



December 14, 2021

Via Electronic Mail

Honorable Aida Camacho Welch
Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue
9th Floor
Trenton, NJ 08625-0350

Re: In the Matter of the Application of Middlesex Water Company
For Authority to Borrow up to \$57.0 Million and to Issue Evidences
of Indebtedness Pursuant to the New Jersey Water Infrastructure Bank
Financing Program.
BPU Docket No. WR18020185

Dear Secretary Camacho Welch:

Middlesex Water Company (“Middlesex”) submits this letter to apprise the Board of a new development with respect to the loan approved by the Board in its April 25, 2018 Order (“Order”) in the above-referenced docket. In its Order, the Board in Ordering Paragraph Number 6 stated that “The authority granted in this Order shall become null and void and of no effect with respect to any portion which is not exercised on or before December 31, 2021.” Id. Based on the new development and for the reasons discussed herein, Middlesex is respectfully requesting an extension of the December 31, 2021 end date in Ordering Paragraph Number 6 to a new date of June 30, 2022.

In the April 25, 2018 Order (attached as Exhibit A), the Board authorized Middlesex to borrow up to \$57.0 million from the New Jersey Infrastructure Bank (“NJIB”) and the State of New Jersey, acting by and through the Department of Environmental Protection to make, execute and deliver loan agreements and to make, execute and deliver to the NJIB and State the documents required in connection with the loan agreements. Id. at 2.

Under the NJIB program, borrowers first enter into a construction loan agreement with NJIB. When construction on the qualifying project is substantially complete, NJIB will coordinate the conversion of the construction loan into a long-term securitized loan. The NJIB generally schedules its long-term debt financings in May and November.

On August 1, 2018, a Note (attached as Exhibit B) was issued in connection with the construction loan agreement. The Maturity Date set in the Note was December 31, 2021, the same date as the last effective date of Middlesex’s authorization under the Order.

In May 2021, the NJIB notified Middlesex that the Note was scheduled to be termed out as part of a September 2021 NJIB long-term debt financing transaction. In August 2021, the NJIB indicated that the transaction date would be pushed back to the fourth quarter of 2021.

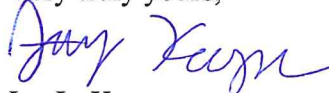
On December 7, 2021, Middlesex was notified by the NJIB that the transaction would not close until after December 31, 2021 and the NJIB informed Middlesex that, pursuant to NJIB's enabling act, NJIB would exercise its power to extend the Note's term from a Maturity Date of December 31, 2021 to a new Maturity Date of June 30, 2022. NJIB has further informed Middlesex that it will exercise its authority to extend the term of the Note to June 30, 2022 upon the execution of a Certificate of Extension that will be dated December 15, 2021. This Certificate of Extension is attached as Exhibit C.

As a result of this new development, Middlesex is requesting an extension of the Board's authorization in the Order from the current end-date of December 31, 2021 to a new authorization end-date of June 30, 2022 to align the Board's authorization with NJIB's extended maturity date of the Note of June 30, 2022. All other elements of this loan as approved by the Board in the Order remain unchanged.

In addition to the above-referenced exhibits, attached is a Certification of A. Bruce O'Connor, Senior Vice President, Treasurer and Chief Financial Officer attesting to the facts stated herein. For all of the foregoing reasons, Middlesex respectfully requests an extension of the December 31, 2021 end date in Ordering Paragraph Number 6 of the Board's April 25, 2018 Order issued in this matter to a new date of June 30, 2022.

Please contact me at (732) 638-7506 or jkooper@middlesexwater.com with any questions or concerns with respect to this filing.

Very truly yours,



Jay L. Kooper

Vice President, General Counsel & Secretary

Enclosures

cc: Service List

Middlesex Water Company – BPU Docket No. WF18020185
Application for Authority to Borrow up to \$57.0 Million and to Issue Evidences of
Indebtedness Pursuant to the New Jersey Water Infrastructure Bank Financing Program
~ Service List ~

Middlesex Water Company

<p>Jay L. Kooper Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 jkooper@middlesexwater.com</p>	<p>A. Bruce O'Connor Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 aboconnor@middlesexwater.com</p>	<p>Robert J. Capko Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 rcapko@middlesexwater.com</p>
<p>Tracy Tyrell Middlesex Water Company tyrell@middlesexwater.com (electronic only)</p>	<p>Selena Montero Middlesex Water Company smontero@middlesexwater.com (electronic only)</p>	<p>Michele Tilley Middlesex Water Company 485C Route One South Suite 400 Iselin, NJ 08830 mtilley@middlesexwater.com</p>

Board of Public Utilities

<p>Christine Lin Board of Public Utilities 44 South Clinton Avenue 3rd Floor, Suite 314 Post Office Box 350 Trenton, NJ 08865-0350 (609) 292-2951 - Telephone Christine.lin@bpu.nj.gov</p>	<p>Michael Kammer Board of Public Utilities Division of Water 44 South Clinton Ave., 9th Floor P.O. Box 350 Trenton, NJ 08625 Mike.kammer@bpu.nj.gov</p>	<p>Dr. Ben Witherell Board of Public Utilities 44 South Clinton Avenue 9th Floor Trenton, NJ 08865-0350 (609) 292-2637 – Telephone (609) 292-3191 – Fax Ben.witherell@bpu.nj.gov</p>
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Division of Rate Counsel

