

New Jersey Water Bank Update

2020

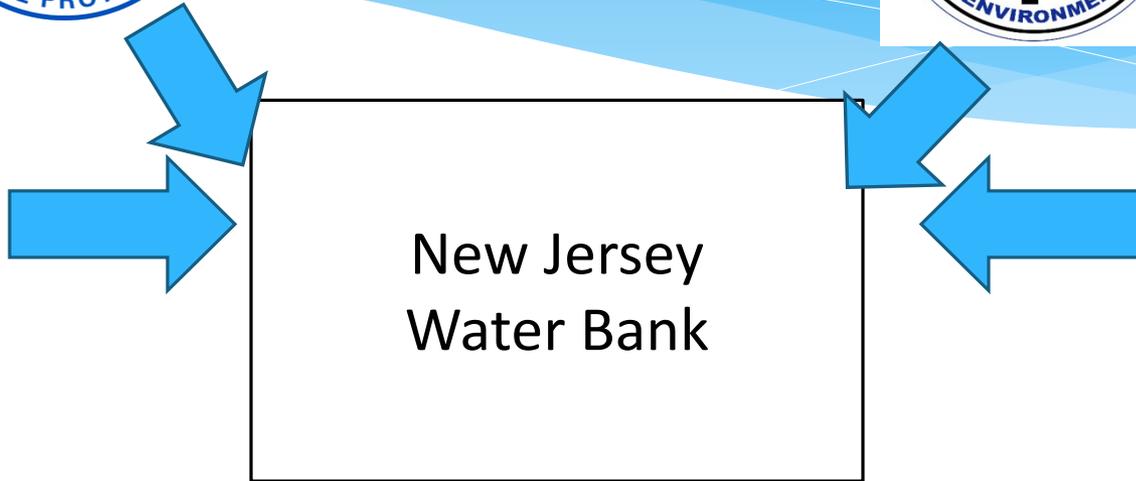
New Jersey Infrastructure Bank
New Jersey Department of Environmental Protection

December 2019

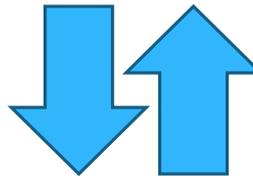


Water Bank Objective

- * To provide low-cost financing for the planning, design, construction, and implementation of projects that protect, maintain, and/or improve water quality.
- * Significant planning and investment is required to sustain and improve NJ's aging infrastructure systems. That cost often exceeds the capabilities of local water utilities.



