

NEW YORK STATE PUBLIC AUTHORITIES CONTROL BOARD
R E S O L U T I O N No. 20-EF-812

APPROVING SPECIFIED PROJECTS OF THE ENVIRONMENTAL FACILITIES
CORPORATION State Revolving Funds Revenue Bonds and/or Direct
Financing Projects

WHEREAS, the New York State Public Authorities Control Board ("PACB"), created pursuant to Chapter 38, Laws of 1976, as amended, is empowered by section 51 of the Public Authorities Law to receive applications from designated public benefit corporations, including the Environmental Facilities Corporation ("EFC"), for approval of the acquisition, construction or financing of any project by any such public benefit corporation; and

WHEREAS, the PACB has duly received an application (the "Financing Application") from EFC for approval of the sale of EFC's State Clean Water and Drinking Water Revolving Funds Revenue Bonds, in an aggregate principal amount not to exceed \$225,000,000 (the "EFC Bonds"), as authorized in an EFC resolution (the "EFC Resolution") duly adopted at a meeting of the EFC Board of Directors duly held on September 8, 2020 together with materials submitted by EFC to provide evidence of funds sufficient to amortize the EFC Bonds to be sold by EFC; and

WHEREAS, the EFC Resolution also authorizes the projects to be financed with the proceeds of EFC Bonds to be financed in the alternative as long-term financings (the "Direct Financings"), as authorized in the EFC resolution, provided that the principal amount of the Direct Financings, together with the aggregate principal amount of EFC Bonds does not exceed \$225,000,000.00; and

Bond Financing:

WHEREAS, EFC is empowered by the New York State Environmental Facilities Corporation Act, constituting Title 12 of Article 5 of the Public Authorities Law, to provide financial assistance to finance or refinance municipal water pollution control projects, projects undertaken in accordance with New York State's (the "State") non-point source management program, and water supply facilities in the State for municipalities (including public authorities) and to issue bonds for such purposes; and

WHEREAS, Chapter 565 of the Laws of 1989 (the "CWSRF Act") created the State Water Pollution Control Revolving Fund (the "Clean Water SRF", or "CWSRF") program to maximize the benefits available under Title VI of the Federal Water Quality Act of 1987, through the leveraging of the corpus of the CWSRF, by securing debt issued to finance or refinance eligible projects and by utilizing moneys within the CWSRF to subsidize the interest costs of such debt; and

WHEREAS, pursuant to Chapter 413 of the Laws of 1996, as amended, (the "DWSRF Act" and, together with the CWSRF Act, the "Acts") the State Drinking Water Revolving Fund (the "Drinking Water SRF", or "DWSRF") was established in the custody of EFC as part of the State Safe Drinking Water Program to maximize the benefits available under the Federal Safe Drinking Water Act, through the leveraging of the corpus of the DWSRF, by securing debt issued to finance or refinance eligible projects and by utilizing moneys within the DWSRF to subsidize the interest costs of such debt; and

WHEREAS, a portion of the EFC Bonds are being issued on behalf of any or all of the municipalities and the public authorities listed on Part I of Schedule A (collectively, the "Recipients," and each a "Recipient") to finance or refinance certain water pollution control projects, projects undertaken in accordance with the State's non-point source management program, and certain water supply facilities located at various sites; and

WHEREAS, a portion of the EFC Bonds are being issued to refund all or a portion of EFC's outstanding State Clean Water and Drinking Water Revolving Funds Revenue Bonds, Series 2010C in the original bond issuance amount set forth in Part II of Schedule A; and

WHEREAS, the EFC Bonds will be issued pursuant to the Financing Indenture of Trust dated as of June 1, 2010 (the "2010 Master Indenture") between EFC and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), and one or more Supplemental Series Indentures of Trust (each a "Supplemental Indenture") to be entered into with Manufacturers and Traders Trust Company, as Trustee (the "Bond Trustee"); and the EFC Bond proceeds will be used to provide financial assistance to the respective Recipients identified in Schedule A in accordance with the terms of the respective project finance agreement (the "Finance Agreement") to be entered into with each Recipient; and

WHEREAS, pursuant to the EFC Resolution, EFC may elect to issue the EFC Bonds in more than one series and from time to time if it is determined to be advantageous or desirable, in which event each

series of EFC Bonds may be issued pursuant to a separate Supplemental Indenture under the 2010 Master Indenture; and

WHEREAS, the EFC Bonds will be secured by a pledge of the right to receive payments under general obligation or revenue bonds issued or to be issued and secured by each Recipient (the "Recipient Bonds"), which Recipient Bonds in the aggregate will bear interest and mature at rates, in amounts and at times that will provide sufficient funds, together with other moneys available therefor, to pay the full principal, premium, if any, and interest due on the EFC Bonds; and

