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SENATE, No. 2421

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MAY 14, 2001

Sponsored by:

Senator JOHN J. MATHEUSSEN

District 4 (Camden and Gloucester)

Senator DIANE ALLEN

District 7 (Burlington and Camden)

Co-Sponsored by:

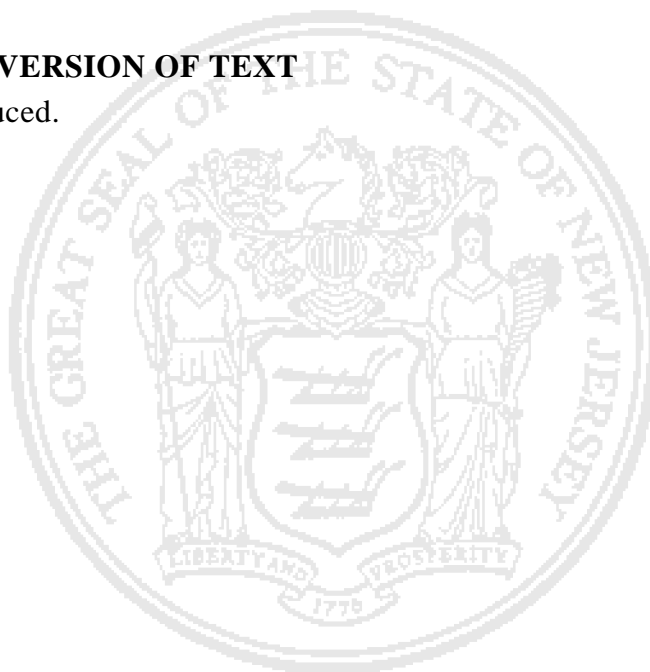
Senators Ciesla, McNamara, O'Toole, Littell, Gormley, Bucco, Singer, Bark, Kavanaugh, Connors, Cafiero, Kyrillos, Bennett, Cardinale, Martin, Inverso, Turner, Assemblymen Azzolina, DeCroce, Assemblywoman Heck and Assemblyman Thompson

SYNOPSIS

Appropriates funds to DEP for environmental infrastructure projects.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/29/2001)

1 AN ACT appropriating moneys to the Department of Environmental
2 Protection for the purpose of making zero interest loans to project
3 sponsors to finance a portion of the costs of construction of
4 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 Environmental
10 Protection from the Clean Water Fund - State Revolving Fund
11 Accounts (hereinafter referred to as the "Clean Water State Revolving
12 Fund Accounts") an amount equal to the Federal fiscal year 2001
13 capitalization grant made available to the State for clean water
14 projects pursuant to the "Water Quality Act of 1987" (33 U.S.C.§1251
15 et seq.), and any amendatory and supplementary acts thereto
16 (hereinafter referred to as the "Federal Clean Water Act").

17 (2) There is appropriated to the Department of Environmental
18 Protection from the Drinking Water State Revolving Fund an amount
19 equal to the Federal fiscal year 2001 capitalization grant made
20 available to the State for drinking water projects pursuant to the "Safe
21 Drinking Water Act Amendments of 1996" Pub.L.104-182, and any
22 amendatory and supplementary acts thereto (hereinafter referred to as
23 the "Federal Safe Drinking Water Act").

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

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

36 (4) There is appropriated to the Department of Environmental
37 Protection the sum of \$5,000,000 from the "1992 Wastewater
38 Treatment Fund" established pursuant to section 27 of the "Green
39 Acres, Clean Water, Farmland and Historic Preservation Bond Act of
40 1992," (P.L.1992, c.88).

41 (5) There is appropriated to the Department of Environmental
42 Protection the sum of \$40,000,000 from the "Water Supply Fund"
43 established pursuant to section 14 of the "Water Supply Bond Act of
44 1981," (P.L.1981, c.261), as amended by P.L.1983, c.355 and
45 amended and supplemented by P.L.1997, c.223.

46 Any such amounts shall be for the purpose of making zero interest

1 loans, to the extent sufficient funds are available, to or on behalf of
2 local government units or public water utilities (hereinafter referred to
3 as "project sponsors") to finance a portion of the cost of construction
4 of clean water projects and drinking water projects listed in sections
5 2 and 3 of this act, and for the purpose of implementing and
6 administering the provisions of this act, to the extent permitted by the
7 "Water Quality Act of 1987" (33 U.S.C.§1251 et seq.), the
8 "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329), the
9 "Green Acres, Clean Water, Farmland and Historic Preservation Bond
10 Act of 1992" (P.L.1992, c.88), the "Water Supply Bond Act of 1981,"
11 (P.L.1981, c.261), the "Stormwater Management and Combined
12 Sewer Overflow Abatement Bond Act of 1989" (P.L.1989, c.181), the
13 Federal Safe Drinking Water Act, and any amendatory and
14 supplementary acts thereto, and State law.

15 b. The department is authorized to make zero interest loans to or
16 on behalf of the project sponsors for the environmental infrastructure
17 projects listed in subsection a. of section 2 and subsection a. of section
18 3 of this act for clean water projects, and subsection b. of section 2
19 and subsection b. of section 3 of this act for drinking water projects,
20 up to the individual amounts indicated and in the priority stated,
21 except as any such amount may be reduced by the Commissioner of
22 Environmental Protection pursuant to section 6 of this act, or if a
23 project fails to meet the requirements of section 4 of this act.

24 c. The department is authorized to make zero interest loans to or
25 on behalf of the project sponsors for the environmental infrastructure
26 projects listed in sections 2 and 3 of this act under the same terms,
27 conditions and requirements as set forth in this section from any
28 unexpended balances of the amounts appropriated pursuant to section
29 1 of P.L.1987, c.200, section 2 of P.L.1988, c.133, section 1 of
30 P.L.1989, c.189, section 1 of P.L.1990, c.99, section 1 of P.L.1991,
31 c.325, section 1 of P.L.1992, c.38, section 1 of P.L.1993, c.193,
32 section 1 of P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1
33 of P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of P.L.1998,
34 c.84, section 2 of P.L.1999, c.174, or section 2 of P.L.2000, c.92,
35 including amounts resulting from the final building cost reductions
36 authorized pursuant to section 6 of P.L.1987, c.200, section 7 of
37 P.L.1988, c.133, section 6 of P.L.1989, c.189, section 6 of P.L.1990,
38 c.99, section 6 of P.L.1991, c.325, section 6 of P.L.1992, c.38, section
39 6 of P.L.1993, c.193, section 6 of P.L.1994, c.106, section 6 of
40 P.L.1995, c.219, section 6 of P.L.1996, c.85, section 6 of P.L.1997,
41 c.221, section 7 of P.L.1998, c.84, section 6 of P.L.1999, c.174 and
42 section 6 of P.L.2000, c.92, and from any repayments of loans from
43 the "Water Supply Fund," and from any repayments of loans from the
44 "Wastewater Treatment Fund," the "1992 Wastewater Treatment
45 Fund," or amounts deposited therein during State fiscal year 2001
46 pursuant to the provisions of section 16 of P.L.1985, c.329, including

1 any Clean Water State Revolving Fund Accounts contained within the
2 "Wastewater Treatment Fund," and from any repayment of loans from
3 the Drinking Water State Revolving Fund.

4
5 2. a. (1) The department is authorized to expend funds for the
6 purpose of making supplemental zero interest loans to or on behalf of
7 the project sponsors listed below for the following environmental
8 infrastructure projects:

9

10 Project Number	11 Project Sponsor	12 Estimated
		13 Allowable
		14 Loan Amount
15 809-03/4-1	Atlantic County UA	\$2,350,000
16 809-07-1	Atlantic County UA	\$ 500,000
17 287-01-1	Oaklyn Borough	\$ 150,000
18 839-02-1	Franklin Township SA	\$1,600,000
19 118-02-1	Keansburg Borough	\$ 500,000
	TOTAL	\$5,100,000

20

21 (2) The loans authorized in this subsection shall be made for the
22 difference between the allowable loan amounts required by these
23 projects based upon final building costs pursuant to section 6 of this
24 act and the loan amounts certified by the commissioner in State fiscal
25 years 1996, 1998, 2000 and 2001 and for increased allowable costs as
26 defined and determined in accordance with the rules and regulations
27 adopted by the department pursuant to section 4 of P.L.1985, c.329.
28 The loans authorized in this subsection shall be made to or on behalf
29 of the project sponsors listed, up to the individual amount indicated
30 and in the priority stated, to the extent sufficient funds are available,
31 except as any project fails to meet the requirements of section 4 of this
32 act.

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

36 b. (1) The department is authorized to expend funds for the
37 purpose of making a supplemental loan to or on behalf of the project
38 sponsor listed below for the following environmental infrastructure
39 project:

40

41 Project Number	42 Project Sponsor	43 Estimated
		44 Allowable
		45 Loan Amount
46 0103001-001/5-1	Brigantine City	\$100,000
	TOTAL	\$100,000

1 (2) The loan authorized in this subsection shall be made for the
 2 difference between the allowable loan amount required by this project
 3 based upon final building costs pursuant to subsection a. of section 7
 4 of this act and the loan amount certified by the commissioner in State
 5 fiscal year 2000, and for increased allowable costs as defined and
 6 determined in accordance with the rules and regulations adopted by
 7 the department pursuant to section 5 of P.L.1981, c.261. The loan
 8 authorized in this subsection shall be made to or on behalf of the
 9 project sponsor listed, up to the individual amount indicated and in the
 10 priority stated, to the extent sufficient funds are available, except as
 11 the project fails to meet the requirements of section 4 of this act.

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

15
 16 3. a. The following environmental infrastructure projects shall be
 17 known and may be cited as the "State Fiscal Year 2002 Clean Water
 18 Project Priority List":

19	20 Project Number	21 Project Sponsor	22 Estimated
23			24 Allowable
			25 Loan Amount
26	488-03	Hopatcong Borough	\$2,800,000
27	701-03	West Milford Township MUA	\$ 850,000
28	928-02	Jersey City MUA	\$8,150,000
29	942-03	Elizabeth City	\$4,550,000
30	750-05	Ocean Township SA	\$4,300,000
31	362-03	Harrison Township (Gloucester)	\$2,050,000
32	372-24	Ocean County UA	\$5,600,000
33	639-03	Ridgewood Village	\$10,150,000
34	680-06	Middlesex County UA	\$17,700,000
35	2007-01/2	Burlington County	
36		Board of Chosen Freeholders	\$9,750,000
37	3004-01	Mercer County	\$1,900,000
38	322-02	Passaic Valley Water Commission	\$5,600,000
39	526-07	Gloucester County UA	\$2,350,000
40	3027-01	Edison Township	\$11,900,000
41	3010-01	Brick Township	\$3,450,000
42	3017-01	Franklin Township (Somerset)	\$ 400,000
43	2003-01	Evesham Township	\$1,750,000
44	3023-01	Evesham Township	\$4,550,000
45	3006-01	Bridgewater Township	\$1,000,000
46	895-06	Winslow Township (Albion Area)	\$1,950,000
	3002-01	Roxbury Township	\$ 450,000
	3005-01	West Windsor Township	\$2,200,000

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1	3030-01	Montville Township	\$2,100,000
2	3034-01	Readington Township	\$ 800,000
3	3008-01	Princeton Township	\$1,000,000
4	3003-01	Hanover Township	\$1,150,000
5	3028-01	Holmdel Township	\$2,100,000
6	3012-01	Clinton Township	\$13,450,000
7	3020-01	Washington Township (Mercer)	\$1,450,000
8	3033-01	Edgewater Borough	\$ 300,000
9	3026-01	Eastampton Township	\$6,000,000
10	3013-01	Allamuchy Township	\$4,500,000
11	875-01	Voorhees Township	\$2,950,000
12	2001-01	Atlantic County UA	\$3,400,000
13	2008-02	Sussex County MUA	\$3,200,000
14	641-01	Camden City	\$6,650,000
15	399-25	Bayonne MUA	\$1,800,000
16	448-04	Brick Township MUA	\$1,600,000
17	364-02	Gloucester Township MUA	\$1,200,000
18	293-01	Union Township	\$ 150,000
19	259-03	Kearny MUA	\$ 750,000
20	550-04	Cumberland County UA	\$1,100,000
21	545-04	Glassboro Borough	\$1,900,000
22	291-02	Collingswood Borough	\$ 700,000
23	385-02	Berkeley Heights Township	\$1,000,000
24	958-03	Gloucester City	\$ 800,000
25	163-01	Waterford Township MUA	\$1,000,000
26	827-01	Brigantine City	\$ 650,000
27	967-04	Matawan Borough	\$1,400,000
28	666-02	Margate City	\$ 350,000
29	944-02	Chesterfield Township	\$3,000,000
30	258-02	Cape May City	\$ 300,000
31	375-01	Hainesport Township	\$7,250,000
32	366-04	Camden City	\$2,450,000
33	437-11	New Brunswick City	\$2,350,000
34	649-03	Pemberton Township	\$ 400,000
35	870-03	Pennsville Township	\$1,000,000
36	161-01	Lumberton Township	\$1,800,000
37	827-02	Brigantine City	\$ 200,000
38		TOTAL	\$185,600,000

39

40 b. The following environmental infrastructure projects shall be
41 known and may be cited as the "State Fiscal Year 2002 Drinking
42 Water Project Priority List":

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1	Project Number	Project Sponsor	Estimated
2			Allowable
3			Loan Amount
4			
5	0601001-001	Bridgeton City	\$ 950,000
6	0705001-001	East Orange City	\$4,800,000
7	0408001-003	Camden City	\$3,400,000
8	0613001-001	Seabrook Water Corp.	\$ 550,000
9	0435003-004	Waterford Township MUA	\$1,200,000
10	0604001-002/4	Middlesex Water Company	
11		(Bayview Water Company)	\$ 900,000
12	0435003-003	Waterford Township MUA	\$ 950,000
13	1605002-005	Passaic Valley Water	
14		Commission	\$43,500,000
15	1707001-003	Pennsgrove Water	
16		Supply Company	\$ 350,000
17	0502001-003	Cape May City	\$ 250,000
18	0408001-012	Camden City	\$2,500,000
19	0822001-002	Woodbury City	\$1,600,000
20	1345001-002	New Jersey American Water	
21		Company - Monmouth	\$11,750,000
22	0424001-001	Merchantville-Pennsauken	
23		Water Commission	\$2,150,000
24	0704002-006	Essex County UA	\$1,350,000
25	0435003-002	Waterford Township MUA	\$ 700,000
26	1506001-001	Brick Township MUA	\$9,500,000
27	0116001-001	Margate City	\$ 200,000
28	1225001-006/7	Middlesex Water Company	\$2,550,000
29	1904001-001	Brookwood Musconetcong	
30		River POA	\$ 600,000
31	1429001-001	Parsippany-Troy Hills Township	\$ 350,000
32	0713001-005	Montclair Township	\$ 800,000
33	1615017-002	Wonder Lakes Properties, Inc.	\$ 100,000
34	1514001-003	New Jersey American Water	
35		Company - Lakewood	\$ 200,000
36	0508001-001	New Jersey American Water	
37		Company - Ocean City	\$ 100,000
38	0506010-001	New Jersey American Water	
39		Company - Neptune	\$ 50,000
40	2121001-001	New Jersey American Water	
41		Company - Washington (Warren)	\$ 50,000
42	0119002-002	New Jersey American Water	
43		Company - Atlantic	\$ 250,000
44	1533001-001	Barnegat Township	\$ 450,000
45	2103001-001	New Jersey American Water	
46		Company - Belvidere	\$ 50,000

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1	1011001-001	New Jersey American Water	
2		Company - Frenchtown	\$ 50,000
3	0510001-001	Stone Harbor Borough	\$ 450,000
4	1429001-002	Parsippany-Troy Hills Township	\$ 600,000
5	1504001-002	Beachwood Borough	\$ 300,000
6	0327001-004	New Jersey American Water	
7		Company - Western Division	\$ 850,000
8	1208001-001	New Jersey American Water	
9		Company - Jamesburg	\$ 100,000
10	1345001-001	New Jersey American Water	
11		Company - Monmouth	\$ 850,000
12	0712001-002	New Jersey American Water	
13		Company - Short Hills	\$ 700,000
14	1502001-001	New Jersey American Water	
15		Company - Ocean County	\$ 250,000
16	1605001-001	New Jersey American Water	
17		Company - Little Falls	\$ 100,000
18	1502001-003	New Jersey American Water	
19		Company - Ocean County	\$ 450,000
20	0511001-001	New Jersey American Water	
21		Company - Strathmere	\$ 50,000
22	2004002-001	Watchung Borough	\$ 300,000
23	0720001-002	ECUA/Verona	\$ 950,000
24		TOTAL	\$98,150,000

25

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

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

32 b. The loan amount shall not exceed 50% of the allowable project
33 cost of the environmental infrastructure facility;

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

36 d. The loan shall be conditioned upon approval of a loan from the
37 New Jersey Environmental Infrastructure Trust pursuant to P.L.2001,
38 c. (pending in the Legislature as Senate Bill No. of 2001 and
39 Assembly Bill No. of 2001);

40 e. The loan shall be subject to any other terms and conditions as
41 may be established by the commissioner and approved by the State
42 Treasurer, which may include, notwithstanding any other provision of
43 law to the contrary, subordination of a loan authorized in this act to
44 loans made by the trust pursuant to P.L.2001, c. (pending in the
45 Legislature as Senate Bill No. of 2001 and Assembly Bill No.

1 of 2001) or to administrative fees payable to the trust pursuant to
2 subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5).

3

4 5. The priority lists and authorization for the making of loans
5 pursuant to sections 2 and 3 of this act shall expire on July 1, 2002,
6 and any project sponsor which has not executed and delivered a loan
7 agreement with the department for a loan authorized in this act shall
8 no longer be entitled to that loan.

9

10 6. The Commissioner of Environmental Protection is authorized to
11 reduce or increase the individual amount of loan funds made available
12 to or on behalf of project sponsors pursuant to sections 2 and 3 of this
13 act based upon final building costs defined in and determined in
14 accordance with rules and regulations adopted by the commissioner
15 pursuant to section 4 of P.L.1985, c.329, section 11 of P.L.1977,
16 c.224 (C.58:12A-11) or section 5 of P.L.1981, c.261, 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.1977, c.224, P.L.1985, c.329,
21 P.L.1992, c.88, P.L.1997, c.223 or P.L.1997, c.225, and the rules and
22 regulations adopted by the commissioner pursuant thereto, and the
23 provisions of the Federal Clean Water Act or the Federal Safe
24 Drinking Water Act, as appropriate.

