



## State of New Jersey

JON S. CORZINE  
Governor

DEPARTMENT OF ENVIRONMENTAL PROTECTION

MARK N. MAURIELLO  
Acting Commissioner

# **NOTICE OF PUBLIC HEARING/COMMENT PERIOD REGARDING PROPOSED AMENDMENTS TO THE FFY2009 CLEAN WATER PRIORITY SYSTEM/INTENDED USE PLAN AND THE PROPOSED INTENDED USE PLAN FOR THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 CLEAN WATER FINANCING PROGRAM STATE REVOLVING FUND (SRF)**

May 5, 2009

The Department of Environmental Protection (Department) has completed the development of amendments to the FFY2009 Clean Water Priority System/Intended Use Plan documents to establish funding policies and the program schedule to administer the Environmental Infrastructure Financing Program in conjunction with the new requirements and additional monies made available to the State's Clean Water SRF Program through the American Recovery and Reinvestment Act of 2009 (ARRA).

On December 18, 2008, the Department and the New Jersey Environmental Infrastructure Trust (Trust) issued a "Call for Projects" to begin to solicit interest from project sponsors that would be in a position to enter into loan agreements and begin construction in a timely manner. As a result, the CWSRF program has identified over \$1.5 billion in eligible projects that could be ready to proceed to construction within the timeframes established by the ARRA. While the number of requests for funding was overwhelming, the amount of federal monies allocated to the State's CWSRF (\$160,146,855) are simply insufficient to provide financing to all projects.

Projects that qualify for ARRA funding are eligible to receive a principal forgiveness loan for 50% of the allowable project costs, an interest-free loan for 25% of the allowable project costs and a market-rate loan from the Trust, subject to certain limits as further defined in the proposal.

The federal ARRA funding is intended to accelerate the construction of environmental infrastructure projects, create jobs and stimulate economic activity. In order to supplement the goals of the ARRA at the State level, Governor Corzine directed the Department to modify the traditional financing structure for the 2009 Program to provide additional incentives for project sponsors to pursue investments in environmental infrastructure projects that can be implemented and are ready to begin construction. As a result of this directive, the traditional financing structure allows all projects (except supplemental loans and land acquisition projects) that are certified in SFY2010 to qualify for an interest-free loan from the Department for up to 75% of the allowable project costs and a market rate loan from the New Jersey Environmental Infrastructure Trust (Trust) for the remaining allowable costs. Under this new structure, the

Program will be providing loans to project sponsors at the lowest interest rate in its 22-year history.

Projects participating in the FFY2009/SFY2010 Financing Program qualify for funding from the ARRA Program, or the traditional Financing Program (as modified above) based upon project complexity, readiness-to-proceed to construction, project rank and project type. Additional details regarding the changes to the FFY2009 Priority System/Intended Use Plan and the method that will be used to prioritize projects for ARRA funding is included in the proposal document.

In addition, the proposal includes information on a new Planning Loan Sub-Program to help project sponsors pay for the planning and design activities to qualify for the 2009 Financing Program. For clean water projects, CWSRF funds will be the primary source of monies for this purpose. Additional details regarding the Planning Loan Sub-Program are identified in the proposal and on the Trust website at <http://www.njeit.org/forms.htm>.

A complete copy of the proposal document and project list are available on the Department's website at <http://www.nj.gov/dep/dwq/cwpl.htm>. Copies can also be mailed to those individuals that prefer to receive a hard copy by contacting Scott Shymon, Supervisor, Office of Program Development at 609-633-1208.

**The public hearing regarding Drinking Water and Clean Water Priority System/Intended Use Plan Proposal the will be held on May 18, 2009 in the Public Hearing Room on the First Floor of the DEP Building located at 401 East State Street, Trenton, New Jersey. The hearing will commence at 10:00 a.m., and conclude at 1:00 p.m., or the end of testimony, whichever is earlier.**

Presentations may be made orally or in writing; if written testimony is prepared, the oral presentation should be limited to a summary of the text. The period for submitting written comments on this proposal will close on June 1, 2009 (all comments must be postmarked by that date). All comments submitted in accordance with the deadline will be considered in the preparation of the final FFY2009 Priority System documents for the 2009 ARRA Program.

Written comments on the Clean Water proposal should be submitted by June 1, 2009 to:

NJ Department of Environmental Protection  
Stanley V. Cach, Jr., Assistant Director  
Municipal Finance and Construction Element  
P.O. Box 425  
Trenton, NJ, 08625-0425

If you have any questions regarding the Clean Water proposal, please contact one of the following:  
Stanley V. Cach, Jr., Assistant Director 609-292-8961  
Gautam Patel, Chief, Bureau of Finance and Construction Permits 609-984-6840  
Eugene Chebra, Chief, Bureau of Administration and Management 609-633-1208

Thank you for your anticipated input on this proposal document.