HOPEWELL HUNT AND PRINCETON FARMS SANITARY SEWER SYSTEM REHABILITATION HOPEWELL TOWNSHIP, MERCER COUNTY

SUBURBAN CONSULTING ENGINEERS Inc.

OUTLINE OF TOPICS

Project History

Sanitary Sewer Rehabilitation Project

Financing

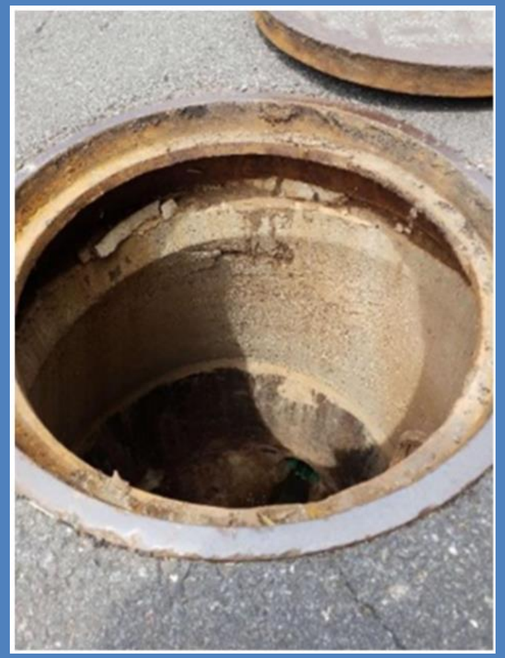
Hopewell Hunt & Princeton Farms Aerial

ASSET MANANGEMENT PLAN

- SCE Completed a review of Hopewell Hunt and Princeton Farm's Sanitary Sewer Collection System in October 2020.
  - Princeton Farms – Phase 1
  - Hopewell Hunt – Phase 2