<p>Susan McClure, Esq. Division of Rate Counsel 140 East Front Street – 4th Floor PO Box 003 Trenton, NJ 08625 (609) 984-1460 – Telephone smcclure@rpa.nj.gov</p>	<p>Christine Juarez, Esq. Director 140 East Front Street – 4th Floor PO Box 003 Trenton, NJ 08625 (609) 984-1460 – Telephone cjuarez@rpa.nj.gov</p>	<p>Marilyn Silva Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625 msilva@rpa.nj.gov</p>
<p>Brian Lipman, Esq. Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625 blipman@rpa.nj.gov</p>		

IN THE MATTER OF THE APPLICATION OF :
MIDDLESEX WATER COMPANY FOR :
AUTHORITY TO BORROW UP TO :
\$57.0 MILLION AND TO ISSUE EVIDENCES :
OF INDEBTEDNESS PURSAUNT TO THE :
NEW JERSEY WATER INFRASTRUCTURE :
BANK FINANCING PROGRAM :

BPU DOCKET NO. WR18020185

**CERTIFICATION OF
A. BRUCE O'CONNOR**

I, A. BRUCE O'CONNOR, do hereby certify as follows:

1. I am Senior Vice President, Treasurer and Chief Financial Officer of Middlesex Water Company ("Middlesex"). I am familiar with the facts and circumstances concerning the matter.
2. I make this Certification in support of Middlesex's letter request dated December 14, 2021 in this matter.
3. Middlesex is a duly authorized public utility corporation of the State of New Jersey having its principal place of business at 485C Route One South, Suite 400, Iselin, New Jersey 08830.
4. I hereby certify that the statements made in the enclosed December 14, 2021 letter request are true and correct to the best of my knowledge, information and belief.



A. Bruce O'Connor
Senior Vice President, Treasurer and
Chief Financial Officer

Dated: December 14, 2021

EXHIBIT A

BPU ORDER – April 25, 2018



Agenda Date: 4/25/18
Agenda Item: 5C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE APPLICATION OF)
MIDDLESEX WATER COMPANY FOR AUTHORITY TO) ORDER
BORROW UP TO \$57.0 MILLION AND TO ISSUE)
EVIDENCES OF INDEBTEDNESS PURSUANT TO THE)
NEW JERSEY WATER INFRASTRUCTURE BANK)
FINANCING PROGRAM) DOCKET NO. WF18020185

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Jay L. Kooper, Esq., Vice President, General Counsel & Secretary, Middlesex Water Co.

BY THE BOARD:

Middlesex Water Company ("Petitioner" or "Company"), a public utility of the State of New Jersey, by petition filed with the Board of Public Utilities ("Board") on February 21, 2018, pursuant to N.J.S.A. 48:3-7, 48:3-9 and N.J.A.C. 14:1-5.9, requests authority to undertake the following:

- a) Borrow up to \$57 million ("Loans") from the New Jersey Water Infrastructure Bank ("Bank") (formerly known as the New Jersey Environmental Infrastructure Trust), and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection ("State") and make, execute and deliver to the Bank and the State documents required in connection therewith;
- b) Make, execute and deliver, if necessary, one or more Supplemental Indentures of Mortgage to U.S. Bank National Association, as Trustee, for the purpose among other things, of describing the terms of Petitioner's First Mortgage Bonds ("Company's Bonds"), or to make such guarantee or guarantees as are required by State and the Bank to secure the Loans; and

- c) Issue and deliver, if necessary, to the Bank and the State up to \$57 million principal amount of the Company's Bonds, with a final maturity date concurrent with the maximum term permitted by the Bank at the time of the closing of the Loans. The Company's Bonds will bear interest at approximately one-quarter (1/4) of the interest rate of the Bank's Bonds which are intended to be sold by competitive bidding.

Petitioner requests that the relief set forth in paragraphs a through c above be granted by the Board without the requirement for a further Board Order.

The Bank will issue and sell its tax-exempt bonds and the proceeds together with other State monies will be used to create a fund available for loans to qualified borrowers, all pursuant to the New Jersey Water Infrastructure Bank Financing Program. Loans to various entities, including the Loans to the Petitioner, will be made from the loan fund. Petitioner proposes to issue and deliver its Bonds to the Bank and the State as security for the Loans from the Bank and the State to Petitioner of up to \$57 million. The Bank Bonds will be sold through one or more underwriters, under circumstances where competitive conditions will be maintained throughout.

The proceeds of the Loans will be used by the Company to finance the construction of a 48-inch diameter redundant pipeline ("Western Transmission Main") that will run for approximately 4.6 miles from the Company's Carl J. Olsen water treatment plant in the Township of Edison to an interconnection with a thirty (30) inch peripheral transmission main located in the Borough of Metuchen. The Western Transmission Main will serve as a redundant delivery system of water supply for the Company's retail service area in northwest Middlesex County when the single, 4.3-mile long transmission main currently serving this area needs to be taken out of service for any reason, whether routine maintenance or failure caused by a pipeline breach. The proceeds of the Loans will be used for project work anticipated to primarily occur in the calendar years 2018 and 2019.