WHEREAS, each Recipient Bond is secured by an irrevocable pledge of the faith and credit, or certain revenues, of the respective Recipient; and

WHEREAS, the EFC Bonds will also be secured by the provisions of an Amended and Restated Master Trust Agreement (the "Master Trust Agreement") between EFC and Manufacturers and Traders Trust Company, as trustee for certain funds pledged to, or held for the benefit of, certain bondholders and as custodian for certain other funds (the "Master Trustee and Custodian"), that provides for the administration of Federal grant funds and State matching funds deposited into the CWSRF and the DWSRF; and

WHEREAS, the Master Trust Agreement and the 2010 Master Indenture contemplate that, to the extent moneys held as part of the CWSRF are required to be applied to satisfy any deficiency associated with financings made from the DWSRF, the amounts so made

available will be repaid to CWSRF from the first available funds in the DWSRF, and to the extent moneys held as part of the DWSRF are required to be applied to satisfy any deficiency associated with financings made from the CWSRF, the amounts so made available will be repaid to DWSRF from the first available funds in the CWSRF, in each case which obligation to repay any amounts made available by each State Revolving Fund to the other State Revolving Fund will be evidenced by the delivery to the Master Trustee and Custodian under the Master Trust Agreement of a revenue bond (each hereinafter referred to as a "Repayment Bond") which shall be payable solely from the sources and in the manner described in the Master Trust Agreement and the 2010 Master Indenture; and

WHEREAS, the EFC Bonds to be issued are not general obligations of, and do not constitute an indebtedness of or a charge against the general credit of EFC; nor do the EFC Bonds constitute a debt of or give rise to any liability of the State or of any Recipient; and the EFC Bonds shall be payable (except to the extent paid out of EFC Bond proceeds and investment income thereon) solely out of the funds or moneys available pursuant to the Recipient Bonds and from amounts deposited in a Reserve Fund, if any, and in certain other funds and accounts held under the 2010 Master Indenture, the Supplemental Indenture, and the Master Trust Agreement; and

WHEREAS, the EFC Bonds shall be issued subject to the following conditions: (i) the EFC Bonds shall bear interest at rates not to exceed a true interest cost of six percent (6.00%) per annum in the

case of federally tax-exempt EFC Bonds bearing interest at fixed rates and seven percent (7.00%) per annum in the case of federally taxable EFC Bonds; (ii) if the EFC Bonds are sold via a negotiated public offering, the compensation paid to the underwriters thereof in connection with the sale of the EFC Bonds shall not exceed 1.5 percent of the aggregate principal amount payable on the EFC Bonds at maturity; (iii) the EFC Bonds shall mature not later than 30 years after their original issue date; and (iv) any Repayment Bond shall bear interest at rates not to exceed seven percent (7.00%) per annum; and

WHEREAS, pursuant to the respective Finance Agreement, the Recipients shall not be entitled to reimbursement of project costs that may be in excess of available EFC Bond proceeds and/or Direct Financings or proceeds of additional EFC Bonds that EFC in its sole and absolute discretion (subject to further PACB approval) may issue; and in the event no additional bonds are issued, each Recipient shall be obligated to complete its project in accordance with its Finance Agreement with EFC; and

WHEREAS, pursuant to the EFC Bond Resolution, EFC may elect to redeem all or a portion of the series to be refunded through the use of funds available in the DWSRF and CWSRF, including without limitation reserve funds related to and unspent proceeds of the series to be refunded (together, "SRF Equity and Transferred Proceeds"); and

WHEREAS, the redemption of the EFC bond series to be refunded, as set forth above, may be provided by either the issuance of the EFC Bonds, the use of SRF Equity and Transferred Proceeds, or a combination thereof; and

Direct Financings:

WHEREAS, financial assistance made available from the CWSRF and the DWSRF may include financings to Recipients from monies on deposit in the CWSRF and the DWSRF, respectively, which financings will be made at interest rates at or below "market rates" as defined in regulations promulgated pursuant to the Acts (including at a zero percent rate of interest); and

WHEREAS, pursuant to the CWSRF Act, EFC has determined that it is impracticable or inadvisable to issue bonds or notes to provide all of the financial assistance requested to the Recipients identified in Schedule A; and

WHEREAS, each of the projects proposed to be financed or refinanced, in whole or in part, through the Direct Financings (the "Financed Projects"), constitute "eligible projects" within the meaning of the Acts; and

WHEREAS, each Direct Financing will be made pursuant to the Finance Agreement which will evidence certain covenants and agreements of each Recipient relating to its Direct Financing; and