Chimney Infiltration, Staining

Infiltration, Cracks



Chimney Loose, Rebar Visible

Damaged Rim

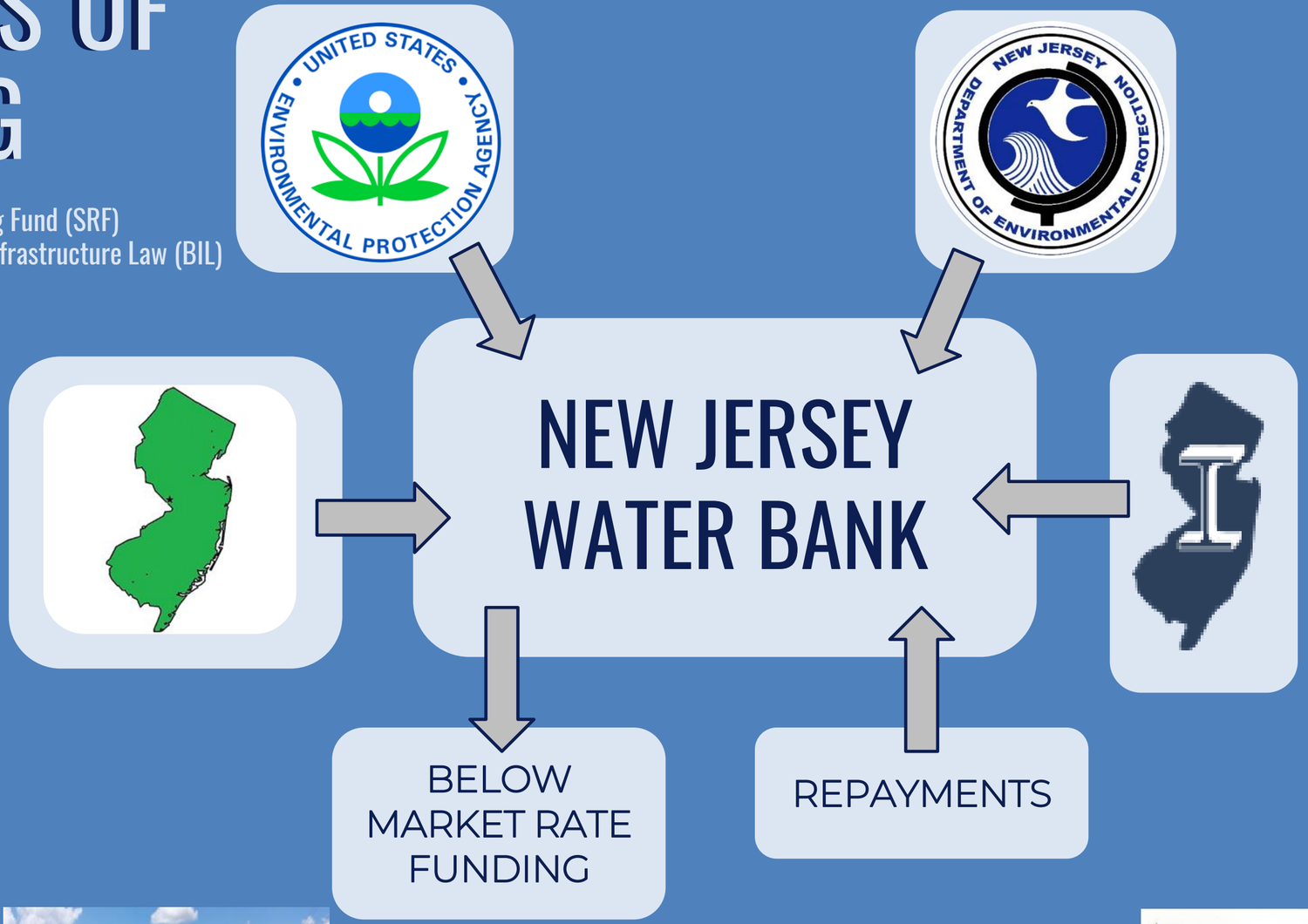
Longitudinal Fracture

Sanitary Sewer Rehabilitation

- 5,607 LF Cured-In-Place Pipe Rehabilitation, 8”
- 402 Manholes to be Rehabilitated
- 53 Manhole Frame and Cover Replacements
- 266 Manhole Rung Replacements

SOURCES OF FUNDING

State Revolving Fund (SRF)
& Bipartisan Infrastructure Law (BIL)



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PROJECTS

The Intended Use Plan (IUP)

- Annual EPA Requirement
- Open to public comment
- Condensed Information on Program
- Interactive Links
- Pictures, charts, and graphics
- Project Ranking Methodology
  - Type
  - EJ
  - Affordability
  - Regulatory concerns

Program Highlights for SFY2024!

Enhanced Environmental Justice

Historically, New Jersey's low-income communities and communities of color have been subject to a disproportionately high number of environmental and public health stressors, including pollution from numerous industrial, commercial, and governmental facilities located in those communities and, as a result, suffer from increased adverse health effects including, but not limited to, asthma, cancer, elevated blood lead levels, cardiovascular disease, and developmental disorders.

Signed into law by Governor Phil Murphy on September 18, 2020, New Jersey's groundbreaking Environmental Justice Law, N.J.S.A. 13:1D-157, (Law) requires the New Jersey Department of Environmental Protection (NJDEP) to evaluate the contributions of certain facilities to existing environmental and public health stressors in overburdened communities when reviewing certain permit applications. The law also directs the NJDEP to publish a list of overburdened communities and provide notice to the 331 municipalities in which those communities are located.

NJ Water Bank will continue to use the Affordability Criteria developed last year which better aligns the Clean Water Affordability Criteria with the Drinking Water Disadvantaged Community criteria and the Environmental Justice Law's economic criteria for overburdened communities. For projects sponsored by borrowers that meet the Drinking Water Affordability Criteria, the DWSRF will set aside principal forgiveness for eligible drinking water projects for emerging contaminants, lead service line replacement and other high priority projects as described in further detail below.

Climate Change

Projects implementing climate resilience measures will receive an additional 150 priority points if the resilience components represent a significant amount of the overall project activities. See Eligible Projects to learn what kinds of projects qualify.

New Jersey is already experiencing many of the impacts of climate change such as increasing temperatures, rising sea levels, and more frequent and intense storms. In July 2019, Governor Murphy signed into law amendments to the Global Warming Response Act (GWRA) reaffirming New Jersey's commitment to climate action. First passed in 2007 and since amended to enhance the state's response, the GWRA introduced a fixed goal of reducing greenhouse gas emissions by 80% from their 2006 levels by 2050.

