

**Welcome**  
David Zimmer  
Executive Director  
to Environmental Infrastructure Trust





# The New Jersey Environmental Infrastructure Trust

Financing Alternatives for Effective Management  
[www.njeit.org](http://www.njeit.org)

# Welcome

David Zimmer

Executive Director

NJ Environmental Infrastructure Trust

# NJEIT Mission Statement

Independent State Financing Authority

Provide and administer low interest-rate loans

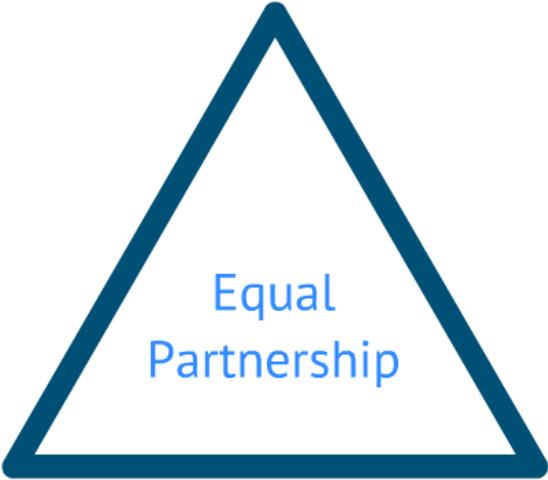
Water-quality related infrastructure projects to qualified:

- Municipalities
- Counties
- Regional Authorities
- Water purveyors

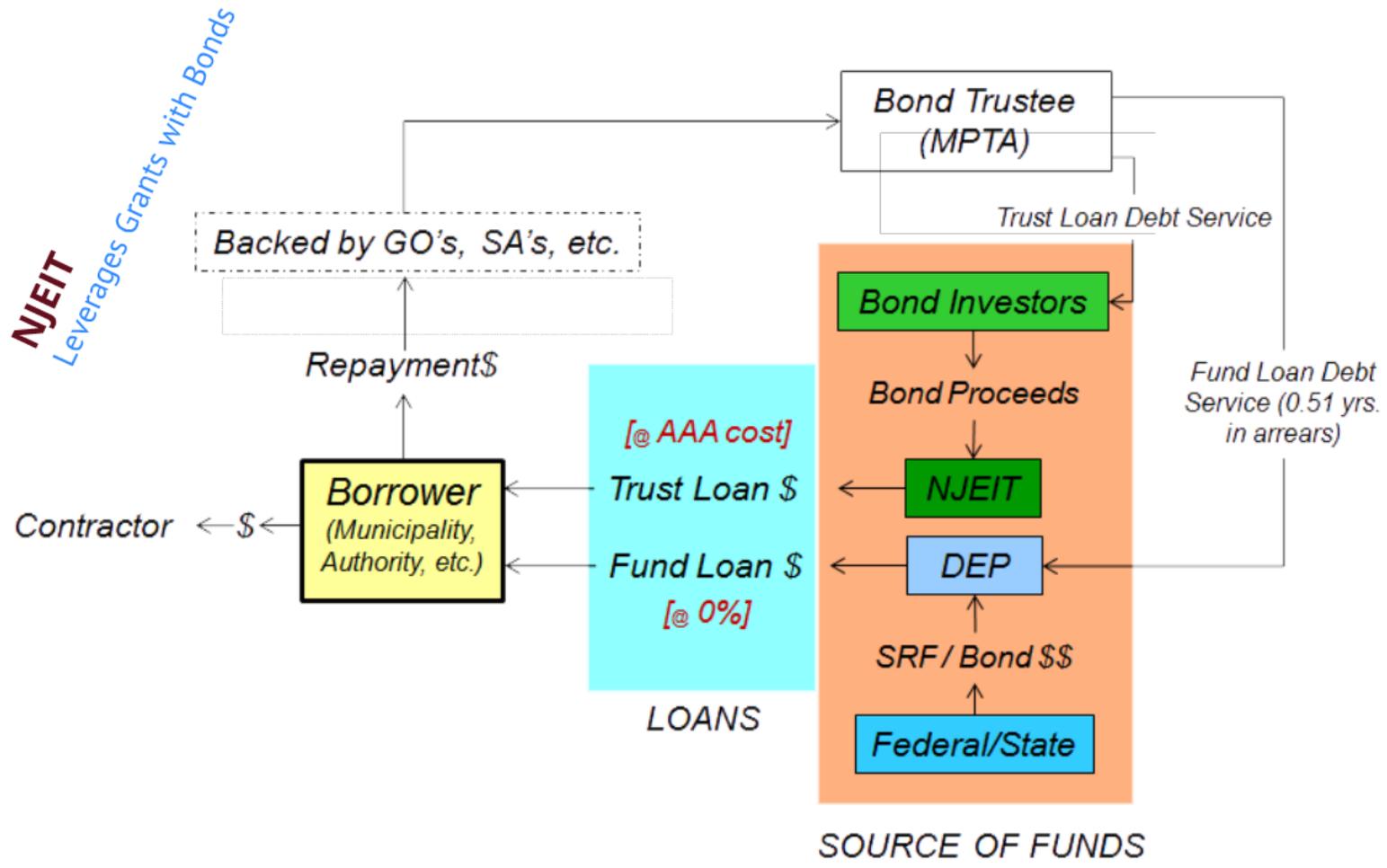
# NJEIFP Program Overview

## Local Borrowers

Needed projects at much lower costs



# NJEIFP Program Overview

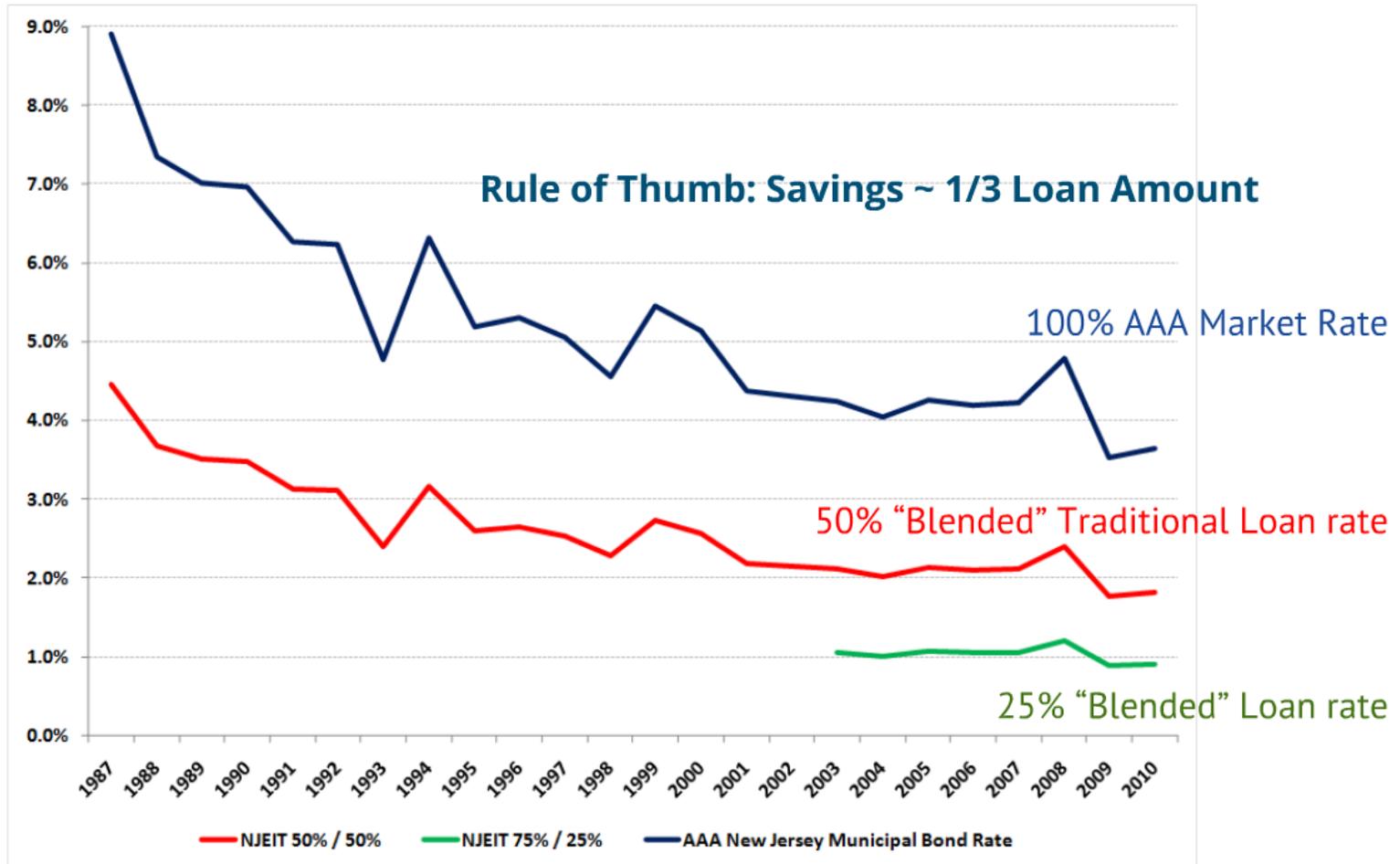


**NJEIT**  
Leverages Grants with Bonds

**NJDEP**  
Receives Federal Grant

# Why Borrow Through NJEIT?

## AAA Loan Rate Comparisons



# Water Infrastructure Needs Survey (as of 2012)

## Clean Water

Wastewater (Treatment & Collection Systems)	\$8.78B
Combined Sewer Overflow (CSO)	\$8.00B
Storm Water	\$775M
Recycled Water	\$48M
Decentralized Wastewater System (Septic)	\$2.0B

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Total: \$19.7B

## Drinking Water

Drinking Water Systems Total: \$7.96B

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NJ Total Water Infrastructure Needs = \$27.6B

# **NJEIFP**

## **What to Expect**

- Traditional Loan Program (Re-Open Application Process)
- Natural Disaster Emergency Financing Program (NDEFP)
- Small System "Nano Loan" Financing Program (NLP)

# NJEIFP Traditional Program - Overview

## 2014 Loan Program – DRAFT: Reopening details

- 75% - Fund Loan (0% rate DEP loan) reopen +
- 25% - Trust Loan (AAA Market-Rate loan)

URL: <http://www.njeit.org/examples.htm>

## Application

Borrower will:

- Need User ID + Password (call EIT – Mary Pearsall)
- Save between (25% - 35%) of total Loan amount in interest costs

URL: <http://www.njeit.org/njeifp>

# NJEIFP Traditional Program - Specifics

For Qualified Projects:

## Benefits:

- Interest Cost savings ~ 25-35% Loan
- Refinancing opportunities followed by EIT
- Arbitrage/Reporting/Compliance checks by EIT
- Any “float” income passed through

## Expenses:

- 2% DEP Origination Fee
- ~0.50% Bond Underwriting Fee
  - Less \$100K EIT Supplemental Payment