25

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

30

31 9. a. Prior to repayment to the "Wastewater Treatment Fund"
32 pursuant to the provisions of section 16 of P.L.1985, c.329, prior to
33 repayment to the "1992 Wastewater Treatment Fund" pursuant to the
34 provisions of section 28 of P.L.1992, c.88, prior to repayment to the
35 Drinking Water State Revolving Fund, prior to repayment to the
36 "Stormwater Management and Combined Sewer Overflow Abatement
37 Fund" pursuant to the provisions of section 15 of P.L.1989, c.181, or
38 prior to repayment to the "Water Supply Fund" pursuant to the
39 provisions of section 15 of P.L.1981, c.261, repayments of loans made
40 pursuant to these acts may be utilized by the New Jersey
41 Environmental Infrastructure Trust established pursuant to P.L.1985,
42 c.334 (C.58:11B-1 et seq.), as amended and supplemented by
43 P.L.1997, c.224, under terms and conditions established by the
44 commissioner and trust, and approved by the State Treasurer, and
45 consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et
46 seq.) and federal tax, environmental or securities law, to the extent

1 necessary to secure repayment of trust bonds issued to finance loans
2 approved pursuant to P.L.2001, c. (pending in the Legislature as
3 Senate Bill No. of 2001 and Assembly Bill No. of 2001), and to
4 secure the administrative fees payable to the trust pursuant to
5 subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5) by the
6 project sponsors receiving trust loans.

7 b. Prior to repayment to the "Wastewater Treatment Fund"
8 pursuant to the provisions of section 16 of P.L.1985, c.329, prior to
9 repayment to the "1992 Wastewater Treatment Fund" pursuant to the
10 provisions of section 28 of P.L.1992, c.88, prior to repayment to the
11 Drinking Water State Revolving Fund or prior to repayment to the
12 "Stormwater Management and Combined Sewer Overflow Abatement
13 Fund" pursuant to the provisions of section 15 of P.L.1989, c.181, the
14 trust is further authorized to utilize repayments of loans made pursuant
15 to P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38,
16 P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85,
17 P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92 or
18 P.L.2001, c. (pending in the Legislature as Senate Bill No. of
19 2001 and Assembly Bill No. of 2001) to secure repayment of trust
20 bonds issued to finance loans approved pursuant to P.L.1995, c.218,
21 P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85, P.L.1999, c.173,
22 P.L.2000, c.93 or P.L.2001, c. (pending in the Legislature as Senate
23 Bill No. of 2001 and Assembly Bill No. of 2001), and to secure
24 the administrative fees payable to the trust under these loans pursuant
25 to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5).

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

34
35 10. The Commissioner of Environmental Protection is authorized
36 to enter into capitalization grant agreements as may be required
37 pursuant to the Federal Clean Water Act or the Federal Safe Drinking
38 Water Act.

39
40 11. There is appropriated to the New Jersey Environmental
41 Infrastructure Trust established pursuant to P.L.1985, c.334
42 (C.58:11B-1 et seq.) from repayments of loans deposited in any
43 account, including the Clean Water State Revolving Fund Accounts
44 contained within the "Wastewater Treatment Fund," the "1992
45 Wastewater Treatment Fund," the "Water Supply Fund," the
46 "Stormwater Management and Combined Sewer Overflow Abatement

1 Fund," or the Drinking Water State Revolving Fund, as appropriate,
2 and from any net earnings received from the investment and
3 reinvestment of such deposits, such sums as the chairman of the trust
4 shall certify to the Commissioner of Environmental Protection to be
5 necessary and appropriate for deposit into one or more reserve funds
6 established by the trust pursuant to section 11 of P.L.1985, c.334
7 (C.58:11B-11).

8
9 12. There is appropriated to the New Jersey Environmental
10 Infrastructure Trust established pursuant to P.L.1985, c.334
11 (C.58:11B-1 et seq.) from repayments of loans deposited in any
12 account, including the Clean Water State Revolving Fund Accounts
13 contained within the "Wastewater Treatment Fund," the "1992
14 Wastewater Treatment Fund," the "Water Supply Fund," the
15 "Stormwater Management and Combined Sewer Overflow Abatement
16 Fund," or the Drinking Water State Revolving Fund, as appropriate,
17 and from any net earnings received from the investment and
18 reinvestment of such deposits, the sum of \$50,000,000 to establish a
19 short-term or temporary revolving financing program pursuant to
20 subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9).

21
22 13. This act shall take effect immediately.

23
24
25 STATEMENT

26
27 This bill would appropriate certain federal and State moneys to the
28 Department of Environmental Protection (DEP) for the purpose of
29 implementing the 2001 New Jersey Environmental Infrastructure
30 Financing Program, which is expected to finance \$578 million in
31 environmental infrastructure projects for State Fiscal Year 2002.

32 Specifically, this bill would appropriate to the DEP moneys from
33 (1) the Clean Water State Revolving Fund Accounts established
34 pursuant to section 1 of P.L.1988, c.133 (and renamed pursuant to
35 section 2 of P.L.1998, c.84) an amount equal to the Federal fiscal year
36 2001 capitalization grant made available to the State pursuant to the
37 Federal Clean Water Act for clean water projects; (2) the Drinking
38 Water State Revolving Fund established pursuant to section 1 of
39 P.L.1998, c.84 an amount equal to the Federal fiscal year 2001
40 capitalization grant made available to the State pursuant to the Federal
41 Safe Drinking Water Act for drinking water projects; (3) the
42 unappropriated balances from the "Wastewater Treatment Fund"
43 established pursuant to section 15 of the "Wastewater Treatment Bond
44 Act of 1985," (P.L.1985, c.329); (4) the sum of \$5 million from the
45 "1992 Wastewater Treatment Fund" established pursuant to section 27
46 of the "Green Acres, Clean Water, Farmland and Historic Preservation

1 Bond Act of 1992," (P.L.1992, c.88); and (5) the sum of \$40 million
2 from the "Water Supply Fund" established pursuant to section 14 of
3 the "Water Supply Bond Act of 1981," (P.L.1981, c.261).

4 The bill would authorize the DEP to transfer from the Clean Water
5 State Revolving Fund Accounts to the Drinking Water State Revolving
6 Fund an amount up to the maximum amount authorized to be
7 transferred pursuant to the Federal Safe Drinking Water Act to meet
8 present and future needs for the financing of eligible drinking water
9 projects, and appropriate an amount equal to this maximum amount to
10 the DEP for those purposes.

11 The DEP would use the funds appropriated under this bill to make
12 zero interest loans to local governments and privately-owned water
13 companies (project sponsors) for up to 50% of eligible project costs
14 for (1) clean water projects included in the "State Fiscal Year 2002
15 Clean Water Project Priority List," and five supplemental zero interest
16 loans to project sponsors that had previously received a loan; and (2)
17 drinking water projects included in the "State Fiscal Year 2002
18 Drinking Water Project Priority List," and a supplemental loan to a
19 project sponsor that had received an earlier loan. The supplemental
20 loans constitute the difference between the allowable loan amounts
21 required by the project and the loan amounts certified by the
22 Commissioner of DEP in State FY 1996, 1998, 2000 and 2001,
23 respectively.

24 A companion bill, Senate Bill No. of 2001 and Assembly Bill No.
25 of 2001, would authorize the New Jersey Environmental Infrastructure
26 Trust to provide: (1) a total of \$5.1 million in supplemental loans to
27 project sponsors for existing clean water projects; (2) a \$100,000 loan
28 to a project sponsor for an existing drinking water project; (3) a total
29 of \$185,600,000 for loans to project sponsors identified on the State
30 FY 2002 Clean Water Project Priority List; and (4) a total of
31 \$98,150,000 for loans to project sponsors identified on the State FY
32 2002 Drinking Water Project Priority List, all for the remaining
33 allowable project costs.

34 New clean water projects that are eligible for financing in calendar
35 year 2001 have allowable costs totaling \$185.6 million, while
36 previously financed clean water projects that are eligible to receive
37 supplemental loans under the State FY 2002 Program total \$5.1
38 million. Clean water projects include wastewater treatment,
39 stormwater management system and nonpoint source pollution
40 projects. In addition, clean water projects include landfill closure and
41 new cell construction projects, land acquisition and well sealing
42 projects. Landfill closure projects include work relating to water
43 quality protection and nonpoint source pollution control measures at
44 municipal solid waste landfills, including the installation of leachate
45 collection, storage and treatment systems, side slope seepage
46 prevention and controls; the installation of active and passive gas

1 collection systems, monitoring wells and equipment, landfill
2 reclamation or reduction in lieu of landfill capping; stormwater runoff
3 controls; and placement of intermediate cover prior to final closure.

4 New drinking water projects that are eligible for financing in
5 calendar year 2001 have allowable costs totaling \$98,150,000 under
6 the State FY 2002 Program.

7 The State FY 2002 Program will finance drinking water projects
8 sponsored on or behalf of eligible municipalities, public authorities,
9 and private water purveyors.

10 The New Jersey Wastewater Treatment Financing Program has
11 been the primary source available for either federal or State funding to
12 assist eligible local governments to finance necessary wastewater
13 treatment (sewer) system upgrades. In 1985, the Legislature
14 established the New Jersey Wastewater Treatment Trust, a State
15 financing authority established pursuant to P.L.1985, c.334
16 (C.58:11B-1 et seq.), as the keystone of a financing mechanism for
17 funding the rehabilitation and construction of wastewater treatment
18 facilities.

19 In 1997, the Legislature revised the Trust's enabling legislation
20 pursuant to P.L.1997, c.224 to expand the role of the Trust to include
21 the financing of drinking water projects and clarified eligibility of
22 stormwater project financing. At the same time, the Legislature
23 enacted P.L.1997, c.223 and P.L.1997, c.225, which the voters
24 approved on November 4, 1997 as amendments to the "Water Supply
25 Bond Act of 1981" (P.L.1981, c.261) and the "Stormwater
26 Management and Combined Sewer Overflow Abatement Bond Act of
27 1989" (P.L.1989, c.181), respectively, to authorize the Trust to
28 leverage a portion of these bond moneys to finance drinking water and
29 stormwater management projects. These changes have resulted in a
30 consolidated approach to Federal and State clean water, drinking
31 water and stormwater management project financing known as the
32 New Jersey Environmental Infrastructure Financing Program.

33 The 2001 New Jersey Environmental Infrastructure Financing
34 Program comprises two complementary elements: the proceeds of
35 State general obligation bonds and federal capitalization grants
36 administered by the DEP, and the revenue bonds issued by the Trust.
37 The federal grant moneys for clean water projects are made available
38 under the Clean Water State Revolving Fund Program established
39 pursuant to the Federal Clean Water Act in 1987. The federal grant
40 moneys for drinking water projects are made available under the
41 Drinking Water State Revolving Fund Program established pursuant
42 to the Federal Safe Drinking Water Act in 1996.

43 To qualify for receipt of federal moneys under the 1987 Federal
44 Clean Water Act, a state must establish a revolving loan fund and
45 provide an annual 20 percent State-match to those moneys. All federal
46 moneys received by the State for wastewater treatment system project

1 financing are deposited in the Clean Water State Revolving Fund
2 Accounts contained within the "Wastewater Treatment Fund," a
3 revolving loan fund established pursuant to the \$190 million
4 "Wastewater Treatment Bond Act of 1985," P.L.1985, c.329 and
5 administered by the DEP. In past years, the State has met the match
6 requirement entirely through conventional appropriations from the
7 General Fund or from a combination of a General Fund appropriation
8 and by pledging loan repayment moneys from previous project loans
9 made from the "Wastewater Treatment Bond Act of 1985." The 20%
10 match for State Fiscal Year 2002 is expected to be provided entirely
11 from loan repayments of older wastewater treatment system projects
12 funded from the "Wastewater Treatment Bond Act of 1985" during the
13 past decade.

14 To qualify for receipt of federal moneys under the 1996 Federal
15 Safe Drinking Water Act, a state must establish a revolving loan fund
16 and provide an annual 20 percent State-match to those moneys. All
17 federal moneys received by the State for drinking water project
18 financing will be deposited in the Drinking Water State Revolving
19 Fund established pursuant to section 1 of P.L.1998, c.84. The 20%
20 match for State Fiscal Year 2002 is expected to be provided either
21 entirely through conventional appropriations from the General Fund
22 or from a combination of a General Fund appropriation and moneys
23 made available under the "Water Supply Bond Act of 1981"
24 (P.L.1981, c.261) from previous water supply project loans made from
25 the "Water Supply Fund" established pursuant to P.L.1981, c.261.

26 Section 6 a. of the "Wastewater Treatment Bond Act of 1985"
27 (P.L.1985, c.329) allocated \$150 million to the DEP for zero interest
28 loans to local governments for wastewater treatment system projects.
29 Section 6 b. allocated \$40 million to the Trust to establish a reserve
30 account for loans made by the Trust, and a guarantee account to
31 secure debt issued by local governments in connection with the
32 financing of a project. The Legislature enacted P.L.1987, c.198,
33 which appropriated the \$40 million to the Trust for these purposes.

34 The "Wastewater Treatment Fund" established pursuant to section
35 15 of P.L.1985, c.329 provides moneys to the DEP for zero interest
36 loans to local governments for up to 50% of eligible project costs for
37 wastewater treatment system projects included on the Clean Water
38 Project Priority List. The Trust revenue bonds provide moneys for
39 low interest (at or below market-rate) loans to local governments for
40 the remaining portion of allowable project costs. By matching the
41 loans made by the DEP, the Trust nearly doubles the amount of money
42 available for clean water and drinking water projects. Since the
43 combined money is provided at half the typical market interest rate,
44 the New Jersey Environmental Infrastructure Financing Program
45 reduces the costs to a local government that must be passed on to the
46 project's users. By funding wastewater treatment system (clean water)

1 projects through the Program, participating local governments have
2 realized savings of between 25% - 30% on the financing of total
3 eligible project costs over what it would have cost to secure individual
4 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 The renamed New Jersey Environmental Infrastructure Financing
25 Program has completed fourteen annual financing cycles and financed
26 271 clean water and drinking water projects totaling more than \$1.8
27 billion throughout the State. To date, 158 projects have been
28 completed totaling \$1.1 billion. Between 1987 and 2000 the DEP and
29 the Trust have utilized moneys from the following sources: federal
30 capitalization grants made available under the Federal Clean Water Act
31 of 1987; federal capitalization grants made available under the 1996
32 Federal Safe Drinking Water Act; State loans from the moneys made
33 available from the "Water Supply Fund" established pursuant to
34 section 14 of the "Water Supply Bond Act of 1981," (P.L.1981,
35 c.261), as amended by P.L.1983, c.355 and P.L.1997, c.223; State
36 loans from the moneys made available from the "Wastewater
37 Treatment Fund" established pursuant to section 15 of the
38 "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329); State
39 loans from the moneys made available from the "1992 Wastewater
40 Treatment Fund" established pursuant to section 27 of the "Green
41 Acres, Clean Water, Farmland and Historic Preservation Bond Act of
42 1992," (P.L.1992, c.88); State General Fund appropriations, loan
43 repayments, and the unexpended balances of leftover or "de-obligated"
44 loan moneys from wastewater treatment system project loans made in
45 prior years.

46 Under this bill, in conjunction with Senate Bill No. of 2001 and

1 Assembly Bill No. of 2001, the 2001 New Jersey Environmental
2 Infrastructure Financing Program would finance \$578 million in
3 environmental infrastructure projects for State Fiscal Year 2002.

SENATE ENVIRONMENT COMMITTEE

STATEMENT TO

SENATE, No. 2421

STATE OF NEW JERSEY

DATED: MAY 24, 2001

The Senate Environment Committee reports favorably Senate Bill No. 2421.

This bill would appropriate certain federal and State moneys to the Department of Environmental Protection (DEP) for the purpose of implementing the 2001 New Jersey Environmental Infrastructure Financing Program, which is expected to finance \$578 million in environmental infrastructure projects for State Fiscal Year 2002.

Specifically, this bill would appropriate to the DEP moneys from (1) the Clean Water State Revolving Fund Accounts established pursuant to section 1 of P.L.1988, c.133 (and renamed pursuant to section 2 of P.L.1998, c.84) an amount equal to the Federal fiscal year 2001 capitalization grant made available to the State pursuant to the Federal Clean Water Act for clean water projects; (2) the Drinking Water State Revolving Fund established pursuant to section 1 of P.L.1998, c.84 an amount equal to the Federal fiscal year 2001 capitalization grant made available to the State pursuant to the Federal Safe Drinking Water Act for drinking water projects; (3) the unappropriated balances from the "Wastewater Treatment Fund" established pursuant to section 15 of the "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329); (4) the sum of \$5 million from the "1992 Wastewater Treatment Fund" established pursuant to section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," (P.L.1992, c.88); and (5) the sum of \$40 million from the "Water Supply Fund" established pursuant to section 14 of the "Water Supply Bond Act of 1981," (P.L.1981, c.261).

The bill would authorize the DEP to transfer from the Clean Water State Revolving Fund Accounts to the Drinking Water State Revolving Fund an amount up to the maximum amount authorized to be transferred pursuant to the Federal Safe Drinking Water Act to meet present and future needs for the financing of eligible drinking water projects, and appropriate an amount equal to this maximum amount to the DEP for those purposes.

The DEP would use the funds appropriated under this bill to make zero interest loans to local governments and privately-owned water companies (project sponsors) for up to 50% of eligible project costs for (1) clean water projects included in the "State Fiscal Year 2002 Clean Water Project Priority List," and five supplemental zero interest

loans to project sponsors that had previously received a loan; and (2) drinking water projects included in the "State Fiscal Year 2002 Drinking Water Project Priority List," and a supplemental loan to a project sponsor that had received an earlier loan. The supplemental loans constitute the difference between the allowable loan amounts required by the project and the loan amounts certified by the Commissioner of DEP in State FY 1996, 1998, 2000 and 2001, respectively.

A companion bill, Senate Bill No.2423 of 2001 and Assembly Bill No.3573 of 2001, would authorize the New Jersey Environmental Infrastructure Trust to provide: (1) a total of \$5.1 million in supplemental loans to project sponsors for existing clean water projects; (2) a \$100,000 loan to a project sponsor for an existing drinking water project; (3) a total of \$185,600,000 for loans to project sponsors identified on the State FY 2002 Clean Water Project Priority List; and (4) a total of \$98,150,000 for loans to project sponsors identified on the State FY 2002 Drinking Water Project Priority List, all for the remaining allowable project costs.

