

SENATE, No. 2142

STATE OF NEW JERSEY

INTRODUCED MAY 22, 1997

By Senators GORMLEY and CAFIERO

1 AN ACT appropriating moneys to the Department of Environmental  
2 Protection for the purpose of making zero interest loans to local  
3 government units to finance a portion of the cost of construction of  
4 wastewater treatment system 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 "Wastewater Treatment Fund -  
11 State Revolving Fund Accounts" (hereinafter referred to as the "State  
12 Revolving Fund Accounts") contained within the "Wastewater  
13 Treatment Fund" and established pursuant to section 1 of P.L.1988,  
14 c.133 an amount equal to the Federal fiscal year 1997 capitalization  
15 grant made available to the State for wastewater treatment system  
16 projects pursuant to the "Water Quality Act of 1987" (33 U.S.C.§1251  
17 et seq.) and any amendatory and supplementary acts thereto  
18 (hereinafter referred to as the "Federal Act").

19 (2) There is appropriated to the Department of Environmental  
20 Protection any fees and penalties received pursuant to the "Marine  
21 Protection, Research, and Sanctuaries Act of 1972," (33 U.S.C.§1401  
22 et seq.), and any amendatory and supplementary acts thereto, as may  
23 be deposited in the State Revolving Fund Accounts.

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

28 (4) There is appropriated to the Department of Environmental  
29 Protection the sum of \$10,000,000 from the "1992 Wastewater  
30 Treatment Fund" established pursuant to section 27 of the "Green  
31 Acres, Clean Water, Farmland and Historic Preservation Bond Act of  
32 1992," (P.L.1992, c.88).

33 Any such amounts shall be for the purpose of making zero interest  
34 loans, to the extent sufficient funds are available, to local government  
35 units to finance a portion of the cost of construction of wastewater  
36 treatment system projects listed in sections 2 and 3 of this act, and for  
37 the purpose of implementing and administering the provisions of this

1 act, to the extent permitted by the "Water Quality Act of 1987" (33  
2 U.S.C. §1251 et seq.), the "Marine Protection, Research, and  
3 Sanctuaries Act of 1972," and any amendatory and supplementary acts  
4 thereto, the "Green Acres, Clean Water, Farmland and Historic  
5 Preservation Bond Act of 1992," and State law.

6 b. The department is authorized to make zero interest loans to the  
7 local government units for the wastewater treatment system projects  
8 listed in sections 2 and 3 of this act up to the individual amounts  
9 indicated and in the priority stated, except as any such amount may be  
10 reduced by the Commissioner of Environmental Protection pursuant  
11 to section 6 of this act, or if a project fails to meet the requirements of  
12 section 4 of this act.

13 c. The department is also authorized to make zero interest loans to  
14 the local government units for the wastewater treatment system  
15 projects listed in sections 2 and 3 of this act under the same terms,  
16 conditions and requirements as set forth in this section from any  
17 unexpended balances of the amounts appropriated pursuant to section  
18 1 of P.L.1987, c.200, section 2 of P.L.1988, c.133, section 1 of  
19 P.L.1989, c.189, section 1 of P.L.1990, c.99, section 1 of P.L.1991,  
20 c.325, section 1 of P.L.1992, c.38, section 1 of P.L.1993, c.193,  
21 section 1 of P.L.1994, c.106, section 1 of P.L.1995, c.219 or section  
22 1 of P.L.1996, c.85, including amounts resulting from the low bid  
23 building cost or final building cost reductions authorized pursuant to  
24 section 6 of P.L.1987, c.200, section 7 of P.L.1988, c.133, section  
25 6 of P.L.1989, c.189, section 6 of P.L.1990, c.99, section 6 of  
26 P.L.1991, c.325, section 6 of P.L.1992, c.38, section 6 of P.L.1993,  
27 c.193, section 6 of P.L.1994, c.106, section 6 of P.L.1995, c.219 and  
28 section 6 of P.L.1996, c.85, and from any repayments of loans from  
29 the "Wastewater Treatment Fund" or amounts deposited therein during  
30 State fiscal year 1997 pursuant to the provisions of section 16 of  
31 P.L.1985, c.329, including any State Revolving Fund Accounts  
32 contained within the "Wastewater Treatment Fund."

