

May 5, 2009

## **NOTICE OF PUBLIC HEARING/COMMENT PERIOD**

**REGARDING**  
**PROPOSED AMENDMENTS TO THE FFY2009 FINAL DRINKING WATER**  
**PRIORITY SYSTEM, INTENDED USE PLAN AND PROJECT PRIORITY LIST**  
**AND THE**  
**PROPOSED INTENDED USE PLAN FOR THE**  
**AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**  
**AND THE**  
**PROPOSED FFY2010 DRINKING WATER**  
**PRIORITY SYSTEM, INTENDED USE PLAN AND PROJECT PRIORITY LIST**

### **DRINKING WATER FINANCING PROGRAM** **STATE REVOLVING FUND (DWSRF)**

The Department of Environmental Protection (Department) has completed the development of 1) Proposed Amendments to the FFY2009 Final Drinking Water Priority System, Intended Use Plan and Project Priority List (IUP) documents to establish funding policies and the program schedule to administer the Environmental Infrastructure Financing Program in conjunction with the new requirements and additional monies made available to the State's Drinking Water SRF Program through the American Recovery and Reinvestment Act of 2009 (ARRA) and 2) Proposed FFY2010 DWSRF IUP.

On December 18, 2008, the Department and the New Jersey Environmental Infrastructure Trust (Trust) issued a "Call for Projects" to begin to solicit interest from project sponsors that would be in a position to enter into loan agreements and begin construction in a timely manner. As a result, the DWSRF program has identified over \$300 million in eligible projects that could be ready to proceed to construction within the timeframes established by the ARRA. While the number of requests for funding was overwhelming, the amount of federal monies allocated to the State's DWSRF (\$43,154,000) are simply insufficient to provide financing to all projects.

Projects that qualify for ARRA funding are eligible to receive a principal forgiveness loan for 50% of the allowable project costs, an interest-free loan for 25% of the allowable project costs and a market-rate loan from the Trust, subject to certain limits as further defined in the proposal.

The federal ARRA funding is intended to accelerate the construction of environmental infrastructure projects, create jobs and stimulate economic activity. In order to supplement the goals of the ARRA at the State level, Governor Corzine directed the Department to modify the traditional financing structure for the 2009 Program to provide additional incentives for project sponsors to pursue investments in environmental infrastructure projects that can be implemented and are ready to begin construction. As a result of this directive, the traditional financing structure has been modified to allow all projects (except supplemental loans) that are certified in SFY2010 to qualify for an interest-free loan from the Department for up to 75%

of the allowable project costs and a market rate loan from the New Jersey Environmental Infrastructure Trust (Trust) for the remaining allowable costs. Under this modified structure, the Program will be providing loans to project sponsors at the lowest interest rate in its 11 year history.

Projects participating in the FFY2009/SFY2010 Financing Program qualify for funding from the ARRA Program or the traditional Financing Program based upon project complexity, readiness-to-proceed to construction, and project rank. Additional details regarding the changes to the FFY2009 Priority System/Intended Use Plan and the method that will be used to prioritize projects for ARRA funding is included in the proposal document.

In addition, the proposal includes information on a new Planning and Design Financing Program to help project sponsors pay for the planning and design activities to qualify for the 2009 Financing Program. Additional details regarding the Planning and Design Financing Program are identified in the proposal and on the Trust website at <http://www.njeit.org/forms.htm>.

A complete copy of the proposal document and project list are available on the Department's website at <http://www.nj.gov/dep/watersupply>. Copies can also be mailed to those individuals that prefer to receive a hard copy by contacting Josephine Craver, Supervisor, Bureau of Safe Drinking Water Technical Assistance at (609) 292-5550.

**A public hearing regarding the Clean Water and DWSRF IUPs will be held in the Public Hearing Room on the First Floor of the DEP Building located at 401 East State Street, Trenton, New Jersey, on May 18, 2009. The hearing will commence at 10:00 a.m., and conclude at 1:00 p.m., or the end of testimony, whichever is earlier.**

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 this proposal will close on June 1, 2009 (all comments must be postmarked by that date). All comments submitted in accordance with the deadline will be considered in the preparation of the Amendments to the Final FFY2009 IUP documents including the 2009 ARRA Program and in preparation of the Final FFY2010 IUP documents.

Written comments on the Drinking Water proposal should be submitted by June 1, 2009 to:

NJ Department of Environmental Protection  
Sandra Krietzman, Bureau Chief  
Bureau of Safe Drinking Water Technical Assistance  
P.O. Box 426  
Trenton, NJ, 08625-0426

If you have any questions regarding the Drinking Water proposals, please contact one of the following:

Philip Royer, Section Chief	609-292-5550
Josephine Craver, Supervising Environmental Engineer	609-292-5550

Thank you for your anticipated input on this proposal document.