Petitioner has stated that no franchise or right will be capitalized directly or indirectly by the issuance of its Bonds.

By letter dated April 5, 2018, the New Jersey Division of Rate Counsel indicated that it does not object to the approval of this matter.

The Board, after investigation, having considered the record and exhibits submitted in this proceeding, is satisfied that the proposed transactions to be taken by Petitioner, as indicated above, are in accordance with law, and are in the public interest. The Board therefore **AUTHORIZES** Petitioner to:

1. Borrow up to \$57 million from the Bank and the State, and make, execute and deliver Loan Agreements therefor and to make, execute and deliver to the Bank and the State documents required in connection therewith;

2. Make, execute and deliver, if necessary, one or more Supplemental Indentures of Mortgage to U.S. Bank National Association, as Trustee, for the purpose, among other things, of describing the terms of the Company's Bonds, or make such guarantee or guarantees as are required by the State and the Bank to secure the loans; and
3. Issue and deliver, if necessary, to the Bank and the State up to \$57 million principal amount of the Company's Bonds, with a final maturity date concurrent with the maximum term permitted by the Bank at the time of the closing of the Loans. The Company's Bonds will bear interest at approximately one-quarter (1/4) of the interest rate of the Bank's Bonds which are intended to be sold by competitive bidding.

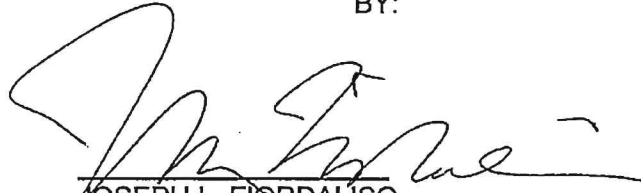
This Order is issued subject to the following provisions:

1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever any value of the tangible or intangible assets now owned or hereafter to be owned by the Petitioner; nor as certifying that the securities authorized to be issued and sold will be represented by tangible or intangible assets of commensurate value or investment cost.
2. This Order shall not affect nor in any way limit the exercise of the authority of this Board or of this State, in any future petition or in any proceedings with respect to rates, franchises, service, financing (including method of sale of securities), accounting, capitalization, depreciation, or in any other matters affecting the Petitioner.
3. Petitioner shall submit a schedule indicating complete details of the issuance costs no later than ninety (90) days following the closing date for this transaction.
4. Petitioner shall furnish the Board with copies of the executed Supplemental Indentures.
5. The Company's Bonds herein authorized to be issued shall not be redeemed at a premium, prior to maturity, without further Board approval.
6. The authority granted in this Order shall become null and void and of no effect with respect to any portion which is not exercised on or before December 31, 2021.

This Order shall become effective on May 5, 2018.

DATED: 4/25/18

BOARD OF PUBLIC UTILITIES
BY:



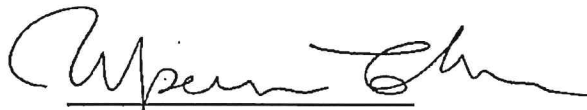
JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



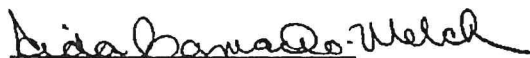
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF THE APPLICATION OF MIDDLESEX WATER COMPANY FOR
AUTHORITY TO BORROW UP TO \$57.0 MILLION AND TO ISSUE EVIDENCES OF
INDEBTEDNESS PURSUANT TO THE NEW JERSEY WATER INFRASTRUCTURE BANK
FINANCING PROGRAM
DOCKET NO. WF18020185

SERVICE LIST

A. Bruce O'Connor
Middlesex Water Company
Iselin, NJ 08830
(732) 638-7502
(732) 218-1126 – Fax
aboconnor@middlesexwater.com

Douglas R. Brown, Esq.
Norris, McLaughlin & Marcus
721 Route 202 & 206 North
P.O. Box 1018
Somerville, NJ 08876-1018
(908) 722-0700
(908) 722-0755 – Fax
drbrown@nmmlaw.com

Jay L. Kooper, Esq.
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830
(732) 638-7506
(732) 218-1124 – Fax
jkooper@middlesexwater.com

Michele L. Tilley
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830
(732) 638-7676
(732) 638-7526 - Fax
mtilley@middlesexwater.com

Robert J. Capko
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830
(732) 638-7524
rcapko@middlesexwater.com

Aida Camacho-Welch
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08865-0350
Aida.camacho@bpu.nj.gov

Christine Lin
Economist Office
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08865-0350
Christine.lin@bpu.nj.gov

Maria Moran, Director
Division of Water
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08865-0350
Maria.moran@bpu.nj.gov

Megan Lupo, Esq.
Legal Specialist
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08865-0350
megan.lupo@bpu.nj.gov

Patricia A. Krogman
Deputy Attorney General
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
Patricia.Krogman@njoag.gov

Ada Soto
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08830
(732) 638-7511
(732) 218-1113 – Fax
asoto@middlesexwater.com

