

**SENATE, No. 2646**

---

**STATE OF NEW JERSEY**

**218th LEGISLATURE**

---

INTRODUCED MAY 31, 2018

**Sponsored by:**

**Senator STEPHEN M. SWEENEY**

**District 3 (Cumberland, Gloucester and Salem)**

**Co-Sponsored by:**

**Senators Bateman, Oroho, Beach, Holzapfel, Brown, A.R.Bucco, Connors,  
Corrado, Doherty, T.Kean, O'Scanlon, Pennacchio and Thompson**

**SYNOPSIS**

Appropriates funds to DEP for environmental infrastructure projects for FY2019.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/22/2018)**

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").

45      The Department of Environmental Protection is authorized to  
46      transfer from the Clean Water State Revolving Fund to the Drinking  
47      Water State Revolving Fund an amount up to the maximum amount  
48      authorized to be transferred pursuant to the Federal Safe Drinking

1 Water Act to meet present and future needs for the financing of  
2 eligible drinking water projects, and an amount equal to that  
3 maximum amount is hereby appropriated to the department for  
4 those purposes.

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

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

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

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

40 (8) There is appropriated to the Department of Environmental  
41 Protection the unappropriated balances from the "2003 Water  
42 Resources and Wastewater Treatment Fund" established pursuant to  
43 subsection a. of section 19 of the "Dam, Lake, Stream, Flood  
44 Control, Water Resources, and Wastewater Treatment Project Bond  
45 Act of 2003" (P.L.2003, c.162), and any repayments of loans and  
46 interest therefrom, as available on or before June 30, 2019, for the  
47 purposes of clean water project loans and providing the State match  
48 as required or will be required for the award of the capitalization

1 grants made available to the State for clean water projects pursuant  
2 to the Federal Clean Water Act.

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

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

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

31 (12) There is appropriated to the Department of Environmental  
32 Protection such sums as may be needed from loan repayments and  
33 interest earnings from the "Water Supply Fund" established  
34 pursuant to section 14 of the "Water Supply Bond Act of 1981"  
35 (P.L.1981, c.261) for the "Drinking Water State Revolving Fund  
36 Match Accounts" contained within that fund for the purpose of  
37 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 (13) There is appropriated to the Department of Environmental  
42 Protection from the "Interim Environmental Financing Program  
43 Fund" created and established by the New Jersey Infrastructure  
44 Bank pursuant to subsection d. of section 9 of P.L.1985, c.334  
45 (C.58:11B-9) such amounts as may be or become available on or  
46 before June 30, 2019, and any repayments of loans and interest  
47 therefrom, as may be necessary to supplement the sums  
48 appropriated from the Drinking Water State Revolving Fund for the

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

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

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

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

37 (17) Of the sums appropriated to the Department of  
38 Environmental Protection from the "Water Supply Fund" pursuant  
39 to P.L.1999, c.174, P.L.2001, c.222, P.L.2002, c.70 and P.L.2003,  
40 c.158, the department is authorized to transfer any unexpended  
41 balances and any repayments of loans and interest therefrom as may  
42 be or become available on or before June 30, 2019, in such amounts  
43 as needed to the Drinking Water State Revolving Fund accounts  
44 contained within the Water Supply Fund established for the  
45 purposes of providing drinking water project loans and providing  
46 the State match as required or will be required for the award of the  
47 capitalization grants made available to the State for drinking water  
48 projects pursuant to the Federal Safe Drinking Water Act.

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

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

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

46 Any such amounts shall be for the purpose of making zero  
47 interest and principal forgiveness financing loans, to the extent  
48 sufficient funds are available, to or on behalf of local government

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

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

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

36 (2) a maximum of \$30 million shall be issued to finance clean  
37 water redevelopment projects as provided in subsection a. of section  
38 3 of this act;

39 (3) to the extent funds are available from funds appropriated but  
40 not allocated in State fiscal year 2018 from \$30 million reserved in  
41 State fiscal year 2018 for combined sewer overflow projects,  
42 principal forgiveness loans shall be issued as provided in subsection  
43 a. of section 3 of this act to communities in combined sewer  
44 overflow sewersheds sponsoring construction projects that reduce  
45 or eliminate excessive infiltration/inflow or extraneous flows  
46 wherein principal forgiveness loans shall not exceed \$5 million per  
47 borrower subject to the availability of funds wherein 50 percent of  
48 the principal of the fund loan shall be forgiven, 25 percent of the

1 loan shall be a zero interest rate fund loan, and 25 percent of the  
2 loan shall be a trust market rate loan. A 100 percent DEP interest-  
3 free loan will be issued to borrowers for amounts in excess of the  
4 cap;

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

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

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

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

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

44 (a) up to \$4 million of Drinking Water State Revolving Fund  
45 loans shall be available for drinking water systems serving  
46 populations of up to 10,000 residents wherein principal forgiveness  
47 shall not exceed \$500,000 in the aggregate and shall not exceed 50



1 percent of the total loan amount per project sponsor in an amount  
2 not to exceed \$1 million per project sponsor.