New clean water projects that are eligible for financing in calendar year 2001 have allowable costs totaling \$185.6 million, while previously financed clean water projects that are eligible to receive supplemental loans under the State FY 2002 Program total \$5.1 million. Clean water projects include wastewater treatment, stormwater management system and nonpoint source pollution projects. In addition, clean water projects include landfill closure and new cell construction projects, land acquisition and well sealing projects. Landfill closure projects include work relating to water quality protection and nonpoint source pollution control measures at municipal solid waste landfills, including the installation of leachate collection, storage and treatment systems, side slope seepage prevention and controls; the installation of active and passive gas collection systems, monitoring wells and equipment, landfill reclamation or reduction in lieu of landfill capping; stormwater runoff controls; and placement of intermediate cover prior to final closure.

New drinking water projects that are eligible for financing in calendar year 2001 have allowable costs totaling \$98,150,000 under the State FY 2002 Program.

The State FY 2002 Program will finance drinking water projects sponsored on or behalf of eligible municipalities, public authorities, and private water purveyors.

The New Jersey Wastewater Treatment Financing Program has been the primary source available for either federal or State funding to assist eligible local governments to finance necessary wastewater treatment (sewer) system upgrades. In 1985, the Legislature established the New Jersey Wastewater Treatment Trust, a State financing authority established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), as the keystone of a financing mechanism for

funding the rehabilitation and construction of wastewater treatment facilities.

In 1997, the Legislature revised the Trust's enabling legislation pursuant to P.L.1997, c.224 to expand the role of the Trust to include the financing of drinking water projects and clarified eligibility of stormwater project financing. At the same time, the Legislature enacted P.L.1997, c.223 and P.L.1997, c.225, which the voters approved on November 4, 1997 as amendments to the "Water Supply Bond Act of 1981" (P.L.1981, c.261) and the "Stormwater Management and Combined Sewer Overflow Abatement Bond Act of 1989" (P.L.1989, c.181), respectively, to authorize the Trust to leverage a portion of these bond moneys to finance drinking water and stormwater management projects. These changes have resulted in a consolidated approach to Federal and State clean water, drinking water and stormwater management project financing known as the New Jersey Environmental Infrastructure Financing Program.

The 2001 New Jersey Environmental Infrastructure Financing Program comprises two complementary elements: the proceeds of State general obligation bonds and federal capitalization grants administered by the DEP, and the revenue bonds issued by the Trust. The federal grant moneys for clean water projects are made available under the Clean Water State Revolving Fund Program established pursuant to the Federal Clean Water Act in 1987. The federal grant moneys for drinking water projects are made available under the Drinking Water State Revolving Fund Program established pursuant to the Federal Safe Drinking Water Act in 1996.

To qualify for receipt of federal moneys under the 1987 Federal Clean Water Act, a state must establish a revolving loan fund and provide an annual 20 percent State-match to those moneys. All federal moneys received by the State for wastewater treatment system project financing are deposited in the Clean Water State Revolving Fund Accounts contained within the "Wastewater Treatment Fund," a revolving loan fund established pursuant to the \$190 million "Wastewater Treatment Bond Act of 1985," P.L.1985, c.329 and administered by the DEP. In past years, the State has met the match requirement entirely through conventional appropriations from the General Fund or from a combination of a General Fund appropriation and by pledging loan repayment moneys from previous project loans made from the "Wastewater Treatment Bond Act of 1985." The 20% match for State Fiscal Year 2002 is expected to be provided entirely from loan repayments of older wastewater treatment system projects funded from the "Wastewater Treatment Bond Act of 1985" during the past decade.

To qualify for receipt of federal moneys under the 1996 Federal Safe Drinking Water Act, a state must establish a revolving loan fund and provide an annual 20 percent State-match to those moneys. All federal moneys received by the State for drinking water project

financing will be deposited in the Drinking Water State Revolving Fund established pursuant to section 1 of P.L.1998, c.84. The 20% match for State Fiscal Year 2002 is expected to be provided either entirely through conventional appropriations from the General Fund or from a combination of a General Fund appropriation and moneys made available under the "Water Supply Bond Act of 1981" (P.L.1981, c.261) from previous water supply project loans made from the "Water Supply Fund" established pursuant to P.L.1981, c.261.

Section 6 a. of the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329) allocated \$150 million to the DEP for zero interest loans to local governments for wastewater treatment system projects. Section 6 b. allocated \$40 million to the Trust to establish a reserve account for loans made by the Trust, and a guarantee account to secure debt issued by local governments in connection with the financing of a project. The Legislature enacted P.L.1987, c.198, which appropriated the \$40 million to the Trust for these purposes.

The "Wastewater Treatment Fund" established pursuant to section 15 of P.L.1985, c.329 provides moneys to the DEP for zero interest loans to local governments for up to 50% of eligible project costs for wastewater treatment system projects included on the Clean Water Project Priority List. The Trust revenue bonds provide moneys for low interest (at or below market-rate) loans to local governments for the remaining portion of allowable project costs. By matching the loans made by the DEP, the Trust nearly doubles the amount of money available for clean water and drinking water projects. Since the combined money is provided at half the typical market interest rate, the New Jersey Environmental Infrastructure Financing Program reduces the costs to a local government that must be passed on to the project's users. By funding wastewater treatment system (clean water) projects through the Program, participating local governments have realized savings of between 25% - 30% on the financing of total eligible project costs over what it would have cost to secure individual financing.

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

Section 12 b. of the 1992 bond act allocated \$45 million to the DEP for zero interest loans to local governments for wastewater treatment system projects. Section 12 c. allocated \$5 million to the

Trust to be used for reserve and guarantee funding to secure debt issued by the Trust or by local governments in connection with the financing of wastewater treatment system projects.

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

The renamed New Jersey Environmental Infrastructure Financing Program has completed fourteen annual financing cycles and financed 271 clean water and drinking water projects totaling more than \$1.8 billion throughout the State. To date, 158 projects have been completed totaling \$1.1 billion. Between 1987 and 2000 the DEP and the Trust have utilized moneys from the following sources: federal capitalization grants made available under the Federal Clean Water Act of 1987; federal capitalization grants made available under the 1996 Federal Safe Drinking Water Act; State loans from the moneys made available from the "Water Supply Fund" established pursuant to section 14 of the "Water Supply Bond Act of 1981," (P.L.1981, c.261), as amended by P.L.1983, c.355 and P.L.1997, c.223; State loans from the moneys made available from the "Wastewater Treatment Fund" established pursuant to section 15 of the "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329); State loans from the moneys made available from the "1992 Wastewater Treatment Fund" established pursuant to section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," (P.L.1992, c.88); State General Fund appropriations, loan repayments, and the unexpended balances of leftover or "de-obligated" loan moneys from wastewater treatment system project loans made in prior years.

Under this bill, in conjunction with Senate Bill No.2423 of 2001 and Assembly Bill No. 3573 of 2001, the 2001 New Jersey Environmental Infrastructure Financing Program would finance \$578 million in environmental infrastructure projects for State Fiscal Year 2002.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2421

STATE OF NEW JERSEY

DATED: MAY 31, 2001

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2421.

This bill would appropriate certain federal and State moneys to the Department of Environmental Protection (DEP) for the purpose of implementing the 2001 New Jersey Environmental Infrastructure Financing Program, which is expected to finance \$578 million in environmental infrastructure projects for State Fiscal Year 2002.

Specifically, the bill would appropriate to the DEP:

(1) moneys from the Clean Water State Revolving Fund Accounts established under section 1 of P.L.1988, c.133 (and renamed pursuant to section 2 of P.L.1998, c.84) in an amount equal to the federal FY2001 capitalization grant made available to the State under the Federal Clean Water Act for clean water projects;

(2) moneys from the Drinking Water State Revolving Fund established under section 1 of P.L.1998, c.84 in an amount equal to the federal FY2001 capitalization grant made available to the State under the federal Safe Drinking Water Act for drinking water projects;

(3) the unappropriated balances from the "Wastewater Treatment Fund" established under section 15 of the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329);

(4) the sum of \$5 million from the "1992 Wastewater Treatment Fund" established under section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992" (P.L.1992, c.88); and

(5) the sum of \$40 million from the "Water Supply Fund" established under section 14 of the "Water Supply Bond Act of 1981" (P.L.1981, c.261).

The bill would authorize the DEP to transfer from the Clean Water State Revolving Fund Accounts to the Drinking Water State Revolving Fund an amount up to the maximum amount authorized to be transferred pursuant to the federal Safe Drinking Water Act to meet present and future needs for the financing of eligible drinking water projects, and appropriate an amount equal to this maximum amount to the DEP for those purposes.

The DEP would use the funds appropriated under this bill to make zero interest loans to local governments and privately-owned water companies (project sponsors) for up to 50% of eligible project costs

for (1) clean water projects included in the "State Fiscal Year 2002 Clean Water Project Priority List," and five supplemental zero interest loans to project sponsors that had previously received a loan; and (2) drinking water projects included in the "State Fiscal Year 2002 Drinking Water Project Priority List," and a supplemental loan to a project sponsor that had received an earlier loan. The supplemental loans constitute the difference between the allowable loan amounts required by the project and the loan amounts certified by the Commissioner of DEP in State FY1996, 1998, 2000 and 2001, respectively.

A companion bill, Senate Bill No. 2423 of 2001 and Assembly Bill No. 3573 of 2001, would authorize the New Jersey Environmental Infrastructure Trust to provide: (1) a total of \$5.1 million in supplemental loans to project sponsors for existing clean water projects; (2) a \$100,000 loan to a project sponsor for an existing drinking water project; (3) a total of \$185,600,000 for loans to project sponsors identified on the State FY2002 Clean Water Project Priority List; and (4) a total of \$98,150,000 for loans to project sponsors identified on the State FY2002 Drinking Water Project Priority List, all for the remaining allowable project costs.

New clean water projects that are eligible for financing in calendar year 2001 have allowable costs totaling \$185.6 million, while previously financed clean water projects that are eligible to receive supplemental loans under the State FY2002 Program total \$5.1 million. Clean water projects include wastewater treatment, stormwater management system and nonpoint source pollution projects. In addition, clean water projects include landfill closure and new cell construction projects, land acquisition and well sealing projects. Landfill closure projects include work relating to water quality protection and nonpoint source pollution control measures at municipal solid waste landfills, including the installation of leachate collection, storage and treatment systems, side slope seepage prevention and controls; the installation of active and passive gas collection systems, monitoring wells and equipment, landfill reclamation or reduction in lieu of landfill capping; stormwater runoff controls; and placement of intermediate cover prior to final closure.

New drinking water projects that are eligible for financing in calendar year 2001 have allowable costs totaling \$98,150,000 under the State FY2002 Program.

The State FY2002 Program will finance drinking water projects sponsored on or behalf of eligible municipalities, public authorities, and private water purveyors.

The New Jersey Wastewater Treatment Financing Program has been the primary source available for either federal or State funding to assist eligible local governments to finance necessary wastewater treatment (sewer) system upgrades. In 1985, the Legislature established the New Jersey Wastewater Treatment Trust, a State financing authority established under P.L.1985, c.334 (C.58:11B-1 et

seq.), as the keystone of a financing mechanism for funding the rehabilitation and construction of wastewater treatment facilities.

In 1997, the Legislature revised the Trust's enabling legislation pursuant to P.L.1997, c.224 to expand the role of the Trust to include the financing of drinking water projects and clarified eligibility of stormwater project financing. At the same time, the Legislature enacted P.L.1997, c.223 and P.L.1997, c.225, which the voters approved on November 4, 1997 as amendments to the "Water Supply Bond Act of 1981" (P.L.1981, c.261) and the "Stormwater Management and Combined Sewer Overflow Abatement Bond Act of 1989" (P.L.1989, c.181), respectively, to authorize the Trust to leverage a portion of these bond moneys to finance drinking water and stormwater management projects. These changes have resulted in a consolidated approach to Federal and State clean water, drinking water and stormwater management project financing known as the New Jersey Environmental Infrastructure Financing Program.

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To qualify for receipt of federal moneys under the 1996 federal Safe Drinking Water Act, a state must establish a revolving loan fund and provide an annual 20 percent State-match to those moneys. All federal moneys received by the State for drinking water project financing will be deposited in the Drinking Water State Revolving

Fund established pursuant to section 1 of P.L.1998, c.84. The 20% match for State FY2002 is expected to be provided either entirely through conventional appropriations from the General Fund or from a combination of a General Fund appropriation and moneys made available under the "Water Supply Bond Act of 1981" (P.L.1981, c.261) from previous water supply project loans made from the "Water Supply Fund" established pursuant to P.L.1981, c.261.

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The "Wastewater Treatment Fund" established under section 15 of P.L.1985, c.329 provides moneys to the DEP for zero interest loans to local governments for up to 50% of eligible project costs for wastewater treatment system projects included on the Clean Water Project Priority List. The Trust revenue bonds provide moneys for low interest (at or below market-rate) loans to local governments for the remaining portion of allowable project costs. By matching the loans made by the DEP, the Trust nearly doubles the amount of money available for clean water and drinking water projects. Since the combined money is provided at half the typical market interest rate, the New Jersey Environmental Infrastructure Financing Program reduces the costs to a local government that must be passed on to the project's users. By funding wastewater treatment system (clean water) projects through the Program, participating local governments have realized savings of 25% to 30% on the financing of total eligible project costs over what it would have cost to secure individual financing.

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financing of wastewater treatment system projects.

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

The renamed New Jersey Environmental Infrastructure Financing Program has completed fourteen annual financing cycles and financed 271 clean water and drinking water projects totaling more than \$1.8 billion throughout the State. To date, 158 projects have been completed totaling \$1.1 billion. Between 1987 and 2000 the DEP and the Trust have utilized moneys from the following sources: federal capitalization grants made available under the Federal Clean Water Act of 1987; federal capitalization grants made available under the 1996 federal Safe Drinking Water Act; State loans from the moneys made available from the "Water Supply Fund" established under section 14 of the "Water Supply Bond Act of 1981," (P.L.1981, c.261), as amended by P.L.1983, c.355 and P.L.1997, c.223; State loans from the moneys made available from the "Wastewater Treatment Fund" established under section 15 of the "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329); State loans from the moneys made available from the "1992 Wastewater Treatment Fund" established under section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," (P.L.1992, c.88); State General Fund appropriations, loan repayments, and the unexpended balances of leftover or "de-obligated" loan moneys from wastewater treatment system project loans made in prior years.

Under this bill, in conjunction with Senate Bill No. 2423 of 2001 and Assembly Bill No. 3573 of 2001, the 2001 New Jersey Environmental Infrastructure Financing Program would finance \$578 million in environmental infrastructure projects for State FY2002.

FISCAL IMPACT

This bill would appropriate to the DEP (1) the amount of the federal FY2001 capitalization grant to the State under the federal Clean Water Act for clean water projects; (2) the amount of the federal FY2001 capitalization grant to the State under the federal Safe Drinking Water Act for drinking water projects; (3) the unappropriated balances from the "Wastewater Treatment Fund"; (4) the sum of \$5 million from the "1992 Wastewater Treatment Fund"; and (5) the sum of \$40 million from the "Water Supply Fund".

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2421

STATE OF NEW JERSEY

DATED: JUNE 21, 2001

The Assembly Appropriations Committee reports favorably Senate Bill No. 2421.

Senate Bill No. 2421 appropriates certain federal and State moneys to the Department of Environmental Protection (DEP) for the purpose of implementing the 2001 New Jersey Environmental Infrastructure Financing Program, which is expected to finance \$578 million in environmental infrastructure projects for State Fiscal Year 2002.

Specifically, the bill appropriates to the DEP:

(1) moneys from the Clean Water State Revolving Fund Accounts established under section 1 of P.L.1988, c.133 (and renamed pursuant to section 2 of P.L.1998, c.84) in an amount equal to the federal FY2001 capitalization grant made available to the State under the Federal Clean Water Act for clean water projects;

(2) moneys from the Drinking Water State Revolving Fund established under section 1 of P.L.1998, c.84 in an amount equal to the federal FY2001 capitalization grant made available to the State under the federal Safe Drinking Water Act for drinking water projects;

(3) the unappropriated balances from the "Wastewater Treatment Fund" established under section 15 of the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329);

(4) the sum of \$5 million from the "1992 Wastewater Treatment Fund" established under section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992" (P.L.1992, c.88); and

(5) the sum of \$40 million from the "Water Supply Fund" established under section 14 of the "Water Supply Bond Act of 1981" (P.L.1981, c.261).

The bill authorizes the DEP to transfer from the Clean Water State Revolving Fund Accounts to the Drinking Water State Revolving Fund an amount up to the maximum amount authorized to be transferred pursuant to the federal Safe Drinking Water Act to meet present and future needs for the financing of eligible drinking water projects, and appropriate an amount equal to this maximum amount to the DEP for those purposes.

A companion bill, Senate Bill No. 2423 of 2001 and Assembly Bill No. 3573 of 2001, authorizes the New Jersey Environmental Infrastructure Trust to provide: (1) a total of \$5.1 million in supplemental loans to project sponsors for existing clean water projects; (2) a \$100,000 loan to a project sponsor for an existing drinking water project; (3) a total of \$185,600,000 for loans to project sponsors identified on the State FY2002 Clean Water Project Priority List; and (4) a total of \$98,150,000 for loans to project sponsors identified on the State FY2002 Drinking Water Project Priority List, all for the remaining allowable project costs.

New clean water projects that are eligible for financing in calendar year 2001 have allowable costs totaling \$185.6 million, while previously financed clean water projects that are eligible to receive supplemental loans under the State FY2002 Program total \$5.1 million.

New drinking water projects that are eligible for financing in calendar year 2001 have allowable costs totaling \$98,150,000 under the State FY2002 Program.

The State FY2002 Program will finance drinking water projects sponsored on or behalf of eligible municipalities, public authorities, and private water purveyors.

The New Jersey Wastewater Treatment Financing Program has been the primary source available for either federal or State funding to assist eligible local governments to finance necessary wastewater treatment (sewer) system upgrades.

Under this bill, in conjunction with Senate Bill No. 2423 of 2001 and Assembly Bill No. 3573 of 2001, the 2001 New Jersey Environmental Infrastructure Financing Program would finance \$578 million in environmental infrastructure projects for State FY2002.

As reported, this bill is identical to Assembly Bill No. 3572 as also reported by the committee.

FISCAL IMPACT

This bill appropriates to the DEP (1) the amount of the federal FY2001 capitalization grant to the State under the federal Clean Water Act for clean water projects; (2) the amount of the federal FY2001 capitalization grant to the State under the federal Safe Drinking Water Act for drinking water projects; (3) the unappropriated balances from the "Wastewater Treatment Fund"; (4) the sum of \$5 million from the "1992 Wastewater Treatment Fund"; and (5) the sum of \$40 million from the "Water Supply Fund".

