UNLOCKING GREEN INFRASTRUCTURE FINANCING

AN APPLICANT'S GUIDE TO OBTAINING WATER BANK FUNDING FOR GREEN INFRASTRUCTURE PROJECTS

July 16, 2018

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CONTENTS

ACRONYMS

BMP	Best Management Practices (for Stormwater)
CAFRA	Coastal Area Facility Review Act
CLP	Construction Loan Program loan
CSO	Combined Sewer Overflow
CSS	Combined Sewer System
CWSRF	Clean Water State Revolving Fund
DWSRF	Drinking Water State Revolving Fund
EPA	United States Environmental Protection Agency
IUP	Intended Use Plan
GI	Green Infrastructure
HDSRF	Hazardous Discharge Site Remediation Fund
N.J.A.C.	New Jersey Administrative Code
N.J.S.A	New Jersey Statutes Annotated
NJDEP or DEP	New Jersey Department of Environmental Protection
NJEIT	New Jersey Environmental Infrastructure Trust
NJEIFP	New Jersey Environmental Infrastructure Financing Program (now the Water Bank)
NJIB or I-Bank	New Jersey Infrastructure Bank
NRSRO	Nationally Recognized Statistical Rating Organization (NRSRO)
PS	Priority System
SAIL	Statewide Assistance Infrastructure Loan
SFY	State Fiscal Year
USACE	United States Army Corps of Engineers
WISE Act	Water Infrastructure Savings Enabling Act

OVERVIEW

This ***Applicant's Guide*** is intended for any municipality, utility authority or other eligible entity with an interest in obtaining financing for green infrastructure projects from the New Jersey Water Bank[1]. It offers a "roadmap" for applicants by providing information in one place regarding what is involved in getting from an initial funding query through to final construction dollars. The *Applicant's Guide* may also be helpful for entities interested in financing traditional gray infrastructure projects. Other critical resources for developing a funding application include the Water Bank website, the current year's Intended Use Plan, and DEP's Stormwater Best Practices Manual (BMP), all of which are linked in the FAQs section below.

The Applicant's Guide

- provides an overview of financing available from the Water Bank for green infrastructure;
- clarifies the sequence of required application activities, and
- defines the standards that must be met at each step along the way.

Since issuing the first loan in 1987, the New Jersey Water Bank ("Water Bank"), has been jointly funded and managed by the New Jersey Department of Environmental Protection ("DEP") and the New Jersey Infrastructure Bank ("I-Bank") and the. The Water Bank provides low-cost financing for environmental infrastructure projects, including green infrastructure projects.

The Water Bank leverages and lends Federal and State Revolving Funds at 0% interest with publicly issued bonds to provide low interest rate loans for the planning, design and construction of clean water infrastructure projects and purchase of related equipment.

THE GOAL OF THE WATER BANK IS TO PROVIDE FUNDING TO NEEDED, CONSTRUCTION-READY WATER QUALITY IMPROVEMENT PROJECTS TO QUALIFIED BORROWERS.

The Water Bank is an excellent source of funding for green infrastructure projects in New Jersey: the program awarded over $10 million for green infrastructure projects throughout the State in FY15 through FY17 alone. Combined Sewer Overflow (CSO) communities are eligible to receive principal forgiveness, a grant-like financing incentive, to fund a portion of green infrastructure stormwater management projects.

According to the U.S. EPA, "Green infrastructure practices mimic natural hydrologic processes to reduce the quantity and/or rate of stormwater flows into the combined sewer system (CSS). By controlling stormwater runoff through the processes of infiltration, evapotranspiration, and capture and use (rainwater harvesting), green infrastructure can help keep stormwater out of the

[1] Prior to 2018, the New Jersey Water Bank was known as the New Jersey Environmental Infrastructure Financing Program (NJEIFP), a joint financing program of the DEP and New Jersey Infrastructure Bank, (I-Bank) (f/k/a NJEIT).

CSS.[2] Similarly, the Water Bank states that, "effective use of green infrastructure is an important tool in a comprehensive approach to reducing the overflow of untreated wastewater from CSO outfalls." For these reasons, the Water Bank provides loans for the development and implementation of Long Term Control Plans and the design of the corresponding mitigation project(s) in CSO communities. These Planning and Design loans have historically been 100% interest free for terms of up to 10 years.

First-time applicants to the Water Bank are sometimes intimidated by the application process and requirements. The purpose of this Applicant's Guide is to provide a comprehensive guide to application requirements, so that applicants interested in seeking Water Bank financing in support of green infrastructure projects can develop a successful application.

GREEN INFRASTRUCTURE BASICS

According to the DEP, green infrastructure mimics natural processes, utilizing soils and vegetation to manage rainwater where it falls. By focusing on nonpoint source pollution and the environmental impact of land development, green infrastructure can complement, or be an effective alternative to, traditional "gray infrastructure" techniques in minimizing and preventing adverse stormwater runoff impacts. By contrast, according to the DEP, traditional, or "gray infrastructure," generally focuses on collecting rainwater and sending it downstream to ultimately be discharged into a waterway

Green infrastructure manages stormwater in two ways: by reducing the volume of runoff and by treating runoff. Municipalities and utilities can incorporate green infrastructure through investments such as tree plantings, green streets, community gardens, rain gardens, parking lot retrofits, and bioretention systems. For more information on individual green infrastructure practices, visit the links below:

- Rain Gardens and bioretention basins
- Cisterns
- Grass swales
- Green roofs
- Pervious pavement
- Street tree trench
- Rain barrels
- Riparian buffers
- Subsurface gravel wetlands

Green infrastructure practices to be incorporated into site design should be selected based on an evaluation of individual site characteristics and needs. While green infrastructure practices should be considered as part of development design, most can also be used as a retrofit option once a site has already been developed depending on the site conditions.

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[2] U.S. E.P.A., "Greening CSO Plans: Planning and Modeling Green Infrastructure for Combined Sewer Overflow (CSO) Control." March 2014. https://www.epa.gov/sites/production/files/2015-10/documents/greening_cso_plans_0.pdf

Additional information on these and other green infrastructure strategies, as well as guidance on stormwater management strategies, can be found in the New Jersey Stormwater Best Management Practices Manual (BMP manual). For information on the environmental, social and economic benefits of green infrastructure, please also see the Frequently Asked Questions section.

START HERE

ELIGIBLE APPLICANTS

Eligible borrowers for Water Bank financing are the following:

CLEAN WATER: Owners of publicly-owned treatment works (towns, boroughs, municipal utilities authorities, counties, regional water authorities, other local government units, etc.) with projects to improve water quality are eligible for the Water Bank financing.

Private entities, such as a developer, are eligible through public conduit borrowers.[3]

Private colleges and universities may also be eligible for funding for nonpoint source pollution projects to help address water quality concerns under the Clean Water State Revolving Fund (CWSRF).[4]

DRINKING WATER: Public community water systems, both privately -and publicly-owned, and nonprofit non-community water systems (as defined by the National Primary Drinking Water Regulations) are eligible for Water Bank financing under the Drinking Water State Revolving Fund (DWSRF). Public community water systems owned by water commissions, water supply authorities, and water districts are also eligible.

In order to be eligible, applicants must also satisfy the Water Bank's creditworthiness standards, which are discussed in greater detail below. One of the long-term goals of the Water Bank is to increase access to capital markets for applicants that find it difficult or expensive to borrow the project funds on their own, due to lower credit ratings or a lack of familiarity with debt financing. The Water Bank maintains creditworthiness standards, which applicants can satisfy by identifying which of the following scenarios applies to the specific application situation:

- ✓ If an applicant has an investment-grade rating from one of the following three (3) Nationally Recognized Statistical Rating Organization (NRSRO): Fitch Ratings, Inc., Moody's Investors Service, or S&P Global Ratings, the applicant satisfies the I-Bank's creditworthiness standards for Water Bank financing.

[3] Public conduit borrowing is when a private party is involved in an environmental infrastructure project, and a local government unit sponsors the project on behalf of the private entity.

[4] The Clean Water State Revolving Fund (CWSRF) is a self-perpetuating federal loan assistance program for water quality improvement projects administered by DEP.

- ✓ If a municipal applicant has a rating that is below investment grade and receives state aid, the Water Bank can guide you in issuing bonds through the State's Qualified Bond Act (QBA) in order to satisfy the I-Bank's creditworthiness standards to qualify for Water Bank financing.
- ✓ If an applicant does not have an investment-grade rating and wishes to borrow more than $1 million, a private (or public) investment grade ratings assessment is required from one of the three NRSROs listed in the first point above to satisfy the creditworthiness standards in order to qualify for Water Bank financing.

Note, full details on the I-Bank's Credit Policy, can be found at: https://www.njib.gov/policies-and-procedures/

TIP: I-BANK STAFF CAN HELP INTERESTED BORROWERS IN THEIR INTERACTIONS WITH PRIVATE RATING AGENCIES OR THE NJ DEPARTMENT OF COMMUNITY AFFAIRS.

Every applicant is required to issue a bond pledging the repayment of Water Bank funds, in accordance with the New Jersey Local Bond Law, N.J.S.A. 40A:2-1 et seq.

The I-Bank provides a Water Infrastructure Savings Enabling (WISE) Act Calculator on its website at https://wise.h2loans.com. This calculator produces a Financing Cost Estimate (FCE) estimating the cost of financing an environmental infrastructure project through the I-Bank and DEP's joint Financing Program and compares this cost with the estimated cost of the Project Sponsor financing the project on its own. Additional information is provided in The WISE Act sub-section below.

Finally, I-Bank staff and their advisors provide detailed guidance on securing financing. For further information regarding the current regulations and policies of the I-Bank call the I-Bank at (609) 219-8600.

ELIGIBLE PROJECTS

Even though this guide is focused on green infrastructure, the Water Bank funds all types of water infrastructure, including a wide variety of wastewater treatment works, traditional stormwater management, drinking water systems, land acquisition, and landfill activities.

Be aware of the types of projects eligible for Water Bank financing! After initiating the application process, applicants periodically are informed that they or their projects are not eligible for funding. Therefore, before starting the application process, ensure that your project is eligible for funding.

DEP RECOMMENDS POTENTIAL APPLICANTS PARTICIPATE IN A PRE-APPLICATION MEETING OR CONFERENCE CALL (ENGINEERS, ADMINISTRATOR, BOND COUNSEL, etc.) PRIOR TO SUBMISSION OF A FORMAL APPLICATION FOR A WATER BANK LOAN TO DETERMINE WHETHER THEIR PROJECT MEETS PROJECT REQUIREMENTS AND TO EXPLAIN ALL LOAN APPLICATION DOCUMENTS.

TIP: IF YOU HAVE A PROJECT IN MIND, LET THE WATER BANK KNOW AND IT CAN CONFIRM AND SEND A TEAM TO VISIT WITH YOU TO LEARN MORE ABOUT YOUR PROJECT IDEA.

Consult the list below to learn more about which kinds of projects are eligible for Water Bank financing.