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

6 (b) a maximum of \$1 million in principal forgiveness loans shall  
7 be issued to drinking water systems serving populations of up to  
8 10,000 residents for the development of asset management plans  
9 wherein principal forgiveness shall be 100 percent of the fund loan  
10 amount per project in an amount not to exceed \$100,000 per project  
11 sponsor subject to the availability of funds; and

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

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

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

33 d. The department is authorized to make zero interest and  
34 principal forgiveness financing loans to or on behalf of the project  
35 sponsors for the environmental infrastructure projects listed in  
36 sections 2 and 3 of this act under the same terms, conditions and  
37 requirements as set forth in this section from any unexpended  
38 balances of the amounts appropriated pursuant to section 1 of  
39 P.L.1987, c.200, section 2 of P.L.1988, c.133, section 1 of  
40 P.L.1989, c.189, section 1 of P.L.1990, c.99, section 1 of P.L.1991,  
41 c.325, section 1 of P.L.1992, c.38, section 1 of P.L.1993, c.193,  
42 section 1 of P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1  
43 of P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of  
44 P.L.1998, c.84, section 2 of P.L.1999, c.174, section 2 of P.L.2000,  
45 c.92, sections 1 and 2 of P.L.2001, c.222, sections 1 and 2 of  
46 P.L.2002, c.70, sections 1 and 2 of P.L.2003, c.158, sections 1 and  
47 2 of P.L.2004, c.109, sections 1 and 2 of P.L.2005, c.196, sections 1  
48 and 2 of P.L.2006, c.68, sections 1 and 2 of P.L.2007, c.139,

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

35 e. The department is authorized to make zero interest and  
36 principal forgiveness Sandy financing loans to or on behalf of the  
37 project sponsors for the Sandy environmental infrastructure projects  
38 listed in subsection a. of section 3 of this act for clean water  
39 projects and subsection b. of section 3 of this act for drinking water  
40 projects, in a manner consistent with the Federal Disaster Relief  
41 Appropriations Act, up to the individual amounts indicated, except  
42 that any such amount may be reduced by the Commissioner of  
43 Environmental Protection pursuant to section 7 of this act, or if a  
44 project fails to meet the requirements of section 4, 5, or 7 of this  
45 act, provided a maximum of \$300 million shall be provided for  
46 Sandy financing loans for clean water and drinking water projects  
47 to provide financial assistance to communities affected by the  
48 Storm Sandy, and for projects whose purpose is to reduce flood

1 damage risk and vulnerability or to enhance resiliency to rapid  
2 hydrologic change or a natural disaster.

3 f. For the purposes of this act:

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

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

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

19

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

24

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
<b>Total Projects: 5</b>		<b>\$4,135,500</b>	<b>\$5,514,000</b>

25

26 (2) The loans authorized in this subsection shall be made for the  
27 difference between the allowable loan amounts required by these  
28 projects based upon final building costs pursuant to section 7 of this  
29 act and the loan amounts certified by the Commissioner of  
30 Environmental Protection in State fiscal years 2016, 2017, and 2018  
31 and for increased allowable costs as defined and determined in  
32 accordance with the rules and regulations adopted by the  
33 department pursuant to section 4 of P.L.1985, c.329. The loans

1 authorized in this subsection shall be made to or on behalf of the  
2 project sponsors listed, up to the individual amounts indicated and  
3 in the priority stated, to the extent sufficient funds are available,  
4 except as a project fails to meet the requirements of section 4, 5, or  
5 7 of this act.

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

9 b. The Department of Environmental Protection is authorized  
10 to adjust the allowable Department of Environmental Protection  
11 loan amount for projects authorized in this section to between 25  
12 percent and 75 percent of the total allowable loan amount.