ASSEMBLY, No. 3572

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MAY 21, 2001

Sponsored by:

Assemblyman JOSEPH AZZOLINA

District 13 (Middlesex and Monmouth)

Assemblyman ALEX DECROCE

District 26 (Essex, Morris and Passaic)

Co-Sponsored by:

Assemblywoman Heck and Assemblyman Thompson

SYNOPSIS

Appropriates funds to DEP for environmental infrastructure projects.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/29/2001)

1 AN ACT appropriating moneys to the Department of Environmental
2 Protection for the purpose of making zero interest loans to project
3 sponsors to finance a portion of the costs of construction of
4 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 Environmental
10 Protection from the Clean Water Fund - State Revolving Fund
11 Accounts (hereinafter referred to as the "Clean Water State Revolving
12 Fund Accounts") an amount equal to the Federal fiscal year 2001
13 capitalization grant made available to the State for clean water
14 projects pursuant to the "Water Quality Act of 1987" (33 U.S.C. §1251
15 et seq.), and any amendatory and supplementary acts thereto
16 (hereinafter referred to as the "Federal Clean Water Act").

17 (2) There is appropriated to the Department of Environmental
18 Protection from the Drinking Water State Revolving Fund an amount
19 equal to the Federal fiscal year 2001 capitalization grant made
20 available to the State for drinking water projects pursuant to the "Safe
21 Drinking Water Act Amendments of 1996" Pub.L.104-182, and any
22 amendatory and supplementary acts thereto (hereinafter referred to as
23 the "Federal Safe Drinking Water Act").

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

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

36 (4) There is appropriated to the Department of Environmental
37 Protection the sum of \$5,000,000 from the "1992 Wastewater
38 Treatment Fund" established pursuant to section 27 of the "Green
39 Acres, Clean Water, Farmland and Historic Preservation Bond Act of
40 1992," (P.L.1992, c.88).

41 (5) There is appropriated to the Department of Environmental
42 Protection the sum of \$40,000,000 from the "Water Supply Fund"
43 established pursuant to section 14 of the "Water Supply Bond Act of
44 1981," (P.L.1981, c.261), as amended by P.L.1983, c.355 and
45 amended and supplemented by P.L.1997, c.223.

46 Any such amounts shall be for the purpose of making zero interest

1 loans, to the extent sufficient funds are available, to or on behalf of
2 local government units or public water utilities (hereinafter referred to
3 as "project sponsors") to finance a portion of the cost of construction
4 of clean water projects and drinking water projects listed in sections
5 2 and 3 of this act, and for the purpose of implementing and
6 administering the provisions of this act, to the extent permitted by the
7 "Water Quality Act of 1987" (33 U.S.C.§1251 et seq.), the
8 "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329), the
9 "Green Acres, Clean Water, Farmland and Historic Preservation Bond
10 Act of 1992" (P.L.1992, c.88), the "Water Supply Bond Act of 1981,"
11 (P.L.1981, c.261), the "Stormwater Management and Combined
12 Sewer Overflow Abatement Bond Act of 1989" (P.L.1989, c.181), the
13 Federal Safe Drinking Water Act, and any amendatory and
14 supplementary acts thereto, and State law.

15 b. The department is authorized to make zero interest loans to or
16 on behalf of the project sponsors for the environmental infrastructure
17 projects listed in subsection a. of section 2 and subsection a. of section
18 3 of this act for clean water projects, and subsection b. of section 2
19 and subsection b. of section 3 of this act for drinking water projects,
20 up to the individual amounts indicated and in the priority stated,
21 except as any such amount may be reduced by the Commissioner of
22 Environmental Protection pursuant to section 6 of this act, or if a
23 project fails to meet the requirements of section 4 of this act.

24 c. The department is authorized to make zero interest loans to or
25 on behalf of the project sponsors for the environmental infrastructure
26 projects listed in sections 2 and 3 of this act under the same terms,
27 conditions and requirements as set forth in this section from any
28 unexpended balances of the amounts appropriated pursuant to section
29 1 of P.L.1987, c.200, section 2 of P.L.1988, c.133, section 1 of
30 P.L.1989, c.189, section 1 of P.L.1990, c.99, section 1 of P.L.1991,
31 c.325, section 1 of P.L.1992, c.38, section 1 of P.L.1993, c.193,
32 section 1 of P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1
33 of P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of P.L.1998,
34 c.84, section 2 of P.L.1999, c.174, or section 2 of P.L.2000, c.92,
35 including amounts resulting from the final building cost reductions
36 authorized pursuant to section 6 of P.L.1987, c.200, section 7 of
37 P.L.1988, c.133, section 6 of P.L.1989, c.189, section 6 of P.L.1990,
38 c.99, section 6 of P.L.1991, c.325, section 6 of P.L.1992, c.38, section
39 6 of P.L.1993, c.193, section 6 of P.L.1994, c.106, section 6 of
40 P.L.1995, c.219, section 6 of P.L.1996, c.85, section 6 of P.L.1997,
41 c.221, section 7 of P.L.1998, c.84, section 6 of P.L.1999, c.174 and
42 section 6 of P.L.2000, c.92, and from any repayments of loans from
43 the "Water Supply Fund," and from any repayments of loans from the
44 "Wastewater Treatment Fund," the "1992 Wastewater Treatment
45 Fund," or amounts deposited therein during State fiscal year 2001
46 pursuant to the provisions of section 16 of P.L.1985, c.329, including

1 any Clean Water State Revolving Fund Accounts contained within the
 2 "Wastewater Treatment Fund," and from any repayment of loans from
 3 the Drinking Water State Revolving Fund.

4
 5 2. a. (1) The department is authorized to expend funds for the
 6 purpose of making supplemental zero interest loans to or on behalf of
 7 the project sponsors listed below for the following environmental
 8 infrastructure projects:

9

10 Project Number	11 Project Sponsor	12 Estimated
		13 Allowable
		14 Loan Amount
15 809-03/4-1	Atlantic County UA	\$2,350,000
16 809-07-1	Atlantic County UA	\$ 500,000
17 287-01-1	Oaklyn Borough	\$ 150,000
18 839-02-1	Franklin Township SA	\$1,600,000
19 118-02-1	Keansburg Borough	\$ 500,000
	TOTAL	\$5,100,000

20
 21 (2) The loans authorized in this subsection shall be made for the
 22 difference between the allowable loan amounts required by these
 23 projects based upon final building costs pursuant to section 6 of this
 24 act and the loan amounts certified by the commissioner in State fiscal
 25 years 1996, 1998, 2000 and 2001 and for increased allowable costs as
 26 defined and determined in accordance with the rules and regulations
 27 adopted by the department pursuant to section 4 of P.L.1985, c.329.
 28 The loans authorized in this subsection shall be made to or on behalf
 29 of the project sponsors listed, up to the individual amount indicated
 30 and in the priority stated, to the extent sufficient funds are available,
 31 except as any project fails to meet the requirements of section 4 of this
 32 act.

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

36 b. (1) The department is authorized to expend funds for the
 37 purpose of making a supplemental loan to or on behalf of the project
 38 sponsor listed below for the following environmental infrastructure
 39 project:

40

41 Project Number	42 Project Sponsor	43 Estimated
		44 Allowable
		45 Loan Amount
46 0103001-001/5-1	Brigantine City	\$100,000
	TOTAL	\$100,000

1 (2) The loan authorized in this subsection shall be made for the
 2 difference between the allowable loan amount required by this project
 3 based upon final building costs pursuant to subsection a. of section 7
 4 of this act and the loan amount certified by the commissioner in State
 5 fiscal year 2000, and for increased allowable costs as defined and
 6 determined in accordance with the rules and regulations adopted by
 7 the department pursuant to section 5 of P.L.1981, c.261. The loan
 8 authorized in this subsection shall be made to or on behalf of the
 9 project sponsor listed, up to the individual amount indicated and in the
 10 priority stated, to the extent sufficient funds are available, except as
 11 the project fails to meet the requirements of section 4 of this act.

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

15
 16 3. a. The following environmental infrastructure projects shall be
 17 known and may be cited as the "State Fiscal Year 2002 Clean Water
 18 Project Priority List":

19	20 Project Number	21 Project Sponsor	22 Estimated
23			24 Allowable
			25 Loan Amount
26	488-03	Hopatcong Borough	\$2,800,000
27	701-03	West Milford Township MUA	\$ 850,000
28	928-02	Jersey City MUA	\$8,150,000
29	942-03	Elizabeth City	\$4,550,000
30	750-05	Ocean Township SA	\$4,300,000
31	362-03	Harrison Township (Gloucester)	\$2,050,000
32	372-24	Ocean County UA	\$5,600,000
33	639-03	Ridgewood Village	\$10,150,000
34	680-06	Middlesex County UA	\$17,700,000
35	2007-01/2	Burlington County	
36		Board of Chosen Freeholders	\$9,750,000
37	3004-01	Mercer County	\$1,900,000
38	322-02	Passaic Valley Water Commission	\$5,600,000
39	526-07	Gloucester County UA	\$2,350,000
40	3027-01	Edison Township	\$11,900,000
41	3010-01	Brick Township	\$3,450,000
42	3017-01	Franklin Township (Somerset)	\$ 400,000
43	2003-01	Evesham Township	\$1,750,000
44	3023-01	Evesham Township	\$4,550,000
45	3006-01	Bridgewater Township	\$1,000,000
46	895-06	Winslow Township (Albion Area)	\$1,950,000
	3002-01	Roxbury Township	\$ 450,000
	3005-01	West Windsor Township	\$2,200,000

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1	3030-01	Montville Township	\$2,100,000
2	3034-01	Readington Township	\$ 800,000
3	3008-01	Princeton Township	\$1,000,000
4	3003-01	Hanover Township	\$1,150,000
5	3028-01	Holmdel Township	\$2,100,000
6	3012-01	Clinton Township	\$13,450,000
7	3020-01	Washington Township (Mercer)	\$1,450,000
8	3033-01	Edgewater Borough	\$ 300,000
9	3026-01	Eastampton Township	\$6,000,000
10	3013-01	Allamuchy Township	\$4,500,000
11	875-01	Voorhees Township	\$2,950,000
12	2001-01	Atlantic County UA	\$3,400,000
13	2008-02	Sussex County MUA	\$3,200,000
14	641-01	Camden City	\$6,650,000
15	399-25	Bayonne MUA	\$1,800,000
16	448-04	Brick Township MUA	\$1,600,000
17	364-02	Gloucester Township MUA	\$1,200,000
18	293-01	Union Township	\$ 150,000
19	259-03	Kearny MUA	\$ 750,000
20	550-04	Cumberland County UA	\$1,100,000
21	545-04	Glassboro Borough	\$1,900,000
22	291-02	Collingswood Borough	\$ 700,000
23	385-02	Berkeley Heights Township	\$1,000,000
24	958-03	Gloucester City	\$ 800,000
25	163-01	Waterford Township MUA	\$1,000,000
26	827-01	Brigantine City	\$ 650,000
27	967-04	Matawan Borough	\$1,400,000
28	666-02	Margate City	\$ 350,000
29	944-02	Chesterfield Township	\$3,000,000
30	258-02	Cape May City	\$ 300,000
31	375-01	Hainesport Township	\$7,250,000
32	366-04	Camden City	\$2,450,000
33	437-11	New Brunswick City	\$2,350,000
34	649-03	Pemberton Township	\$ 400,000
35	870-03	Pennsville Township	\$1,000,000
36	161-01	Lumberton Township	\$1,800,000
37	827-02	Brigantine City	\$ 200,000
38		TOTAL	\$185,600,000

39

40 b. The following environmental infrastructure projects shall be
 41 known and may be cited as the "State Fiscal Year 2002 Drinking
 42 Water Project Priority List":

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	Project Number	Project Sponsor	Estimated Allowable Loan Amount
1			
2			
3			
4			
5	0601001-001	Bridgeton City	\$ 950,000
6	0705001-001	East Orange City	\$4,800,000
7	0408001-003	Camden City	\$3,400,000
8	0613001-001	Seabrook Water Corp.	\$ 550,000
9	0435003-004	Waterford Township MUA	\$1,200,000
10	0604001-002/4	Middlesex Water Company	
11		(Bayview Water Company)	\$ 900,000
12	0435003-003	Waterford Township MUA	\$ 950,000
13	1605002-005	Passaic Valley Water	
14		Commission	\$43,500,000
15	1707001-003	Pennsgrove Water	
16		Supply Company	\$ 350,000
17	0502001-003	Cape May City	\$ 250,000
18	0408001-012	Camden City	\$2,500,000
19	0822001-002	Woodbury City	\$1,600,000
20	1345001-002	New Jersey American Water	
21		Company - Monmouth	\$11,750,000
22	0424001-001	Merchantville-Pennsauken	
23		Water Commission	\$2,150,000
24	0704002-006	Essex County UA	\$1,350,000
25	0435003-002	Waterford Township MUA	\$ 700,000
26	1506001-001	Brick Township MUA	\$9,500,000
27	0116001-001	Margate City	\$ 200,000
28	1225001-006/7	Middlesex Water Company	\$2,550,000
29	1904001-001	Brookwood Musconetcong	
30		River POA	\$ 600,000
31	1429001-001	Parsippany-Troy Hills Township	\$ 350,000
32	0713001-005	Montclair Township	\$ 800,000
33	1615017-002	Wonder Lakes Properties, Inc.	\$ 100,000
34	1514001-003	New Jersey American Water	
35		Company - Lakewood	\$ 200,000
36	0508001-001	New Jersey American Water	
37		Company - Ocean City	\$ 100,000
38	0506010-001	New Jersey American Water	
39		Company - Neptune	\$ 50,000
40	2121001-001	New Jersey American Water	
41		Company - Washington (Warren)	\$ 50,000
42	0119002-002	New Jersey American Water	
43		Company - Atlantic	\$ 250,000
44	1533001-001	Barnegat Township	\$ 450,000
45	2103001-001	New Jersey American Water	
46		Company - Belvidere	\$ 50,000

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1	1011001-001	New Jersey American Water	
2		Company - Frenchtown	\$ 50,000
3	0510001-001	Stone Harbor Borough	\$ 450,000
4	1429001-002	Parsippany-Troy Hills Township	\$ 600,000
5	1504001-002	Beachwood Borough	\$ 300,000
6	0327001-004	New Jersey American Water	
7		Company - Western Division	\$ 850,000
8	1208001-001	New Jersey American Water	
9		Company - Jamesburg	\$ 100,000
10	1345001-001	New Jersey American Water	
11		Company - Monmouth	\$ 850,000
12	0712001-002	New Jersey American Water	
13		Company - Short Hills	\$ 700,000
14	1502001-001	New Jersey American Water	
15		Company - Ocean County	\$ 250,000
16	1605001-001	New Jersey American Water	
17		Company - Little Falls	\$ 100,000
18	1502001-003	New Jersey American Water	
19		Company - Ocean County	\$ 450,000
20	0511001-001	New Jersey American Water	
21		Company - Strathmere	\$ 50,000
22	2004002-001	Watchung Borough	\$ 300,000
23	0720001-002	ECUA/Verona	\$ 950,000
24		TOTAL	\$98,150,000

25

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

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

32 b. The loan amount shall not exceed 50% of the allowable project
 33 cost of the environmental infrastructure facility;

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

36 d. The loan shall be conditioned upon approval of a loan from the
 37 New Jersey Environmental Infrastructure Trust pursuant to P.L.2001,
 38 c. (pending in the Legislature as Assembly Bill No. 3573 of 2001
 39 and Senate Bill No. 2423 of 2001);

40 e. The loan shall be subject to any other terms and conditions as
 41 may be established by the commissioner and approved by the State
 42 Treasurer, which may include, notwithstanding any other provision of
 43 law to the contrary, subordination of a loan authorized in this act to
 44 loans made by the trust pursuant to P.L.2001, c. (pending in the
 45 Legislature as Assembly Bill No. 3573 of 2001 and Senate Bill No.
 46 2423 of 2001) or to administrative fees payable to the trust pursuant

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

2 5. The priority lists and authorization for the making of loans
3 pursuant to sections 2 and 3 of this act shall expire on July 1, 2002,
4 and any project sponsor which has not executed and delivered a loan
5 agreement with the department for a loan authorized in this act shall
6 no longer be entitled to that loan.

7

8 6. The Commissioner of Environmental Protection is authorized to
9 reduce or increase the individual amount of loan funds made available
10 to or on behalf of project sponsors pursuant to sections 2 and 3 of this
11 act based upon final building costs defined in and determined in
12 accordance with rules and regulations adopted by the commissioner
13 pursuant to section 4 of P.L.1985, c.329, section 11 of P.L.1977,
14 c.224 (C.58:12A-11) or section 5 of P.L.1981, c.261, provided that
15 the total loan amount does not exceed the original loan amount.

16

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

23

24 8. The Department of Environmental Protection shall provide
25 general technical assistance to any project sponsor requesting
26 assistance regarding environmental infrastructure 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, prior to
31 repayment to the "1992 Wastewater Treatment Fund" pursuant to the
32 provisions of section 28 of P.L.1992, c.88, prior to repayment to the
33 Drinking Water State Revolving Fund, prior to repayment to the
34 "Stormwater Management and Combined Sewer Overflow Abatement
35 Fund" pursuant to the provisions of section 15 of P.L.1989, c.181, or
36 prior to repayment to the "Water Supply Fund" pursuant to the
37 provisions of section 15 of P.L.1981, c.261, repayments of loans made
38 pursuant to these acts may be utilized by the New Jersey
39 Environmental Infrastructure Trust established pursuant to P.L.1985,
40 c.334 (C.58:11B-1 et seq.), as amended and supplemented by
41 P.L.1997, c.224, under terms and conditions established by the
42 commissioner and trust, and approved by the State Treasurer, and
43 consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et
44 seq.) and federal tax, environmental or securities law, to the extent
45 necessary to secure repayment of trust bonds issued to finance loans
46 approved pursuant to P.L.2001, c. (pending in the Legislature as

1 Assembly Bill No. 3573 of 2001 and Senate Bill No. 2423 of 2001),
2 and to secure the administrative fees payable to the trust pursuant to
3 subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5) by the
4 project sponsors receiving trust loans.

