

RESOLUTION NO. 2016-\_\_\_\_\_

RESOLUTION AUTHORIZING APPLICATION FOR A  
LOAN FROM THE NEW JERSEY ENVIRONMENTAL  
INFRASTRUCTURE FINANCING PROGRAM, FOR  
MULTIPLE WATER MAIN IMPROVEMENT PROJECTS.

WHEREAS, the City of Vineland intends to file an application with the New Jersey of Environmental Protection and the New Jersey Environmental Infrastructure Trust for Multiple Water Main Improvement Projects as follows:

- Replace Water Main on Palermo Avenue – numerous water main breaks
- Connect the Water Main on Lincoln Avenue up to Landis Avenue
- Upgrade Water Main on West Avenue
- Extend Water Main on East Pear Street from the Sixth Street Water Tank

NOW, THEREFORE BE IT RESOLVED, by the Council of the City of Vineland that Michael Lawler, Superintendent of the City of Vineland Water-Sewer Utility be authorized to act as the Authorized Representative to represent the City of Vineland in all matters relating to the project undertaken pursuant to the above referenced New Jersey Environmental Infrastructure Loan to be executed with the New Jersey Department of Environmental Protection and the New Jersey Environmental Infrastructure Trust. The Authorized Representative may be contacted at 330 E. Walnut Road, P. O. Box 1508, Vineland, NJ 08362-1508, 856-794-4056.

Adopted:

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President of Council


ATTEST:

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City Clerk

## Memorandum

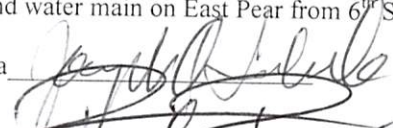


To: Mayor Bermudez  
CC: Joseph Isabella, Bob Dickenson  
From: Michael S. Lawler, VMWU Superintendent, CPWM.   
Date: 2/9/16  
Re: Water Main Infrastructure Construction Loan

The Water Utility respectfully requests permission to proceed with construction loan funding through the New Jersey Environmental Infrastructure Trust loan program. I have attached info regarding the program highlights.

We intend to request funding in the amount of \$2,500,000.00 for water main infrastructure improvements projects. We have multiple water main improvements approved and permitted with the NJDEP. Projects are as follows

- Replace Water main on Palermo Ave. Numerous water main breaks.
- Connect the water main on Lincoln Ave up to Landis Ave.
- Upgrade main on West Ave leaving the pump station at wells 2-3 for better flow.
- Extend water main on East Pear from 6<sup>th</sup> St tank.

Joseph Isabella 

Bob Dickenson 

Mayor Bermudez 

**CONFIDENTIAL**

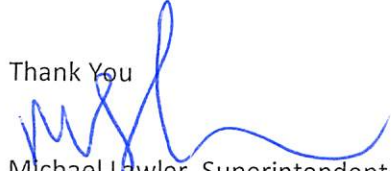




Michael Lawler  
VMWU Superintendent  
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Vineland, NJ 08360-1508  
Phone: (856) 794-4056  
Fax: (856) 405-4627

Thank You



Michael Lawler, Superintendent, CPWM.



Special arrangements for persons with disabilities may be made if requested in advance by contacting the Business Administrator's office at 856-794-4144.

**THE “NEW” ENVIRONMENTAL INFRASTRUCTURE  
FINANCING PROGRAM**

***Environmental Infrastructure  
Financing Program IUP Update***  
**CLEAN WATER SRF**

**Municipal Finance and Construction Element  
Division of Water Quality  
New Jersey Department of Environmental Protection**

**SEPTEMBER , 2015**



# **THE PROPOSED FFY2016 PRIORITY SYSTEM, INTENDED USE PLAN AND PROJECT PRIORITY LIST DOCUMENT**

## **CLEAN WATER FINANCING**

The Proposed Priority System document is posted on the Department's web site at  
<http://www.nj.gov/dep/dwq/cwpl.htm>.

In addition to the complete Priority System, Intended Use Plan and Project Priority List, the web posting includes a project description and project ranking worksheet for each listed project.

# CWSRF Proposed Federal Fiscal Year 2016 Priority System



A hearing on the Proposed FFY2016 Priority System document for Clean Water Financing will be held at the offices of the

## **NJ Environmental Infrastructure Trust**

**3131 Princeton Pike, Building 4, Suite 216,  
Lawrenceville, New Jersey**

**Tuesday, September 22, 2015.**

The hearing will commence at 10:00 a.m. and conclude at noon or the end of testimony (whichever is sooner) and will be held in conjunction with the Priority System and Intended Use Plan hearing for the Drinking Water Program.



