by
39 the full faith and credit of the participating municipality pursuant to
40 its service agreement with the municipality, (3) for clean water
41 project and drinking water project loans to municipalities receiving
42 funding under the United States Department of Housing and Urban
43 Development Community Development Block Grant – Disaster
44 Recovery Program (CDBG-DR), (4) for loans to clean water or
45 drinking water systems serving 10,000 or fewer residents the DEP
46 allowable loan amount will be 100% of the total allowable loan
47 amount not to exceed a total of \$100,000 per project sponsor, and
48 (5) for loans to communities in a combined sewer overflow "CSO"

sewershed sponsoring construction projects that reduce or eliminate excessive infiltration/inflow or extraneous flows.

A companion bill, Senate Bill No. of 2018, would authorize the trust to make market rate loans to local governments and privately-owned water companies (project sponsors) for between 25 percent and 75 percent of project costs totaling (1) \$508.78 million for 70 new clean water projects included in the "Storm Sandy and State Fiscal Year 2019 Clean Water Project Eligibility List," and \$5.51 million for five clean water projects through supplemental zero interest loans to project sponsors that had previously received a loan subject to the availability of funds; and (2) \$296.35 million for 44 new drinking water projects included in the "Storm Sandy and State Fiscal Year 2019 Drinking Water Project Eligibility List." Under this bill, in conjunction with Senate Bill No. of 2018, the Storm Sandy and State Fiscal Year 2019 New Jersey Environmental Infrastructure Financing Program would finance \$810.6 million in environmental infrastructure projects for State Fiscal Year 2019 subject to the availability of funds.

Appropriates funds to DEP for environmental infrastructure projects for FY2019.