5 b. Prior to repayment to the "Wastewater Treatment Fund"
6 pursuant to the provisions of section 16 of P.L.1985, c.329, prior to
7 repayment to the "1992 Wastewater Treatment Fund" pursuant to the
8 provisions of section 28 of P.L.1992, c.88, prior to repayment to the
9 Drinking Water State Revolving Fund or prior to repayment to the
10 "Stormwater Management and Combined Sewer Overflow Abatement
11 Fund" pursuant to the provisions of section 15 of P.L.1989, c.181, the
12 trust is further authorized to utilize repayments of loans made pursuant
13 to P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38,
14 P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85,
15 P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92 or
16 P.L.2001, c. (pending in the Legislature as Assembly Bill No. 3572
17 of 2001 and Senate Bill No. 2421 of 2001) to secure repayment of
18 trust bonds issued to finance loans approved pursuant to P.L.1995,
19 c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85, P.L.1999,
20 c.173, P.L.2000, c.93 or P.L.2001, c. (pending in the Legislature
21 as Assembly Bill No. 3573 of 2001 and Senate Bill No. 2423 of 2001),
22 and to secure the administrative fees payable to the trust under these
23 loans pursuant to subsection o. of section 5 of P.L.1985, c.334
24 (C.58:11B-5).

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

33
34 10. The Commissioner of Environmental Protection is authorized
35 to enter into capitalization grant agreements as may be required
36 pursuant to the Federal Clean Water Act or the Federal Safe Drinking
37 Water Act.

38
39 11. There is appropriated to the New Jersey Environmental
40 Infrastructure Trust established pursuant to P.L.1985, c.334
41 (C.58:11B-1 et seq.) from repayments of loans deposited in any
42 account, including the Clean Water State Revolving Fund Accounts
43 contained within the "Wastewater Treatment Fund," the "1992
44 Wastewater Treatment Fund," the "Water Supply Fund," the
45 "Stormwater Management and Combined Sewer Overflow Abatement
46 Fund," or the Drinking Water State Revolving Fund, as appropriate,

1 and from any net earnings received from the investment and
2 reinvestment of such deposits, such sums as the chairman of the trust
3 shall certify to the Commissioner of Environmental Protection to be
4 necessary and appropriate for deposit into one or more reserve funds
5 established by the trust pursuant to section 11 of P.L.1985, c.334
6 (C.58:11B-11).

7
8 12. There is appropriated to the New Jersey Environmental
9 Infrastructure Trust established pursuant to P.L.1985, c.334
10 (C.58:11B-1 et seq.) from repayments of loans deposited in any
11 account, including the Clean Water State Revolving Fund Accounts
12 contained within the "Wastewater Treatment Fund," the "1992
13 Wastewater Treatment Fund," the "Water Supply Fund," the
14 "Stormwater Management and Combined Sewer Overflow Abatement
15 Fund," or the Drinking Water State Revolving Fund, as appropriate,
16 and from any net earnings received from the investment and
17 reinvestment of such deposits, the sum of \$50,000,000 to establish a
18 short-term or temporary revolving financing program pursuant to
19 subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9).

20
21 13. This act shall take effect immediately.

22 23 24 STATEMENT

25
26 This bill would appropriate certain federal and State moneys to the
27 Department of Environmental Protection (DEP) for the purpose of
28 implementing the 2001 New Jersey Environmental Infrastructure
29 Financing Program, which is expected to finance \$578 million in
30 environmental infrastructure projects for State Fiscal Year 2002.

31 Specifically, this bill would appropriate to the DEP moneys from
32 (1) the Clean Water State Revolving Fund Accounts established
33 pursuant to section 1 of P.L.1988, c.133 (and renamed pursuant to
34 section 2 of P.L.1998, c.84) an amount equal to the Federal fiscal year
35 2001 capitalization grant made available to the State pursuant to the
36 Federal Clean Water Act for clean water projects; (2) the Drinking
37 Water State Revolving Fund established pursuant to section 1 of
38 P.L.1998, c.84 an amount equal to the Federal fiscal year 2001
39 capitalization grant made available to the State pursuant to the Federal
40 Safe Drinking Water Act for drinking water projects; (3) the
41 unappropriated balances from the "Wastewater Treatment Fund"
42 established pursuant to section 15 of the "Wastewater Treatment Bond
43 Act of 1985," (P.L.1985, c.329); (4) the sum of \$5 million from the
44 "1992 Wastewater Treatment Fund" established pursuant to section 27
45 of the "Green Acres, Clean Water, Farmland and Historic Preservation
46 Bond Act of 1992," (P.L.1992, c.88); and (5) the sum of \$40 million

1 from the "Water Supply Fund" established pursuant to section 14 of
2 the "Water Supply Bond Act of 1981," (P.L.1981, c.261).

3 The bill would authorize the DEP to transfer from the Clean Water
4 State Revolving Fund Accounts to the Drinking Water State Revolving
5 Fund an amount up to the maximum amount authorized to be
6 transferred pursuant to the Federal Safe Drinking Water Act to meet
7 present and future needs for the financing of eligible drinking water
8 projects, and appropriate an amount equal to this maximum amount to
9 the DEP for those purposes.

10 The DEP would use the funds appropriated under this bill to make
11 zero interest loans to local governments and privately-owned water
12 companies (project sponsors) for up to 50% of eligible project costs
13 for (1) clean water projects included in the "State Fiscal Year 2002
14 Clean Water Project Priority List," and five supplemental zero interest
15 loans to project sponsors that had previously received a loan; and (2)
16 drinking water projects included in the "State Fiscal Year 2002
17 Drinking Water Project Priority List," and a supplemental loan to a
18 project sponsor that had received an earlier loan. The supplemental
19 loans constitute the difference between the allowable loan amounts
20 required by the project and the loan amounts certified by the
21 Commissioner of DEP in State FY 1996, 1998, 2000 and 2001,
22 respectively.

23 A companion bill, Assembly Bill No. 3573 of 2001 and Senate Bill
24 No. 2423 of 2001, would authorize the New Jersey Environmental
25 Infrastructure Trust to provide: (1) a total of \$5.1 million in
26 supplemental loans to project sponsors for existing clean water
27 projects; (2) a \$100,000 loan to a project sponsor for an existing
28 drinking water project; (3) a total of \$185,600,000 for loans to project
29 sponsors identified on the State FY 2002 Clean Water Project Priority
30 List; and (4) a total of \$98,150,000 for loans to project sponsors
31 identified on the State FY 2002 Drinking Water Project Priority List,
32 all for the remaining allowable project costs.

33 New clean water projects that are eligible for financing in calendar
34 year 2001 have allowable costs totaling \$185.6 million, while
35 previously financed clean water projects that are eligible to receive
36 supplemental loans under the State FY 2002 Program total \$5.1
37 million. Clean water projects include wastewater treatment,
38 stormwater management system and nonpoint source pollution
39 projects. In addition, clean water projects include landfill closure and
40 new cell construction projects, land acquisition and well sealing
41 projects. Landfill closure projects include work relating to water
42 quality protection and nonpoint source pollution control measures at
43 municipal solid waste landfills, including the installation of leachate
44 collection, storage and treatment systems, side slope seepage
45 prevention and controls; the installation of active and passive gas
46 collection systems, monitoring wells and equipment, landfill

1 reclamation or reduction in lieu of landfill capping; stormwater runoff
2 controls; and placement of intermediate cover prior to final closure.

3 New drinking water projects that are eligible for financing in
4 calendar year 2001 have allowable costs totaling \$98,150,000 under
5 the State FY 2002 Program.

6 The State FY 2002 Program will finance drinking water projects
7 sponsored on or behalf of eligible municipalities, public authorities,
8 and private water purveyors.

9 The New Jersey Wastewater Treatment Financing Program has
10 been the primary source available for either federal or State funding to
11 assist eligible local governments to finance necessary wastewater
12 treatment (sewer) system upgrades. In 1985, the Legislature
13 established the New Jersey Wastewater Treatment Trust, a State
14 financing authority established pursuant to P.L.1985, c.334
15 (C.58:11B-1 et seq.), as the keystone of a financing mechanism for
16 funding the rehabilitation and construction of wastewater treatment
17 facilities.

18 In 1997, the Legislature revised the Trust's enabling legislation
19 pursuant to P.L.1997, c.224 to expand the role of the Trust to include
20 the financing of drinking water projects and clarified eligibility of
21 stormwater project financing. At the same time, the Legislature
22 enacted P.L.1997, c.223 and P.L.1997, c.225, which the voters
23 approved on November 4, 1997 as amendments to the "Water Supply
24 Bond Act of 1981" (P.L.1981, c.261) and the "Stormwater
25 Management and Combined Sewer Overflow Abatement Bond Act of
26 1989" (P.L.1989, c.181), respectively, to authorize the Trust to
27 leverage a portion of these bond moneys to finance drinking water and
28 stormwater management projects. These changes have resulted in a
29 consolidated approach to Federal and State clean water, drinking
30 water and stormwater management project financing known as the
31 New Jersey Environmental Infrastructure Financing Program.

32 The 2001 New Jersey Environmental Infrastructure Financing
33 Program comprises two complementary elements: the proceeds of
34 State general obligation bonds and federal capitalization grants
35 administered by the DEP, and the revenue bonds issued by the Trust.
36 The federal grant moneys for clean water projects are made available
37 under the Clean Water State Revolving Fund Program established
38 pursuant to the Federal Clean Water Act in 1987. The federal grant
39 moneys for drinking water projects are made available under the
40 Drinking Water State Revolving Fund Program established pursuant
41 to the Federal Safe Drinking Water Act in 1996.

42 To qualify for receipt of federal moneys under the 1987 Federal
43 Clean Water Act, a state must establish a revolving loan fund and
44 provide an annual 20 percent State-match to those moneys. All federal
45 moneys received by the State for wastewater treatment system project
46 financing are deposited in the Clean Water State Revolving Fund

1 Accounts contained within the "Wastewater Treatment Fund," a
2 revolving loan fund established pursuant to the \$190 million
3 "Wastewater Treatment Bond Act of 1985," P.L.1985, c.329 and
4 administered by the DEP. In past years, the State has met the match
5 requirement entirely through conventional appropriations from the
6 General Fund or from a combination of a General Fund appropriation
7 and by pledging loan repayment moneys from previous project loans
8 made from the "Wastewater Treatment Bond Act of 1985." The 20%
9 match for State Fiscal Year 2002 is expected to be provided entirely
10 from loan repayments of older wastewater treatment system projects
11 funded from the "Wastewater Treatment Bond Act of 1985" during the
12 past decade.

13 To qualify for receipt of federal moneys under the 1996 Federal
14 Safe Drinking Water Act, a state must establish a revolving loan fund
15 and provide an annual 20 percent State-match to those moneys. All
16 federal moneys received by the State for drinking water project
17 financing will be deposited in the Drinking Water State Revolving
18 Fund established pursuant to section 1 of P.L.1998, c.84. The 20%
19 match for State Fiscal Year 2002 is expected to be provided either
20 entirely through conventional appropriations from the General Fund
21 or from a combination of a General Fund appropriation and moneys
22 made available under the "Water Supply Bond Act of 1981"
23 (P.L.1981, c.261) from previous water supply project loans made from
24 the "Water Supply Fund" established pursuant to P.L.1981, c.261.

25 Section 6 a. of the "Wastewater Treatment Bond Act of 1985"
26 (P.L.1985, c.329) allocated \$150 million to the DEP for zero interest
27 loans to local governments for wastewater treatment system projects.
28 Section 6 b. allocated \$40 million to the Trust to establish a reserve
29 account for loans made by the Trust, and a guarantee account to
30 secure debt issued by local governments in connection with the
31 financing of a project. The Legislature enacted P.L.1987, c.198,
32 which appropriated the \$40 million to the Trust for these purposes.

33 The "Wastewater Treatment Fund" established pursuant to section
34 15 of P.L.1985, c.329 provides moneys to the DEP for zero interest
35 loans to local governments for up to 50% of eligible project costs for
36 wastewater treatment system projects included on the Clean Water
37 Project Priority List. The Trust revenue bonds provide moneys for
38 low interest (at or below market-rate) loans to local governments for
39 the remaining portion of allowable project costs. By matching the
40 loans made by the DEP, the Trust nearly doubles the amount of money
41 available for clean water and drinking water projects. Since the
42 combined money is provided at half the typical market interest rate,
43 the New Jersey Environmental Infrastructure Financing Program
44 reduces the costs to a local government that must be passed on to the
45 project's users. By funding wastewater treatment system (clean water)
46 projects through the Program, participating local governments have

1 realized savings of between 25% - 30% on the financing of total
2 eligible project costs over what it would have cost to secure individual
3 financing.

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

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

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

23 The renamed New Jersey Environmental Infrastructure Financing
24 Program has completed fourteen annual financing cycles and financed
25 271 clean water and drinking water projects totaling more than \$1.8
26 billion throughout the State. To date, 158 projects have been
27 completed totaling \$1.1 billion. Between 1987 and 2000 the DEP and
28 the Trust have utilized moneys from the following sources: federal
29 capitalization grants made available under the Federal Clean Water Act
30 of 1987; federal capitalization grants made available under the 1996
31 Federal Safe Drinking Water Act; State loans from the moneys made
32 available from the "Water Supply Fund" established pursuant to
33 section 14 of the "Water Supply Bond Act of 1981," (P.L.1981,
34 c.261), as amended by P.L.1983, c.355 and P.L.1997, c.223; State
35 loans from the moneys made available from the "Wastewater
36 Treatment Fund" established pursuant to section 15 of the
37 "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329); State
38 loans from the moneys made available from the "1992 Wastewater
39 Treatment Fund" established pursuant to section 27 of the "Green
40 Acres, Clean Water, Farmland and Historic Preservation Bond Act of
41 1992," (P.L.1992, c.88); State General Fund appropriations, loan
42 repayments, and the unexpended balances of leftover or "de-obligated"
43 loan moneys from wastewater treatment system project loans made in
44 prior years.

45 Under this bill, in conjunction with Assembly Bill No. 3573 of 2001
46 and Senate Bill No. 2423 of 2001, the 2001 New Jersey Environmental

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- 1 Infrastructure Financing Program would finance \$578 million in
- 2 environmental infrastructure projects for State Fiscal Year 2002.

ASSEMBLY SOLID AND HAZARDOUS WASTE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3572

STATE OF NEW JERSEY

DATED: JUNE 7, 2001

The Assembly Solid and Hazardous Waste Committee favorably reports Assembly Bill No. 3572.

Assembly Bill No. 3572 would appropriate certain federal and State moneys to the Department of Environmental Protection (DEP) for the purpose of implementing the 2001 New Jersey Environmental Infrastructure Financing Program, which is expected to finance \$578 million in environmental infrastructure projects for State Fiscal Year 2002.

Specifically, this bill would appropriate to the DEP moneys from (1) the Clean Water State Revolving Fund Accounts established pursuant to section 1 of P.L.1988, c.133 (and renamed pursuant to section 2 of P.L.1998, c.84) an amount equal to the Federal fiscal year 2001 capitalization grant made available to the State pursuant to the Federal Clean Water Act for clean water projects; (2) the Drinking Water State Revolving Fund established pursuant to section 1 of P.L.1998, c.84 an amount equal to the Federal fiscal year 2001 capitalization grant made available to the State pursuant to the Federal Safe Drinking Water Act for drinking water projects; (3) the unappropriated balances from the "Wastewater Treatment Fund" established pursuant to section 15 of the "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329); (4) the sum of \$5 million from the "1992 Wastewater Treatment Fund" established pursuant to section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," (P.L.1992, c.88); and (5) the sum of \$40 million from the "Water Supply Fund" established pursuant to section 14 of the "Water Supply Bond Act of 1981," (P.L.1981, c.261).

The bill would authorize the DEP to transfer from the Clean Water State Revolving Fund Accounts to the Drinking Water State Revolving Fund an amount up to the maximum amount authorized to be transferred pursuant to the Federal Safe Drinking Water Act to meet present and future needs for the financing of eligible drinking water projects, and appropriate an amount equal to this maximum amount to the DEP for those purposes.

The DEP would use the funds appropriated under this bill to make zero interest loans to local governments and privately-owned water companies (project sponsors) for up to 50% of eligible project costs for (1) clean water projects included in the "State Fiscal Year 2002

Clean Water Project Priority List," and five supplemental zero interest loans to project sponsors that had previously received a loan; and (2) drinking water projects included in the "State Fiscal Year 2002 Drinking Water Project Priority List," and a supplemental loan to a project sponsor that had received an earlier loan. The supplemental loans constitute the difference between the allowable loan amounts required by the project and the loan amounts certified by the Commissioner of DEP in State FY 1996, 1998, 2000 and 2001, respectively.

A companion bill, Assembly Bill No. 3573 of 2001 and Senate Bill No. 2423 of 2001, would authorize the New Jersey Environmental Infrastructure Trust to provide: (1) a total of \$5.1 million in supplemental loans to project sponsors for existing clean water projects; (2) a \$100,000 loan to a project sponsor for an existing drinking water project; (3) a total of \$185,600,000 for loans to project sponsors identified on the State FY 2002 Clean Water Project Priority List; and (4) a total of \$98,150,000 for loans to project sponsors identified on the State FY 2002 Drinking Water Project Priority List, all for the remaining allowable project costs.

New clean water projects that are eligible for financing in calendar year 2001 have allowable costs totaling \$185.6 million, while previously financed clean water projects that are eligible to receive supplemental loans under the State FY 2002 Program total \$5.1 million. Clean water projects include wastewater treatment, stormwater management system and nonpoint source pollution projects. In addition, clean water projects include landfill closure and new cell construction projects, land acquisition and well sealing projects. Landfill closure projects include work relating to water quality protection and nonpoint source pollution control measures at municipal solid waste landfills, including the installation of leachate collection, storage and treatment systems, side slope seepage prevention and controls; the installation of active and passive gas collection systems, monitoring wells and equipment, landfill reclamation or reduction in lieu of landfill capping; stormwater runoff controls; and placement of intermediate cover prior to final closure.

New drinking water projects that are eligible for financing in calendar year 2001 have allowable costs totaling \$98,150,000 under the State FY 2002 Program.

The State FY 2002 Program will finance drinking water projects sponsored on or behalf of eligible municipalities, public authorities, and private water purveyors.

The New Jersey Wastewater Treatment Financing Program has been the primary source available for either federal or State funding to assist eligible local governments to finance necessary wastewater treatment (sewer) system upgrades. In 1985, the Legislature established the New Jersey Wastewater Treatment Trust, a State financing authority established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), as the keystone of a financing mechanism for

funding the rehabilitation and construction of wastewater treatment facilities.

In 1997, the Legislature revised the Trust's enabling legislation pursuant to P.L.1997, c.224 to expand the role of the Trust to include the financing of drinking water projects and clarified eligibility of stormwater project financing. At the same time, the Legislature enacted P.L.1997, c.223 and P.L.1997, c.225, which the voters approved on November 4, 1997 as amendments to the "Water Supply Bond Act of 1981" (P.L.1981, c.261) and the "Stormwater Management and Combined Sewer Overflow Abatement Bond Act of 1989" (P.L.1989, c.181), respectively, to authorize the Trust to leverage a portion of these bond moneys to finance drinking water and stormwater management projects. These changes have resulted in a consolidated approach to Federal and State clean water, drinking water and stormwater management project financing known as the New Jersey Environmental Infrastructure Financing Program.