Stephanie Brand, Esq., Director
Division of Rate Counsel
140 E. Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
sbrand@rpa.state.nj.us

Debra F. Robinson, Esq.
Division of Rate Counsel
140 E. Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
[drobinson@rpa.state.nj.us](mailto:drobenson@rpa.state.nj.us)

Kathryn A. Hart
Legal Assistant
Division of Rate Counsel
140 E. Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
khart@rpa.nj.gov

EXHIBIT B

NOTE

**MIDDLESEX WATER COMPANY
NOTE
RELATING TO:
THE CONSTRUCTION FINANCING LOAN PROGRAM
OF THE NEW JERSEY INFRASTRUCTURE BANK
(f/k/a NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST)**

S43,474,714

August 1, 2018

CFP-19-1

FOR VALUE RECEIVED, MIDDLESEX WATER COMPANY, a corporation duly created and validly existing pursuant to the laws of the State (as hereinafter defined), and its successors and assigns (the "Borrower"), hereby promises to pay to the order of the **NEW JERSEY INFRASTRUCTURE BANK (f/k/a NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST)**, a public body corporate and politic with corporate succession, duly created and validly existing under and by virtue of the Act (as hereinafter defined) (the "I-Bank"), the Principal (as hereinafter defined), together with all unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder, if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter defined) or the date of any optional prepayment or acceleration in accordance with the provisions of this note (this "Note").

SECTION 1. Definitions. As used in this Note, unless the context requires otherwise, the following terms shall have the following meanings:

"**Act**" means the "New Jersey Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same may from time to time be amended and supplemented.

"**Administrative Fee**" means a fee of up to four-tenths of one percent (.40%) of that portion of the Principal identified in clause (i) of the definition thereof (as set forth in this Section 1), or such lesser amount, if any, as the I-Bank may determine from time to time.

"**Anticipated Financing Program**" means the financing program of the I-Bank, pursuant to which the I-Bank will issue its I-Bank Bonds for the purpose of financing, on a long term basis, the Project and other projects of certain qualifying borrowers.

"**Anticipated Long Term Loan**" means the long term loan made by the I-Bank to the Borrower from the proceeds of its I-Bank Bonds, as part of the Anticipated Financing Program.

"**Appropriation Condition**" means the procedural appropriation by the State for the Project through the inclusion of the Project on the Project Priority List (which Project Priority List is required pursuant to the Act) in an appropriation amount equal to or greater than the Principal amount of the Loan then due and payable by the Borrower pursuant to the terms hereof.

“Authorized Officer” means any person authorized by the Borrower or the I-Bank, as the case may be, to perform any act or execute any document relating to the Loan or this Note.

“Borrower Note Resolution” means the resolution of the Borrower’s Board of Directors adopted on April 24, 2018, as amended and supplemented from time to time, pursuant to which this Note has been issued, and entitled:

RESOLUTION OF MIDDLESEX WATER COMPANY, DETERMINING THE FORM AND OTHER DETAILS OF ITS “NOTE RELATING TO THE CONSTRUCTION FINANCING PROGRAM OF THE NEW JERSEY INFRASTRUCTURE BANK”, TO BE ISSUED IN THE PRINCIPAL AMOUNT OF UP TO \$57.0 MILLION, AND PROVIDING FOR THE ISSUANCE AND SALE OF SUCH NOTE TO THE NEW JERSEY INFRASTRUCTURE BANK, AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH NOTE BY MIDDLESEX WATER COMPANY IN FAVOR OF THE NEW JERSEY INFRASTRUCTURE BANK, ALL PURSUANT TO THE NEW JERSEY INFRASTRUCTURE BANK CONSTRUCTION FINANCING PROGRAM.

“Business Corporation Law” means the “New Jersey Business Corporation Act”, constituting Chapter 263 of the Pamphlet Laws of 1968 of the State (codified at N.J.S.A. 14A:1-1 *et seq.*), as the same may from time to time be amended and supplemented.

“Code” means the Internal Revenue Code of 1986, as the same may from time to time be amended and supplemented, including any regulations promulgated thereunder, any successor code thereto and any administrative or judicial interpretations thereof.

“Cost” means those costs that are allocable to the Project, as shall be determined on a project-specific basis in accordance with the Regulations, as further set forth in Exhibit B hereto, (i) as such Exhibit B shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit B or an additional Exhibit B, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of “Project” as set forth herein), and (ii) as the then-current Exhibit B may be amended by subsequent changes to eligible costs as evidenced by a certificate of an Authorized Officer of the I-Bank.

“Environmental Infrastructure Facilities” means Wastewater Treatment Facilities, Stormwater Management Facilities or Water Supply Facilities (as such terms are defined in the Regulations).

“Environmental Infrastructure System” means the Environmental Infrastructure Facilities of the Borrower, including the Project, for which the Borrower is receiving the Loan.

“Event of Default” means any occurrence or event specified in Section 6 hereof.

“Fund Portion” means, on any date, an amount equal to seventy-five percent (75%) of the Principal of the Loan on such date, exclusive of that portion of the Principal of the Loan that is allocable to the NJDEP Loan Origination Fee, which NJDEP Loan Origination Fee shall be financed exclusively from the I-Bank Portion.