Below
Market Rate
Financing



Repayments

Projects





Water Bank Stats

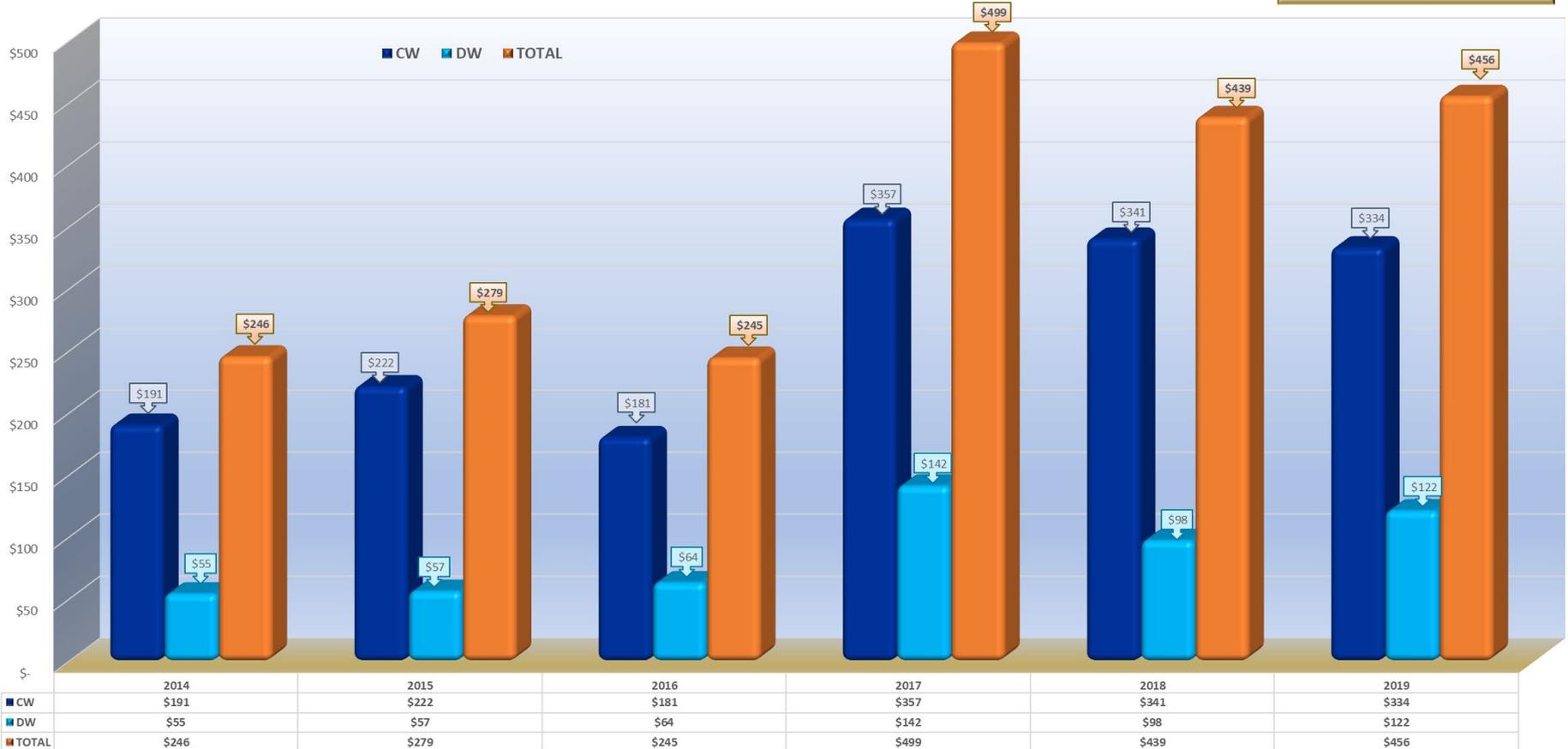
- Water Bank issued more than \$7.13 billion in low-interest long term loans;
- New Jersey's ratepayers have saved an estimated \$2.58 billion in interest costs and Principal Forgiveness loans; and
- Total loan spending has generated over 130,000 direct construction jobs throughout the State.



Water Bank Annual Funding

Annual (from 2014-2019) CW/DW Funded Projects

All Amounts are in \$Millions





Loan Structure

- Up to 30 Year loans terms
- Rolling Applications
- No Deadlines
- Rolling Awards for Clean Water projects based upon readiness to proceed
- Drinking Water loan awards based upon Priority Ranking
- Construction “Bridge” Loans
- No out of pocket costs



Application, Review, & Approval Process

- Project Submission for Financing Consideration
- Priority Ranking
- Letter of Intent
- Environmental & Cultural Resources Planning Review
- Loan Application
- Design Review
- Permitting & Approvals

Application, Review, & Approval Process, Continued



- Construction Procurement & Award
- Project Certification
- Short-Term Loan Award
- Project Construction
- Short-Term Loan superseded by Long-Term Loan



H2LOans

- Online submittal of forms
- Status bar of project with milestones
- Documents uploaded for mobile access
- Contact information

A screenshot of the H2LOans Application System interface. The page has a dark blue sidebar on the left with icons for Home, a globe, a list, and a window. The main content area is light gray and contains the following text: "Home", "Welcome to the H2LOans Application System!", "Project Management", "Project Management Workflow", "Use the below lists to manage the workflows for all Projects.", "Ranking ▾", "Project Lists", "Use the below lists to manage all Projects from all Programs.", and a row of buttons: "All Projects", "Comprehensive & SFY Master", "Ineligible Projects", and "Application Status ▾". At the bottom right, there is a copyright notice: "Copyright © 1986 - 2017 New Jersey Environmen".



Water Quality Restoration

- Capital improvement projects and equipment purchases that will eliminate, prevent or reduce documented occurrences of shellfish bed downgrades, beach closings and advisories due to the presence of harmful algal blooms (HABs).
- Projects would eliminate such potential sources as:
 - ✓ Failing on-site wastewater systems
 - ✓ Cross-connections between storm sewers and sanitary sewers
- Eligible projects also include:
 - ✓ Expansion or replacement of stormwater management systems
 - ✓ Purchase of skimmer boats, aquatic weed harvesters and equipment to maintain stormwater management facilities.