GREEN INFRASTRUCTURE PROJECTS

Green Infrastructure *projects are stormwater management features that treat stormwater runoff through infiltration into subsoil, through filtration by vegetation or soil, or store stormwater runoff for reuse.* Eligible green infrastructure projects include rain gardens, bioswales, stormwater bump-outs, porous asphalt or concrete, green roofs, cisterns, and street tree trenches. Green infrastructure projects do not need to be stand-alone projects. These projects often work well when added onto traditional larger infrastructure projects. Another effective strategy is to bundle GI features together as multiple projects throughout a city or as a resiliency park, with multiple green infrastructure features.

DEP provides detailed information on the implementation and management of green infrastructure on their website. For more information on green infrastructure, visit DEP's Green Infrastructure in New Jersey site.

OTHER ELIGIBLE PROJECTS

While green infrastructure projects are the focus of this Applicant's Guide, it is important to note that there are other types of Eligible Projects, which may include a GI component, including the following:

Make sure to check the DEP's most recent Intended Use Plan (IUP) to verify the current types of eligible projects, which is available online here: http://www.nj.gov/dep/dwq/cwpl.htm. Additional information on eligible project types is also provided on the I-Bank website at https://www.njib.gov/njeit/clean-water. Or, you may contact DEP or I-Bank staff.

WASTEWATER [5]

Most projects associated with sewage collection, treatment, or disposal are eligible for financing, including correction of inflow/infiltration problems, sludge management and combined sewer overflows.

Eligible wastewaster projects include but are not limited to:

- ✓ Secondary and advanced wastewater treatment
- ✓ Well Sealing
- ✓ Flood resiliency that protects environmental infrastructure
- ✓ Sludge handling facilities
- ✓ Infiltration and inflow (I/I) correction
- ✓ Interceptors, pumping stations and force mains
- ✓ Sewer system rehabilitation
- ✓ New collection systems
- ✓ Correction of Combined Sewer Overflows (CSOs)
- ✓ Solutions for malfunctioning septic systems
- ✓ Wastewater reuse and conservation projects
- ✓ Emergency Repair Projects to replace, in kind, the failure of an essential portion of a wastewater system that will disrupt service for a minimum of 24 hours total and/or poses a substantial threat to the public health, safety, and welfare.

DRINKING WATER

The main objective of drinking water funding is to protect the public health in conformance with the objectives of the Safe Drinking Water Act.

Eligible projects include but are not limited to:

- ✓ Projects to maintain compliance with existing regulations for contaminants with acute health effects (e.g. Total Coliform Rule) and existing regulations for contaminants with chronic health effects (e.g. Lead and Copper Rule)
- ✓ Projects that address the exceedance of a recommended upper limit for secondary contaminants
- ✓ Lead service line location and replacement
- ✓ Rehabilitate or develop sources to replace contaminated sources
- ✓ Treatment of unregulated contaminants
- ✓ Treatment facilities
- ✓ Storage facilities
- ✓ Transmission and distribution pipes
- ✓ Purchase or consolidation (i.e., restructure) of a water system that is unable to maintain compliance for technical, financial, or managerial reasons

[5] n.b.) All of the subtitles of eligible projects categories will be linked so that when you click on one them, it will expand to show you the detailed information contained therein.

- ✓ Emergency Repair Projects to replace an essential portion of a public water system, whose failure will disrupt water service to customers for a minimum of 24 hours total and/or poses a substantial threat to the public health, safety, and welfare.
- ✓ Development and implementation of asset management programs for small water systems.

STORMWATER

In addition to Green Infrastructure, eligible projects include construction, expansion or replacement of stormwater management systems, including, but not limited to, the following:

- ✓ Non-point source pollution/stormwater management
- ✓ Construction of regional basins
- ✓ Major stormwater system rehabilitation
- ✓ Replacement of existing storm drains
- ✓ Rehabilitation of tide gates
- ✓ Extension of outfall points
- ✓ Runoff control (manure/feedlots and stream bank stabilization/ restoration)
- ✓ Stream/lake embankment restoration
- ✓ Salt dome construction

BROWNFIELDS

The cleanup of abandoned and contaminated industrial sites is eligible for financing if a local or county government assumes the repayment obligation for the loan. The Water Bank provides loans to municipalities, counties and public authorities to support a wide range of cleanup and remediation activities necessary to restore brownfield sites for re-use, including the removal of contaminated soil, site-capping and the installation of stormwater controls.

Applicants interested in a brownfields project should also be aware of the Hazardous Discharge Site Remediation Fund (HDSRF), another important funding source administered jointly by DEP and the New Jersey Economic Development Authority for the cleanup of brownfield sites. HDSRF grants and loans are available to public entities, private entities, and non-profit organizations for the remediation of a suspected or known discharge of a hazardous substance or hazardous waste.

LANDFILLS

Landfill construction activities that have a water quality benefit are eligible for Water Bank financing. Examples include:

- ✓ Creation of new landfills (water quality/protection aspects)
- ✓ Capping systems
- ✓ Liners
- ✓ Leachate collection systems
- ✓ Treatment systems
- ✓ Sewer connections

- ✓ Barge shelters
- ✓ Containment booms
- ✓ Litter fences
- ✓ Gas collection and treatment systems
- ✓ Monitoring wells
- ✓ Reclamation or reduction activities

LAND PRESERVATION

The Water Bank provides financing for the preservation of properties that protect stream headwaters and corridors, wetlands, and aquifer recharge areas. Placement of conservation easements on funded parcels is required to assure that water quality benefits are preserved in perpetuity. Using Water Bank financing for land preservation is compatible with the State's Green Acres Program, the Garden State Preservation Trust, and Open Space programs financed by local and county Open Space taxes. Please note that unlike Green Acres, properties preserved through the Water Bank can only be used for passive recreation.

EQUIPMENT

Equipment that provides a water quality benefit can be financed under the Water Bank, including but not limited to:

- ✓ Street sweepers
- ✓ Generators
- ✓ Sewer flushing and cleaning equipment
- ✓ Dump trucks
- ✓ Crawler loaders
- ✓ Skimmer boats
- ✓ Aquatic weed harvesters
- ✓ Outfall netting

The I-Bank and DEP have been terrific to work with, and are funding things that other communities are not funding. [Our organization] and the I-Bank have a great partnership.

- Water Bank Applicant

SECURITY MONITORING

Projects designed to improve security at otherwise funding-eligible wastewater and drinking water facilities are eligible for funding, including but not limited to:

- ✓ Fencing
- ✓ Lighting
- ✓ Motion detectors
- ✓ Cameras
- ✓ Secure doors
- ✓ Alternative auxiliary power sources

ELIGIBLE COSTS

Water Bank financing has generous allowable costs. Project costs that may be eligible within a green infrastructure project include:

- ✓ Road repaving
- ✓ Plantings
- ✓ Utility relocation
- ✓ Site grading
- ✓ Purchasing land for stormwater use
- ✓ Local financing

In addition to the capital improvements described above, the costs necessary to plan, design and construct a project are also eligible as a component of such financings. Eligible costs include planning, design, engineering fees, surveys, environmental or geological studies, legal, administrative and other costs related to project plan preparation. All such costs can be included in a short-term loan from the Water Bank. For example, a Water Bank loan can be for stormwater improvement and the necessary environmental planning and engineering design and legal fees necessary to construct the improvements. Note however, that a capital improvement must be a component of each Water Bank long-term loan.

For detailed information about which project costs are currently allowable, and which ones are unallowable, consult N.J.A.C. 7:22-5.1 et seq at https://www.nj.gov/dep/dwq/pdf/njac722_sub5.pdf and the most recent Intended Use Plan (IUP) at http://www.nj.gov/dep/dwq/cwpl.htm.

SIZE AND SCOPE THAT MAKES SENSE

Standalone green infrastructure projects tend to have a smaller individual project cost than traditional "gray" infrastructure projects. In addition, applications to the Water Bank involve fixed costs for studies, technical support and financial advisory services (i.e. bond counsel). Therefore, in submitting an application for Water Bank financing application, it is important to determine a size and scope of projects contained within the application that make sense. Some paths that New Jersey municipalities have followed include the following:

- ✓ **Bundling multiple green infrastructure projects together** into a single application for Water Bank funding to reach or exceed a minimum combined application value of $250,000 where the project cost is sufficient to justify the cost of applying.
- ✓ **Bundling green projects with grey infrastructure projects** to reach a minimum combined application value of $250,000; and
- ✓ **Partnering with a non-profit** or institutional partner such as a university on application components, such as the design drawings and specs.

TIP: THE WATER BANK CAN PROVIDE FUNDING JOINTLY WITH OTHER STATE OR FEDERAL AGENCIES.

CASE STUDIES

Two examples of CSO communities that utilized Water Bank funding successfully to implement green infrastructure projects are Camden's Phoenix Park and Hoboken's Southwest Park.

PHOENIX PARK, CAMDEN

The Phoenix Park project remediated the former American Minerals site in Camden, N.J., and converted the brownfield site into a recreational area with a gravel walking path, overlook, parking area, and wetlands marshy area with plantings of approximately 30 native evergreen trees, native meadows, and turf grass. The Camden County Municipal Utilities Authority (CCMUA) received an $8 million loan from the Water Bank, in addition to other funding sources, to develop this project. The newly remediated park provides multiple benefits, including access to the Delaware River for residents and a reduction in flooding, as the park's green spaces capture millions of gallons of stormwater annually. CCMUA collaborated with a number of partners on this green infrastructure project, including the City of Camden, Cooper's Ferry Partnership, Rutgers Cooperative Extension Water Resources Program, New Jersey Tree Foundation, the state Department of Environmental Protection and the Nature Conservancy.

SOUTHWEST PARK, HOBOKEN

The City of Hoboken received a $5.1 million Water Bank loan to develop the Southwest Park project. Southwest Park is a one-acre parcel that has been designed to capture 200,000 gallons of stormwater runoff while providing access to green space for neighborhood residents. According to the I-Bank, Southwest Park serves as a small-scale model for integrating green infrastructure and underground retention to reduce flooding. The stormwater design combines passive rainwater collection, utilizing permeable pavement, rain gardens and bioswales, with subsurface storage beneath the park. All of the pavement within the park is permeable, so that the first rainfall is absorbed within the pavement. Subterranean storage chambers located in the zone between the park pavement and the water table collect overflow from the rain garden and any drain inlets within the park. The stored rainwater is then slowly released once the severe weather event has subsided to reduce the peak flow to the city's sewer system and keep the combined sewer system from overflowing. This project qualified for $1 million in principal forgiveness and is projected to save Hoboken an additional $1.02 million in interest over the 20-year term of the loan for a total savings to the City of just over $2 million – similar to a 40% grant!

FINANCING

LOAN TYPES

The Water Bank consists of two loan formats, short-term and long-term loans:

SHORT-TERM LOANS are currently available for up to 3 full fiscal years, or up to the statutorily permitted term, to finance the cost incurred for environmental planning and engineering design activities as well as soft costs such as counsel fees, and project construction upon application approval.

LONG-TERM LOANS are issued upon completion of project construction.[6] Due to the enhancements to the short-term loan program, long-term loans are mainly intended to refinance previously issued short-term loans for construction and planning and design activities. The maximum loan term is currently 30 years but cannot exceed the useful life of the asset being financed.

CONSTRUCTION LOANS

Construction Loan Program (CLP) loans are short-term loans that provide capital for project planning, design, and construction without repayment of principal or interest during the period of the CLP loan.