13

14 3. a. The following environmental infrastructure projects shall  
15 be known and may be cited as the "Storm Sandy and State Fiscal  
16 Year 2019 Clean Water Project Eligibility List":  
17

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

**S2646 SWEENEY**

13

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

S2646 SWEENEY

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
<b>Total Projects: 70</b>		<b>\$389,100,418</b>	<b>\$508,780,557</b>

- 1
- 2
- 3
- 4
- 5
- 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":

<b>Project Sponsor</b>	<b>Project No.</b>	<b>Estimated Allowable DEP Loan Amount</b>	<b>Estimated Total Allowable Loan Amount</b>
Aberdeen Township	1330004-001	\$2,925,000	\$3,900,000
Bellmawr Borough	0404001-006	\$1,725,000	\$2,300,000
Berkeley Township MUA	1505004-009	\$1,650,000	\$2,200,000
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

**S2646 SWEENEY**

15

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 Co., 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	\$18,000,000	\$24,000,000

North Jersey District Water Supply Comm.	1613001-033	\$3,075,000	\$4,100,000
Old Bridge MUA	1209002-013	\$3,000,000	\$4,000,000
Paulsboro Borough	0814001-003	\$2,100,000	\$2,800,000
Pennington Borough	1108001-002	\$937,500	\$1,250,000
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
<b>Total Projects: 44</b>		<b>\$222,263,250</b>	<b>\$296,351,000</b>

c. The Department of Environmental Protection is authorized to adjust the allowable Department of Environmental Protection loan amount for projects authorized in this section to between 25 percent and 75 percent of the total allowable loan amount and loan amounts to less than 25 percent to the extent the priority ranking and an insufficiency of funding prevents the department from making the loan.

4. Any financing loan made by the Department of Environmental Protection pursuant to this act 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 this act 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 2019 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 of this act, and in subsections a. and b. of section 3 of this act, provided that:

(1) for clean water project and drinking water project loans to (a) municipalities that do not satisfy the New Jersey Infrastructure Bank 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.), or (b) municipal,



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

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

18 (3) for loans to communities in a combined sewer overflow  
19 sewershed sponsoring construction projects that reduce or eliminate  
20 excessive infiltration, inflow, or extraneous flows, the Department  
21 of Environmental Protection allowable loan amount shall be up to  
22 100 percent of the total allowable loan amount;

23 d. With the exception of paragraphs (1) through (3) of  
24 subsection c. of this section, the loan shall be conditioned upon  
25 approval of a loan from the New Jersey Infrastructure Bank  
26 pursuant to P.L. , c. , (pending before the Legislature as Senate  
27 Bill No. of 2018 and Assembly Bill No. of 2018, prior to June  
28 30, 2010;

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

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

41

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

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

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

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

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

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

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

33  
34 6. The eligibility lists and authorization for the making of loans  
35 pursuant to sections 2 and 3 of this act shall expire on July 1, 2019,  
36 and any project sponsor which has not executed and delivered a  
37 loan agreement with the department for a loan authorized in this act  
38 shall no longer be entitled to that loan.

39  
40 7. The Commissioner of Environmental Protection is  
41 authorized to reduce or increase the individual amount of loan funds  
42 made available to or on behalf of project sponsors pursuant to  
43 sections 2 and 3 of this act based upon final or low bid building  
44 costs defined in and determined in accordance with rules and  
45 regulations adopted by the commissioner pursuant to section 4 of  
46 P.L.1985, c.329, section 2 of P.L.1999, c.362 (C.58:12A-12.2), or  
47 section 5 of P.L.1981, c.261, provided that the total loan amount  
48 does not exceed the estimated total allowable loan amount. The

1 commissioner is authorized to reduce or increase the individual  
2 amount of loan funds made available to or on behalf of project  
3 sponsors pursuant to sections 2 and 3 of this act in an amount not to  
4 exceed 10 percent of the total allowable loan amount based upon  
5 additional project costs to comply with the Department of  
6 Environmental Protection's guidance for asset management,  
7 emergency response, flood protection, and auxiliary power.

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

18  
19 9. The Department of Environmental Protection shall provide  
20 general technical assistance to any project sponsor requesting  
21 assistance regarding environmental infrastructure project  
22 development or applications for funds for a project.