Water Quality Restoration Projects

- \$10M in Principal Forgiveness (Grant Like Funding) set aside in SFY21
- \$2 million PF cap per applicant
- First \$4M of project costs funded at:
 - ❖ 50% principal forgiveness
 - ❖ 25% DEP interest free loan
 - ❖ 25% I-Bank market rate loan
- Remaining costs (up to \$10M) at 75% DEP/25% I-Bank
- Costs over \$10M at 50% DEP/50% I-Bank



SFY21 Clean Water Funding Packages

SFY21 FUNDING PACKAGES (LONG-TERM LOANS)

Clean Water Categories	DEP Interest Free Share	I-Bank Market Rate Share
CSO Sewershed – Grey and Green Infrastructure and Water Quality Restoration Projects*	75%	25%
All Other Water Quality Projects (Base CWSRF)	50%	50%
Brownfield Redevelopment (Conduit Projects)	25%	75%

*Costs in excess of \$10 million for CSO Abatement and Water Quality Restoration Projects will be financed under the Base CWSRF package.



SFY21 CW Principal Forgiveness Opportunities

SFY21 PRINCIPAL FORGIVENESS (PF) OPPORTUNITIES

Clean Water PF	Principal Forgiveness Share	Principal Forgiveness Cap	Projected Amount of PF Available
Small System Asset Management Plan Development	100%	\$100,000	\$.5M
Water Quality Restoration	50%	\$2M	\$10M
Coastal Community Water Quality Restoration	50%	\$2.5M	\$2.5M*
CSO Sewershed – Grey and Green Infrastructure	50%	\$2M	\$25M**

*\$2.5M in PF has been committed towards Cumberland County Improvement Authority.

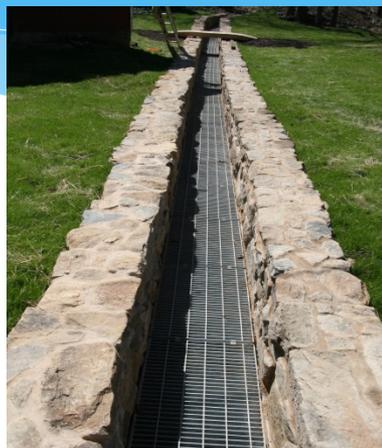
**\$2.5M in CSO-Abatement PF funds are set aside for CSO Green Infrastructure projects.



Clean Water-Eligible Projects

Water Quality Improvement

- * Wastewater Infrastructure
- * Stormwater Management
- * Site Remediation
- * Equipment Purchases
- * Water Meters
- * Planning



Califon Storm Water Improvements



Hoboken City Green Infrastructure



Passaic Valley Sewerage Commission Electrical Substation



North Wildwood Sewer, Storm and Street Restoration



Camden County MUA Phoenix Park

Wastewater Infrastructure



Eligible projects

- Secondary and advanced wastewater treatment
- Well Sealing
- Flood resiliency to protect environmental infrastructure
- Sludge handling facilities
- Infiltration and inflow (I/I) correction
- Interceptors, pumping stations and force mains
- Sewer system rehabilitation
- New collection systems

Stormwater Management

Eligible projects

- Stormwater runoff controls
 - Landfill cells and landfill closures
- Treatment systems
- Stormwater detention and conveyance
- Green Infrastructure
 - Porous pavement, raingarden, bioswales, etc.



Site Remediation

Eligible Projects

- Removal of contaminated soil
- Capping systems
- Liners
- Leachate collection systems
- Tank removal
- Well sealing activities
 - Ground water, drinking water