Project sponsors are strongly encouraged to secure CLP loans during the project planning phase for multiple reasons. It avails the sponsor of funds necessary to pay for engineering and related project soft costs, such as legal fees. It addresses all financing issues at the beginning of the project, avoids delays in scheduling financing at the time of project construction, and provides an opportunity for borrower staff to learn the requisition process prior to construction and interact sooner with Program staff on their specific project(s).

As of the date of this publication CLP loans mature no later than the third fiscal year following the date of loan closing. Legislation pending at the time of this writing, will authorize up to two additional years for planning and design activities as part of CLP loans closed prior to submission of engineering design.

As of the date of this publication, interest rates for CLP loans are currently 0% but may be greater based on the availability of funds.

[6] This is a change to the program as of FY19. Prior to this year, projects had to be "substantially" complete.

LOAN TERMS

The Water Bank provides project financing at a much lower cost than program participants could achieve individually, thereby passing substantial savings on to New Jersey taxpayers and rate payers.

> *It's a great program, and you can't go out and get financing for those rates on the open market.*
>
> *- Water Bank Applicant*

For State Fiscal Year 2019, the base Water Bank financing package consists of

- ✓ 75% funding from DEP at 0% interest, and
- ✓ 25% funding from I-Bank at the I-Bank's AAA/Aaa/AAA market rate.

There are other financing packages available for Planning and Design expenses, as well as the Statewide Assistance Infrastructure Loan or SAIL (disaster relief loan) program.

Please note that Water Bank financing is subject to change year-to-year. To verify the current loan types and terms, see the most recent Intended Use Plan (IUP), which is available online at http://www.nj.gov/dep/dwq/cwpl.htm.

ADMINISTRATIVE FEES

DEP and I-Bank charge *administrative fees* for Long-Term loans only. These include the following:

- ✓ **DEP Loan Origination Fee** The DEP, through the I-Bank, charges borrowers 2% of the entire project amount (combined I-Bank and DEP loan) for a Loan Origination Fee, which is rolled into the long-term loan.
  - Borrowers pay 1% (half) of the fee at the time of the closing of financing (either short-term or permanent). This amount is lent to the Borrower by the I-Bank and rolled into the long-term loan total amount. The remaining 1% is paid in-full as part of the first repayment of the long-term loan.
  - This fee may be waived for those projects wherein the Water Bank may utilize independent engineering consultants for the review process. In those cases, a memorandum of agreement will be entered with the project sponsor to pay the outside engineering fees in lieu of all or part of the Department's Loan Origination Fee.
- ✓ **I-Bank Bond Origination Fee**: The I-Bank charges borrowers a one-time fee of 0.1% of the principal loan amount to partially cover the costs associated with that particular series' bond issuance expenses. This charge only covers a small part of the cost of the Bond issuance. The I-Bank subsidizes participants by paying the remaining full costs of issuance.
- ✓ **I-Bank Loan Administration Fee:** The I-Bank also charges borrowers an annual administrative fee of 0.3% of the bond principal loan amount to cover the annual operating expenses associated with the operations of the I-Bank and the ongoing costs associated with the loan servicer and trustees. The annual administrative fee is not included in the principal amount of an applicant's loan.

PRINCIPAL FORGIVENESS

Some high priority projects are also eligible for *principal forgiveness* (or grant-like funding) and interest-free loans from the Water Bank. Please note that there are limited funds available each year and the types of projects that are eligible for principal forgiveness change each year.

TIP: CALL THE WATER BANK FOR INFORMATION ON PROJECTS CURRENTLY ELIGIBLE FOR PRINCIPAL FORGIVENESS AND REMAINING PRINCIPAL FORGIVENESS BALANCES FOR EACH.

This guide details the types of projects eligible for principal forgiveness that have been available in the past; however, this eligibility is subject to change. Please note that Water Bank financing is subject to change year-to-year. To verify the current loan types and terms, see the most recent Intended Use Plan (IUP), which is available online at http://www.nj.gov/dep/dwq/cwpl.htm. Principal forgiveness is available for green infrastructure projects in Combined Sewer Overflow (CSO) Sewersheds.

GREEN INFRASTRUCTURE PROJECTS IN COMBINED SEWER OVERFLOW (CSO) SEWERSHEDS

The Water Bank provides principal forgiveness loans for Combined Sewer Overflow (CSO) abatement projects utilizing green practices (such as green roofs, rain gardens, porous pavement, and other activities that maintain and restore natural hydrology by treating stormwater runoff through infiltration into the subsoil, treatment by vegetation or soil, or stored for reuse).

In FY19, the Water Bank provides **50% principal forgiveness**, 25% DEP interest-free financing, and 25% I-Bank Market rate financing for GI projects that manage stormwater to reduce the overflow of untreated wastewater from CSOs, for a half grant, half loan at .125% of market rate.There is a $2 million cap of principal forgiveness per applicant in SFY19. DEP interest-free funding will be provided for costs beyond the cap or in lieu of principal forgiveness.

Other high-priority project types that are eligible for principal forgiveness in FY19 include the following:

CSO FLOW ABATEMENT IN COMBINED SEWER OVERFLOW (CSO) SEWERSHEDS: the Water Bank provides 50% principal forgiveness, 25% DEP interest free financing, and 25% I-Bank Market Rate financing for the first $10 million for more traditional capital improvements (e.g. treatment plant expansions, sewer separation) that reduce CSOs. DEP interest-free funding will be provided for costs beyond the cap or in lieu of principal forgiveness. (Dependent upon the availability of prior year carryover funds.)

COASTAL COMMUNITY WATER QUALITY RESTORATION: the Water Bank provides 50% principal forgiveness for projects that will eliminate, prevent, or reduce occurrences of shellfish bed and beach closings due to the presence of pathogens; 25% DEP interest-free and 25% I-Bank Market Rate financing. (Dependent upon the availability of prior year carryover funds.)

BARNEGAT BAY: the Water Bank provides 50% principal forgiveness, 25% DEP interest-free financing, and 25% I-Bank Market Rate financing for stormwater and non-point projects in the Barnegat Bay Watershed.

SMALL SYSTEM ASSET MANAGEMENT: the Water Bank provides 100% principal forgiveness to small drinking water and clean water systems to develop and implement asset management programs.

NANO: the Water Bank provides 50% principal forgiveness for small drinking water systems serving communities with populations of 10,000 residents or less. Qualified borrowers are currently active publicly-owned and privately-owned community water systems and nonprofit non-community water systems.

LEAD SERVICE LINE REPLACEMENT: the Water Bank provides principal forgiveness program for drinking water systems to replace lead service lines in communities serving customers whose median household incomes are less than the county median household income. For SFY 2019, financing is provided in the form of 90% principal forgiveness and a 10% DEP interest free loan, with a $1.0 million cap per project. In order to receive the principal forgiveness, projects must be certified as "complete." Complete projects alleviate lead in all affected system components (service provider lines, property owner lines, and any internal plumbing, and delivery fixtures). Please check with the I-Bank or reference the current Intended Use Plan for financing details.

THE WISE ACT

The Water Infrastructure Savings Enabling (WISE) Act (P.L. 2017, c.71) requires local governments wishing to independently finance an environmental infrastructure project costing at least $1 million to present a copy of the Financing Cost Estimate (FCE) Report to the Director of the Division of Local Government Services or the Local Finance Board, respectively, as part of their bonding review process. The FCE is not required to be submitted by LGUs who intend to finance their environmental projects through the Water Bank.

The WISE Act also requires I-Bank and DEP to provide applicants seeking to finance at least $1 million to construct an environmental infrastructure project with:

- A description of the priority system used by the DEP in awarding financing under the Water Bank, and
- A Financing Cost Estimate (FCE) comparison of the cost of financing the project through the I-Bank and DEP's joint Financing Program versus independently through the LGU's own bond process.

The I-Bank provides a WISE Act Calculator that develops the FCE on its website at https://wise.h2loans.com. To generate the FCE Report, complete the requested information and click "Calculate Report". The FCE Report will be produced immediately and be available for printing. It includes a savings estimate and yearly debt service numbers for both financing options.

Remember: the WISE Act calculator is not a commitment to secure financing, but rather a tool to calculate an estimate of the cost of financing. When you enter your project information into H2LOans, the Water Bank's application portal itself, you will be able to enter actual numbers.

The I-Bank estimates that using the Water Bank to finance green infrastructure projects **saves the average borrower in NJ approximately 40%** over independent financing.

If you're not using the Water Bank for your infrastructure projects, you're doing your ratepayers a disservice. There are only a couple of extra steps you have to take.

- Water Bank Applicant

Besides calculating estimated savings, the WISE Act Calculator provides an estimate of a proposed project's annual debt service and, as such, is a valuable tool for financial professionals. Using the WISE Act Calculator does not require a commitment to borrow.

BOND COUNSEL

Water Bank applicants are encouraged to utilize the services of a bond counsel to comply with various Water Bank financial requirements. Among other things, a bond counsel

- drafts documents relative to borrower official action,
- renders an opinion that the municipal bond issued as a guarantee for your repayment of the Water Bank loan is valid and legally binding, and
- renders an opinion that the Water Bank loan interest is free of federal and state income tax, and
- certifies that an applicant can move forward with the infrastructure project, even in the event that the funding falls through.

In addition, the public entity applying for the loan will need an ordinance approving the project.

PREPARATION

ASSEMBLING YOUR TEAM

One of the most critical elements to ensure a successful application for Water Bank financing is *assembling your application team*. On one hand, while it can be difficult to get the correct partners at the table, it also essential to identify and coordinate which municipal employees, consultants and non-profit partners have the experience and knowledge of the project and the Water Bank application process prior to beginning the application process. For example, many Municipal Utilities Authorities, sewer departments and departments of public works have experience applying to the Water Bank for gray infrastructure projects, and as such are excellent resources and potential partners. To date, all successfully funded Water Bank applications for green infrastructure projects have utilized consultants and/or institutional or non-profit partners.

In addition, be sure to communicate with the Water Bank agencies – I-Bank and DEP – during the pre-application process, as they are critical partners in ensuring the success of your application funding. As noted in the "Eligible Applicants" section above, DEP recommends that potential applicants participate in a pre-application meeting or conference call prior to submission of a formal application for a Water Bank loan to determine whether their project meets project requirements and to explain all loan application documents. The Water Bank can also send a team to visit with your municipality and learn more about your proposed project.