## **CWSRF Proposed Federal Fiscal Year 2016 Priority System**

Presentations may be made orally or in writing; if written testimony is prepared, the oral presentation should be limited to a summary of the text.

The period for submitting written comments on the proposal will close on September 30, 2015 (all comments must be received by that date).

All comments submitted prior to the close of the comment period will be considered in the preparation of the final FFY2016 Priority System and Sandy CWSRF documents.

Written comments should be sent to the following address:

Mail Code 401-03D

Eugene Chebra, P.E., Assistant Director

Municipal Finance and Construction Element

Division of Water Quality

PO Box 420

401 East State Street, 3rd Floor, West Wing

Trenton, New Jersey 08625-0420

# CWSRF Proposed Federal Fiscal Year 2016 Priority System



The Department is proposing several significant changes to the FFY16/SFY17 Program that include the following:

Offering 100% DEP interest-free financing (with no NJEIT loan component) to communities in a CSO sewershed sponsoring construction projects that reduce or eliminate excessive infiltration/inflow or extraneous flows (with loan terms up to 30 years);

Allowing borrowers to convert their short-term construction loans into long-term loans from the DEP and the NJEIT every 6-8 months provided the project is listed in the approved State legislation authorizing its financing and is able to satisfy the Term Financing Criteria established by the NJEIT requiring a certain percentage of construction completion;



## CWSRF Proposed Federal Fiscal Year 2016 Priority System



Offering 100% interest-free financing through the NJEIT's Planning and Design Loan Program to help CSO permittees develop long-term control plans for the CSO sewershed (with loan terms up to 10 years) with the expectation that such plans will result in a capital improvement project. The Department is proposing to reserve \$10 million in SRF loan repayments for this purpose;

Adjust the financing terms for projects that have significant private involvement and are utilizing a local government unit as a conduit to access the Financing Program for redevelopment purposes such that 50% of the allowable costs are financed with interest-free loans and the remaining costs financed through the NJEIT at market rate

## **CWSRF** Proposed Federal Fiscal Year 2016 Priority System



Introduce the Program's Affordability Criteria developed to satisfy a new federal requirement established in the Water Resources Reform and Development Act of 2014 (WRRDA) which mandates that each state's CWSRF program develop affordability criteria that will assist in identifying applicants that would have difficulty financing projects without additional subsidization;

Remove the existing caps of \$600,000 for emergency loans and \$500,000 for supplemental loans that is currently in place;

# CWSRF Proposed Federal Fiscal Year 2016 Priority System



Highlight the Program's ability to finance farmland preservation activities, including land acquisition or stream buffers and the implementation of best management practices such as fencing, feedlot and manure runoff control systems and other approved practices that help protect water quality.

Enhance customer service activities, improve communications and post a listing of active projects for project sponsors and other interested parties to view which will include key milestone dates with target dates or actual completion dates for all active clean water and drinking water projects on the DEP website and the NJEIT website quarterly

# CWSRF Proposed Federal Fiscal Year 2016 Priority System



## Base CWSRF Funding Packages

- 75% DEP interest-free financing/25% NJEIT market rate financing
- Opportunities for Principal Forgiveness Loans (CSOs and Barnegat Bay) and 100% DEP interest-free financing (SFY17 CSOs only)

## Sandy CWSRF Funding Packages

- 19% Principal Forgiveness/56% DEP interest-free financing/25% NJEIT market rate financing
- **Subject to available funds**, the Sandy CWSRF package may continue to be available for projects in SFY17
- The DEP continues to seek projects in the SFY16 and possibly the SFY17 Program that satisfy the CDBG eligibility requirements and are willing to utilize both CDBG and Sandy SRF funds to implement the project (in which case the financing would be 100% DEP with 25% being Principal Forgiveness)

# CWSRF Proposed Federal Fiscal Year 2016 Priority System



All local government units that have a project or projects listed or eligible for listing on the FFY2016 Priority List are required to commit to the following schedule by October 9, 2015 to be considered for the SFY2017 Financing Program. The commitment (also known as a Letter-of-Intent) is made through your user account at <https://www.h2loans.com/app/> .