“I-Bank Bonds” means the revenue bonds of the I-Bank to be issued, as part of the Anticipated Financing Program.

“I-Bank Portion” means, on any date, an amount equal to the aggregate of (i) twenty-five percent (25%) of the Principal of the Loan on such date, exclusive of that portion of the Principal of the Loan that is allocable to the NJDEP Loan Origination Fee, plus (ii) one hundred percent (100%) of that portion of the Principal of the Loan that is allocable to the NJDEP Loan Origination Fee.

“I-Bank Portion Interest Rate” means, with respect to each disbursement of proceeds of the I-Bank Portion of the Loan, (a) to the extent that such disbursement is funded from moneys appropriated to the I-Bank, for the Construction Financing Loan Program of the I-Bank, pursuant to an appropriations act of the State, the I-Bank Portion Interest Rate shall equal 0.00%, (b) to the extent that such disbursement is funded from available moneys of the I-Bank that are neither (i) appropriated to the I-Bank as provided by the preceding clause (a), nor (ii) borrowed from a financial institution pursuant to a line of credit or other similar financial instrument as provided by the succeeding clause (c), the I-Bank Portion Interest Rate shall equal the interest rate that is published as either the Thompson Financial TM3 “AAA” Municipal Market Data General Obligation Index (AMT) or the “BVAL” Index (relating to alternative minimum tax credits) of Bloomberg L.P. (or any subsidiary thereof). (with the particular index that is used by the I-Bank to be selected by an Authorized Officer of the I-Bank) or, if such indexes are no longer published on such date, such successor index as may be selected by an Authorized Officer of the I-Bank, in each case for the number of years that corresponds to the length of time from the date such disbursement is made available to the Borrower by the I-Bank to the Maturity Date, rounding up to the nearest year, or (c) to the extent that such disbursement is funded from available moneys of the I-Bank borrowed from a financial institution pursuant to a line of credit or other similar financial instrument, the I-Bank Portion Interest Rate shall equal the actual rate of interest established by the applicable financial institution pursuant to a competitive or negotiated solicitation by the I-Bank with respect to such line of credit or other financial instrument.

“Interest” means the interest charged on the outstanding Principal of the Loan at a rate of (a) with respect to the I-Bank Portion of the Principal, the applicable I-Bank Portion Interest Rate and (b) with respect to the Fund Portion of the Principal, 0.00%, and payable by the Borrower to the I-Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of this Note, on the date of such optional prepayment or acceleration, as the case may be.

“Loan” means the loan of the Principal, made by the I-Bank to the Borrower to finance or refinance a portion of the Cost of the Project, as evidenced by this Note.

“Loan Disbursement Requisition” means the requisition, to be executed by an Authorized Officer of the Borrower and approved by the NJDEP, in a form to be determined by the I-Bank and the NJDEP.

“Maturity Date” means December 31, 2021, or (i) such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program (subject, in all events, to the rights and remedies of the I-Bank pursuant to, respectively, the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants obligations of the Borrower hereunder, including, without limitation and in particular, the covenant obligation of the Borrower set forth in Section 3(a) hereof), or (ii) such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the I-Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and approved by an Authorized Officer of the Borrower.

“NJDEP” means the New Jersey Department of Environmental Protection.

“NJDEP Loan Origination Fee” means the “NJDEP Fee” as referenced and defined in Exhibit B hereto, which NJDEP Fee is an administrative fee that is payable by the Borrower to the NJDEP as a portion of the Cost of the Project that has been incurred by the Borrower for engineering and environmental services provided to the Borrower by the NJDEP.

“Principal” means the principal amount of the Loan, at any time being the lesser of (i) Forty Three Million Four Hundred Seventy Four Thousand Seven Hundred Fourteen Million Dollars (\$43,474,714), or (ii) the aggregate outstanding amount as shall actually be disbursed to the Borrower by the I-Bank pursuant to one or more Loan Disbursement Requisitions, which Principal shall be payable by the Borrower to the I-Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of this Note, on the date of such optional prepayment or acceleration, as the case may be.

“Project” means the Environmental Infrastructure Facilities of the Borrower which constitutes a project for which the I-Bank is making the Loan to the Borrower, as further described in Exhibit A-1 hereto; provided, however, that the description of the Project, as set forth in Exhibit A-1 attached hereto, shall be supplemented by means of either (i) the substitution of a revised and updated Exhibit A-1 for the current Exhibit A-1 or (ii) the inclusion of an additional Exhibit A-1, in either case, promptly following the certification for funding by the NJDEP of the remaining components of the Project, as applicable, such supplement to be undertaken by an Authorized Officer of the I-Bank.

“Regulations” means the rules and regulations, as applicable, now or hereafter promulgated pursuant to N.J.A.C. 7:22-3 *et seq.*, 7:22-4 *et seq.*, 7:22-5 *et seq.*, 7:22-6 *et seq.*, 7:22-7 *et seq.*, 7:22-8 *et seq.*, 7:22-9 *et seq.* and 7:22-10 *et seq.*, as the same may from time to time be amended and supplemented.

“State” means the State of New Jersey.