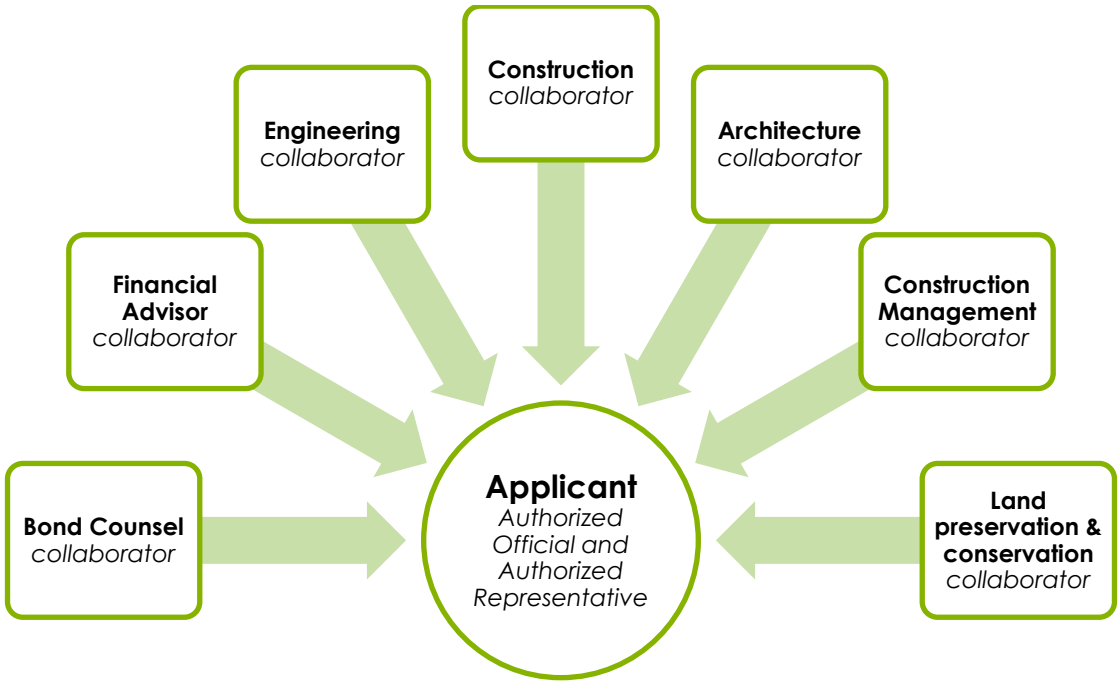
REQUIRED TEAM MEMBERS IN H2LOANS

H2LOans is the online portal for the Water Bank funding application. It is located online at www.h2loans.com. Project Sponsors call the I-Bank to establish an account, at which time, I-Bank staff will review and set up the following user roles and create the project with the appropriate representative of the project sponsor. The H2LOans application portal prompts applicants for information about their project team. Therefore, prior to beginning an application, ensure that you have the following team members identified:

Authorized Official	The Authorized Official is the person responsible for setting up an organization's account in the H2LOans system. This person must be a full-time employee of a project sponsor/applicant's organization, who is authorized to obligate the organization. The Authorized Official designates the Authorized Representative. The I-Bank has developed a short video at https://www.youtube.com/watch?v=UgDDV_SyqL0 for tutorial for authorized officials here. Examples of Authorized Officials may include an administrator, manager, CFO, director, or other person with the authorization to enter into a contract with the Water Bank.
Authorized Representative	Authorized Representatives function as the sponsoring organization's internal project manager. The Authorized Representative must be a full-time employees of the sponsoring organization, and may be an administrator, manager, CFO, director or Professional Engineer (directly employed by municipality). They are responsible for designating Collaborators and submitting any uploaded and final documentation. Authorized Representatives are designated by the Authorized Official and will be notified via e-mail of their designation as well as provided with a link with instructions on how to logon to H2LOans and activate their account.
Collaborators	Collaborators include any individual involved in a project who is to have access to the on-line H2LOans system to facilitate the design, construction, financial or legal work associated with such project. Collaborators are designated by an Authorized Representative and will receive an email from the system notifying them of their designation as well as provided with a link with instructions on how to logon to H2LOans and activate their account. Collaborators often include: Consultants, non-Profits or University partners, Cooperating Departments (to include Engineering, Water, Sewer, Public Works, Finance).

WORKING WITH CONSULTANTS

Many municipalities and utility authorities choose to supplement their in-house team with experienced consulting firm to assist with the development of their application for Water Bank funding. In fact, all applicants for Water Bank financing utilize consultants for some aspect of their loan application. There are many consulting firms that have the institutional knowledge and experience to successfully develop a municipality's Water Bank application. The types of consulting firms you may want to consider include the following:



TIP: LOOK FOR CONSULTING FIRMS THAT HAVE DEMONSTRATED EXPERIENCE SUBMITTING SUCCESSFUL APPLICATIONS SPECIFICALLY FOR WATER BANK (FORMERLY NJEIFP) FINANCING.

Make Sure That You Have a Strong Staff Lead. The most successful applicants are very hands-on with their consultant(s), actively manage them, and have frequent communications as to application status of outstanding submissions requirements (or deficiencies) and Water Bank communications as to outstanding submission obligations.

Finally, keep in mind that you don't have to be a large municipality or MUA to use consultants. Many smaller municipalities have close relationships with their consultants and have enjoyed a successful partnership that has secured Water Bank financing for environmental infrastructure projects. In fact, consultants can make it easier for small municipalities to navigate the process.

WORKING WITH NON-PROFIT PARTNERS

Many successful applicants for green infrastructure financing have attributed their success to their partnership with a non-profit or institutional entity. In fact, some applicants suggest that unless a project is over $1 million, it is hard to justify the fixed program costs, unless you are working with an institutional or non-profit partner who can assist with applicant components. Examples of state-wide institutional or non-profit partners who have assisted with past application for green infrastructure projects include Rutgers Cooperative Extension, the New Jersey Tree Foundation, and the New Jersey Water Association.

The **Rutgers Cooperative Extension (RCE) Water Resources Program** provides green infrastructure planning and design support to CSO communities. For more information on RCE's New Jersey Technical Assistance Program for Combined Sewer Overflow (CSO) communities **OR** if you are a CSO community and wish to obtain technical assistance with planning and design for a green infrastructure project, visit their website at http://water.rutgers.edu.

In addition to providing technical assistance for green infrastructure in CSO communities, RCE has developed several green infrastructure resources, which can be found on their website. These include the Green Infrastructure Guidance Manual, Green Infrastructure Guidance for Reducing the Impacts of Impervious Cover on Water Quality, and the Rain Garden Manual of New Jersey.

The NJ Tree Foundation is a state-wide nonprofit dedicated to planting trees in New Jersey's most underserved neighborhoods. The Tree Foundation is "greening the Garden State" through rain garden construction, vacant lot stabilization and fire wise gardens. To date, they have planted over 250,000 trees across the state. Through their Green Streets program, NJ Tree Foundation can assist with the design, construction and maintenance of rain gardens and street tree plantings.

Finally, there are numerous non-profit groups or collaborations that work on green infrastructure projects in certain areas of the state or in specific cities. For example, Jersey City regularly partners with the Jersey City Parks Coalition on green infrastructure projects in the City's parks. To find a non-profit near you that may be interested in partnering on your project, contact your local environmental commission or DEP staff.

The New Jersey Water Association (NJWA) is a statewide non-profit offering training & technical help to water and wastewater utilities in New Jersey. NJWA provides training and technical assistance to small, public water systems to achieve and maintain compliance with the Safe Drinking Water Act (SDWA) and to small and rural wastewater treatment and collection systems through the Wastewater Technical Assistance Program and the Wastewater Training and Technical Assistance Program (both funded by the U.S. Department of Agriculture's Rural Utilities Service). Finally, NJWA offers a Source Water Protection Program to develop a source water protection plan that reflects the needs of the local community.

ASSEMBLING YOUR DOCUMENTS

All required documents are outlined in the "Step 5: Submit a Project Loan Application" in the Application Process Section below. However, this section will provide helpful hints and tips for assembling the application components.

PERMITTING

Some green infrastructure projects require permits from DEP and the Federal government (e.g. Waterfront Development, CAFRA, wetlands, flood hazard, USACE.) When you apply for Water Bank financing, you will be required to submit an affidavit certifying that required permits and approvals for building the environmental infrastructure facilities have been received from applicable Federal, State and local agencies. DEP Water Bank staff regularly help applicants navigate the permitting process, for assistance, contact them at (609) 292-8961.

In addition, applicants should request a Pre-Application Conference with DEP. Early attendance at a Pre-Application conference is useful for a number of reasons, including

- ✓ to clarify design conflicts,
- ✓ determine regulatory compliance, and
- ✓ determine if any unforeseen regulatory issues might be discovered.

DEP may also provide recommendations for design changes which would help to minimize disturbance in environmentally sensitive areas and help the project achieve compliance with the regulations.

TIP: IF YOU ARE APPLYING FOR WATER BANK FUNDING, MAKE SURE YOU HAVE APPLIED FOR ALL OF THE REQUIRED PERMITS YOU WILL NEED FOR YOUR PROJECT EARLY.

ENVIRONMENTAL REVIEW AND CULTURAL RESOURCES SURVEY

DEP will make a decision regarding the level of environmental review (Level I, 2, or 3) that will be required and whether a Cultural Resources Survey is required. If DEP determines that an environmental review and or cultural resources survey are required, then they will also specific the level of review required. Additional information regarding DEP requirements for Environmental Reviews and Cultural Resource Surveys are contained in NJAC 7:22-10.

DEP may also determine that the proposed project will have no effect upon cultural resources, in which case, no survey will be required and the project may proceed without further cultural resource consideration.

We had a great experience. Our planning and design loan ended and we rolled it over into a construction loan. We've been very happy with the process. The Water Bank welcomed the project and understood the need to do it.

- Water Bank Applicant

TECHNICAL DOCUMENTS

Consider the following items when preparing technical documents for submission for Water Bank funding:

- ✓ Ensure technical specifications coincide with information on the design drawings. It is important have consistency with the documents, especially if they were prepared by different sources.
- ✓ Include local municipal and county specifications as may be required to fully complete the scope of work.
    - For example, if your project is within a municipal or county right-of-way be sure to review and include applicable road restoration details.
- ✓ Address Water Bank Resiliency Requirements.
- ✓ Provide copies of relevant permits/approvals which are required.
- ✓ Provide documentation of easements or a legal opinion as to mechanism to obtain such easement requirements, if applicable.
- ✓ Include New Jersey Department of Environmental Protection employees as an additional insured in the insurance coverage.
- ✓ Cross-reference both NJDEP and municipal/local bid documents. This includes, for example, ensuring bid documents align with municipal procurement standards and funding agency requirements for wage rates.
- ✓ Include the following in the bid documents:
    - Affirmative Action Affidavit
    - Affidavit regarding list of debarred, suspended or disqualified contractors
    - Disclosure of Investment Activities in Iran
    - Bid Document Submission Checklist (cross-reference with local checklists)
    - Environmental Maintenance Bond
    - EPA Form 5720-4
    - Project Sign Detail
    - Language in accordance with N.J.A.C 7:22-3.17(d) regarding the Funding Statement
    - Language in accordance with N.J.A.C. 7:14-2.7 regarding extra work compensation
    - N.J.A.C. 7:22-3.17(f) entire sequence regarding the Socially and Economically Disadvantage requirement
    - LPCL 40A: 11-16(c) language regarding award to the lowest responsible bidder
    - LPCL 40A: 11-33-34 language regarding the Penalties for Falsification
    - N.J.A.C. 7:22-31

  Note: Applicants may also consider developing standardized bid documents for use in multiple Water Bank applications.

