

# SENATE ENVIRONMENT AND ENERGY COMMITTEE

## STATEMENT TO

### SENATE, No. 2735

# STATE OF NEW JERSEY

DATED: JUNE 13, 2022

The Senate Environment and Energy Committee favorably reports Senate Bill No. 2735.

This bill would authorize the New Jersey Infrastructure Bank (NJIB) to expend up to \$2.07 billion to provide loans to local governments and privately-owned water companies (project sponsors) for a portion of the costs of water infrastructure projects, for the purpose of implementing the State Fiscal Year 2023 New Jersey Environmental Infrastructure Financing Program (NJEIFP). A companion bill, Senate Bill No. 2734 of this session, would appropriate certain federal and State moneys to the Department of Environmental Protection (DEP) for the purpose of partially funding the costs of the clean water and drinking water projects enumerated by the bill.

The bill would authorize the NJIB to provide loans to fund the following projects:

(1) in subsection a. of section 2 of the bill, a list of 12 projects to improve water discharge and treatment systems that had previously received a loan and require supplemental loans, representing \$96.4 million in estimated total loan amounts;

(2) in subsection b. of section 2 of the bill, a list of three projects to improve drinking water systems that had previously received a loan and require supplemental loans, representing \$29.5 million in estimated total loan amounts;

(3) in subsection c. of section 3 of the bill, a list of four projects in the Pinelands area that are receiving funding under the "Pinelands Infrastructure Trust Bond Act of 1985," P.L.1985, c.302 to improve water discharge and treatment systems, representing \$15.3 million in estimated total loan amounts;

(4) in subsection a. of section 4 of the bill, the "Storm Sandy and State Fiscal Year 2023 Clean Water Project Eligibility List," a list of 92 projects to improve water discharge and treatment systems, representing \$939.6 million in estimated total loan amounts; and

(5) in subsection b. of section 4 of the bill, the "Storm Sandy and State Fiscal Year 2023 Drinking Water Project Eligibility List," a list of 53 projects to improve drinking water systems, representing \$762.9 million in estimated total loan amounts.

Several projects in the "Storm Sandy and State Fiscal Year 2023 Clean Water Project Eligibility List" and the "Storm Sandy and State

Fiscal Year 2023 Drinking Water Project Eligibility List,” representing \$222.1 million in estimated total loan amounts, are eligible to receive long-term funding from the NJIB by the end of FY2022, and thus would not receive loans under the 2023 NJEIFP if they receive funding during FY2022. They are included in these lists in the event that long-term financing cannot be secured by the end of FY2022.

The bill would also appropriate to the NJIB an amount up to \$1 billion, as necessary, to make short-term or temporary loans to project sponsors on the "Interim Environmental Financing Program Project Priority List," which is required to be submitted to the Legislature by the Commissioner of Environmental Protection. The bill would also appropriate to the NJIB the amount needed to fund project sponsors on the "Environmental Disaster Relief Emergency Financing Program Project Priority List," which is also required to be submitted to the Legislature by the Commissioner of Environmental Protection.

The bill would also authorize the NJIB to transfer moneys between various State funds, for the purpose of funding the NJEIFP and providing the State match for federal funding provided under the federal laws, including the Clean Water Act and Safe Drinking Water Act, as detailed in subsection c. of section 1 of the bill.

The bill would establish certain requirements on loans to project sponsors made by the NJIB pursuant to the bill, as enumerated in section 6 of the bill. The bill would also authorize the NJIB to decrease or increase the loan amounts it provides, subject to certain conditions enumerated in sections 7 and 8 of the bill.