The 2001 New Jersey Environmental Infrastructure Financing Program comprises two complementary elements: the proceeds of State general obligation bonds and federal capitalization grants administered by the DEP, and the revenue bonds issued by the Trust. The federal grant moneys for clean water projects are made available under the Clean Water State Revolving Fund Program established pursuant to the Federal Clean Water Act in 1987. The federal grant moneys for drinking water projects are made available under the Drinking Water State Revolving Fund Program established pursuant to the Federal Safe Drinking Water Act in 1996.

To qualify for receipt of federal moneys under the 1987 Federal Clean Water Act, a state must establish a revolving loan fund and provide an annual 20 percent State-match to those moneys. All federal moneys received by the State for wastewater treatment system project financing are deposited in the Clean Water State Revolving Fund Accounts contained within the "Wastewater Treatment Fund," a revolving loan fund established pursuant to the \$190 million "Wastewater Treatment Bond Act of 1985," P.L.1985, c.329 and administered by the DEP. In past years, the State has met the match requirement entirely through conventional appropriations from the General Fund or from a combination of a General Fund appropriation and by pledging loan repayment moneys from previous project loans made from the "Wastewater Treatment Bond Act of 1985." The 20% match for State Fiscal Year 2002 is expected to be provided entirely from loan repayments of older wastewater treatment system projects funded from the "Wastewater Treatment Bond Act of 1985" during the past decade.

To qualify for receipt of federal moneys under the 1996 Federal Safe Drinking Water Act, a state must establish a revolving loan fund and provide an annual 20 percent State-match to those moneys. All federal moneys received by the State for drinking water project financing will be deposited in the Drinking Water State Revolving

Fund established pursuant to section 1 of P.L.1998, c.84. The 20% match for State Fiscal Year 2002 is expected to be provided either entirely through conventional appropriations from the General Fund or from a combination of a General Fund appropriation and moneys made available under the "Water Supply Bond Act of 1981" (P.L.1981, c.261) from previous water supply project loans made from the "Water Supply Fund" established pursuant to P.L.1981, c.261.

Section 6 a. of the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329) allocated \$150 million to the DEP for zero interest loans to local governments for wastewater treatment system projects. Section 6 b. allocated \$40 million to the Trust to establish a reserve account for loans made by the Trust, and a guarantee account to secure debt issued by local governments in connection with the financing of a project. The Legislature enacted P.L.1987, c.198, which appropriated the \$40 million to the Trust for these purposes.

The "Wastewater Treatment Fund" established pursuant to section 15 of P.L.1985, c.329 provides moneys to the DEP for zero interest loans to local governments for up to 50% of eligible project costs for wastewater treatment system projects included on the Clean Water Project Priority List. The Trust revenue bonds provide moneys for low interest (at or below market-rate) loans to local governments for the remaining portion of allowable project costs. By matching the loans made by the DEP, the Trust nearly doubles the amount of money available for clean water and drinking water projects. Since the combined money is provided at half the typical market interest rate, the New Jersey Environmental Infrastructure Financing Program reduces the costs to a local government that must be passed on to the project's users. By funding wastewater treatment system (clean water) projects through the Program, participating local governments have realized savings of between 25% - 30% on the financing of total eligible project costs over what it would have cost to secure individual financing.

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

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

financing of wastewater treatment system projects.

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

The renamed New Jersey Environmental Infrastructure Financing Program has completed fourteen annual financing cycles and financed 271 clean water and drinking water projects totaling more than \$1.8 billion throughout the State. To date, 158 projects have been completed totaling \$1.1 billion. Between 1987 and 2000 the DEP and the Trust have utilized moneys from the following sources: federal capitalization grants made available under the Federal Clean Water Act of 1987; federal capitalization grants made available under the 1996 Federal Safe Drinking Water Act; State loans from the moneys made available from the "Water Supply Fund" established pursuant to section 14 of the "Water Supply Bond Act of 1981," (P.L.1981, c.261), as amended by P.L.1983, c.355 and P.L.1997, c.223; State loans from the moneys made available from the "Wastewater Treatment Fund" established pursuant to section 15 of the "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329); State loans from the moneys made available from the "1992 Wastewater Treatment Fund" established pursuant to section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," (P.L.1992, c.88); State General Fund appropriations, loan repayments, and the unexpended balances of leftover or "de-obligated" loan moneys from wastewater treatment system project loans made in prior years.

Under this bill, in conjunction with Assembly Bill No. 3573 of 2001 and Senate Bill No. 2423 of 2001, the 2001 New Jersey Environmental Infrastructure Financing Program would finance \$578 million in environmental infrastructure projects for State Fiscal Year 2002.

Assembly Bill No. 3572 is identical to Senate Bill No. 2421.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3572

STATE OF NEW JERSEY

DATED: JUNE 21, 2001

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3572.

Assembly Bill No. 3572 appropriates certain federal and State moneys to the Department of Environmental Protection (DEP) for the purpose of implementing the 2001 New Jersey Environmental Infrastructure Financing Program, which is expected to finance \$578 million in environmental infrastructure projects for State Fiscal Year 2002.

Specifically, the bill appropriates to the DEP:

(1) moneys from the Clean Water State Revolving Fund Accounts established under section 1 of P.L.1988, c.133 (and renamed pursuant to section 2 of P.L.1998, c.84) in an amount equal to the federal FY2001 capitalization grant made available to the State under the Federal Clean Water Act for clean water projects;

(2) moneys from the Drinking Water State Revolving Fund established under section 1 of P.L.1998, c.84 in an amount equal to the federal FY2001 capitalization grant made available to the State under the federal Safe Drinking Water Act for drinking water projects;

(3) the unappropriated balances from the "Wastewater Treatment Fund" established under section 15 of the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329);

(4) the sum of \$5 million from the "1992 Wastewater Treatment Fund" established under section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992" (P.L.1992, c.88); and

(5) the sum of \$40 million from the "Water Supply Fund" established under section 14 of the "Water Supply Bond Act of 1981" (P.L.1981, c.261).

The bill authorizes the DEP to transfer from the Clean Water State Revolving Fund Accounts to the Drinking Water State Revolving Fund an amount up to the maximum amount authorized to be transferred pursuant to the federal Safe Drinking Water Act to meet present and future needs for the financing of eligible drinking water projects, and appropriate an amount equal to this maximum amount to the DEP for those purposes.

A companion bill, Senate Bill No. 2423 of 2001 and Assembly Bill No. 3573 of 2001, authorizes the New Jersey Environmental

Infrastructure Trust to provide: (1) a total of \$5.1 million in supplemental loans to project sponsors for existing clean water projects; (2) a \$100,000 loan to a project sponsor for an existing drinking water project; (3) a total of \$185,600,000 for loans to project sponsors identified on the State FY2002 Clean Water Project Priority List; and (4) a total of \$98,150,000 for loans to project sponsors identified on the State FY2002 Drinking Water Project Priority List, all for the remaining allowable project costs.

New clean water projects that are eligible for financing in calendar year 2001 have allowable costs totaling \$185.6 million, while previously financed clean water projects that are eligible to receive supplemental loans under the State FY2002 Program total \$5.1 million.

New drinking water projects that are eligible for financing in calendar year 2001 have allowable costs totaling \$98,150,000 under the State FY2002 Program.

The State FY2002 Program will finance drinking water projects sponsored on or behalf of eligible municipalities, public authorities, and private water purveyors.

The New Jersey Wastewater Treatment Financing Program has been the primary source available for either federal or State funding to assist eligible local governments to finance necessary wastewater treatment (sewer) system upgrades.

Under this bill, in conjunction with Senate Bill No. 2423 of 2001 and Assembly Bill No. 3573 of 2001, the 2001 New Jersey Environmental Infrastructure Financing Program would finance \$578 million in environmental infrastructure projects for State FY2002.

As reported, this bill is identical to Senate Bill No. 2421 as also reported by the committee.

FISCAL IMPACT

This bill appropriates to the DEP (1) the amount of the federal FY2001 capitalization grant to the State under the federal Clean Water Act for clean water projects; (2) the amount of the federal FY2001 capitalization grant to the State under the federal Safe Drinking Water Act for drinking water projects; (3) the unappropriated balances from the "Wastewater Treatment Fund"; (4) the sum of \$5 million from the "1992 Wastewater Treatment Fund"; and (5) the sum of \$40 million from the "Water Supply Fund".

P.L. 2001, CHAPTER 222, *approved August 24, 2001*

Senate, No. 2421

1 **AN ACT** appropriating moneys to the Department of Environmental
2 Protection for the purpose of making zero interest loans to project
3 sponsors to finance a portion of the costs of construction of
4 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 Environmental
10 Protection from the Clean Water Fund - State Revolving Fund
11 Accounts (hereinafter referred to as the "Clean Water State Revolving
12 Fund Accounts") an amount equal to the Federal fiscal year 2001
13 capitalization grant made available to the State for clean water
14 projects pursuant to the "Water Quality Act of 1987" (33 U.S.C.§1251
15 et seq.), and any amendatory and supplementary acts thereto
16 (hereinafter referred to as the "Federal Clean Water Act").

17 (2) There is appropriated to the Department of Environmental
18 Protection from the Drinking Water State Revolving Fund an amount
19 equal to the Federal fiscal year 2001 capitalization grant made
20 available to the State for drinking water projects pursuant to the "Safe
21 Drinking Water Act Amendments of 1996" Pub.L.104-182, and any
22 amendatory and supplementary acts thereto (hereinafter referred to as
23 the "Federal Safe Drinking Water Act").

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

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

36 (4) There is appropriated to the Department of Environmental
37 Protection the sum of \$5,000,000 from the "1992 Wastewater
38 Treatment Fund" established pursuant to section 27 of the "Green
39 Acres, Clean Water, Farmland and Historic Preservation Bond Act of
40 1992," (P.L.1992, c.88).

41 (5) There is appropriated to the Department of Environmental
42 Protection the sum of \$40,000,000 from the "Water Supply Fund"
43 established pursuant to section 14 of the "Water Supply Bond Act of
44 1981," (P.L.1981, c.261), as amended by P.L.1983, c.355 and
45 amended and supplemented by P.L.1997, c.223.

1 Any such amounts shall be for the purpose of making zero interest
2 loans, to the extent sufficient funds are available, to or on behalf of
3 local government units or public water utilities (hereinafter referred to
4 as "project sponsors") to finance a portion of the cost of construction
5 of clean water projects and drinking water projects listed in sections
6 2 and 3 of this act, and for the purpose of implementing and
7 administering the provisions of this act, to the extent permitted by the
8 "Water Quality Act of 1987" (33 U.S.C.§1251 et seq.), the
9 "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329), the
10 "Green Acres, Clean Water, Farmland and Historic Preservation Bond
11 Act of 1992" (P.L.1992, c.88), the "Water Supply Bond Act of 1981,"
12 (P.L.1981, c.261), the "Stormwater Management and Combined
13 Sewer Overflow Abatement Bond Act of 1989" (P.L.1989, c.181), the
14 Federal Safe Drinking Water Act, and any amendatory and
15 supplementary acts thereto, and State law.

16 b. The department is authorized to make zero interest loans to or
17 on behalf of the project sponsors for the environmental infrastructure
18 projects listed in subsection a. of section 2 and subsection a. of section
19 3 of this act for clean water projects, and subsection b. of section 2
20 and subsection b. of section 3 of this act for drinking water projects,
21 up to the individual amounts indicated and in the priority stated,
22 except as any such amount may be reduced by the Commissioner of
23 Environmental Protection pursuant to section 6 of this act, or if a
24 project fails to meet the requirements of section 4 of this act.

25 c. The department is authorized to make zero interest loans to or
26 on behalf of the project sponsors for the environmental infrastructure
27 projects listed in sections 2 and 3 of this act under the same terms,
28 conditions and requirements as set forth in this section from any
29 unexpended balances of the amounts appropriated pursuant to section
30 1 of P.L.1987, c.200, section 2 of P.L.1988, c.133, section 1 of
31 P.L.1989, c.189, section 1 of P.L.1990, c.99, section 1 of P.L.1991,
32 c.325, section 1 of P.L.1992, c.38, section 1 of P.L.1993, c.193,
33 section 1 of P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1
34 of P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of P.L.1998,
35 c.84, section 2 of P.L.1999, c.174, or section 2 of P.L.2000, c.92,
36 including amounts resulting from the final building cost reductions
37 authorized pursuant to section 6 of P.L.1987, c.200, section 7 of
38 P.L.1988, c.133, section 6 of P.L.1989, c.189, section 6 of P.L.1990,
39 c.99, section 6 of P.L.1991, c.325, section 6 of P.L.1992, c.38, section
40 6 of P.L.1993, c.193, section 6 of P.L.1994, c.106, section 6 of
41 P.L.1995, c.219, section 6 of P.L.1996, c.85, section 6 of P.L.1997,
42 c.221, section 7 of P.L.1998, c.84, section 6 of P.L.1999, c.174 and
43 section 6 of P.L.2000, c.92, and from any repayments of loans from
44 the "Water Supply Fund," and from any repayments of loans from the
45 "Wastewater Treatment Fund," the "1992 Wastewater Treatment
46 Fund," or amounts deposited therein during State fiscal year 2001

1 pursuant to the provisions of section 16 of P.L.1985, c.329, including
 2 any Clean Water State Revolving Fund Accounts contained within the
 3 "Wastewater Treatment Fund," and from any repayment of loans from
 4 the Drinking Water State Revolving Fund.

5
 6 2. a. (1) The department is authorized to expend funds for the
 7 purpose of making supplemental zero interest loans to or on behalf of
 8 the project sponsors listed below for the following environmental
 9 infrastructure projects:

11	Project Number	Project Sponsor	Estimated
12			Allowable
13			Loan Amount
14			
15	809-03/4-1	Atlantic County UA	\$2,350,000
16	809-07-1	Atlantic County UA	\$ 500,000
17	287-01-1	Oaklyn Borough	\$ 150,000
18	839-02-1	Franklin Township SA	\$1,600,000
19	118-02-1	Keansburg Borough	\$ 500,000
20		TOTAL	\$5,100,000

21
 22 (2) The loans authorized in this subsection shall be made for the
 23 difference between the allowable loan amounts required by these
 24 projects based upon final building costs pursuant to section 6 of this
 25 act and the loan amounts certified by the commissioner in State fiscal
 26 years 1996, 1998, 2000 and 2001 and for increased allowable costs as
 27 defined and determined in accordance with the rules and regulations
 28 adopted by the department pursuant to section 4 of P.L.1985, c.329.
 29 The loans authorized in this subsection shall be made to or on behalf
 30 of the project sponsors listed, up to the individual amount indicated
 31 and in the priority stated, to the extent sufficient funds are available,
 32 except as any project fails to meet the requirements of section 4 of this
 33 act.

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

37 b. (1) The department is authorized to expend funds for the
 38 purpose of making a supplemental loan to or on behalf of the project
 39 sponsor listed below for the following environmental infrastructure
 40 project:

42	Project Number	Project Sponsor	Estimated
43			Allowable
44			Loan Amount
45			
46	0103001-001/5-1	Brigantine City	\$100,000
47		TOTAL	\$100,000

1 (2) The loan authorized in this subsection shall be made for the
 2 difference between the allowable loan amount required by this project
 3 based upon final building costs pursuant to subsection a. of section 7
 4 of this act and the loan amount certified by the commissioner in State
 5 fiscal year 2000, and for increased allowable costs as defined and
 6 determined in accordance with the rules and regulations adopted by
 7 the department pursuant to section 5 of P.L.1981, c.261. The loan
 8 authorized in this subsection shall be made to or on behalf of the
 9 project sponsor listed, up to the individual amount indicated and in the
 10 priority stated, to the extent sufficient funds are available, except as
 11 the project fails to meet the requirements of section 4 of this act.