FINANCIAL INFORMATION REQUIRED FOR APPLICATION

Make sure you have the following financial information ready before beginning an application for Water Bank financing:

- ✓ Estimated project cost breakdown for anticipated sub-agreements;
- ✓ Projected cash flow schedule to be used to establish a Water Bank loan disbursement schedule;
- ✓ A statement by the applicant indicating whether the project sponsor is currently in default on any State loan; and
- ✓ A description of how the applicant plans to repay the Water Bank loan and pay any other expenses necessary to fully complete and implement the project, the steps it has taken to implement this plan, and steps it plans to take before receiving the Water Bank loan that shall guarantee that at the time of the signing of the Water Bank loan agreement it shall be irrevocably committed to repay the Water Bank loan and pay any other expenses necessary to fully complete, implement, operate and maintain the project. The description must include:
    - Pro-forma projections of the applicant's financial operations during the construction period of the project and five years thereafter;
    - Summary of the sources and uses of all funds anticipated to be used for the project to be financed by the Water Bank loan; and
    - Statement of the assumptions used in creating these projections.

Applicants are required to secure all Water Bank loans in a manner acceptable to the State, pledging to provide funds to repay the debt, even if the Water Bank loan is terminated pursuant to N.J.A.C. 7:22-3.44. Acceptable security arrangements include, but are not limited to, general obligation bonds of the local government unit, service/deficiency agreement(s) with government units with general taxing power, revenue bonds, debt service reserve funds and surety bonds.

TIP: REMEMBER, CONSTRUCTION LOAN PROGRAM LOANS ARE AVAILABLE PRIOR TO REACHING THIS STAGE.

PUBLIC PARTICIPATION

When submitting an application for Water Bank funding, certain applicants are required to inform and solicit input from the affected public regarding the intent to develop and implement environmental infrastructure projects ***prior*** to selection of the alternative which will become the proposed project. In fact, the online application requires that applicants describe public participation process to date. Many applicants are not required to undertake such measures and it is strongly recommended that the Water Bank be contacted to discuss prior to engaging a consultant for such services.

Appropriate public participation mechanisms can include notices, newsletters, citizens' advisory groups, public meetings, and public hearings to solicit comments; however, the minimum requirements for public participation are specified in N.J.A.C. 7:22-10.4, 10.5 and 10.6.

When a public hearing is required, applicants are required to take the following steps:

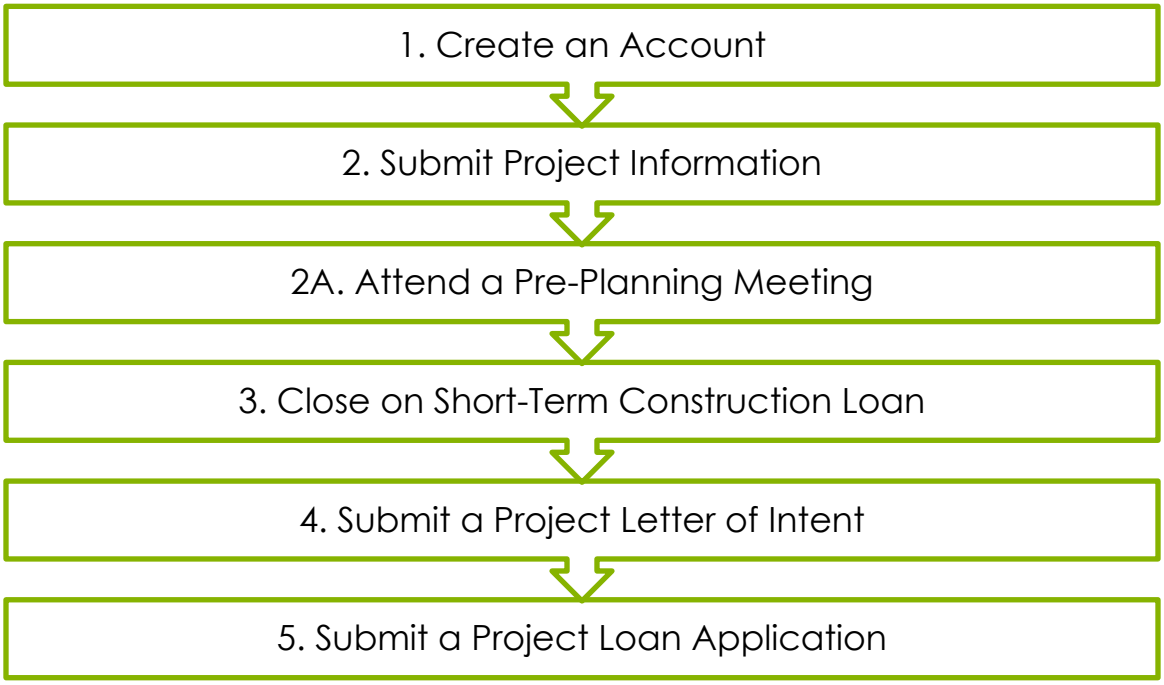
1. Prepare a public notice and submit to DEP for approval prior to its publication. The notice should include a brief description of the proposed project, project location, project costs, and the time, date and place of the public hearing
2. Prepare a verbatim transcript or detailed minutes of the public hearing. The transcript or minutes, any written comments received on the proposed project, and a summary of significant public comments along with the response to the comments, must be submitted to DEP.

In addition to a public hearing, DEP may require supplemental measures to inform and solicit comments from the public.

Before moving on, ask yourself these questions:

- [ ] Am I an eligible applicant?
- [ ] Do I have an eligible project?
- [ ] Is the project cost sufficient to justify the cost of applying? (i.e. more than $250,000)?
- [ ] Do I have the team members I need to successfully complete this project?
- [ ] Can my construction schedule accommodate the application review period?
- [ ] Can I obtain a proforma cash flow?

APPLICATION PROCESS



STEP 1: CREATE AN ACCOUNT

All applications for Water Bank funding are submitted through an application portal called H2LOans, which is located online at www.h2loans.com.

To set up an H2LOans account, the project sponsor's "Authorized Official" is required to contact the I-Bank at (609) 219-8601. I-Bank staff will establish your account and assist you with information necessary for you to create the project's user roles (see "Working with Consultants" sub-Section, pg. 20), so that you are then able to create your project. Feel free at this point to ask the I-Bank staff any questions regarding submitting an application using H2Loans. The I-Bank has also created a tutorial for all potential Authorized Officials here to provide some insights as to the process.

Once an account login and password have been created, the Authorized Official can access the Sponsor's H2LOans account using the "login" box at www.h2loans.com.

Upon login, the Authorized Official will be provided with additional information as to the designation of an Authorized Representative (who can create and submit applications) and Collaborators (who can contribute to document content).

TIP: YOU DO NOT HAVE TO COMPLETE THE ENTIRE WATER BANK APPLICATION IN A SINGLE SETTING.

STEP 2: SUBMIT PROJECT INFORMATION

After setting up your account in H2LOans, the next step is to submit your project information. When you call the I-Bank to create your H2LOans account, a program representative can walk you through the process of entering you program information in H2LOans. You should enter your complete project information into the H2LOans system during the pre-planning phase of project development.

You will be asked to provide the following information:

- ✓ Project Sponsor (Applicant)
- ✓ Project Name
- ✓ Project Location
- ✓ Project Type
- ✓ Project Description
- ✓ Project Costs *(it's just an estimate at this point)!*
- ✓ Date funding is sought for project
- ✓ Date construction is to commence on project
- ✓ Borrower population served by the project
- ✓ Service area description for the project
- ✓ Median Annual Household Income
- ✓ Water quality-based need for the project

The I-Bank and DEP have tried to make the application process as user-friendly as possible.

- Water Bank Applicant

You will also be asked to respond to the following questions:

- ✓ Will the engineering design be performed by a firm whose services secured pursuant to a publicly advertised procurement process?
- ✓ If funding is being sought for a prior project that was funded with one or more Water Bank loans, provide that project number
- ✓ Is the project site in a State Endorsement or State Center Designation?
- ✓ Is the project in a designated Brownfields Development Area?
- ✓ Is the project in a designated Transit Village?
- ✓ Is the Project located in or benefiting areas designated as TDR Receiving Areas?
- ✓ Does the project incorporate a Stormwater Runoff Point or Non-Point Source Control that is intended to benefit the ecological health of the Barnegat Bay?
- ✓ Are there any Local Environmental Enhancement Planning Activities associated with the project? These may include:
    - Watershed-Based Implementation Plans
    - Implementation of Regional Stormwater Management Plans
    - Sustainable Community Planning
- ✓ Is this project limited to the acquisition of eligible equipment (and associated costs?) These may include:
    - Street sweepers
    - Generators
    - Sewer flushing and cleaning equipment
    - Dump trucks
    - Crawler loaders
    - Skimmer boats
    - Aquatic weed harvesters

- Outfall netting may be financed under the NJEIFP

✓ Will this eligible equipment acquisition require the construction of a concrete pad or building to house it?

STEP 2A: ATTEND A PRE-PLANNING MEETING

✓ For new applicants or complex projects, Water Bank staff recommend participating in a Pre-Planning Meeting after completing project information in H2Loans, but before you design the project in order to learn about the program and approvals required. The Pre-Planning Meeting is open to applicants and their advisors, as well as relevant state and federal agencies that may be providing permits or funding. For projects with stormwater components a review by the DEP-Division of Water Quality Stormwater Management unit may be required

Meeting requests are made through H2Loans and Water Bank staff will review this option when establishing your first project.

STEP 3. CLOSE ON YOUR CONSTUCTION LOAN PROGRAM LOAN.

In order to close on your CLP loan, you must complete the following steps:

✓ Engage your bond counsel. Have them communicate with the I-Bank's bond counsel;
✓ Submit your short-term Financial Addendum Form (your Bond Counsel prepares);
✓ Submit your engineering contract;
✓ Submit Form LP-6A which details the project cost breakdown per sub-agreement. On the form, you will provide the name, contract description, allowable cost and total cost for the project's contractors.

Subsequent to loan closing you will proceed to pay your engineering consultant to prepare the environmental planning document and engineering design.

STEP 4: SUBMIT A PROJECT LETTER OF INTENT

When you're environmental planning is complete, submit a *Letter of Intent/Project Environmental Planning Document* on H2LOans. **A Letter of Intent should include:**

✓ a brief project description,
✓ water supply deficiency or need
✓ estimated project cost, and a
✓ project contact list. (See N.J.A.C. 7:22-3.7).

Project sponsors must also submit **environmental planning documents**. As noted in the Environmental Review and Cultural Resources Survey section above, all projects require an environmental and cultural resource review that results in a NJDEP issued Environmental Decision Document. Applicants should consult with the DEP to determine "level of review" prior to upload.