If you are new to the Financing Program, please contact the NJ Environmental Infrastructure Trust at 609-219-8600 to request a user account

## CWSRF Program Schedule (FFY16/SFY17)

<u>Activity</u>	<u>Deadline</u>
Commitment Letter (Letter of Intent) and Planning Documents	October 9, 2015
Design Documents and Loan Application	March 4, 2016

# CWSRF Proposed Federal Fiscal Year 2016 Priority System



The Department is expecting to have somewhere in the range of \$3M to \$6M to provide principal forgiveness loans in the SFY17 Program. The Department is proposing to reserve 50% of the available principal forgiveness funds and provide principal forgiveness loans for Combined Sewer Overflow (CSO) abatement projects utilizing green practices (such as green roofs, blue roofs, rain gardens, porous pavement, and other activities that maintain and restore natural hydrology by infiltrating, evapotranspiring and harvesting and using stormwater).

The remaining 50% of the available principal forgiveness funds would be reserved for stormwater and non-point source pollution management projects in the Barnegat Bay Watershed.

# CWSRF Proposed Federal Fiscal Year 2016 Priority System



- In addition to the CSO and Barnegat Bay reserves, the Department is also proposing to continue to reserve up to \$5M for equipment purchases and \$30M for brownfield redevelopment projects in this year's Priority System. For the purposes of the equipment purchase reserve, equipment is limited to street sweepers, jet-vac trucks, portable generators and other equipment where construction services (such as the installation of a pad to support a generator) are not needed to effectuate the project.
- The Department will continue to accept submittals under the Sandy CWSRF Program, which includes a principal forgiveness component of approximately 19% of the allowable costs. If all of the Sandy CWSRF funds are awarded in SFY16, new submittals will continue to be eligible under the 75% DEP and 25% Trust loan structure.

# **CWSRF** Proposed Federal Fiscal Year 2016 Priority System



All applicants are strongly encouraged to attend a pre-application meeting with appropriate staff within the Municipal Finance and Construction Element.

To request a pre-application meeting, please contact

Gautam Patel, Chief, Bureau of Environmental, Engineering and Permitting at **(609) 633-1170**.

The Department is continuing to require project sponsors to submit a planning checklist with the planning document submittal so that the submittals are more complete and the reviews can be expedited



# CWSRF Proposed Federal Fiscal Year 2016 Priority System



## SAIL Loan Program

The Trust-administered Disaster Recovery Emergency Loan Fund (commonly referred to as the Statewide Assistance Infrastructure Loan (SAIL) Program) is designed for project sponsors that are certain that FEMA will provide grant funding for a substantial portion of the overall project costs.

SAIL is a short-term bridge loan program to help facilitate the cash flow needs of municipalities and authorities and pay for construction costs related to the repair of infrastructure damaged during Sandy and projects to improve infrastructure resiliency in future disasters.

# **CWSRF** Proposed Federal Fiscal Year 2016 Priority System



## **WRRDA Provisions**

On June 10, 2014, President Obama signed into law the Water Resources Reform and Development Act of 2014 (WRRDA) that introduce new requirements for CWSRF applicants and recipients.

# **CWSRF** Proposed Federal Fiscal Year 2016 Priority System



## **WRRDA Provisions**

The major changes that project sponsors should be aware of are as follows:

Requires treatment works receiving assistance to develop and implement a fiscal sustainability plan and certify that it has been implemented prior to receiving assistance. Continue to require sponsors of other project types to certify that they will develop and implement an Asset Management Plan.

Assistance recipients must certify that it has studied cost-effectiveness, and has selected a project with the greatest potential for water reuse, water conservation, and energy conservation.

# **CWSRF Proposed Federal Fiscal Year 2016 Priority System**



## **WRRDA Provisions (continued)**

In addition, WRRDA also included provisions that allow for 30-year loans, and expands the eligible activities for the CWSRF program.

**Codifies Davis-Bacon requirement.**

WRRDA permanently applies the prevailing wage (Davis-Bacon) provision to any projects for treatment works that are funded by a CWSRF.

# **CWSRF** Proposed Federal Fiscal Year 2016 Priority System



## **WRRDA Provisions (continued)**

**Codifies American Iron and Steel (AIS) requirement.**

WRRDA also codifies a provision that had recently been included in EPA's SRF appropriations that requires assistance recipients, absent a waiver, to use iron and steel products that are produced in the United States for projects for the construction, alteration, maintenance, and repair of treatment works.

These provisions apply to all CWSRF projects in New Jersey.

# Questions?

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Municipal Finance and Construction Element  
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[www.nj.gov/dep/dwq](http://www.nj.gov/dep/dwq)**

# Karen Fell

Assistant Director

Water System Operations Element

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