WHEREAS, each Recipient's obligation to repay its Direct Financing will be evidenced by its Recipient Bonds issued to EFC to secure payment of principal (and interest, as applicable) on such Direct Financings in a manner consistent with this Resolution; and

WHEREAS, the Recipient Bonds will be secured by an irrevocable pledge of the faith and credit or certain revenues of the Recipient issuing such Recipient Bonds; and

WHEREAS, the obligation of EFC to make the Direct Financings under the Finance Agreements is not a general obligation of, does not constitute an indebtedness of or a charge against the general credit of, and does not give rise to any pecuniary liability of, EFC, other than with respect to amounts available for such purpose within the CWSRF or the DWSRF; nor does such obligation to advance the Direct Financings give rise to any liability or obligation of the State; and

WHEREAS, the respective Direct Financings will be funded (a) with Federal grant money available under the Federal Water Quality Act of 1987 through Federal capitalization grant agreements and related State matching funds to the extent State appropriations are available for the Federal grant money and State matching funds; (b) Federal grant money available under the Safe Drinking Water Act through federal capitalization grant agreements and related State matching funds to the extent State appropriations are available for the federal grant money and State matching funds, and (c) if such State appropriations are not available, with monies available for

such purpose in the CWSRF or the DWSRF; and

WHEREAS, the Direct Financings shall be made subject to the following conditions: (i) each Direct Financing shall be for a term not to exceed 30 years, or such lesser period as may be required by law; and shall bear interest at rates determined by EFC, which rates shall not exceed five percent (5.00%) per annum in the case of the CWSRF Direct Financings, and five percent (5.00%) per annum in the case of the DWSRF Direct Financings, (ii) the Recipient Bonds (including any renewals thereof) issued to evidence the Direct Financings shall mature not later than 30 years after their original issue date; and (iii) there shall be funds available for the Direct Financings in the CWSRF and the DWSRF; and

WHEREAS, EFC may guarantee the payment of the Direct Financings from monies and assets held in the CWSRF and DWSRF in conjunction with the issuance of any CWSRF and DWSRF bonds; and

WHEREAS, pursuant to the related Finance Agreements, the Recipients shall not be entitled to reimbursement of project costs that may be in excess of available monies in the CWSRF or DWSRF and/or made available through EFC Bond proceeds; and in the event no such monies are available, the Recipients shall be obligated to complete their projects in accordance with the Finance Agreement between EFC and each such Recipient; and

WHEREAS, such financial assistance to any or all of the Recipients may be provided by either the issuance of the EFC Bonds, Direct Financings, or a combination of both; and

WHEREAS, copies of the Bond Financing Application and the Direct Financing Application have been filed with the Comptroller, and he has had the opportunity to comment.

NOW THEREFORE BE IT RESOLVED, that the PACB approves financing by EFC for the projects identified below, through either the issuance of the EFC Bonds, by the making of Direct Financings, or a combination of both, in accordance with section 51 of the Public Authorities Law:

(Continued on next page)

PROJECT IDENTIFICATIONClean Water and Drinking Water State Revolving Funds
Revenue Bonds Financing Program

To finance municipal water pollution control projects and water supply facilities on behalf of the Recipients listed in Schedule A

<u>Project Description</u>	<u>Estimated Amounts</u>
<u>Sources of Funds</u>	
CWSRF and DWSRF Bonds:	
CWSRF Bonds (New Money/Refinancing)	\$101,211,564.00
DWSRF Bonds (New Money/Refinancing)	\$58,759,590.00
SRF Equity and Transferred Proceeds ¹	\$65,028,846.00
Total Sources	\$225,000,000.00
<u>Uses of Funds</u>	
Refunding Costs	\$62,546,000.00
Construction/Refunding Cost	\$159,411,873.87
Financing Costs:	
Bond Issuance Charge	\$1,262,179.74
Direct Expenses	\$1,646,941.39
Program Administrative Fees	\$133,505.00
Total Uses	\$225,000,000.00

Amount of Bonds to be issued:
not to exceed \$225,000,000.00

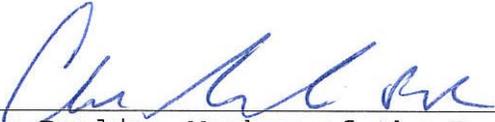
¹ Amount to be determined prior to issuance and will offset total amount of bonds to be issued.

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This resolution shall become effective immediately.



Robert F. Mujica, Jr., Chair
Public Authorities Control Board



Amy Paulin, Member of the Board



Leroy Comrie, Member of the Board

20-EF-812

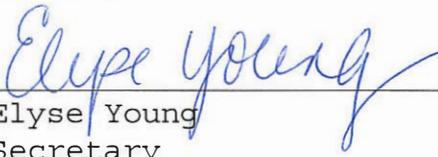
Date: September 16, 2020

CERTIFICATION

STATE OF NEW YORK
COUNTY OF ALBANY ss.