33  
34 2. a. The department is authorized to expend funds for the  
35 purpose of making a supplemental zero interest loan to the local  
36 government unit listed below for the following wastewater treatment  
37 system projects:

38

39	<u>Project No.</u>	<u>Local Government</u> <u>Unit</u>	<u>Estimated</u> <u>Allowable Project</u> <u>Cost</u>
40	881-01-1	Hawthorne Borough	\$300,000
41		TOTAL	\$300,000

1       b. The loan authorized in this section shall be made for the  
 2 difference between the allowable loan amount required by this project  
 3 based upon low bid building costs or final building costs pursuant to  
 4 section 6 of this act and the loan amount certified by the commissioner  
 5 in State fiscal year 1995 and for increased allowable costs as defined  
 6 and determined in accordance with the rules and regulations adopted  
 7 by the department pursuant to section 4 of P.L.1985, c.329. The loan  
 8 authorized in this section shall be made to the local government unit  
 9 listed, up to the individual amount indicated and in the priority stated,  
 10 to the extent sufficient funds are available, except as the project fails  
 11 to meet the requirements of section 4 of this act.

12       c. The zero interest loan for the project authorized in this section  
 13 shall have priority over projects listed in section 3 of this act.

14

15       3. The following wastewater treatment system projects shall be  
 16 known and may be cited as the "State Fiscal Year 1998 Project  
 17 Priority List":

18

19	<u>Project</u>	<u>Project Name</u>	<u>Estimated</u>
20	<u>Number</u>		<u>Allowable</u>
			<u>Project Cost</u>
21	437-07	New Brunswick City	\$ 1,450,000
22	958-02	Gloucester City	\$ 1,400,000
23	927-02	Hammonton Town	\$ 2,150,000
24	809-06	Atlantic County UA	\$ 1,500,000
25	518-03	Buena Borough MUA	\$ 950,000
26	818-04	Burlington County BCF	\$ 5,200,000
27	700-07	Northwest Bergen County UA	\$ 3,450,000
28	437-09	New Brunswick City	\$ 1,000,000
29	336-01	Camden City	\$ 800,000
30	640-05	Camden County MUA	\$ 2,700,000
31	667-01	Ventnor City	\$ 350,000
32	663-02	North Wildwood City	\$ 1,100,000
33	361-01	Roseland Borough	\$ 100,000
34	367-01	Merchantville Borough	\$ 650,000
35	437-10	New Brunswick City	\$ 2,750,000
36	433-09	Woodbridge Township	\$ 650,000
37	703-04	Florham Park SA	\$ 500,000
38	923-01	Hackensack City	\$ 1,400,000

1	706-03	Washington Borough	\$ 6,600,000
2	526-05	Harrison Township	\$ 300,000
3	498-01	Mine Hill Township	\$ 850,000
4	700-08	Northwest Bergen County UA	\$ 1,900,000
5	945-06	Old Bridge Township MUA	\$ 1,450,000
6	834-01	Nutley Township/Clifton City	\$ 3,950,000
7	921-03	Millville City	\$ 2,650,000
8	378-01	Bergenfield Borough	\$ 950,000
9	809-07	Atlantic County UA	\$ 3,750,000
10	706-04	Washington Borough	\$ 1,050,000
11	362-02	Harrison Township	\$ 1,250,000
12	665-01	Longport Borough	\$ 850,000
13	536-04	East Windsor Township	\$ 500,000
14	374-01	Cresskill Borough	\$ 250,000
15	901-03	Highlands Borough	\$ 650,000
16	504-03	Stanhope Borough	\$ 150,000
17		TOTAL	\$55,200,000

18

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

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

24 b. The loan amount shall not exceed 50% of the allowable project  
25 cost of the wastewater treatment system;

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

28 d. The loan shall be conditioned upon approval of a loan from the  
29 New Jersey Wastewater Treatment Trust pursuant to P.L.1997, c.  
30 (pending in the Legislature as Assembly Bill No.3020 of 1997 and  
31 Senate Bill No. 2144 of 1997); except that this requirement shall not  
32 apply to Project No. S340927-02 (Town of Hammonton), for which  
33 a loan has been made by the trust pursuant to P.L.1992, c.37 for both  
34 phases of this local government unit's wastewater treatment system  
35 project;

36 e. The loan shall be subject to any other terms and conditions as  
37 may be established by the commissioner and approved by the State  
38 Treasurer, which may include, notwithstanding any other provision of  
39 law to the contrary, subordination of a loan authorized in this act to  
40 loans made by the trust pursuant to P.L.1997, c. (pending in the

1 Legislature as Assembly Bill No. 3020 of 1997 and Senate Bill No.  
2 2144 of 1997) or to administrative fees payable to the trust pursuant  
3 to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5).