SFY20 Drinking Water Funding Packages

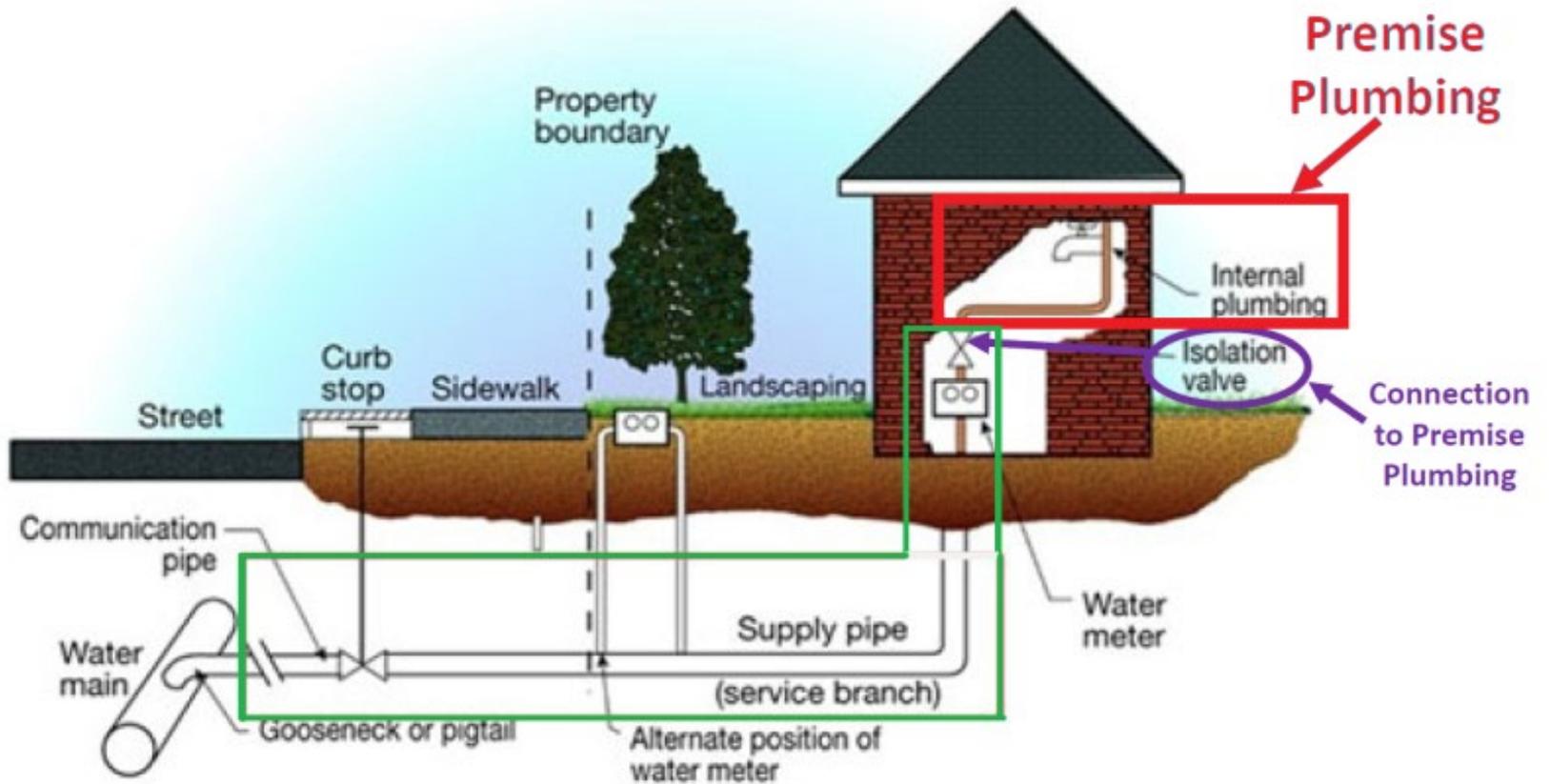
Drinking Water	DEP	I-Bank	Principal Forgiveness	Funding Cap
	0%*	Market Rate**		
Asset Management Plan Development	0%	0%	100%	\$100,000 ¹
Base DWSRF – Public	50%	50%	0%	\$25 million ² (remainder at I-Bank market rate)
Base DWSRF – Investor-owned	25%	75%	0%	\$10 million (remainder at I-Bank market rate)
Small System (“Nano”) ≤ 10,000 customers	25%	25%	50%	\$1 million (remainder at 50/50 or 25/75)
Affordability (publicly-owned water systems only) ³	75%	25%	0%	\$10 million (Remainder at base)
Lead Line Replacement ⁴	10%	0%	90%	\$ 1, 5 or 10 million (depending on population served per eligible water system; remainder at applicable base rate)



Drinking Water- Eligible Projects

Eligible Projects

- Construction, replacement, or rehabilitation of lines
- Rehabilitate contaminated sources
- Lead Lines
 - Locating and replacement
- Treatment facilities – new and rehabilitation/upgrade of existing
- Purchase or consolidation (i.e., restructuring) of a water system that is unable to maintain compliance for technical, financial, or managerial reasons



Questions?

Paul Hauch, Chief
Bureau of Payments, Construction and Administration
Paul.hauch@dep.nj.gov

NJ Department of Environmental Protection
Municipal Finance and Construction Element
(609) 633-1180

<http://www.nj.gov/dep/dwq/mface.htm>