23  
24 10. a. Prior to repayment to the Clean Water State Revolving  
25 Fund pursuant to sections 1 and 2 of P.L.2009, c.77 and any  
26 amendatory and supplementary acts thereto, prior to repayment to  
27 the "Wastewater Treatment Fund" pursuant to the provisions of  
28 section 16 of P.L.1985, c.329, prior to repayment to the "1992  
29 Wastewater Treatment Fund" pursuant to the provisions of section  
30 28 of P.L.1992, c.88, prior to repayment to the Drinking Water  
31 State Revolving Fund, prior to repayment to the "Stormwater  
32 Management and Combined Sewer Overflow Abatement Fund"  
33 pursuant to the provisions of section 15 of P.L.1989, c.181, prior to  
34 repayment to the "2003 Water Resources and Wastewater  
35 Treatment Fund" pursuant to the provisions of section 20 of  
36 P.L.2003, c.162, or prior to repayment to the "Water Supply Fund"  
37 pursuant to the provisions of section 15 of P.L.1981, c.261,  
38 repayments of loans made pursuant to these acts may be utilized by  
39 the New Jersey Infrastructure Bank established pursuant to  
40 P.L.1985, c.334 (C.58:11B-1 et seq.), as amended and  
41 supplemented by P.L.1997, c.224, under terms and conditions  
42 established by the commissioner and trust, and approved by the  
43 State Treasurer, and consistent with the provisions of P.L.1985,  
44 c.334 (C.58:11B-1 et seq.) and federal tax, environmental or  
45 securities law, to the extent necessary to secure repayment of trust  
46 bonds issued to finance loans approved pursuant to P.L. , c.  
47 (pending before the Legislature as Senate Bill No. of 2018 and  
48 Assembly Bill No. of 2018), and to secure the administrative fees

1 payable to the trust pursuant to subsection o. of section 5 of  
2 P.L.1985, c.334 (C.58:11B-5) by the project sponsors receiving  
3 trust loans.

4 b. Prior to repayment to the Clean Water State Revolving Fund  
5 pursuant to section 1 and 2 of P.L. 2009, c.77 and any amendatory  
6 and supplementary acts thereto, prior to repayment to the  
7 "Wastewater Treatment Fund" pursuant to the provisions of section  
8 16 of P.L.1985, c.329, prior to repayment to the "1992 Wastewater  
9 Treatment Fund" pursuant to the provisions of section 28 of  
10 P.L.1992, c.88, prior to repayment to the "Water Supply Fund"  
11 pursuant to the provisions of section 15 of P.L.1981, c.261, prior to  
12 repayment to the Drinking Water State Revolving Fund, prior to  
13 repayment to the "2003 Water Resources and Wastewater  
14 Treatment Fund" pursuant to the provisions of section 20 of  
15 P.L.2003, c.162, or prior to repayment to the "Stormwater  
16 Management and Combined Sewer Overflow Abatement Fund"  
17 pursuant to the provisions of section 15 of P.L.1989, c.181, the trust  
18 is further authorized to utilize repayments of loans made pursuant to  
19 P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38,  
20 P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85,  
21 P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92,  
22 P.L.2001, c.222, P.L.2002, c.70, P.L.2003, c.158, P.L.2004, c.109,  
23 P.L.2005, c.196, P.L.2006, c.68, P.L.2007, c.139, P.L.2008, c.68,  
24 P.L.2009, c.102, P.L.2010, c.63, P.L.2011, c.93, P.L.2012, c.43,  
25 P.L.2013, c.95, P.L.2014, c.25, P.L.2015, c.108, P.L.2016, c.32,  
26 P.L.2017, c.143, or P.L. , c. (pending before the Legislature as  
27 Senate Bill No. of 2018 and Assembly Bill No. of 2018), to secure  
28 repayment of trust bonds issued to finance loans approved pursuant  
29 to P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85,  
30 P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71,  
31 P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67,  
32 P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62,  
33 P.L.2011, c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26,  
34 P.L.2015, c.107 P.L.2016, c.31, P.L.2017, c.142, or P.L. , c.  
35 (pending before the Legislature as Senate Bill No. of 2018 and  
36 Assembly Bill No. of 2018), and to secure the administrative fees  
37 payable to the trust under these loans pursuant to subsection o. of  
38 section 5 of P.L.1985, c.334 (C.58:11B-5).

39 c. To the extent that any loan repayment sums are used to  
40 satisfy any trust bond repayment or administrative fee payment  
41 deficiencies, the trust shall repay such sums to the department for  
42 deposit into the Clean Water State Revolving Fund, the  
43 "Wastewater Treatment Fund," the "1992 Wastewater Treatment  
44 Fund," the "Water Supply Fund," the Drinking Water State  
45 Revolving Fund, the "2003 Water Resources and Wastewater  
46 Treatment Fund," or the "Stormwater Management and Combined  
47 Sewer Overflow Abatement Fund," as appropriate, from amounts

1 received by or on behalf of the trust from project sponsors causing  
2 any such deficiency.