4  
5 5. The priority list and authorization for the making of loans  
6 pursuant to sections 2 and 3 of this act shall expire on July 1, 1998,  
7 and any local government unit which has not executed and delivered  
8 a loan agreement with the department for a loan authorized in this act  
9 shall no longer be entitled to that loan.

10  
11 6. The Commissioner of Environmental Protection is authorized to  
12 reduce or increase the individual amount of loan funds made available  
13 to local government units pursuant to sections 2 and 3 of this act  
14 based upon low bid building costs or final building costs defined in and  
15 determined in accordance with rules and regulations adopted by the  
16 commissioner pursuant to section 4 of P.L.1985, c.329, provided that  
17 the total loan amount does not exceed the original loan amount.

18  
19 7. The expenditure of the funds appropriated by this act is subject  
20 to the provisions and conditions of P.L.1985, c.329 or P.L.1992, c.88  
21 and any rules and regulations adopted by the commissioner pursuant  
22 thereto.

23  
24 8. The Department of Environmental Protection shall provide  
25 general technical assistance to any local government unit requesting  
26 assistance regarding wastewater treatment system project development  
27 or applications for funds for a project.

28  
29 9. a. Prior to repayment to the "Wastewater Treatment Fund"  
30 pursuant to the provisions of section 16 of P.L.1985, c.329, and prior  
31 to repayment to the "1992 Wastewater Treatment Fund" pursuant to  
32 the provisions of section 28 of P.L.1992, c.88, repayments of loans  
33 made pursuant to this act may be utilized by the New Jersey  
34 Wastewater Treatment Trust established pursuant to P.L.1985, c.334  
35 (C.58:11B-1 et seq.) under terms and conditions established by the  
36 commissioner and trust, and approved by the State Treasurer, and  
37 consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et  
38 seq.) and federal tax law, to the extent necessary to secure repayment  
39 of trust bonds issued to finance loans approved pursuant to P.L.1997,  
40 c. (pending in the Legislature as Assembly Bill No. 3020 of 1997 and  
41 Senate Bill No. 2144 of 1997), and to secure the administrative fees  
42 payable to the trust pursuant to subsection o. of section 5 of  
43 P.L.1985, c.334 (C.58:11B-5) by the local government units receiving  
44 trust loans.

45 b. Prior to repayment to the "Wastewater Treatment Fund"  
46 pursuant to the provisions of section 16 of P.L.1985, c.329 and prior

1 to repayment to the "1992 Wastewater Treatment Fund" pursuant to  
2 the provisions of section 28 of P.L.1992, c.88, the trust is further  
3 authorized to utilize repayments of loans made pursuant to P.L.1989,  
4 c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38, P.L.1993,  
5 c.193, P.L.1994, c.106, P.L.1995, c.219 or P.L.1996, c.85, and  
6 P.L.1997, c. (pending in the Legislature as Assembly Bill No. 3021  
7 of 1997 and Senate Bill No. 2142 of 1997) to secure repayment of  
8 trust bonds issued to finance loans approved pursuant to P.L.1995,  
9 c.218, P.L.1996, c.87 or P.L.1997, c. (pending in the Legislature as  
10 Assembly Bill No. 3020 of 1997 and Senate Bill No. 2144 of 1997),  
11 and to secure the administrative fees payable to the trust under these  
12 loans pursuant to subsection o. of section 5 of P.L.1985, c.334  
13 (C.58:11B-5).

14 c. To the extent that any loan repayment sums are used to satisfy  
15 trust bond repayment or administrative fee payment deficiencies, the  
16 trust shall repay such sums to the department for deposit into the  
17 "Wastewater Treatment Fund" or the "1992 Wastewater Treatment  
18 Fund," as appropriate, from amounts received by or on behalf of the  
19 trust from local government units causing any such deficiency.

20

21 10. The Commissioner of Environmental Protection is authorized  
22 to enter into a capitalization grant agreement as may be required  
23 pursuant to the Federal Act.