- 0.30% Annual Trust Servicing Fee
- Engineering Planning & Design Fee(s)
- Borrower Bond Counsel Fee

# **New Jersey Environmental Infrastructure Trust**

Emergency Loan Program

**CONCEPTUAL**

(Still being vetted through DEP)

# Natural Disaster Emergency Financing

Administration / DEP holistic approach...

NJEIT Web Application process for speed/efficiency

Needs Assessment Page: <http://www.njeit.org/sandy/>

## NDEFP Loans

- Short-term “cash flow” loans to qualified borrowers to facilitate rebuilding of projects eligible for FEMA Grants
- FEMA Eligible Expense(s)

## State Assisted Natural Disaster recovery Loans

### S.A.N.D.Y. Loans

- Short-term "construction" loans to qualified borrowers to facilitate rebuilding of environmental projects (Non-FEMA)
- Construction transferred to traditional NJEIFP Loan upon completion

# **New Jersey Environmental Infrastructure Financing Program**

**NANO Infrastructure Loan Program**

“Small” DRINKING Water Systems  
(Serving Populations < 10,000)

# NJEIFP Nano Program - Overview

## 2014 NANO Loan Program (Up to \$4M)

Maximum Loan size = \$1M per Borrower

50% - Principal Forgiveness Fund Loan (No Repayment) +

25% - Fund Loan (0% Rate DEP loan) +

25% - Trust Loan (AAA Market-Rate Loan)

e.g.

Loan Amount: \$100,000

Total Repayments: \$ 67,000

(For every \$1.00 invested, Borrower receives \$1.50 of goods)

# NJEIFP Nano Program - Specifics

Qualified, Small System DW Systems (Serving Populations <10,000)

**Waived:** 2% DEP Origination Fee

**Waived:** NJEIT Underwriting Fee (~ 0.50%)

**Waived:** 2 year, Up-Front Debt Service Reserve Fund  
~ 10% of Loan Amount

**Reimbursed:** Engineering P&D Fees – DEP / NJWA Reimbursed

- Trust 0.30% Annual Servicing Fee
- 1% Annual Loan Loss Reserve Fee
- Borrower Bond Counsel Fee

# Contact List

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