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

15
 16 3. a. The following environmental infrastructure projects shall be
 17 known and may be cited as the "State Fiscal Year 2002 Clean Water
 18 Project Priority List":

19	20 Project Number	21 Project Sponsor	22 Estimated
23			24 Allowable
			25 Loan Amount
26	488-03	Hopatcong Borough	\$2,800,000
27	701-03	West Milford Township MUA	\$ 850,000
28	928-02	Jersey City MUA	\$8,150,000
29	942-03	Elizabeth City	\$4,550,000
30	750-05	Ocean Township SA	\$4,300,000
31	362-03	Harrison Township (Gloucester)	\$2,050,000
32	372-24	Ocean County UA	\$5,600,000
33	639-03	Ridgewood Village	\$10,150,000
34	680-06	Middlesex County UA	\$17,700,000
35	2007-01/2	Burlington County	
36		Board of Chosen Freeholders	\$9,750,000
37	3004-01	Mercer County	\$1,900,000
38	322-02	Passaic Valley Water Commission	\$5,600,000
39	526-07	Gloucester County UA	\$2,350,000
40	3027-01	Edison Township	\$11,900,000
41	3010-01	Brick Township	\$3,450,000
42	3017-01	Franklin Township (Somerset)	\$ 400,000
43	2003-01	Evesham Township	\$1,750,000
44	3023-01	Evesham Township	\$4,550,000
45	3006-01	Bridgewater Township	\$1,000,000
46	895-06	Winslow Township (Albion Area)	\$1,950,000
	3002-01	Roxbury Township	\$ 450,000
	3005-01	West Windsor Township	\$2,200,000

1	3030-01	Montville Township	\$2,100,000
2	3034-01	Readington Township	\$ 800,000
3	3008-01	Princeton Township	\$1,000,000
4	3003-01	Hanover Township	\$1,150,000
5	3028-01	Holmdel Township	\$2,100,000
6	3012-01	Clinton Township	\$13,450,000
7	3020-01	Washington Township (Mercer)	\$1,450,000
8	3033-01	Edgewater Borough	\$ 300,000
9	3026-01	Eastampton Township	\$6,000,000
10	3013-01	Allamuchy Township	\$4,500,000
11	875-01	Voorhees Township	\$2,950,000
12	2001-01	Atlantic County UA	\$3,400,000
13	2008-02	Sussex County MUA	\$3,200,000
14	641-01	Camden City	\$6,650,000
15	399-25	Bayonne MUA	\$1,800,000
16	448-04	Brick Township MUA	\$1,600,000
17	364-02	Gloucester Township MUA	\$1,200,000
18	293-01	Union Township	\$ 150,000
19	259-03	Kearny MUA	\$ 750,000
20	550-04	Cumberland County UA	\$1,100,000
21	545-04	Glassboro Borough	\$1,900,000
22	291-02	Collingswood Borough	\$ 700,000
23	385-02	Berkeley Heights Township	\$1,000,000
24	958-03	Gloucester City	\$ 800,000
25	163-01	Waterford Township MUA	\$1,000,000
26	827-01	Brigantine City	\$ 650,000
27	967-04	Matawan Borough	\$1,400,000
28	666-02	Margate City	\$ 350,000
29	944-02	Chesterfield Township	\$3,000,000
30	258-02	Cape May City	\$ 300,000
31	375-01	Hainesport Township	\$7,250,000
32	366-04	Camden City	\$2,450,000
33	437-11	New Brunswick City	\$2,350,000
34	649-03	Pemberton Township	\$ 400,000
35	870-03	Pennsville Township	\$1,000,000
36	161-01	Lumberton Township	\$1,800,000
37	827-02	Brigantine City	\$ 200,000
38		TOTAL	\$185,600,000

39

40 b. The following environmental infrastructure projects shall be
41 known and may be cited as the "State Fiscal Year 2002 Drinking
42 Water Project Priority List":

	Project Number	Project Sponsor	Estimated Allowable Loan Amount
1			
2			
3			
4			
5	0601001-001	Bridgeton City	\$ 950,000
6	0705001-001	East Orange City	\$4,800,000
7	0408001-003	Camden City	\$3,400,000
8	0613001-001	Seabrook Water Corp.	\$ 550,000
9	0435003-004	Waterford Township MUA	\$1,200,000
10	0604001-002/4	Middlesex Water Company	
11		(Bayview Water Company)	\$ 900,000
12	0435003-003	Waterford Township MUA	\$ 950,000
13	1605002-005	Passaic Valley Water	
14		Commission	\$43,500,000
15	1707001-003	Pennsgrove Water	
16		Supply Company	\$ 350,000
17	0502001-003	Cape May City	\$ 250,000
18	0408001-012	Camden City	\$2,500,000
19	0822001-002	Woodbury City	\$1,600,000
20	1345001-002	New Jersey American Water	
21		Company - Monmouth	\$11,750,000
22	0424001-001	Merchantville-Pennsauken	
23		Water Commission	\$2,150,000
24	0704002-006	Essex County UA	\$1,350,000
25	0435003-002	Waterford Township MUA	\$ 700,000
26	1506001-001	Brick Township MUA	\$9,500,000
27	0116001-001	Margate City	\$ 200,000
28	1225001-006/7	Middlesex Water Company	\$2,550,000
29	1904001-001	Brookwood Musconetcong	
30		River POA	\$ 600,000
31	1429001-001	Parsippany-Troy Hills Township	\$ 350,000
32	0713001-005	Montclair Township	\$ 800,000
33	1615017-002	Wonder Lakes Properties, Inc.	\$ 100,000
34	1514001-003	New Jersey American Water	
35		Company - Lakewood	\$ 200,000
36	0508001-001	New Jersey American Water	
37		Company - Ocean City	\$ 100,000
38	0506010-001	New Jersey American Water	
39		Company - Neptune	\$ 50,000
40	2121001-001	New Jersey American Water	
41		Company - Washington (Warren)	\$ 50,000
42	0119002-002	New Jersey American Water	
43		Company - Atlantic	\$ 250,000
44	1533001-001	Barnegat Township	\$ 450,000
45	2103001-001	New Jersey American Water	
46		Company - Belvidere	\$ 50,000

1	1011001-001	New Jersey American Water	
2		Company - Frenchtown	\$ 50,000
3	0510001-001	Stone Harbor Borough	\$ 450,000
4	1429001-002	Parsippany-Troy Hills Township	\$ 600,000
5	1504001-002	Beachwood Borough	\$ 300,000
6	0327001-004	New Jersey American Water	
7		Company - Western Division	\$ 850,000
8	1208001-001	New Jersey American Water	
9		Company - Jamesburg	\$ 100,000
10	1345001-001	New Jersey American Water	
11		Company - Monmouth	\$ 850,000
12	0712001-002	New Jersey American Water	
13		Company - Short Hills	\$ 700,000
14	1502001-001	New Jersey American Water	
15		Company - Ocean County	\$ 250,000
16	1605001-001	New Jersey American Water	
17		Company - Little Falls	\$ 100,000
18	1502001-003	New Jersey American Water	
19		Company - Ocean County	\$ 450,000
20	0511001-001	New Jersey American Water	
21		Company - Strathmere	\$ 50,000
22	2004002-001	Watchung Borough	\$ 300,000
23	0720001-002	ECUA/Verona	\$ 950,000
24		TOTAL	\$98,150,000

25

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

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

32 b. The loan amount shall not exceed 50% of the allowable project
 33 cost of the environmental infrastructure facility;

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

36 d. The loan shall be conditioned upon approval of a loan from the
 37 New Jersey Environmental Infrastructure Trust pursuant to P.L.2001,
 38 c. (pending in the Legislature as Senate Bill No. of 2001 and
 39 Assembly Bill No. of 2001);

40 e. The loan shall be subject to any other terms and conditions as
 41 may be established by the commissioner and approved by the State
 42 Treasurer, which may include, notwithstanding any other provision of
 43 law to the contrary, subordination of a loan authorized in this act to
 44 loans made by the trust pursuant to P.L.2001, c. (pending in the
 45 Legislature as Senate Bill No. of 2001 and Assembly Bill No.
 46 of 2001) or to administrative fees payable to the trust pursuant to

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

2

3 5. The priority lists and authorization for the making of loans
4 pursuant to sections 2 and 3 of this act shall expire on July 1, 2002,
5 and any project sponsor which has not executed and delivered a loan
6 agreement with the department for a loan authorized in this act shall
7 no longer be entitled to that loan.

8

9 6. The Commissioner of Environmental Protection is authorized to
10 reduce or increase the individual amount of loan funds made available
11 to or on behalf of project sponsors pursuant to sections 2 and 3 of this
12 act based upon final building costs defined in and determined in
13 accordance with rules and regulations adopted by the commissioner
14 pursuant to section 4 of P.L.1985, c.329, section 11 of P.L.1977,
15 c.224 (C.58:12A-11) or section 5 of P.L.1981, c.261, provided that
16 the total loan amount does not exceed the original loan amount.

17

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

24

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

29

30 9. a. Prior to repayment to the "Wastewater Treatment Fund"
31 pursuant to the provisions of section 16 of P.L.1985, c.329, prior to
32 repayment to the "1992 Wastewater Treatment Fund" pursuant to the
33 provisions of section 28 of P.L.1992, c.88, prior to repayment to the
34 Drinking Water State Revolving Fund, prior to repayment to the
35 "Stormwater Management and Combined Sewer Overflow Abatement
36 Fund" pursuant to the provisions of section 15 of P.L.1989, c.181, or
37 prior to repayment to the "Water Supply Fund" pursuant to the
38 provisions of section 15 of P.L.1981, c.261, repayments of loans made
39 pursuant to these acts may be utilized by the New Jersey
40 Environmental Infrastructure Trust established pursuant to P.L.1985,
41 c.334 (C.58:11B-1 et seq.), as amended and supplemented by
42 P.L.1997, c.224, under terms and conditions established by the
43 commissioner and trust, and approved by the State Treasurer, and
44 consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et
45 seq.) and federal tax, environmental or securities law, to the extent
46 necessary to secure repayment of trust bonds issued to finance loans

1 approved pursuant to P.L.2001, c. (pending in the Legislature as
2 Senate Bill No. of 2001 and Assembly Bill No. of 2001), and to
3 secure the administrative fees payable to the trust pursuant to
4 subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5) by the
5 project sponsors receiving trust loans.

6 b. Prior to repayment to the "Wastewater Treatment Fund"
7 pursuant to the provisions of section 16 of P.L.1985, c.329, prior to
8 repayment to the "1992 Wastewater Treatment Fund" pursuant to the
9 provisions of section 28 of P.L.1992, c.88, prior to repayment to the
10 Drinking Water State Revolving Fund or prior to repayment to the
11 "Stormwater Management and Combined Sewer Overflow Abatement
12 Fund" pursuant to the provisions of section 15 of P.L.1989, c.181, the
13 trust is further authorized to utilize repayments of loans made pursuant
14 to P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38,
15 P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85,
16 P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92 or
17 P.L.2001, c. (pending in the Legislature as Senate Bill No. of
18 2001 and Assembly Bill No. of 2001) to secure repayment of trust
19 bonds issued to finance loans approved pursuant to P.L.1995, c.218,
20 P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85, P.L.1999, c.173,
21 P.L.2000, c.93 or P.L.2001, c. (pending in the Legislature as Senate
22 Bill No. of 2001 and Assembly Bill No. of 2001), and to secure
23 the administrative fees payable to the trust under these loans pursuant
24 to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5).

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

33

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

38

39 11. There is appropriated to the New Jersey Environmental
40 Infrastructure Trust established pursuant to P.L.1985, c.334
41 (C.58:11B-1 et seq.) from repayments of loans deposited in any
42 account, including the Clean Water State Revolving Fund Accounts
43 contained within the "Wastewater Treatment Fund," the "1992
44 Wastewater Treatment Fund," the "Water Supply Fund," the
45 "Stormwater Management and Combined Sewer Overflow Abatement
46 Fund," or the Drinking Water State Revolving Fund, as appropriate,

1 and from any net earnings received from the investment and
2 reinvestment of such deposits, such sums as the chairman of the trust
3 shall certify to the Commissioner of Environmental Protection to be
4 necessary and appropriate for deposit into one or more reserve funds
5 established by the trust pursuant to section 11 of P.L.1985, c.334
6 (C.58:11B-11).

7
8 12. There is appropriated to the New Jersey Environmental
9 Infrastructure Trust established pursuant to P.L.1985, c.334
10 (C.58:11B-1 et seq.) from repayments of loans deposited in any
11 account, including the Clean Water State Revolving Fund Accounts
12 contained within the "Wastewater Treatment Fund," the "1992
13 Wastewater Treatment Fund," the "Water Supply Fund," the
14 "Stormwater Management and Combined Sewer Overflow Abatement
15 Fund," or the Drinking Water State Revolving Fund, as appropriate,
16 and from any net earnings received from the investment and
17 reinvestment of such deposits, the sum of \$50,000,000 to establish a
18 short-term or temporary revolving financing program pursuant to
19 subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9).

20
21 13. This act shall take effect immediately.

22
23
24 STATEMENT

25
26 This bill would appropriate certain federal and State moneys to the
27 Department of Environmental Protection (DEP) for the purpose of
28 implementing the 2001 New Jersey Environmental Infrastructure
29 Financing Program, which is expected to finance \$578 million in
30 environmental infrastructure projects for State Fiscal Year 2002.

31 Specifically, this bill would appropriate to the DEP moneys from
32 (1) the Clean Water State Revolving Fund Accounts established
33 pursuant to section 1 of P.L.1988, c.133 (and renamed pursuant to
34 section 2 of P.L.1998, c.84) an amount equal to the Federal fiscal year
35 2001 capitalization grant made available to the State pursuant to the
36 Federal Clean Water Act for clean water projects; (2) the Drinking
37 Water State Revolving Fund established pursuant to section 1 of
38 P.L.1998, c.84 an amount equal to the Federal fiscal year 2001
39 capitalization grant made available to the State pursuant to the Federal
40 Safe Drinking Water Act for drinking water projects; (3) the
41 unappropriated balances from the "Wastewater Treatment Fund"
42 established pursuant to section 15 of the "Wastewater Treatment Bond
43 Act of 1985," (P.L.1985, c.329); (4) the sum of \$5 million from the
44 "1992 Wastewater Treatment Fund" established pursuant to section 27
45 of the "Green Acres, Clean Water, Farmland and Historic Preservation
46 Bond Act of 1992," (P.L.1992, c.88); and (5) the sum of \$40 million

1 from the "Water Supply Fund" established pursuant to section 14 of
2 the "Water Supply Bond Act of 1981," (P.L.1981, c.261).

3 The bill would authorize the DEP to transfer from the Clean Water
4 State Revolving Fund Accounts to the Drinking Water State Revolving
5 Fund an amount up to the maximum amount authorized to be
6 transferred pursuant to the Federal Safe Drinking Water Act to meet
7 present and future needs for the financing of eligible drinking water
8 projects, and appropriate an amount equal to this maximum amount to
9 the DEP for those purposes.

10 The DEP would use the funds appropriated under this bill to make
11 zero interest loans to local governments and privately-owned water
12 companies (project sponsors) for up to 50% of eligible project costs
13 for (1) clean water projects included in the "State Fiscal Year 2002
14 Clean Water Project Priority List," and five supplemental zero interest
15 loans to project sponsors that had previously received a loan; and (2)
16 drinking water projects included in the "State Fiscal Year 2002
17 Drinking Water Project Priority List," and a supplemental loan to a
18 project sponsor that had received an earlier loan. The supplemental
19 loans constitute the difference between the allowable loan amounts
20 required by the project and the loan amounts certified by the
21 Commissioner of DEP in State FY 1996, 1998, 2000 and 2001,
22 respectively.

23 A companion bill, Senate Bill No. of 2001 and Assembly Bill No.
24 of 2001, would authorize the New Jersey Environmental Infrastructure
25 Trust to provide: (1) a total of \$5.1 million in supplemental loans to
26 project sponsors for existing clean water projects; (2) a \$100,000 loan
27 to a project sponsor for an existing drinking water project; (3) a total
28 of \$185,600,000 for loans to project sponsors identified on the State
29 FY 2002 Clean Water Project Priority List; and (4) a total of
30 \$98,150,000 for loans to project sponsors identified on the State FY
31 2002 Drinking Water Project Priority List, all for the remaining
32 allowable project costs.

33 New clean water projects that are eligible for financing in calendar
34 year 2001 have allowable costs totaling \$185.6 million, while
35 previously financed clean water projects that are eligible to receive
36 supplemental loans under the State FY 2002 Program total \$5.1
37 million. Clean water projects include wastewater treatment,
38 stormwater management system and nonpoint source pollution
39 projects. In addition, clean water projects include landfill closure and
40 new cell construction projects, land acquisition and well sealing
41 projects. Landfill closure projects include work relating to water
42 quality protection and nonpoint source pollution control measures at
43 municipal solid waste landfills, including the installation of leachate
44 collection, storage and treatment systems, side slope seepage
45 prevention and controls; the installation of active and passive gas
46 collection systems, monitoring wells and equipment, landfill

1 reclamation or reduction in lieu of landfill capping; stormwater runoff
2 controls; and placement of intermediate cover prior to final closure.

3 New drinking water projects that are eligible for financing in
4 calendar year 2001 have allowable costs totaling \$98,150,000 under
5 the State FY 2002 Program.

6 The State FY 2002 Program will finance drinking water projects
7 sponsored on or behalf of eligible municipalities, public authorities,
8 and private water purveyors.

9 The New Jersey Wastewater Treatment Financing Program has
10 been the primary source available for either federal or State funding to
11 assist eligible local governments to finance necessary wastewater
12 treatment (sewer) system upgrades. In 1985, the Legislature
13 established the New Jersey Wastewater Treatment Trust, a State
14 financing authority established pursuant to P.L.1985, c.334
15 (C.58:11B-1 et seq.), as the keystone of a financing mechanism for
16 funding the rehabilitation and construction of wastewater treatment
17 facilities.

18 In 1997, the Legislature revised the Trust's enabling legislation
19 pursuant to P.L.1997, c.224 to expand the role of the Trust to include
20 the financing of drinking water projects and clarified eligibility of
21 stormwater project financing. At the same time, the Legislature
22 enacted P.L.1997, c.223 and P.L.1997, c.225, which the voters
23 approved on November 4, 1997 as amendments to the "Water Supply
24 Bond Act of 1981" (P.L.1981, c.261) and the "Stormwater
25 Management and Combined Sewer Overflow Abatement Bond Act of
26 1989" (P.L.1989, c.181), respectively, to authorize the Trust to
27 leverage a portion of these bond moneys to finance drinking water and
28 stormwater management projects. These changes have resulted in a
29 consolidated approach to Federal and State clean water, drinking
30 water and stormwater management project financing known as the
31 New Jersey Environmental Infrastructure Financing Program.

32 The 2001 New Jersey Environmental Infrastructure Financing
33 Program comprises two complementary elements: the proceeds of
34 State general obligation bonds and federal capitalization grants
35 administered by the DEP, and the revenue bonds issued by the Trust.
36 The federal grant moneys for clean water projects are made available
37 under the Clean Water State Revolving Fund Program established
38 pursuant to the Federal Clean Water Act in 1987. The federal grant
39 moneys for drinking water projects are made available under the
40 Drinking Water State Revolving Fund Program established pursuant
41 to the Federal Safe Drinking Water Act in 1996.

42 To qualify for receipt of federal moneys under the 1987 Federal
43 Clean Water Act, a state must establish a revolving loan fund and
44 provide an annual 20 percent State-match to those moneys. All federal
45 moneys received by the State for wastewater treatment system project
46 financing are deposited in the Clean Water State Revolving Fund

1 Accounts contained within the "Wastewater Treatment Fund," a
2 revolving loan fund established pursuant to the \$190 million
3 "Wastewater Treatment Bond Act of 1985," P.L.1985, c.329 and
4 administered by the DEP. In past years, the State has met the match
5 requirement entirely through conventional appropriations from the
6 General Fund or from a combination of a General Fund appropriation
7 and by pledging loan repayment moneys from previous project loans
8 made from the "Wastewater Treatment Bond Act of 1985." The 20%
9 match for State Fiscal Year 2002 is expected to be provided entirely
10 from loan repayments of older wastewater treatment system projects
11 funded from the "Wastewater Treatment Bond Act of 1985" during the
12 past decade.

13 To qualify for receipt of federal moneys under the 1996 Federal
14 Safe Drinking Water Act, a state must establish a revolving loan fund
15 and provide an annual 20 percent State-match to those moneys. All
16 federal moneys received by the State for drinking water project
17 financing will be deposited in the Drinking Water State Revolving
18 Fund established pursuant to section 1 of P.L.1998, c.84. The 20%
19 match for State Fiscal Year 2002 is expected to be provided either
20 entirely through conventional appropriations from the General Fund
21 or from a combination of a General Fund appropriation and moneys
22 made available under the "Water Supply Bond Act of 1981"
23 (P.L.1981, c.261) from previous water supply project loans made from
24 the "Water Supply Fund" established pursuant to P.L.1981, c.261.