The Department is developing new Infrastructure Resilience and Best Practices Guidance to establish standards which will be required elements for new projects seeking State funding through the Water Bank. The Water Bank will also be informed by data in the following reports and documents in developing the Infrastructure Resilience Guidance and in evaluating the technical, environmental, and financial feasibility of proposed projects:

- 2020 New Jersey Scientific Report on Climate Change
- Sea Level Rise Guidance for New Jersey
- State of New Jersey Climate Change Resilience Strategy

Projects implementing climate resilience measures will receive 150 priority ranking points if the resilience components represent a significant amount of the overall project activities. Resilience measures for drinking water infrastructure projects must apply the best available and most geographically relevant climate information, projections, and standards.

6 | DWSRF IUP

which DEP estimates could provide nearly $1 billion in
ey's Clean Water and Drinking Water SRFs. For SFY
illion, which includes $92.8 million for the Clean Water
2024/FFY 2023 Drinking Water SRF BIL funds will be
ted in the amount of $35.5 million to be used for any
the amount $12.9 million to be used for projects that
in the amount of $48.4 million to be used for projects

RPA funds to the Department to make transformative
1% administrative set-aside, the Department will use
ipal forgiveness loans to certain Drinking Water SRF
project to address multiple maximum contaminant level
funds must be allocated to projects through funding
nds must be disbursed to project sponsors by December
le drinking water projects on a readiness to proceed
for use in SFY2024.

3 million of this budget allocation to make principal
d Sewer Overflow (CSO) projects listed on CSO Long
scribed in the SFY 2024 Clean Water State Revolving

le for: (1) Projects that address contaminants in private
ing and design efforts which are likely to lead to the
provement projects; and (3) Water and Wastewater

System 360-Degree Assessments that are expected to result in the identification and implementation of eligible Clean Water and Drinking Water State Revolving Fund capital improvement projects.

Enhanced Technical Assistance

To ensure this historic level of funding reaches disadvantaged and overburdened communities, the Water Bank Program has expanded technical assistance (previously directed at small systems). The expanded Technical Assistance programs are designed to deploy early engineering and engagement assistance to communities that meet NJ's Affordability Criteria which would help them refine their water infrastructure needs, facilitate communications within their communities, and navigate the Water Bank application process.

An online Technical Assistance Request Form is currently available on the Water Infrastructure Investment Plan (WIIP) webpage.

7 | DWSRF IUP

Program

		rior years	$269M
		years' loans	$43M
			$9M
		DWSRF Grant	$2M
			$26M
		CW BIL Grant	$3M
			$11M
			$49M
Subtotal:	$330M	Subtotal:	$412M
Anticipated I-Bank Share	$106M	Anticipated I-Bank Share	$125M
ARPA Allocation	$45M		
Total Program Sources:	$481M	**Total Program Sources:**	$537M
Anticipated Uses:		**Anticipated Uses:**	
Projects to be Financed in SFY23	$212M	Projects to be Financed in SFY24	$250M
Total Program Uses:	$212M	**Total Program Uses:**	$250M

In SFY2023, the State budget set forth approximately $60M in appropriation for the SRF program, including $10M anticipated to be utilized for State CWSRF match. The leveraged $25M I-Bank appropriation share is approximately $110M. Note that additional State budget appropriations may be used for supplemental loans and grants for infrastructure that may not be SRF eligible.

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State Fiscal Year runs July – June

Federal Fiscal Year runs October - September

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Available at https://www.nj.gov/dep/dwq/cwpl.htm

SOURCES OF FUNDING

NEW JERSEY'S WATER BANK FINANCING PROGRAM

Final Clean Water Intended Use Plan for Federal Fiscal Year 2020 (and State Fiscal Year 2021)

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

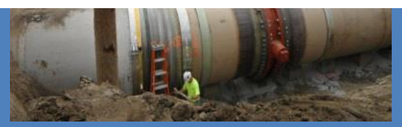
April 2020

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.