You will be asked to provide the following, as applicable:

- ✓ The need for the project in terms of Water Quality Benefit
- ✓ Written environmental description of project planning area, which includes proposed building/construction locations, types of proposed infrastructure and buildings, soil types, geological features, location of waterways, and location of all environmentally critical areas
  Geographical and demographic description of project planning area, which includes the most updated population, area in square miles, bordering communities/municipalities, and types of existing development.
- ✓ Clear black and white (8.5"x11") map of sewer/water service area
- ✓ Clear black and white (8.5"x11") site plan depicting existing infrastructure and buildings, proposed construction, demolition, stockpiling and staging areas
- ✓ Clear black and white (8.5"x11") map(s) clearly depicting topography and environmental features in the project planning area
- ✓ Detailed description of all proposed construction, demolition, stockpiling and staging
- ✓ The size of the area of disturbance, in square feet or acres, which impacts vegetation as a result of construction, stockpiling and staging areas
- ✓ Discuss the effects of the project on cultural resources
- ✓ Provide the size in square feet or acres of impacts to all environmentally critical areas
- ✓ Cubic yards of any dredged material proposed to be removed for the project and location of DEP-approved disposal area
- ✓ Present capacity and proposed capacity of facilities, as a result of project
- ✓ Discussion of the need for increase in capacity, if applicable
- ✓ Discussion of the qualifying criteria for the level of environmental review
- ✓ Alternative Analysis (including "No Action") summarizing basis for rejection or selection of alternatives with regard to water quality benefits, environmental impacts, overall cost-effectiveness, and project costs
- ✓ User charge discussion including current user charges and proposed user charges as a result of project implementation
- ✓ Median Annual Household Income for each community to be served by the project
- ✓ Summary of all public involvement, participation or notification for this project
- ✓ Status of any permits and approvals required for this project (DEP, federal, or other state departments, commissions or agencies) (Note that it is not required to have permit approval at this point in the process.)
- ✓ Social and economic impacts of project (e.g., noise, odors, air quality, aesthetics)
- ✓ For projects with stormwater components
  - provide the sizes of stormwater drainage areas
  - discussion of consistency with Stormwater Management Rules
- ✓ For wastewater projects
  - discussion of consistency with Water Quality Management Plan/Wastewater Management Plan in accordance with the provisions of N.J.A.C. 7:15, including a description of the Best Practicable Wastewater Treatment Technology.

STEP 5: SUBMIT A PROJECT LOAN APPLICATION

Upon completion of project design, the fourth step in application process is to submit a Project Loan Application, along with hard copies of plans and specifications.

You will be asked the following questions:

- Have any project scope revisions been included in this Loan Application (Application Step 4) and associated design documents that have not been previously identified in the Letter of Intent (Application Step 3) and/or Project Planning Document/Report?
- Does the applicant intend to or has already applied for (or received) other funding from State?

You will then be required to upload the following:

1. **Authorizing Resolution (LP-2B)**
   - If the applicant is a *local government unit*, a resolution passed by the local government unit authorizing the filing of an application for a Water Bank loan and specifying the individual authorized to sign the Water Bank loan application on behalf of the local government unit.
   - If the applicant is a *private entity*, a letter from the private entity authorizing the filing of an application for a Water Bank loan and specifying the individual authorized to file the loan application on behalf of the private entity, as well as providing evidence of ownership of the water supply facilities.
   - If *two or more project sponsors* are involved in the project, a resolution or letter indicating the lead applicant and the authorized representative is required from each.
2. **Statement of Assurances (LP-3)** If the applicant is a *local government unit*, an executed Professional Services Affidavit for each person or firm whose professional services have been procured by the local government unit for the project for which cost reimbursement will be sought is required.[7]
3. **Assurance of compliance (LP-4)** with the civil rights requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the New Jersey Law Against Discrimination (N.J.S.A. 10:5-1 et seq.)
4. **Building Costs (LP-5A/LP-5C):** Form LP-5A is to used to calculate total project costs for new projects. These includes the following cost categories:
   - Administrative Expenses (limited to 3% of building costs)
   - Other Costs
   - Building Costs
   - Contingencies (5% of building costs)
   - Planning and Design Costs

   Applicants will be require to delineate what portion of the total project costs are allowable under I-Bank funding and what is not allowable.

[7] If the professional services for which cost reimbursement will be sought under this chapter have not been procured at the time of loan application, submittal by the local government unit of a letter of commitment to comply with the requirements of the Professional Services Affidavit, and to submit a copy of the executed Professional Services Affidavit to the Department immediately upon execution of the contract for the professional services, will satisfy this requirement.

5. **Contracts (LP-6A):** You will be required to provide the name, contract description, allowable cost and total cost for your project contractors, and to upload the associated Contract Documentation (Bid Book). Contracts may include the following:
    - Construction
    - Architecture
    - Engineering
    - Plans and Specs
    - Construction Management
    - Land preservation and conservation
6. **Project Disbursement Schedule (LP-6B)** You will enter the following project milestones:
    - Advertisement of Contract
    - Notice to Proceed
    - Initiation of Operation
    - Construction Completion
    - Bid Opening
    - Advertisement for Construction
    - Equipment Purchase
    - None
7. **Plans, Specifications, and Associated Documentation (LP-6C)** You will upload the following.
    - Construction contract documents (plans & specifications).
    - Projected cash flow schedule to be used to establish the Water Bank loan disbursement schedule.
    - Project construction schedule. A court-sanctioned order or a Department-issued Administrative Consent Order indicating a compliance schedule shall be required where applicable.
    - Legal opinion from counsel as to title or mechanism to obtain title necessary for project sites and easements.
    - Statement from the applicant indicating that it has not violated any federal, State or local law pertaining to fraud, bribery, graft, kickback, collusion or conflicts of interest relating to or in connection with the planning and design of the project.
    - Statement from the applicant which indicates that it did not use the services of a person for planning or design of the project whose name appears on the State Treasurer's list of debarments, suspensions and voluntary exclusions.
    - Executed joint service agreement or other intermunicipal agreements, if applicable.[8]
    - Draft engineering agreements for building services.
    - Statement on other related Federal or State assistance (previous, pending or anticipated) on this project
    - A statement on whether the applicant is currently in default on any State loan. A Water Bank loan agreement will not be executed between the Department and the Project

[8] If the project will serve two or more project sponsors, the applicant shall submit the executed service agreements, contracts or other legally binding instruments necessary for the financing, building and operation of the proposed environmental infrastructure facilities. At a minimum, these documents must include the basis upon which costs are allocated, the formula by which costs are allocated, and the manner in which the cost allocation system will be administered.

Sponsor unless the Department determines that repayment of the defaulted loan will be received.

- Complete Project Report/Facilities Plan, which must include:
    - A description of both the proposed environmental infrastructure facilities and the complete environmental infrastructure system of which it is a part;
    - Relevant preliminary engineering parameters, including a description of the environmental infrastructure facilities to be built, schematic flow diagrams, hydraulic profiles and preliminary design criteria;
    - Cost impacts on system users; and
    - Institutional and management arrangements necessary for successful implementation, such as service agreements, local ordinances, interagency agreements or intermunicipal agreements.
- Sewer System Evaluation Survey (Wastewater Projects Only)

Description of the

TIP: REMEMBER, CONSTRUCTION LOAN PROGRAM LOANS ARE AVAILABLE PRIOR TO REACHING THIS STAGE.

- Public Participation process to date, including transcripts from public hearing.
- Planning and Design SED Utilization Report (N.J.A.C. 7:22-9.12(a)) / SED Utilization Plan (N.J.A.C. 7:22-9.4)
- Administrative and Judicial Consent Order (If any)
- Sewer Use Ordinance (Wastewater Projects Only); User Charge System for environmental infrastructure facilities (and/or other means to repay loan)
- Value Engineering ($10 million or more; Wastewater Projects Only)
- Infiltration/Inflow Information (Wastewater Projects Only)

8. **Applicable Permit(s) / Approval(s) (LP-7)** Affidavit certifying required permits and approvals for building the environmental infrastructure facilities were received from applicable Federal, State and local agencies and attach copies of all the required permits and approvals.
9. **Additional Information (LP-9)** You will be asked to answer the following questions:
    - Does the assistance requested serve a State or Federal installation?
    - Is the project for which assistance is required on State or Federal land or installation?
    - Does the assistance requested serve industrial users?
    - Has the project for which assistance is requested caused, or will cause, the displacement of any individual, family, business, or farm?
    - Is the project in a designated special flood hazard area?
    - Has the applicant obtained the necessary land? How?
10. **Professional Services (LP-11)** Provide the name and contact of any professional services firm utilized (bond counsel, legal advisor, financial advisor). Indicate the services performed and compensation (not to exceed amount).

TIP: DEP CANNOT REVIEW THE DOCUMENTS YOU UPLOAD UNTIL YOU HIT SUBMIT.

ADDITIONAL APPLICATION REQUIREMENTS

In addition to the application components listed above, applications for *land acquisition and conservation projects* must also prepare and submit the following with their application for funding:

1. **An evaluation of the land** to be acquired, including the water quality basis for the proposed land acquisition that addresses the existing land use patterns, potential threats to water quality, and other existing problems and appropriate documentation demonstrating compliance with the Environmental Assessment Requirements for State Assisted Environmental Infrastructure Facilities, N.J.A.C. 7:22-10;
2. **An executed purchase agreement** or, in the case of condemnation, evidence of the filing of a declaration of taking for the parcel(s);
3. **The appraisal(s) of the parcel(s).** For a parcel with an estimated land value of less than $250,000, the local government unit shall obtain at least one appraisal. For a parcel with an estimated land value of $250,000 or more, two appraisals shall be obtained. For easement acquisitions, appraisals shall be submitted that identify the fair market value of the parcel with and without the conservation restriction. Any appraisals required herein shall be prepared by a real estate appraiser licensed by the State's Division of Consumer Affairs to perform such appraisals; and
4. **A preliminary assessment report** or site investigation report (Phase I) prepared under the Technical Requirements for Site Remediation, N.J.A.C. 7:26E that evaluates the potential contamination of the land to be acquired.

Applications that involve *remedial action activities* must also prepare and submit the following with their application for funding:

1. **Applicant Statement** as to whether or not the applicant is currently conducting remediation or otherwise conducting a remediation pursuant to an oversight document.
2. Copies of the **applicable DEP approvals** issued pursuant to N.J.A.C. 7:26E-6.1(b)1 that identifies remedial actions proposed to be implemented at a contaminated site
3. *For well sealing projects*, a description of the project area, the well(s) proposed to be sealed and a certification that the method proposed to be used to seal the well(s) complies with N.J.A.C. 7:9-9D.

DEADLINE

The Water Bank accepts applications on a rolling basis, and applications can be submitted year-round using the H2LOans portal.

APPLICATION EVALUATION AND REVIEW

Following submission of a full Project Loan Application in H2Loans (completing steps 1-4 above), the application will proceed through the following evaluation and review process by staff of DEP and the I-Bank:

1. Preliminary administrative review to determine the completeness of the application. The applicant will be notified of the completeness or deficiency of the application;

2. Programmatic, technical, and scientific evaluation to determine the merit and relevance of the project to the Department's program objectives;
3. Budget evaluation to determine whether proposed project costs are reasonable, applicable, and allowable; and
4. Final administrative evaluation.

Water Bank staff estimates that it takes **120 calendar days** after receipt of a complete loan application, including all required documents, to complete initial agency reviews. However, at any stage during the evaluation process, DEP or the I-Bank may require supplemental documents or information necessary to complete full review of the application. In fact, it takes many applicants significantly longer than 120 days if they have not submitted complete application information. In addition, if applicant resources are diverted from the loan application to other matters, the Water Bank will temporarily suspend its evaluation until the applicant is prepared to proceed with the project application.