25 Section 6 a. of the "Wastewater Treatment Bond Act of 1985"
26 (P.L.1985, c.329) allocated \$150 million to the DEP for zero interest
27 loans to local governments for wastewater treatment system projects.
28 Section 6 b. allocated \$40 million to the Trust to establish a reserve
29 account for loans made by the Trust, and a guarantee account to
30 secure debt issued by local governments in connection with the
31 financing of a project. The Legislature enacted P.L.1987, c.198,
32 which appropriated the \$40 million to the Trust for these purposes.

33 The "Wastewater Treatment Fund" established pursuant to section
34 15 of P.L.1985, c.329 provides moneys to the DEP for zero interest
35 loans to local governments for up to 50% of eligible project costs for
36 wastewater treatment system projects included on the Clean Water
37 Project Priority List. The Trust revenue bonds provide moneys for
38 low interest (at or below market-rate) loans to local governments for
39 the remaining portion of allowable project costs. By matching the
40 loans made by the DEP, the Trust nearly doubles the amount of money
41 available for clean water and drinking water projects. Since the
42 combined money is provided at half the typical market interest rate,
43 the New Jersey Environmental Infrastructure Financing Program
44 reduces the costs to a local government that must be passed on to the
45 project's users. By funding wastewater treatment system (clean water)
46 projects through the Program, participating local governments have

1 realized savings of between 25% - 30% on the financing of total
2 eligible project costs over what it would have cost to secure individual
3 financing.

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

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

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

23 The renamed New Jersey Environmental Infrastructure Financing
24 Program has completed fourteen annual financing cycles and financed
25 271 clean water and drinking water projects totaling more than \$1.8
26 billion throughout the State. To date, 158 projects have been
27 completed totaling \$1.1 billion. Between 1987 and 2000 the DEP and
28 the Trust have utilized moneys from the following sources: federal
29 capitalization grants made available under the Federal Clean Water Act
30 of 1987; federal capitalization grants made available under the 1996
31 Federal Safe Drinking Water Act; State loans from the moneys made
32 available from the "Water Supply Fund" established pursuant to
33 section 14 of the "Water Supply Bond Act of 1981," (P.L.1981,
34 c.261), as amended by P.L.1983, c.355 and P.L.1997, c.223; State
35 loans from the moneys made available from the "Wastewater
36 Treatment Fund" established pursuant to section 15 of the
37 "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329); State
38 loans from the moneys made available from the "1992 Wastewater
39 Treatment Fund" established pursuant to section 27 of the "Green
40 Acres, Clean Water, Farmland and Historic Preservation Bond Act of
41 1992," (P.L.1992, c.88); State General Fund appropriations, loan
42 repayments, and the unexpended balances of leftover or "de-obligated"
43 loan moneys from wastewater treatment system project loans made in
44 prior years.

45 Under this bill, in conjunction with Senate Bill No. of 2001 and
46 Assembly Bill No. of 2001, the 2001 New Jersey Environmental

1 Infrastructure Financing Program would finance \$578 million in
2 environmental infrastructure projects for State Fiscal Year 2002.

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7 Appropriates funds to DEP for environmental infrastructure projects.

CHAPTER 222

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

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

1. a. (1) There is appropriated to the Department of Environmental Protection from the Clean Water Fund - State Revolving Fund Accounts (hereinafter referred to as the "Clean Water State Revolving Fund Accounts") an amount equal to the Federal fiscal year 2001 capitalization grant made available to the State for clean water projects pursuant to the "Water Quality Act of 1987" (33 U.S.C. §1251 et seq.), and any amendatory and supplementary acts thereto (hereinafter referred to as the "Federal Clean Water Act").

(2) There is appropriated to the Department of Environmental Protection from the Drinking Water State Revolving Fund an amount equal to the Federal fiscal year 2001 capitalization grant made available to the State for drinking water projects pursuant to the "Safe Drinking Water Act Amendments of 1996" Pub.L.104-182, and any amendatory and supplementary acts thereto (hereinafter referred to as the "Federal Safe Drinking Water Act").

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

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

(4) There is appropriated to the Department of Environmental Protection the sum of \$5,000,000 from the "1992 Wastewater Treatment Fund" established pursuant to section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," (P.L.1992, c.88).

(5) There is appropriated to the Department of Environmental Protection the sum of \$40,000,000 from the "Water Supply Fund" established pursuant to section 14 of the "Water Supply Bond Act of 1981," (P.L.1981, c.261), as amended by P.L.1983, c.355 and amended and supplemented by P.L.1997, c.223.

Any such amounts shall be for the purpose of making zero interest loans, to the extent sufficient funds are available, to or on behalf of local government units or public water utilities (hereinafter referred to as "project sponsors") to finance a portion of the cost of construction of clean water projects and drinking water projects listed in sections 2 and 3 of this act, and for the purpose of implementing and administering the provisions of this act, to the extent permitted by the "Water Quality Act of 1987" (33 U.S.C. §1251 et seq.), the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329), the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992" (P.L.1992, c.88), the "Water Supply Bond Act of 1981," (P.L.1981, c.261), the "Stormwater Management and Combined Sewer Overflow Abatement Bond Act of 1989" (P.L.1989, c.181), the Federal Safe Drinking Water Act, and any amendatory and supplementary acts thereto, and State law.

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

c. The department is authorized to make zero interest loans to or on behalf of the project sponsors for the environmental infrastructure projects listed in sections 2 and 3 of this act under the same terms, conditions and requirements as set forth in this section from any unexpended balances of the amounts appropriated pursuant to section 1 of P.L.1987, c.200, section 2 of P.L.1988, c.133, section 1 of P.L.1989, c.189, section 1 of P.L.1990, c.99, section 1 of

P.L.1991, c.325, section 1 of P.L.1992, c.38, section 1 of P.L.1993, c.193, section 1 of P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1 of P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of P.L.1998, c.84, section 2 of P.L.1999, c.174, or section 2 of P.L.2000, c.92, including amounts resulting from the final building cost reductions authorized pursuant to section 6 of P.L.1987, c.200, section 7 of P.L.1988, c.133, section 6 of P.L.1989, c.189, section 6 of P.L.1990, c.99, section 6 of P.L.1991, c.325, section 6 of P.L.1992, c.38, section 6 of P.L.1993, c.193, section 6 of P.L.1994, c.106, section 6 of P.L.1995, c.219, section 6 of P.L.1996, c.85, section 6 of P.L.1997, c.221, section 7 of P.L.1998, c.84, section 6 of P.L.1999, c.174 and section 6 of P.L.2000, c.92, and from any repayments of loans from the "Water Supply Fund," and from any repayments of loans from the "Wastewater Treatment Fund," the "1992 Wastewater Treatment Fund," or amounts deposited therein during State fiscal year 2001 pursuant to the provisions of section 16 of P.L.1985, c.329, including any Clean Water State Revolving Fund Accounts contained within the "Wastewater Treatment Fund," and from any repayment of loans from the Drinking Water State Revolving Fund.

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

Project Number	Project Sponsor	Estimated Allowable Loan Amount
809-03/4-1	Atlantic County UA	\$2,350,000
809-07-1	Atlantic County UA	\$ 500,000
287-01-1	Oaklyn Borough	\$ 150,000
839-02-1	Franklin Township SA	\$1,600,000
118-02-1	Keansburg Borough	\$ 500,000
	TOTAL	\$5,100,000

(2) The loans authorized in this subsection shall be made for the difference between the allowable loan amounts required by these projects based upon final building costs pursuant to section 6 of this act and the loan amounts certified by the commissioner in State fiscal years 1996, 1998, 2000 and 2001 and for increased allowable costs as defined and determined in accordance with the rules and regulations adopted by the department pursuant to section 4 of P.L.1985, c.329. The loans authorized in this subsection shall be made to or on behalf of the project sponsors listed, up to the individual amount indicated and in the priority stated, to the extent sufficient funds are available, except as any project fails to meet the requirements of section 4 of this act.

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

b. (1) The department is authorized to expend funds for the purpose of making a supplemental loan to or on behalf of the project sponsor listed below for the following environmental infrastructure project:

Project Number	Project Sponsor	Estimated Allowable Loan Amount
0103001-001/5-1	Brigantine City	\$100,000
	TOTAL	\$100,000

(2) The loan authorized in this subsection shall be made for the difference between the allowable loan amount required by this project based upon final building costs pursuant to subsection a. of section 7 of this act and the loan amount certified by the commissioner in State fiscal year 2000, and for increased allowable costs as defined and determined in accordance with the rules and regulations adopted by the department pursuant to section 5 of P.L.1981, c.261. The loan authorized in this subsection shall be made to or on behalf of the project sponsor listed,

up to the individual amount indicated and in the priority stated, to the extent sufficient funds are available, except as the project fails to meet the requirements of section 4 of this act.

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

3. a. The following environmental infrastructure projects shall be known and may be cited as the "State Fiscal Year 2002 Clean Water Project Priority List":

Project Number	Project Sponsor	Estimated Allowable Loan Amount
488-03	Hopatcong Borough	\$2,800,000
701-03	West Milford Township MUA	\$850,000
928-02	Jersey City MUA	\$8,150,000
942-03	Elizabeth City	\$4,550,000
750-05	Ocean Township SA	\$4,300,000
362-03	Harrison Township (Gloucester)	\$2,050,000
372-24	Ocean County UA	\$5,600,000
639-03	Ridgewood Village	\$10,150,000
680-06	Middlesex County UA	\$17,700,000
2007-01/2	Burlington County Board of Chosen Freeholders	\$9,750,000
3004-01	Mercer County	\$1,900,000
322-02	Passaic Valley Water Commission	\$5,600,000
526-07	Gloucester County UA	\$2,350,000
3027-01	Edison Township	\$11,900,000
3010-01	Brick Township	\$3,450,000
3017-01	Franklin Township (Somerset)	\$400,000
2003-01	Evesham Township	\$1,750,000
3023-01	Evesham Township	\$4,550,000
3006-01	Bridgewater Township	\$1,000,000
895-06	Winslow Township (Albion Area)	\$1,950,000
3002-01	Roxbury Township	\$450,000
3005-01	West Windsor Township	\$2,200,000
3030-01	Montville Township	\$2,100,000
3034-01	Readington Township	\$800,000
3008-01	Princeton Township	\$1,000,000
3003-01	Hanover Township	\$1,150,000
3028-01	Holmdel Township	\$2,100,000
3012-01	Clinton Township	\$13,450,000
3020-01	Washington Township (Mercer)	\$1,450,000
3033-01	Edgewater Borough	\$300,000
3026-01	Eastampton Township	\$6,000,000
3013-01	Allamuchy Township	\$4,500,000
875-01	Voorhees Township	\$2,950,000
2001-01	Atlantic County UA	\$3,400,000
2008-02	Sussex County MUA	\$3,200,000
641-01	Camden City	\$6,650,000
399-25	Bayonne MUA	\$1,800,000
448-04	Brick Township MUA	\$1,600,000
364-02	Gloucester Township MUA	\$1,200,000
293-01	Union Township	\$150,000
259-03	Kearny MUA	\$750,000
550-04	Cumberland County UA	\$1,100,000
545-04	Glassboro Borough	\$1,900,000
291-02	Collingswood Borough	\$700,000
385-02	Berkeley Heights Township	\$1,000,000
958-03	Gloucester City	\$800,000
163-01	Waterford Township MUA	\$1,000,000
827-01	Brigantine City	\$650,000
967-04	Matawan Borough	\$1,400,000
666-02	Margate City	\$350,000
944-02	Chesterfield Township	\$3,000,000
258-02	Cape May City	\$300,000

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375-01	Hainesport Township	\$7,250,000
366-04	Camden City	\$2,450,000
437-11	New Brunswick City	\$2,350,000
649-03	Pemberton Township	\$400,000
870-03	Pennsville Township	\$1,000,000
161-01	Lumberton Township	\$1,800,000
827-02	Brigantine City	\$200,000
	TOTAL	\$185,600,000

b. The following environmental infrastructure projects shall be known and may be cited as the "State Fiscal Year 2002 Drinking Water Project Priority List":

Project Number	Project Sponsor	Estimated Allowable Loan Amount
0601001-001	Bridgeton City	\$950,000
0705001-001	East Orange City	\$4,800,000
0408001-003	Camden City	\$3,400,000
0613001-001	Seabrook Water Corp.	\$550,000
0435003-004	Waterford Township MUA	\$1,200,000
0604001-002/4	Middlesex Water Company (Bayview Water Company)	\$900,000
0435003-003	Waterford Township MUA	\$950,000
1605002-005	Passaic Valley Water Commission	\$43,500,000
1707001-003	Pennsgrove Water Supply Company	\$350,000
0502001-003	Cape May City	\$250,000
0408001-012	Camden City	\$2,500,000
0822001-002	Woodbury City	\$1,600,000
1345001-002	New Jersey American Water Company - Monmouth	\$11,750,000
0424001-001	Merchantville-Pennsauken Water Commission	\$2,150,000
0704002-006	Essex County UA	\$1,350,000
0435003-002	Waterford Township MUA	\$700,000
1506001-001	Brick Township MUA	\$9,500,000
0116001-001	Margate City	\$200,000
1225001-006/7	Middlesex Water Company	\$2,550,000
1904001-001	Brookwood Musconetcong River POA	\$600,000
1429001-001	Parsippany-Troy Hills Township	\$350,000
0713001-005	Montclair Township	\$800,000
1615017-002	Wonder Lakes Properties, Inc.	\$100,000
1514001-003	New Jersey American Water Company - Lakewood	\$200,000
0508001-001	New Jersey American Water Company - Ocean City	\$100,000
0506010-001	New Jersey American Water Company - Neptune	\$50,000
2121001-001	New Jersey American Water Company - Washington (Warren)	\$50,000
0119002-002	New Jersey American Water Company - Atlantic	\$250,000
1533001-001	Barnegat Township	\$450,000
2103001-001	New Jersey American Water Company - Belvidere	\$50,000
1011001-001	New Jersey American Water Company - Frenchtown	\$50,000
0510001-001	Stone Harbor Borough	\$450,000
1429001-002	Parsippany-Troy Hills Township	\$600,000
1504001-002	Beachwood Borough	\$300,000
0327001-004	New Jersey American Water Company - Western Division	\$850,000
1208001-001	New Jersey American Water	

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1345001-001	Company - Jamesburg New Jersey American Water	\$100,000
0712001-002	Company - Monmouth New Jersey American Water	\$850,000
1502001-001	Company - Short Hills New Jersey American Water	\$700,000
1605001-001	Company - Ocean County New Jersey American Water	\$250,000
1502001-003	Company - Little Falls New Jersey American Water	\$100,000
0511001-001	Company - Ocean County New Jersey American Water	\$450,000
2004002-001	Company - Strathmere Watchung Borough	\$50,000
0720001-002	ECUA/Verona	\$300,000
	TOTAL	\$950,000
		\$98,150,000

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

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

b. The loan amount shall not exceed 50% of the allowable project cost of the environmental infrastructure facility;

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

d. The loan shall be conditioned upon approval of a loan from the New Jersey Environmental Infrastructure Trust pursuant to P.L.2001, c.224;

e. The loan shall be subject to any other terms and conditions as may be established by the commissioner and approved by the State Treasurer, which may include, notwithstanding any other provision of law to the contrary, subordination of a loan authorized in this act to loans made by the trust pursuant to P.L.2001, c.224 or to administrative fees payable to the trust pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5).

5. The priority lists and authorization for the making of loans pursuant to sections 2 and 3 of this act shall expire on July 1, 2002, and any project sponsor which has not executed and delivered a loan agreement with the department for a loan authorized in this act shall no longer be entitled to that loan.

6. The Commissioner of Environmental Protection is authorized to reduce or increase the individual amount of loan funds made available to or on behalf of project sponsors pursuant to sections 2 and 3 of this act based upon final building costs defined in and determined in accordance with rules and regulations adopted by the commissioner pursuant to section 4 of P.L.1985, c.329, section 11 of P.L.1977, c.224 (C.58:12A-11) or section 5 of P.L.1981, c.261, provided that the total loan amount does not exceed the original loan amount.

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

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

9. a. Prior to repayment to the "Wastewater Treatment Fund" pursuant to the provisions of section 16 of P.L.1985, c.329, prior to repayment to the "1992 Wastewater Treatment Fund" pursuant to the provisions of section 28 of P.L.1992, c.88, prior to repayment to the Drinking

Water State Revolving Fund, prior to repayment to the "Stormwater Management and Combined Sewer Overflow Abatement Fund" pursuant to the provisions of section 15 of P.L.1989, c.181, or prior to repayment to the "Water Supply Fund" pursuant to the provisions of section 15 of P.L.1981, c.261, repayments of loans made pursuant to these acts may be utilized by the New Jersey Environmental Infrastructure Trust established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), as amended and supplemented by P.L.1997, c.224, under terms and conditions established by the commissioner and trust, and approved by the State Treasurer, and consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) and federal tax, environmental or securities law, to the extent necessary to secure repayment of trust bonds issued to finance loans approved pursuant to P.L.2001, c.224, and to secure the administrative fees payable to the trust pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5) by the project sponsors receiving trust loans.

b. Prior to repayment to the "Wastewater Treatment Fund" pursuant to the provisions of section 16 of P.L.1985, c.329, prior to repayment to the "1992 Wastewater Treatment Fund" pursuant to the provisions of section 28 of P.L.1992, c.88, prior to repayment to the Drinking Water State Revolving Fund or prior to repayment to the "Stormwater Management and Combined Sewer Overflow Abatement Fund" pursuant to the provisions of section 15 of P.L.1989, c.181, the trust is further authorized to utilize repayments of loans made pursuant to P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38, P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85, P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92 or P.L.2001, c.222 to secure repayment of trust bonds issued to finance loans approved pursuant to P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85, P.L.1999, c.173, P.L.2000, c.93 or P.L.2001, c.224, and to secure the administrative fees payable to the trust under these loans pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5).

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

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

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

12. There is appropriated to the New Jersey Environmental Infrastructure Trust established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) from repayments of loans deposited in any account, including the Clean Water State Revolving Fund Accounts contained within the "Wastewater Treatment Fund," the "1992 Wastewater Treatment Fund," the "Water Supply Fund," the "Stormwater Management and Combined Sewer Overflow Abatement Fund," or the Drinking Water State Revolving Fund, as appropriate, and from any net earnings received from the investment and reinvestment of such deposits, the sum of \$50,000,000 to establish a short-term or temporary revolving financing program pursuant to subsection d. of section 9 of

P.L.1985, c.334 (C.58:11B-9).

13. This act shall take effect immediately.

Approved August 24, 2001.