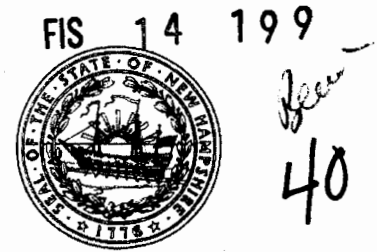




The State of New Hampshire
Department of Environmental Services

Thomas S. Burack, Commissioner



Rep. Leigh A. Webb, Chairman

Oil Fund Disbursement Board

October 27, 2014

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court
and

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

[Signature]
Approved by Fiscal Committee 1/23/15 Date

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, authorize the Oil Fund Disbursement Board (Board) to budget and expend prior year carry forward funds under the provisions of RSA 146-E:3, I, in the amount of \$600,000 for purposes of fuel oil discharge cleanup effective upon Fiscal Committee and Governor and Council approval through June 30, 2015. 100% Fuel Oil Discharge Cleanup funds.

Funding to be budgeted as follows.

**Fuel Oil Discharge Cleanup Fund
03-44-44-444010-14180000
FY 2015**

Object Class		Current Budget	Requested Action	Revised Budget
Income				
009-407482	Agency Income	(\$1,550,000)	(\$600,000)	(\$2,150,000)
Expenditures				
300-500830	Reimbursements	\$1,550,000	\$600,000	\$2,150,000

The Fuel Oil Discharge Cleanup (FOD) Fund was established in 1993 under RSA 146-E for reimbursement of contamination cleanup costs incurred by fuel oil storage tank facility owners, including homeowners, businesses, local governments, counties and schools. Fuel oil contamination is a risk to public health and the environment, and under RSA 146-A, storage tank facility owners are strictly liable for cleanup costs. Typical insurance policies do not provide cleanup cost coverage. The FOD Fund, which is funded through an import fee on fuel oil, provides coverage so facility owners do not face significant and unplanned financial hardship. In addition, the FOD Fund is available to low-income homeowners for replacement of substandard storage tank systems. The "Safetank" program,



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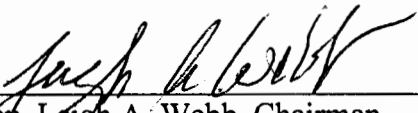
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which provides up to \$1,500 for tank replacement, has been very successful in preventing leaks and thus avoiding significantly greater contamination cleanup costs.


The budget increase requested herein will be used to pay cleanup cost reimbursement claims from owners of facilities/contaminated properties, and to pay for Safetank replacements. The current FY 2015 budget was based on best available information at the time of biennium budget development. Budgets are developed in consideration of planned projects and contingencies, and maintaining a minimum fund balance for unanticipated work and long term project planning. Thus, from year-to-year, cleanup projects and Safetank replacements may be delayed until funds become available. FY 2014 carry-forward funds were greater than anticipated, and FY 2015 revenues will be greater than currently budgeted, which allows an additional \$600,000 to be made available in Class 300 Reimbursements. This will provide funding for various cleanup projects and Safetank replacements that are currently on a wait list.

On behalf of the Board, the Department of Environmental Services approves all contamination cleanup and Safetank work in advance for both scope and cost, and eligible applicants may request payment when work is completed. Applications are reviewed in accordance with applicable rules and regulations adopted by the Board under N.H. Administrative Rule Odb 400.

We respectfully request your approval.



Rep. Leigh A. Webb, Chairman
Oil Fund Disbursement Board



Thomas S. Burack, Commissioner
Dept. of Environmental Services

Department of Environmental Services
Oil Fund Disbursement Board
Supplemental Information

Fuel Oil Discharge Cleanup Fund
03-44-44-444010-14180000

	<u>FY 2015</u>
Balance carried forward July 1	\$ 1,617,401
Revenue Received Thru 9/30/14	281,283
Estimated income to be received	<u>2,318,717</u>
Available	\$ 4,217,401
Less current budget	<u>(1,550,000)</u>
Available to budget	\$ 2,667,401
Less current request	<u>(600,000)</u>
Available Balance	\$ 2,067,401