TIP: REMEMBER TO BUILD IN TIME FOR YOUR PROJECT SCHEDULE FOR DEP TO CONDUCT THE REQUIRED REVIEWS, AND TO COMMUNICATE REGULARLY WITH WATER BANK STAFF.

PROJECT RANKING

Upon completion of project information in H2LOans, DEP will place the project on the Project Priority List. The Priority List identifies the estimated total eligible building costs under the appropriate project category, which are listed under the eligible project types above. The Water Bank has established a rolling application process and posts the Priority List and updates on their website here: http://www.nj.gov/dep/dwq/cwpl.htm.

Every year the DEP develops a "Proposed Priority System, Intended Use Plan, and Project Priority List as required by federal and State law. The Priority System (PS) describes the ranking methodology for projects that are eligible for funding through the Water Bank. Meanwhile, the Intended Use Plan (IUP) provides information on funds available through Water Bank. The Project Priority List identifies projects targeted for Water Bank funding and identifies the estimated total eligible building costs under the appropriate project category. The most recent Project Priority List can be found at http://www.nj.gov/dep/dwq/cwpl.htm.

RANKING METHODOLOGY

The DEP's project prioritization methodology is the means by which limited funds are distributed among eligible projects. In prior years, the Water Bank has been able to finance all projects that fulfilled applicable requirements regardless of their project ranking due to the availability of the Financing Program's State and federal funds; however, this is not guaranteed for future years, and applicants should check with the Water Bank to inquire about availability of funds.

DEP ranks all projects on the basis of the total number of ranking points each project receives and places the projects on the Priority List according to their ranking.

The ranking system gives highest priority to projects that address discharges of raw, diluted, or inadequately treated sewage to the state's waters during wet weather, including projects to

abate combined sewer overflows (CSOs) and projects to address sanitary sewer systems that overflow.

Projects receive points under five categories:

1. Sustainable Community Planning Activities,
2. Project Discharge Category,
3. Water Use/Water Quality,
4. Smart Growth Approvals, and
5. Population.

AUTHORIZATION TO ADVERTISE AND AWARD

All necessary permits and approvals must be obtained by the applicant prior to DEP's issuance of an **Authorization to Advertise**, which is written authorization of the applicant by DEP to advertise contracts for solicitation of bid proposals for building.

Upon approval from the DEP Municipal Finance and Construction Element (MFCE) Construction Section, the Project Sponsor will receive an **Authorization to Award.**

After a pre-construction conference and the issuance of a Notice to Proceed, construction can commence and the project will enter **short-term financing.**

Upon substantial completion of construction, the project will enter **long-term financing.**

ADVICE FROM APPLICANTS

Finally, before you dive into the application, take some advice from other municipalities and municipal utilities authorities who have successfully utilized the Water Bank to finance environmental infrastructure projects. We asked them:

Do you have any advice for other applicants navigating Water Bank Financing for the first time?

- ✓ Do it! Pursue the funding.
- ✓ Good communication among a municipal team and between the municipal team, DEP staff and I-Bank Financial staff is critical.
- ✓ Get a good consultant and bond counsel who have experience with the Water Bank.
- ✓ Visit the H2LOans website
- ✓ Call the I-Bank for information up front. Staff is accessible and interested in answering your questions and guiding you to the correct path.
- ✓ Once you decide to apply for the program, submit a one-page project information page and participate in a pre-planning conference call to receive an overview of the financing program and application process, and discuss your project.
- ✓ Talk to other municipalities or MUAs who have gone through the application process and ask them for advice.
- ✓ Make sure you have your cost estimates together and ready to input.

- ✓ Remember that your cost estimate is an estimate, it is not a commitment until you sign a loan agreement.
- ✓ Have contact information secured for all team members.
- ✓ If you're doing it for the first time, make sure you hire a consultant that is well-versed in the program. There are intricacies, quirks and timelines and you need someone who has gone through the program to work with you. Once you go through it a couple of times, it becomes like second nature.

FREQUENTLY ASKED QUESTIONS

WHAT IS THE WATER BANK?

Since issuing the first loan in 1987, the New Jersey Infrastructure Bank ("I-Bank") has partnered with the Department of Environmental Protection ("DEP") to jointly fund and manage the State of New Jersey's Water Bank, [9] which provides low-cost financing for environmental infrastructure projects, including green infrastructure projects.

The Water Bank leverages Federal and State Revolving Funds with publicly issued bonds to provide low interest rate loans for the planning, design and construction of clean water infrastructure projects and purchase of related equipment.

THE GOAL OF THE WATER BANK IS TO PROVIDE FUNDING TO NEEDED, CONSTRUCTION READY, HIGHLY-RANKED WATER QUALITY IMPROVEMENT PROJECTS.

WHAT IS GREEN INFRASTRUCTURE?

According to DEP, "green Infrastructure" (GI) refers to methods of stormwater management that allow the stormwater to infiltrate, to be treated by vegetation or by soils; or to be stored for reuse. GI practices include, but are not limited to the following:

- ✓ pervious paving,
- ✓ engineered wetlands,
- ✓ rain gardens,
- ✓ rainwater harvesting,
- ✓ bioretention basins,
- ✓ subsurface storage,
- ✓ land conservation,
- ✓ urban tree canopy,
- ✓ vegetated swales, and
- ✓ cisterns.

For more information, see the "Green Infrastructure Basics" section at the beginning of the guide.

[9] Until 2018, this program was known as the New Jersey Environmental Infrastructure Financing Program ("NJEIFP").

WHAT ARE THE BENEFITS OF GREEN INFRASTRUCTURE?

Green infrastructure projects are effective, economical, and enhance community safety and quality of life. According to DEP's report "Evaluating Green Infrastructure: A Combined Sewer Overflow Control Alternative for Long-Term Control Plans," the benefits of green infrastructure are threefold: environmental, social and economic:

- ✓ **Environmental Benefits** - The driving force behind GI development in CSO sewersheds is stormwater runoff control. In addition to mitigating CSOs, GI can also help to mitigate other urban environmental issues such as surface and basement sewage flooding and urban heat island effect. GI can also offset air quality pollution, wildlife habitat loss and degradation, and effects from climate change.
- ✓ **Social Benefits** - Before GI was viewed as a solution towards CSO control, it was viewed as an opportunity to beautify the city. For example, 'Green streets' in New York City were originally used for aesthetic improvements before the city began focusing on stormwater concerns. GI can be viewed as an opportunity to provide green space for recreation, attract businesses and visitors to the area, and improve traffic dynamics, particularly in the case of traffic islands and stormwater curb bump outs.
- ✓ **Economic Benefits** - GI provides economic benefits such as improved property value, reduced need for traditional gray infrastructure, reduced risk and costs from environmental damage due to surface and basement sewage flooding, and the creation of green jobs.

WHY SHOULD WE USE THE WATER BANK FOR GREEN INFRASTRUCTURE?

Using the Water Bank to finance GI projects provides significant benefits. According to a 2018 report by the I-Bank to the State Legislature, these benefits include the following:

- ✓ **Interest Cost Savings** – obtaining financing from the Water Bank is less expensive than borrowing money on the open market. According to the I-Bank, SFY2018 program borrowers received 75% of their long-term financing from the DEP at 0% and the remaining 25% of funds from the -Bank at the I-Bank's AAA market rate, creating a "blended" loan rate of 25% of the AAA market rate. This lower cost of funds results in interest savings on average of 40% of the total loan amount over 30 years when compared to the cost of these borrowers financing their projects on their own. Further, during the short-term loan period, Borrowers do not repay principal or interest on funds utilized.
- ✓ **Earnings Credits** – Investment earnings from all bond funds, such as the project fund, revenue fund and, when applicable, borrower funded debt service reserve funds are distributed to Borrowers as credits toward their debt service payments.
- ✓ **No bond insurance required** – the I-Bank's financial structure produces the highest possible credit rating without the expense or requirement for Borrowers of purchasing costly bond insurance.
- ✓ **No reserve** – Borrowers in the Financing Program are exempted from the Division of Local Government Services requirement of posting a 5% reserve prior to bond issuance.

- ✓ **Minimized financing costs** – Borrowers are charged a flat 10 basis point fee for cost-of-issuance of I-Bank bonds on the I-Bank portion of their total project loan. The remainder of the cost-of-issuance of the bonds is paid by the I-Bank.
- ✓ **No front-loading requirement** – local units of government issuing their own general obligation debt are required to "front load" their repayment schedule. This ensures that debt service payments are larger in the early years of the loan, and decline over time. The Financing Program provides for level debt service throughout the life of the loan normalizing annual payments for rate payers.
- ✓ **Refunding** – The I-Bank continually monitors market conditions to assess when interest rates meet the State's savings threshold for refunding prior bonds. All savings realized from prior bond refunds are passed on to Borrowers, further lowering their loan costs.
- ✓ **Debt service reserve fund** – Investment grade rated Borrowers are relieved of their obligation to commit a portion of loan funds to debt service reserve due to the Water Bank's Master Program I-Bank collateralization structure that secures a AAA rating.
- ✓ **Upfront Cash** – The disbursement of funds is expedited based on a rapid requisition approval process relieving Borrowers from utilizing cash-on-hand to pay contractors and vendors up front (typically 14 to 21 days after receipt of a complete requisition package).
- ✓ **Capitalized interest** –Borrowers with projects that are not construction complete prior to Long-Term financing, may capitalize interest on the Long-Term loan as allowable by the IRS guidelines *(note: starting in SFY2019, projects are required to be construction complete to receive long-term financing)*.
- ✓ **Deferred Principal Repayment** – During the Short-Term loan period no principal repayments are due. Additionally, to better align a project's cash flow dynamics, Borrowers with projects that are not construction complete prior to Long-Term financing *(see above note)*, may defer principal repayment as allowable by the IRS guidelines.
- ✓ **Flexible Term** - Shorter term financing is available for Borrowers who wish to minimize the repayment period of their loan.
- ✓ **No Arbitrage Worries** - The I-Bank manages federal IRS arbitrage rebate requirements, relieving Borrowers of the cost and administration of this obligation.
- ✓ **No Secondary Disclosure Requirements** – Due to the size of the Financing program, presently no single Borrower is a "Material Obligated" entity. As a result, Water Bank Borrowers are not required to fulfill secondary disclosure requirements for the S.E.C.

There are additional benefits for green infrastructure applications in CSO communities. For example, in SFY2019, The Water Bank provides 50% principal forgiveness, 25% DEP interest-free financing, and 25% I-Bank market-rate financing for GI projects that manage stormwater to reduce the overflow of untreated wastewater from CSOs. Please note that these terms are subject to change, and that applicants should consult the current year's Intended Use Plan.

Finally, green infrastructure projects are an alternative that must be evaluated as part of the development of Long Term Control Plans. For more information, please consult DEP's January 2018 report "Evaluating Green Infrastructure: A Combined Sewer Overflow Control Alternative for Long-Term Control Plans."

WHAT KINDS OF GI PROJECTS HAVE GOTTEN WATER BANK FUNDING?

The Water Bank provided New Jersey Future with a list of every green project funded in FY2015 through FY2017 and a list of green projects in the pipeline for FY2018 and beyond. These projects and their respective application information are shown in Tables 1 and 2 below.