24

25 11. a. The Director of the Division of Budget and Accounting in  
26 the Department of the Treasury is directed to transfer to the  
27 "Wastewater Treatment Fund" the entire sum of money, if any,  
28 appropriated to the Department of Environmental Protection for  
29 "Public Wastewater Facilities" in the "State Aid" section of P.L.1997,  
30 c. (the fiscal year 1998 appropriations act now before the Legislature  
31 as Senate Bill No. of 1997). The sum transferred to the  
32 "Wastewater Treatment Fund" pursuant to this section is appropriated  
33 to the New Jersey Wastewater Treatment Trust established pursuant  
34 to P.L.1985, c.334 (C.58:11B-1 et seq.). The trust shall deposit all or  
35 a portion of this sum as it may deem necessary and appropriate into  
36 one or more reserve funds established pursuant to section 11 of  
37 P.L.1985, c.334 (C.58:11B-11). These reserve funds shall include  
38 reserve funds constituted collectively as a water pollution control  
39 revolving fund for the purposes of the Federal Act and shall be known  
40 as the Trust Reserve Fund - State Revolving Fund Accounts; except  
41 that the trust shall not establish the Trust Reserve Fund - State  
42 Revolving Fund Accounts prior to the execution of a capitalization  
43 grant agreement entered into by the Commissioner of Environmental  
44 Protection pursuant to section 10 of this act.

45 b. Any portion of the sum appropriated to the trust pursuant to  
46 subsection a. of this section or subsection a. of section 11 of

1 P.L.1989, c.189, subsection a. of section 11 of P.L.1990, c.99,  
2 subsection a. of section 11 of P.L.1991, c.325, subsection a. of  
3 section 11 of P.L.1992, c.38, subsection a. of section 11 of P.L.1993,  
4 c.193, subsection a. of section 11 of P.L.1994, c.106, subsection a.  
5 of P.L.1995, c.219 or subsection a. of section 11 of P.L.1996, c.85,  
6 plus any net earnings received from the investment or deposit of such  
7 moneys by the trust not required by the trust to establish reserve funds  
8 as provided in this section, shall be returned to the "Wastewater  
9 Treatment Fund" and placed in any account therein as determined by  
10 the commissioner to be used by the department for making zero  
11 interest loans to local government units to finance a portion of the cost  
12 of the wastewater treatment system projects listed in sections 2 and 3  
13 of this act up to the individual amounts indicated and in the priority  
14 stated, except as any such amount may be reduced by the  
15 commissioner pursuant to section 6 of this act or if a project fails to  
16 meet the requirements of section 4 of this act; and except that the  
17 commissioner shall certify to the chairman of the trust that such funds  
18 are needed for zero interest loans before any transfer is made. In the  
19 event that the commissioner fails to make this certification, the  
20 unexpended balance not devoted to establishing reserve funds shall  
21 remain with the trust but shall not be expended by the trust until such  
22 expenditure is authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et  
23 seq.).

24

25 12. There is appropriated to the New Jersey Wastewater Treatment  
26 Trust established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.)  
27 from repayments of loans deposited in any account, including the State  
28 Revolving Fund Accounts contained within the "Wastewater  
29 Treatment Fund" or the "1992 Wastewater Treatment Fund," and from  
30 any net earnings received from the investment and reinvestment of  
31 such deposits, such sums as the chairman of the trust shall certify to  
32 the Commissioner of Environmental Protection to be necessary and  
33 appropriate for deposit into one or more reserve funds established by  
34 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11);  
35 except that the certification shall not be made with respect to the State  
36 Revolving Fund Accounts prior to the execution of a capitalization  
37 grant agreement entered into by the commissioner pursuant to section  
38 10 of this act.

39

40 13. This act shall take effect immediately.

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#### STATEMENT

44

45 This bill would appropriate certain federal and State moneys to the  
46 Department of Environmental Protection (DEP) for the purpose of

1 implementing the 1997 New Jersey Wastewater Treatment Financing  
2 Program, which is expected to finance approximately \$111 million in  
3 wastewater treatment system projects for State Fiscal Year 1998.

4 Specifically, the bill would appropriate to the DEP moneys from  
5 (1) the "Wastewater Treatment Fund - State Revolving Fund  
6 Accounts" established pursuant to section 1 of P.L.1988, c.133 an  
7 amount equal to the Federal Fiscal Year 1997 capitalization grant  
8 made available to the State pursuant to the federal "Water Quality Act  
9 of 1987" for wastewater treatment system projects; (2) any fees and  
10 penalties received pursuant to the federal "Marine Protection,  
11 Research, and Sanctuaries Act of 1972," as may be deposited in the  
12 State Revolving Fund Accounts; (3) the unappropriated balances from  
13 the "Wastewater Treatment Fund" established pursuant to section 15  
14 of the "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329);  
15 and (4) the sum of \$10,000,000 from the "1992 Wastewater Treatment  
16 Fund" established pursuant to section 27 of the "Green Acres, Clean  
17 Water, Farmland and Historic Preservation Bond Act of 1992,"  
18 (P.L.1992, c.88).