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PROJECTED DEBT SERVICE

Schedule			NJEIFP	Independent	NJEIFP Cost Savings	
	Period Ending	Date	Total Debt SVC	Total Debt SVC	Cash Flow Savings	% of Requested Amount
	At Closing	2/2023	$0	$58,750	$58,750	5.00%
Long-Term	Year 1	8/2023	$36,365	$16,511	$-19,855	-1.69%
	Year 2	8/2024	$60,638	$69,613	$8,975	0.76%
	Year 3	8/2025	$59,080	$63,841	$4,761	0.41%
	Year 4	8/2026	$59,080	$68,233	$9,153	0.78%
	Year 5	8/2027	$59,080	$67,478	$8,398	0.71%
	Year 6	8/2028	$59,080	$66,720	$7,640	0.65%
	Year 7	8/2029	$59,080	$65,958	$6,878	0.59%
	Year 8	8/2030	$59,080	$70,188	$11,108	0.95%
	Year 9	8/2031	$59,080	$69,252	$10,172	0.87%
	Year 10	8/2032	$59,080	$68,301	$9,221	0.78%
	Year 11	8/2033	$59,080	$67,326	$8,246	0.70%
	Year 12	8/2034	$59,080	$71,315	$12,235	1.04%
	Year 13	8/2035	$59,080	$70,086	$11,006	0.94%
	Year 14	8/2036	$59,080	$68,798	$9,718	0.83%
	Year 15	8/2037	$59,080	$67,461	$8,381	0.71%
	Year 16	8/2038	$59,080	$71,086	$12,006	1.02%
	Year 17	8/2039	$59,080	$69,498	$10,418	0.89%
	Year 18	8/2040	$59,080	$67,898	$8,818	0.75%
	Year 19	8/2041	$59,080	$71,278	$12,198	1.04%
	Year 20	8/2042	$59,080	$69,433	$10,353	0.88%
	Year 21	8/2043	$59,080	$67,574	$8,494	0.72%
	Year 22	8/2044	$59,080	$70,689	$11,609	0.99%
	Year 23	8/2045	$59,080	$68,564	$9,484	0.81%
	Year 24	8/2046	$59,080	$66,409	$7,329	0.62%
	Year 25	8/2047	$59,080	$64,234	$5,154	0.44%
	Year 26	8/2048	$59,080	$62,039	$2,959	0.25%
	Year 27	8/2049	$59,080	$64,829	$5,749	0.49%
	Year 28	8/2050	$59,080	$62,387	$3,307	0.28%
	Year 29	8/2051	$59,080	$59,934	$854	0.07%
	Year 30	8/2052	$59,080	$57,470	$-1,611	-0.14%
Total			$1,751,243	$2,023,141	$271,898	23.14%

Cost of Financing	NJEIFP	Independent Financing
Short Term Financing / BAN	None	None
Long Term Financing	30 Years	30 Years
Project Cost	$1,175,000	$1,175,000
Additional Costs (AIS, Engineering) [1a]	$66,975	$0
Total Requested Amount	**$1,241,975**	**$1,175,000**

Total Payments		
5% Upfront Cash Funding (LFB Requirement) [3d]	$0	$58,750
Interest Paid on Short-Term Loan	$0	$0
Bond Par Amount (Includes Underwriter Fees for NJEIT Admin Fee, DEP Fee financed for the Program, and any capitalized short-term loan interest)	$640,000	$1,130,000
Bond Loan Interest	$415,256	$834,391
Fund Loan	$620,988	$0
DEP Fee (Non-financed portion)	$11,750	$0
Total NJEIT Admin Fee (Annual Fee = $2,144)	$63,239	$0
Total Cost of Financing	**$1,751,232**	**$2,023,141**

Assumptions		
Total DEP Fee [2a]	$23,500	$0
Annual NJEIT Admin Fee [2b]	$2,144	$0
Underwriters' Discount [3a]	$3,200	$11,300
Cost of Issuance [3b]	$640	$0
Effective Interest Rate (Estimated)	2.116%	4.055%

TOTAL ESTIMATED SAVINGS THROUGH NJEIFP FINANCING: $274,359

(23.35% of Project Cost)

Total Users:		213
Debt Service:	$	59,080
Annual Pmt per User:	$	277.4
Monthly Payment per User:	$	23.11

QUESTIONS ?