Table 1: Projects with green infrastructure funded by the Water Bank from SFY2015 to SFY2017

FY	Project Sponsor	Project Number	Legislature Report Cost Amount	Description
2015	Camden County MUA	S340640-14	$5,657,000	**Green Infrastructure/CSO -** Construction of 10 new rain gardens in Camden; replacing deteriorating combined sewer pipes; and remediation & construction of the second and final phase of Phoenix Park, a bioretention park.
2015	Hoboken City	S340635-04	$10,587,764	**Below-grade Wet Weather Pump Station -** This sustainable stormwater component comprises four 1,200-gallon above-ground rainwater tanks (cisterns) to capture rainwater runoff from the roof of City Hall, and rain gardens in the northwest and southwest corners of the building that utilize the captured water.
2017	Camden County MUA	S340640-15	$5,333,565	**Green Infrastructure/CSO -** Construction and installation of rain gardens, planter boxes, porous concrete sidewalks, and porous pavement to manage stormwater runoff from impervious areas and reduce pressure on Camden City's combined sewer system.
2017	Elizabeth City	S340942-19	$6,435,644	**Green project component:** This project will include a test case for installing Green Infrastructure. A bioswale will be installed on the northeast side of Trumbull Street, a rain garden will be installed in the proposed park and if possible, and tree boxes will be installed along Bond Street.
2017	Hoboken City	S340635-05	$4,172,126	**Acquisition / GI CSO –** The newly opened Southwest Park addresses local flooding issues with green infrastructure and an underground retention system designed to handle a 10-year storm. The park's design combines passive rainwater collection, permeable paving, rain gardens and bioswales with sub-surface storage beneath a new community park.
2017	Hoboken City	S340635-06	$31,091,350	**Acquisition / GI CSO –** The acquisition/environmental investigation/design and planning of a 5.4-acre park in northwest Hoboken. Includes stormwater retention, public park/open space, and sub-surface stormwater quality treatment. The sub-surface stormwater storage will allow approximately 1 million gallons of stormwater flows to be received, treated and discharged.
			$52,689,685	

Table 2: Projects with green infrastructure in the Water Bank pipeline (SFY2018 and beyond)

Anticipated FY	Project Sponsor	Project Number	Legislature Report Cost	Description
2018+	Camden County MUA	S340640-17	$ 6,650,000	Green and Gray Infrastructure/CSO
2018+	Camden County MUA	S340640-20	$ 6,500,000	Camden City Green Infrastructure
2018+	Elizabeth City	S340942-17	$ 5,500,000	South Street Storm Water Resiliency
2018	Hoboken City	S340635-07	$ 5,000,000	Resilient Green Infrastructure for CSO Reduction
2018+	Hoboken City	S340635-08	$ 6,600,000	Southwest Resiliency Park Phase 2 – Acquisition and Rehabilitation
2018	Jersey City MUA	S340928-22	$ 750,000	Green Infrastructure - Planter boxes, rain gardens, permeable surfaces
2018+	Jersey City MUA	S340928-27	$ 500,000	Green Infrastructure - Martin Luther King Drive Tree Trenches
2018+	Newark City	S340815-25	$ 400,000	Green Infrastructure - permeable surfaces
2018+	Newark City	S340815-27	$ 3,800,000	Porous pavements, rain gardens, stormwater planters, and tree trenches
2018	Perth Amboy City	S340435-13	$ 850,000	The Paving of Parking Lots C and RDH (GI)
2018+	Perth Amboy City	S340435-14	$ 2,608,000	CSO Reparation (Pulaski Avenue / Parker Street / State Street)
2018+	Perth Amboy City	S340435-17	$ 4,418,400	Second Street Corridor Project – Green Infrastructure as pedestrian safety features
2018+	Seaside Park Borough	S344200-02	$ 2,800,000	Barnegat Bay Watershed Green Infrastructure Reconstruction of Parking Lots
			$ 46,376,400	

WHAT OTHER RESOURCES SHOULD I CONSULT?

Applicants should consult

- the Water Bank website
- the current year's Intended Use Plan
- the DEP Stormwater Best Practices Manual.

Please note that if there is a discrepancy between the Applicants Guide and these additional resources, applicants should refer to the source document or contact the I-Bank with questions at (609) 219-8600 or information@njib.gov.

WHO CAN I CONTACT IF I HAVE MORE QUESTIONS?

For financing questions, call or email the I-Bank at (609) 219-8600 or information@njib.gov.

For project and technical question, call the NJDEP Water Bank staff at (609) 292-8961.

You can also consult the Information Contact Sheet on the following page.

Information Contact Sheet	
NJ I-Bank	
David Zimmer, Executive Director dzimmer@njib.gov 609-219-8604	**Frank Scangarella**, Assistant Director/COO fscangarella@njib.gov (Project questions) (609) 219-8605
Lauren Kaltman, CFO lskaltman@njib.gov (Financial questions) (609) 219-8607	
Geoffrey Stewart, Financial Advisor Public Financial Management (215) 567-6100	**Richard Nolan**, Bond Counsel McCarter & English, LLP (973) 622-4444
3131 Princeton Pike, Bldg. 4, Suite 216 Lawrenceville, NJ 08648 (609)219-8600 Web page: http://www.njib.gov Facebook: www.facebook.com/njibank Twitter: www.twitter.com/njibank	
NJDEP	
Michele Putnam, Acting Assistant Comm. michele.putnam@dep.nj.gov (609) 292-4543	**Janice Brogle**, Acting Director Janice.brogle@dep.nj.gov (609)292-9977
401 East State Street PO Box 420, Mail Code 401-03D Trenton, NJ 08625-0420 Web page: httpt://www.nj.gov/dep/dwq/	
Clean Water SRF **(609) 292-8961**	**Drinking Water SRF** **(609) 292-5550**
Eugene Chebra, Assistant Director Eugene.chebra@dep.nj.gov (General questions) (609) 292-8961	**Patricia Gardner**, Director pat.gardner@dep.nj.gov 609-292-7219
Scott Shymon, Bureau Chief Construction, Payments & Administration scott.shymon@dep.nj.gov (Project eligibility questions) (609) 292-3114	**Sandra Krietzman**, Bureau Chief sandy.krietzman@dep.nj.gov (General Drinking Water info) 609-292-5550
Gautam Patel, Bureau Chief Environmental, Engineering & Permitting Gautam.patel@dep.nj.gov (General questions) (609) 984-4429	**Nina Odunlami** nina.odunlami@dep.nj.gov (General Drinking Water info) 609-292-5550
Karen Cole, Section Chief Environmental Review Section karen.cole@dep.nj.gov (Environmental questions) (609) 633-1170	**Kelly Hullen** kelly.hullen@dep.nj.gov (General Drinking Water info) 609-292-5550
Charles Jenkins, Section Chief Engineering Review Section charles.jenkins@dep.nj.gov (Engineering questions) (609) 633-1170	**Kristin Tedesco** kristin.tedesco@dep.nj.gov (General Drinking Water info) 609-292-5550

GLOSSARY OF TERMS

Applicant: Any local government unit (or other eligible institution) that applies for Water Bank funding.

Authorization to Advertise: Written authorization of the applicant by DEP to advertise contracts for solicitation of bid proposals for building.

Authorized Official (H2LOans): The Authorized Official is the person responsible for setting up an organization's account in the H2LOans system. This person must be a full-time employee of a project sponsor/applicant's organization, who is authorized to obligate the organization. The Authorized Official designates the sponsoring organizations internal project manager (Authorized Representative).

Authorized Representative (H2LOans): Representatives designated by the Authorized Official to function as the project manager. They are responsible for designating Collaborators and submitting any uploaded and final documentation.

Bond counsel: An attorney or law firm retained by the applicant to give a legal opinion on the issuance of municipal bonds, including whether the bond has been validly issued and whether the bond is tax exempt. The Water Bank requires applicants to secure bond counsel by the Authorization to Advertise.

Brownfield: Any former or current commercial or industrial site that is currently vacant or underutilized and on which there has been, or there is suspected to have been, a discharge of a contaminant.

Collaborators: Collaborators are designated by an Authorized Representative and include any individual involved in a project who is to have access to the on-line H2LOans system to facilitate the design, construction, financial or legal work associated with such project.

Combined Sewer Overflow (CSO) Communities: Communities where the sanitary and storm sewers are combined, and where piping networks direct both sewage and stormwater to a central treatment system before being discharged into a waterway. There are 21 CSO communities in New Jersey.

Gray Infrastructure: Gray infrastructure refers to traditional practices for stormwater and wastewater management, such as cleaning or replacing pipes, sewer separation, expansion of the sewage treatment plant, or treating the wastewater at the outfall.

Green Infrastructure (GI): Green Infrastructure refers to methods of stormwater management that complement gray infrastructure by reducing wet weather/stormwater runoff volume or flow, or by changing the characteristics of the flow into combined or separate sanitary or storm sewers or surface waters, by allowing the stormwater to infiltrate, to be treated by vegetation or by soils, or to be stored for reuse. GI practices include, but are not limited to, pervious paving, rain gardens, street tree trenches, and cisterns. The use of green infrastructure encourages the idea that stormwater is a resource that can be reused, instead of being treated as a nuisance that needs to be removed as quickly as possible.

H2LOans: Online application and document sharing portal for Water Bank financing located at www.h2loans.com. Call (609) 219-8601 to set up an account for your system.

Local Environmental Enhancement Planning Activities: Activities that encourage and facilitate implementation of environmentally sustainable practices at the local government level.

Long-term financing: Water Bank loans issued upon completion of project construction intended to refinance previously issued short-term loans for construction, and planning and design activities. Loan terms are limited to the useful life of a project with a maximum loan term of 30 years (45 years for CSO-related projects. Borrowers may choose a shorter term than the useful life of the project if they desire a more fiscally conservative repayment schedule.

Nano: Small drinking water systems serving communities with populations of 10,000 residents or less.

Priority System: describes the ranking methodology for the municipal water pollution control projects that are eligible for financial assistance through the Water Bank.

Project Priority List: identifies projects targeted for financial assistance from the CWSRF and identifies the estimated total eligible building costs under the appropriate project category

Professional Services: services rendered or performed by a person authorized by law to practice a recognized profession.

Rating (or investment rating): representation of an issuer's (the Applicant) ability to repay its debt. There are three (3) Nationally Recognized Statistical Rating Organization (NRSRO) agencies that provide credit ratings for applicants that are acceptable to the Water Bank for satisfying the Program's credit worthiness standards: Fitch Ratings, Moody's Investors Service, Standard & Poor's Global Ratings. **Sub-Agreement:** a contract for professional services executed directly between the applicant and a professional service provider.

Short-Term financing: Water Bank loans available for up to 3 full fiscal years, or up to the statutorily permitted term, to finance the cost of environmental planning and engineering design activities incurred, and project construction upon application approval. Pending Legislation, if signed, would add up to an additional two years for Planning and Design activities.

SAMPLE DOCUMENTS

This section is proposed to contain:

- ✓ a sample applications or screenshots of application elements
- ✓ an example of one or more successful applications for funding
- ✓ templates of commonly required application components
- ✓ resources to get information on both