19 The DEP would use the funds appropriated under this bill to make  
20 zero interest loans to local governments for up to 50% of eligible  
21 project costs for wastewater treatment system projects included in the  
22 "State Fiscal Year 1998 Project Priority List" and to provide a  
23 supplemental zero interest loan to a local government that received a  
24 loan in past years. The supplemental loan constitutes the difference  
25 between the allowable loan amounts required by the project and the  
26 loan amounts certified by the Commissioner of DEP in State FY 1995  
27 under the New Jersey Wastewater Treatment Financing Program.

28 A companion bill, Assembly Bill No.3020 of 1997 and Senate Bill  
29 No. 2144 of 1997, would authorize the New Jersey Wastewater  
30 Treatment Trust to provide approximately \$300,000 in a supplemental  
31 loan for an existing project and approximately \$53 million for loans to  
32 local governments identified on the priority list for the remaining  
33 allowable project costs.

34 New wastewater treatment system projects that are eligible for  
35 financing in calendar year 1997 have allowable costs totaling  
36 approximately \$110.4 million, while previously financed projects that  
37 are eligible to receive supplemental loans under the State Fiscal Year  
38 1998 Program total approximately \$.6 million.

39 The New Jersey Wastewater Treatment Financing Program is the  
40 primary source available for either federal or State funding to assist  
41 eligible local governments to finance necessary wastewater treatment  
42 (sewer) system upgrades. In 1985, the Legislature established the New  
43 Jersey Wastewater Treatment Trust, a State financing authority  
44 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), as the  
45 keystone of a financing mechanism for funding the rehabilitation and  
46 construction of wastewater treatment facilities.

1 The New Jersey Wastewater Treatment Financing Program  
2 comprises two complementary elements: the proceeds of State general  
3 obligation bonds and federal capitalization grants administered by the  
4 DEP, and the revenue bonds issued by the Trust. The federal grant  
5 moneys are made available from the federal Environmental Protection  
6 Agency (EPA) under the State Revolving Loan Fund Program  
7 established pursuant to the federal "Water Quality Act of 1987" (33  
8 U.S.C.§1251 et seq.). Additional federal moneys are available from  
9 any fees and penalties received pursuant to the federal "Marine  
10 Protection, Research, and Sanctuaries Act of 1972," (33 U.S.C.§1401  
11 et seq.).

12 To qualify for receipt of federal moneys under the "Water Quality  
13 Act of 1987," a state must establish a revolving loan fund and provide  
14 an annual 20 percent State-match to those moneys. All federal moneys  
15 received by the State for wastewater treatment system project  
16 financing are deposited in the "Wastewater Treatment Fund," a  
17 revolving loan fund established pursuant to the \$190 million  
18 "Wastewater Treatment Bond Act of 1985," P.L.1985, c.329 and  
19 administered by the DEP. In past years, the State has met the match  
20 requirement entirely through conventional General Fund  
21 appropriations or from a combination of a General Fund appropriation  
22 and by pledging loan repayment moneys from previous project loans  
23 made from the "Wastewater Treatment Bond Act of 1985." The 20%  
24 match for State Fiscal Year 1998 is expected to be provided entirely  
25 from loan repayments of older wastewater treatment system projects  
26 funded from the "Wastewater Treatment Bond Act of 1985" during the  
27 late 1980's.

28 Section 6 a. of the 1985 bond act allocated \$150 million to the DEP  
29 for zero interest loans to local governments for wastewater treatment  
30 system projects. Section 6 b. allocated \$40 million to the Trust to  
31 establish a reserve account for loans made by the Trust, and a  
32 guarantee account to secure debt issued by local governments in  
33 connection with the financing of a project. In 1987, the Legislature  
34 enacted P.L.1987, c.198, which appropriated the \$40 million to the  
35 Trust for these purposes.