SECTION 2. Representations of the Borrower. The Borrower represents and warrants to the I-Bank:

(a) Organization. The Borrower: (i) is a corporation duly created and validly existing under and pursuant to the Constitution and laws of the State, including the Business Corporation Law; (ii) has full legal right and authority to execute, attest and deliver this Note, to authorize the authentication of this Note, to sell this Note to the I-Bank, and to perform its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the issuance of this Note, the authentication of this Note, the sale thereof to the I-Bank and the due performance of its obligations hereunder and (B) the execution, delivery and due performance of all certificates and other instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out and give effect to this Note.

(b) Authority. This Note has been duly authorized by the Borrower, and duly executed, attested and delivered by Authorized Officers of the Borrower, and duly authenticated by the trustee or the paying agent pursuant to the Borrower Note Resolution. This Note has been duly sold by the Borrower to the I-Bank and duly issued by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforcement thereof may be affected by bankruptcy, insolvency or other laws or the application by a court of legal or equitable principles affecting creditors' rights.

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Borrower, (ii) the adoption of the Borrower Note Resolution, (iii) the ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iv) the authorization, execution, attestation, authentication or delivery of this Note, (v) the issuance of this Note and the sale thereof to the I-Bank, and (vi) the Borrower's ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note.

(d) Compliance with Existing Laws and Agreements: Governmental Consent. (i) The authorization, execution, attestation and delivery of this Note by the Borrower, (ii) the authentication of this Note by the trustee or paying agent pursuant to the Borrower Note Resolution, (iii) the adoption of the Borrower Note Resolution, (iv) the sale of this Note to the I-Bank, (v) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder, including, without limitation, the repayment of the Loan and all other amounts due hereunder, and (vi) the undertaking and completion of the Project, will not (A) result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the

Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations are subject. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation, authentication and delivery of this Note, for the sale of this Note to the I-Bank, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Note, and for the undertaking and completion of the Project.

(e) Reliance. The Borrower hereby acknowledges that the I-Bank is making the Loan to the Borrower pursuant to the terms hereof in reliance upon each of the representations of the Borrower set forth in this Section 2.

SECTION 3. Covenants of the Borrower.

(a) Participation in the Anticipated Financing Program. The Borrower covenants and agrees that it shall undertake and complete in a timely manner all conditions precedent identified by the I-Bank relating to (i) the participation by the Borrower in the Anticipated Financing Program and (ii) the qualification by the Borrower for receipt of the Anticipated Long Term Loan.

(b) Pledge. The Borrower unconditionally and irrevocably promises to make the Loan repayments in accordance with the terms of, and to the extent provided in, the Borrower Note Resolution for the punctual repayment of the Loan and all other amounts due pursuant to the terms of this Note.

(c) Disposition of Environmental Infrastructure System. The Borrower covenants and agrees that it shall not sell, lease, abandon or otherwise dispose of all or substantially all of its Environmental Infrastructure System without the express written consent of the I-Bank, which consent may or may not be granted by the I-Bank in its sole discretion.

(d) Financing With Tax-Exempt Bonds. The Borrower acknowledges, covenants and agrees that it is the intention of the Borrower to finance the Project on a long term basis with proceeds of I-Bank Bonds now or hereinafter issued, the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section 103(a) of the Code ("tax-exempt bonds"). In furtherance of such long term financing with tax-exempt bonds, the Borrower covenants that, except to the extent expressly permitted in writing by the I-Bank, the Borrower will not take any action or permit any action to be taken which would result in any of the proceeds of the Loan being used (directly or indirectly) to make or finance loans to persons other than the Borrower. In addition, the Borrower covenants and agrees that (i) all of the proceeds of the Loan will be used to pay costs of an exempt facility, within the meaning of Section 142 of the Code, which were paid and incurred by the Borrower no more than 60 days before the date on which the I-Bank adopted a declaration of intent with respect to the Project, and (ii) no portion of the Project will be investment property, within the meaning of Section 148(b) of the Code. The Borrower covenants and agrees that any Costs to be paid or reimbursed with proceeds of the Loan will result in the expenditure of proceeds under Treasury Regulations

§1.148-6(d) and Treasury Regulations §1.150-2, for costs subject to the allowance for depreciation provided in Section 167 of the Code which are chargeable to the capital account of the Borrower with respect to such exempt facility.

(e) Operation and Maintenance of Environmental Infrastructure System. The Borrower covenants and agrees that it shall maintain its Environmental Infrastructure System in good repair, working order and operating condition, and make all necessary and proper repairs and improvements with respect thereto.

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall keep accurate records and accounts for its Environmental Infrastructure System, separate and distinct from its other records and accounts, which shall be audited annually by an independent registered certified public accountant and shall be made available for inspection by the I-Bank upon prior written notice. The Borrower shall permit the I-Bank to inspect the Environmental Infrastructure System.

(g) Insurance. The Borrower covenants and agrees that it shall maintain insurance policies providing against risk of direct physical loss, damage or destruction of its Environmental Infrastructure System, in an amount that will satisfy all applicable regulatory requirements. The Borrower covenants and agrees that it shall include, or cause to be included, the I-Bank as an additional "named insured" on any certificate of liability insurance procured by the Borrower and by any contractor or subcontractor for the Project.