3  
4 11. The Commissioner of Environmental Protection is  
5 authorized to enter into capitalization grant agreements as may be  
6 required pursuant to the Federal Disaster Relief Appropriations Act,  
7 the Federal Clean Water Act, or the Federal Safe Drinking Water  
8 Act.

9  
10 12. There is appropriated to the New Jersey Infrastructure Bank  
11 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) from  
12 repayments of loans and interest deposited in any account, on or  
13 before June 30, 2019, including the "Clean Water State Revolving  
14 Fund," the "1992 Wastewater Treatment Fund," the "Water Supply  
15 Fund," the "Stormwater Management and Combined Sewer  
16 Overflow Abatement Fund," the "2003 Water Resources and  
17 Wastewater Treatment Fund," or the Drinking Water State  
18 Revolving Fund, as appropriate, and from any net earnings received  
19 from the investment and reinvestment of such deposits, such sums  
20 as the chairman of the trust shall certify to the Commissioner of  
21 Environmental Protection to be necessary and appropriate for  
22 deposit into one or more reserve funds or accounts established by  
23 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

24  
25 13. There is appropriated to the New Jersey Infrastructure Bank  
26 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), funds  
27 from the Federal Disaster Relief Appropriations Act, Pub.L.113-2,  
28 deposited in any account including the Clean Water State Revolving  
29 Fund, the "Water Supply Fund," or the Drinking Water State  
30 Revolving Fund, as appropriate, and from any net earnings received  
31 from the investment and reinvestment of such deposits, such sums  
32 as the chairman of the trust certifies to the Commissioner of  
33 Environmental Protection to be necessary and appropriate for  
34 deposit into one or more reserve funds or accounts established by  
35 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

36  
37 14. This act shall take effect immediately.

38  
39  
40 STATEMENT

41  
42 This bill appropriates certain federal and State moneys to the  
43 Department of Environmental Protection (DEP) for the purpose of  
44 implementing the State Fiscal Year 2019 New Jersey  
45 Environmental Infrastructure Financing Program (NJEIFP), which  
46 is expected to finance approximately \$810.6 million in Storm Sandy  
47 and other environmental infrastructure projects for State Fiscal Year  
48 2019.

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

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

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

41 Disaster Relief Emergency Financing Program loans will  
42 continue to be available for short-term financing (up to three full  
43 fiscal years) for projects to repair or improve the resiliency of  
44 environmental infrastructure systems adversely impacted by Storm  
45 Sandy. The source of funds for such loans is currently repayments  
46 of prior NJEIFP Loans and New Jersey Infrastructure Bank (trust)  
47 operating funds but private bank financing for such loans may be  
48 used as the need arises. Finally, short-term Interim Financing

1 Program (IFP) Loans will be available for projects approved to  
2 receive long-term financing. IFP loans will be available upon  
3 project certification by the DEP, and satisfaction of financial  
4 eligibility requirements. The loans will finance costs disbursed  
5 prior to long-term financing. The source of funds for such loans  
6 include prior capitalization grants, NJEIFP loan repayments, prior  
7 State bond acts, and interest earnings thereon.

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

46 A companion bill, Senate Bill No. of 2018, would authorize the  
47 trust to make market rate loans to local governments and privately-  
48 owned water companies (project sponsors) for between 25 percent

1 and 75 percent of project costs totaling (1) \$508.78 million for 70  
2 new clean water projects included in the "Storm Sandy and State  
3 Fiscal Year 2019 Clean Water Project Eligibility List," and \$5.51  
4 million for five clean water projects through supplemental zero  
5 interest loans to project sponsors that had previously received a loan  
6 subject to the availability of funds; and (2) \$296.35 million for 44  
7 new drinking water projects included in the "Storm Sandy and State  
8 Fiscal Year 2019 Drinking Water Project Eligibility List." Under  
9 this bill, in conjunction with Senate Bill No. of 2018, the Storm  
10 Sandy and State Fiscal Year 2019 New Jersey Environmental  
11 Infrastructure Financing Program would finance \$810.6 million in  
12 environmental infrastructure projects for State Fiscal Year 2019  
13 subject to the availability of funds.