36 Moneys in the "Wastewater Treatment Fund" provide zero interest  
37 loans to local governments for up to 50% of eligible project costs for  
38 wastewater treatment system projects included on the project priority  
39 list. The Trust revenue bonds provide moneys for low interest (at or  
40 below market-rate) loans to local governments for the remaining  
41 portion of allowable project costs. By matching the loans made by the  
42 DEP, the Trust nearly doubles the amount of money available for  
43 wastewater treatment system projects. Since the combined money is  
44 provided at half the typical market interest rate, the New Jersey  
45 Wastewater Treatment Financing Program reduces the costs to a local  
46 government that must be passed on to the project's users. By funding

1 its wastewater treatment system project through the Program, a local  
2 government should realize an average savings of 30% on the financing  
3 of the total eligible cost of the project over what it would cost that  
4 local government to secure its own financing.

5 On November 3, 1992 the voters approved the \$345 million "Green  
6 Acres, Clean Water, Farmland and Historic Preservation Bond Act of  
7 1992," P.L.1992, c.88. Section 12 of the 1992 bond act allocated \$50  
8 million for the financing of wastewater treatment system projects, in  
9 order to bring such systems into full compliance with permits issued  
10 pursuant to the "Water Pollution Control Act", P.L.1977, c.74  
11 (C.58:10A-1 et seq.), to provide adequate wastewater treatment in  
12 areas where large numbers of septic systems have malfunctioned or  
13 become obsolete, or to connect an obsolete or malfunctioning  
14 wastewater treatment system to another wastewater treatment system.

15 Section 12 b. of the 1992 bond act allocated \$45 million to the DEP  
16 for zero interest loans to local governments for wastewater treatment  
17 system projects. Section 12 c. allocated \$5 million to the Trust to be  
18 used for reserve and guarantee funding to secure debt issued by the  
19 Trust or by local governments in connection with the financing of  
20 wastewater treatment system projects.

21 A local government seeking financial assistance for a wastewater  
22 treatment system project must apply for a loan from each State  
23 agency.

24 P.L.1985, c.334 requires that the DEP develop a project priority list  
25 for funding by the Trust in conformance with the applicable provisions  
26 of federal law.

27 Under federal law, a Federal Priority List must be developed by the  
28 DEP and approved each year by the EPA. The list ranks projects based  
29 upon existing water quality conditions and anticipated impacts on  
30 existing and potential water uses. All local governments listed or  
31 eligible for listing on the project priority list are required to advise the  
32 DEP whether they will pursue their own funding source, or exercise  
33 their option to apply for loans from the State. Those local  
34 governments opting for State financial assistance are ranked in  
35 accordance with the priority system and placed on the State funding  
36 list. These projects are placed in the same rank order as they are found  
37 on the Federal Priority List.

38 The New Jersey Wastewater Treatment Financing Program has  
39 completed ten annual financing cycles and financed more than \$1.3  
40 billion of wastewater treatment system projects throughout the State.  
41 Between 1987 and 1996 the DEP and the Trust have utilized moneys  
42 from the following sources: federal capitalization grants made  
43 available under the federal "Water Quality Act of 1987," State loans  
44 from the moneys made available under the "Wastewater Treatment  
45 Bond Act of 1985," State General Fund appropriations, loan  
46 repayments, and the unexpended balances of leftover or "de-obligated"

1 loan moneys from project loans made in prior years. The EPA has  
2 made ten federal capitalization grants to New Jersey totaling  
3 approximately \$651 million since the Program's inception.

4 Under this bill, in conjunction with Assembly Bill No. 3020 of 1997  
5 and Senate Bill No. 2144 of 1997, the New Jersey Wastewater  
6 Treatment Financing Program for 1997 would finance approximately  
7 \$110 million in wastewater treatment system projects. A new  
8 component of the Program introduced in 1995 permits local  
9 governments sponsoring wastewater treatment system projects  
10 partially funded from the "Pinelands Infrastructure Trust Fund"  
11 established pursuant to the "Pinelands Infrastructure Trust Bond Act  
12 of 1985," P.L.1985, c.302, to receive a Trust loan for the balance of  
13 allowable project costs. However, there are no Pinelands area projects  
14 scheduled to be financed in State Fiscal Year 1998.

15 New wastewater treatment system projects eligible for financing  
16 under this bill and Assembly Bill No. 3020 of 1997 and Senate Bill No.  
17 2144 of 1997 have total allowable costs of approximately \$110 million,  
18 while a previously financed project is eligible to receive supplemental  
19 loans totaling \$600,000.

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24 Appropriates funds to DEP for wastewater treatment system projects.