(h) Reliance. The Borrower hereby acknowledges that the I-Bank is making the Loan to the Borrower pursuant to the terms hereof in reliance upon each of the covenants of the Borrower set forth in this Section 3.

SECTION 4. Disbursement of the Loan Proceeds; Amounts Payable; Prepayment; and Late Fee.

(a) The I-Bank shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the I-Bank of a Loan Disbursement Requisition and the approval of such Loan Disbursement Requisition by an Authorized Officer of the I-Bank or designee thereof, each such disbursement and the date thereof to be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto; provided, however, that the approval by the I-Bank of any Loan Disbursement Requisition for disbursement pursuant to the terms hereof shall be subject to the terms, conditions and limitations as set forth in Section 4(b) of this Note. It is expected that the proceeds of the Loan will be disbursed to the Borrower in accordance with Exhibit C hereto, as Exhibit C shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit C or an additional Exhibit C, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of "Project" as set forth herein). The latest date upon which the Borrower may submit to the I-Bank a Loan Disbursement Requisition is the business day immediately preceding the date fixed by the I-Bank for the sale of its bonds in connection with the Anticipated Financing Program, or such alternative date as shall be identified by the I-Bank for the Borrower in writing. On the Maturity Date, the Borrower shall

repay the Loan to the I-Bank in an amount equal to: (i) the Principal; (ii) the Interest; (iii) the Administrative Fee, if any; and (iv) any other amounts due and owing pursuant to the provisions of this Note. The Borrower may prepay the Loan obligations hereunder, in whole or in part, upon receipt of the prior written consent of an Authorized Officer of the I-Bank. Each payment made to the I-Bank shall be applied to the payment of, first, the Interest then due and payable, second, the Principal, third, the Administrative Fee, if any, fourth, any late charges, and, finally, any other amount due pursuant to the provisions of this Note. In the event that the repayment obligation set forth in this Note is received by the I-Bank later than the Maturity Date, a late fee shall be payable to the I-Bank in an amount equal to the greater of twelve percent (12%) per annum or the prime rate as published in the Wall Street Journal on the Maturity Date plus one half of one percent per annum on such late payment from the Maturity Date to the date it is actually paid; provided, however, that any late payment charges incurred hereunder shall not exceed the maximum interest rate permitted by law. Notwithstanding the provisions of this Section 4(a) to the contrary, the Borrower hereby acknowledges and agrees that, on the date of issuance of this Note, a disbursement shall be made and shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto in the amount recorded thereon. Such disbursement shall be made for the purpose of funding fifty percent (50%) of the NJDEP Loan Origination Fee. Such disbursement shall be paid by the I-Bank on behalf of the Borrower directly to the NJDEP in satisfaction of the provisions hereof.

(b) Notwithstanding the provisions of this Note to the contrary with respect to the funding, pursuant to this Section 4, of any Loan Disbursement Requisition relating to all or any portion of the Project: (i) the Borrower hereby acknowledges and agrees that the I-Bank shall not, and shall not be required to, commit funds, pursuant to the Construction Financing Loan Program of the I-Bank, to any portion of the Project until such time as the particular portion of the Project in question has been certified for funding by the NJDEP; (ii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to this Section 4 unless and until the portion of the Project to which such Loan Disbursement Requisition relates has been certified for funding by the NJDEP; (iii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to this Section 4 unless and until the Appropriation Condition has been satisfied to an extent and in an amount that is sufficient to fund, in the aggregate, the particular Loan Disbursement Requisition in question and all prior Loan Disbursement Requisitions; and (iv) the I-Bank has no obligation pursuant to this Note to make all or any portion of any Loan Disbursement Requisition disbursement pursuant to the provisions of this Section 4 if the Borrower lacks the authority to pay interest on this Note in an amount equal to the I-Bank Portion Interest Rate.

SECTION 5. Unconditional Obligations. The obligation of the Borrower to make the Loan repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner whatsoever while any Loan repayments, or any other payments due hereunder, remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or Environmental

Infrastructure System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the I-Bank to perform and observe any agreement or any duty, liability or obligation arising out of this Note, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might have against the I-Bank or any other party; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

SECTION 6. Events of Default. The following events shall constitute an "Event of Default" hereunder: (i) failure by the Borrower to pay, when due, any and all of its Loan repayment obligations hereunder, and any other payment obligations due hereunder; (ii) failure by the Borrower to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed pursuant to the terms of this Note; (iii) any representation made by the Borrower contained in this Note or in any instrument furnished in compliance with or with reference to this Note is false or misleading in any material respect; and (iv) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Note or thereafter enacted, unless in the case of any such petition filed against the Borrower such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal, or the Borrower shall become insolvent or bankrupt or shall make an assignment for the benefit of its creditors, or a custodian of the Borrower or any of its property shall be appointed by court order or take possession of the Borrower or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