I, Elyse Young, Secretary of the New York State Public Authorities Control Board, do hereby certify that at a meeting of such Board, held on September 16, 2020, the attached resolution was duly adopted by the unanimous vote of the Members of the Board. The resolution attached is a true copy of the resolution and the certification of the determination made by such resolution and of the signatures thereto of each of the Members of the Board or their duly appointed representatives, the original of which is on file in my office. As of the date of this certification, such resolution has not been modified, superseded, amended or repealed and remains in full force and effect.

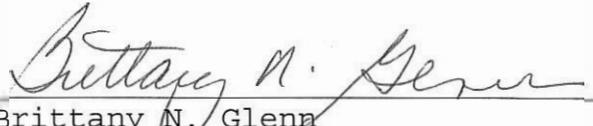
In witness thereof I have hereunto set my hand this 16th day of September 2020.



Elyse Young
Secretary

STATE OF NEW YORK
COUNTY OF ALBANY ss.

On this 16th day of September 2020, before me personally came Elyse Young to me known, who, being by me duly sworn, did depose and say that she is the Secretary of the New York State Public Authorities Control Board, that she executed the foregoing certification and that the contents thereof are true.



Brittany N. Glenn
Notary Public, State of New York
No. 01GL6253075
Qualified in Rensselaer County
Commission Expires: 12/19/2023

Schedule A

Part I: New Money Recipients

Clean Water State Revolving Fund (CWSRF) Project Recipients

<u>Recipient</u>	<u>County</u>	<u>Project No(s)</u>	<u>Estimated Principal Amounts of Financing</u>
Alden (T) *	Erie	C9-6636-02-00	\$956,944
Dutchess County Water and Wastewater Authority	Dutchess	C3-7338-03-00	\$2,006,176
Fallsburg (T)	Sullivan	C3-5346-04-01	\$6,717,558
Germantown (T)	Columbia	C4-7321-02-00	\$1,853,470
Northport (V)	Suffolk	C1-5160-04-01	\$1,053,074
Oneida County	Oneida	C6-6070-08-05	\$55,000,000
Onondaga County	Onondaga	C7-6320-26-04	\$2,236,904
Rockland County	Rockland	C3-5368-18-00	\$2,227,431
Suffern (V)	Rockland	C3-5377-02-01	\$353,958
Suffern (V)	Rockland	C3-5377-05-00*	\$284,561
Washingtonville (V)	Orange	C3-5332-03-00	\$9,769,489
Westchester County	Westchester	C3-5362-18-04	\$3,419,046
Westchester County	Westchester	C3-5363-12-00	\$8,253,345
Westchester County	Westchester	C3-5363-22-00	\$7,851,895
Westchester County	Westchester	C3-7354-05-00	\$12,180,005
Westchester County	Westchester	C3-7396-02-06	\$8,000,000
Total			\$122,163,856

*Market-Rate Leveraged Financing

Drinking Water State Revolving Fund (DWSRF) Project Recipients

<u>Recipient</u>	<u>County</u>	<u>Project No.</u>	<u>Estimated Principal Amounts of Financing</u>
Albany Municipal Water Finance Authority*	Albany	18433	\$906,403
Auburn (C)*	Cayuga	15546	\$1,573,000
Constantia (T)	Oswego	18095	\$ 2,026,349
Cornwall-On-Hudson	Orange	18268	\$1,141,489
Delhi (V)*	Delaware	18215	\$896,091
Fredonia (V)*	Chautauqua	17218	\$640,628
Hempstead (V)	Nassau	18634	\$1,135,257
Kingston (C)*	Ulster	18147	\$476,594
Kingston (C)*	Ulster	18209	\$1,688,778
Mount Kisco (V)*	Westchester	18582	\$10,500,000
Rhinebeck (V)*	Dutchess	18499	\$3,366,886
Rome (C)	Oneida	18023	\$8,194,529
Roxbury (T)*	Delaware	18346	\$506,730
Saratoga County Water Authority	Saratoga	18278	\$1,476,707
Thompson (T)*	Sullivan	18491	\$266,600
Wappingers Falls (V)*	Dutchess	17419	\$3,948,962
Total			\$38,745,003

*Market-Rate Leveraged Financing

Part II: Prior Bonds

Clean Water and Drinking Water State Revolving Funds
Revenue Bond Series

<u>Series</u>	<u>Original Bond Issuance</u>	<u>Estimated Amount to be Refunded</u>
2010C	\$140,850,000.00	\$62,015,000.00