SECTION 7. Remedies upon Event of Default. Whenever an Event of Default shall have occurred and be continuing pursuant to the terms hereof, the Borrower hereby acknowledges and agrees to the rights of the I-Bank to take any action permitted or required at law or in equity to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder. If an Event of Default shall have occurred, the Borrower hereby acknowledges and agrees that the I-Bank shall have the right to (i) immediately cease disbursements of the proceeds of the Loan, and/or (ii) declare all Loan repayments and all other amounts due hereunder to be due and payable immediately without further notice or demand. The Borrower hereby acknowledges and agrees that no remedy herein is intended to be exclusive, and every remedy shall be cumulative and in addition to every other remedy given under this Note or now or hereafter existing at law or in equity. The Borrower hereby further acknowledges and agrees that no delay or omission by the I-Bank to exercise any remedy or right accruing upon any Event of Default shall impair any such remedy or right or shall be construed to be a waiver thereof, but any such remedy or right may be exercised as often as may be deemed expedient. The Borrower hereby further acknowledges and agrees that, pursuant to the "New Jersey Infrastructure Bank Credit Policy", adopted by the Board of Directors of the I-Bank, and as further amended and supplemented from time to time (the "Credit Policy"), during such time as an Event of Default has occurred and is continuing hereunder, the Borrower shall be ineligible for additional financial assistance from the I-Bank, in addition to certain other consequences set forth in the Credit Policy. The Borrower hereby agrees that upon demand it shall pay to the I-Bank the reasonable fees and expenses of attorneys and other reasonable expenses (including,

without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred in the collection of Loan repayments or any sum due hereunder or in the enforcement of the observation or performance of any obligations or agreements of the Borrower upon an Event of Default. Any moneys collected by the I-Bank pursuant to this Section 7 shall be applied first to pay any attorneys' fees or other fees and expenses owed by the Borrower.

SECTION 8. Certain Miscellaneous Provisions. The Borrower hereby acknowledges and agrees as follows: (a) all notices hereunder shall be deemed given when hand delivered or when mailed by registered or certified mail, postage prepaid, to the Borrower at the following address: Middlesex Water Company, 1500 Ronson Road, Iselin, New Jersey 08830-0452, Attention: A. Bruce O'Connor, Vice President, Treasurer and Chief Financial Officer; and to the I-Bank at the following address: New Jersey Infrastructure Bank, 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648-2201, Attention: Executive Director; (b) this Note shall be binding upon the Borrower and its successors and assigns; (c) in the event any provision of this Note is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof; (d) the obligations of the Borrower pursuant to the terms of this Note may not be assigned by the Borrower for any reason, unless the I-Bank shall have approved said assignment in writing; (e) this Note may not be amended, supplemented or modified without the prior written consent of the I-Bank; (f) this Note shall be governed by and construed in accordance with the laws of the State; (g) the Borrower shall, at the request of the I-Bank, execute and deliver such further instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Note; and (h) whenever the Borrower is required to obtain the determination, approval or consent of the I-Bank pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the I-Bank in its sole and absolute discretion.

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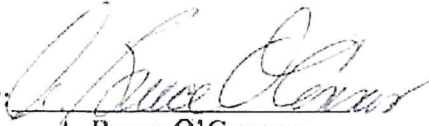
IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed, sealed and delivered on the date first above written.

MIDDLESEX WATER COMPANY

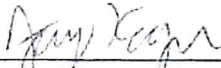
[SEAL]

ATTEST:

By:



A. Bruce O'Connor
Vice President, Treasurer
And Chief Financial Officer



Jay L. Kooper, Esq.
Vice President, General
Counsel and Secretary

EXHIBIT A-2

Loan Disbursements

Date of Loan Disbursement	Amount of Disbursement: I-Bank Portion	Amount of Disbursement: Fund Portion

EXHIBIT C

CERTIFICATE OF EXTENSION DATED DECEMBER 15, 2021

**CONSTRUCTION FINANCING LOAN PROGRAM
OF THE NEW JERSEY INFRASTRUCTURE BANK**

CERTIFICATE REGARDING MATURITY OF NOTE

December 15, 2021

I, DAVID E. ZIMMER, Executive Director of the New Jersey Infrastructure Bank (the "I-Bank"), **HEREBY CERTIFY** as follows:

1. Pursuant to the terms of the Note, dated August 1, 2018 and designated "CFP-19-1" (the "Note"; all capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms in the Note), issued to the I-Bank by the Middlesex Water Company (the "Borrower"), with respect to Project 1225001-025 (the "Project"), in the original principal amount of up to \$43,474,714, the Maturity Date of the Note is December 31, 2021, or such other date to which the repayment of the Note shall be extended by the I-Bank in its sole discretion.

2. In accordance with (i) the terms and provisions of the Note, and (ii) the terms and provisions of Resolution No. 17-11, duly adopted by the I-Bank on February 15, 2017 and entitled "Resolution Authorizing the construction Loan Financing Program For State Fiscal Year 2018", the I-Bank hereby redesignates the Maturity Date of the Note as June 30, 2022, or such other date to which the repayment of the Note shall be extended by the I-Bank in its sole discretion.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, I have hereunto set my hand as of the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

By: 
David E. Zimmer
Executive Director

Acknowledged:

MIDDLESEX WATER COMPANY

By: 
Name: A. Bruce O'Connor
Title: Senior Vice President, Treasurer and Chief Financial Officer