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The State of New Hampshire  
**Department of Environmental Services**

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**Robert R. Scott, Commissioner**

May 22, 2018

The Honorable Neal M. Kurk, Chairman  
Fiscal Committee of the General Court  
State House  
Concord, New Hampshire 03301

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Pursuant to RSA 14:30-a, VI authorize the Department of Environmental Services to budget and expend carry forward funds under the provisions of RSA 486:14, in the amount of \$10,000,000 for the issuance of low interest loans for wastewater system upgrades, effective as of July 1, 2018 through June 30, 2019, upon Fiscal Committee and Governor & Council approval. Funding is 100% Clean Water Revolving Loan Funds.

Funds to be budgeted as follows:

Clean Water SRF Repayment Account  
03-44-44-441018-2001  
FY 2019

Object Class	Title	Current Budget	Requested Action	Revised Budget
<b>Income</b>				
008-407124	SRF Loans	\$ (10,000,000)	\$ (10,000,000)	\$ (20,000,000)
<b>Expenditures</b>				
301-500832	Loans	\$ 10,000,000	\$ 10,000,000	\$ 20,000,000

**EXPLANATION**

The purpose of this request is to budget additional funds in the Clean Water State Revolving Loan Repayment Fund, which provides low interest loans to municipalities for wastewater treatment and other water pollution control measures. The FY19 budgeted amount of \$10,000,000 is insufficient for the fiscal year. Pre-applications for loans with eleven communities, including the city of Manchester as well as the towns of Somersworth, Hampton, Newport, and Epping, totaling over \$35,000,000 necessitate the need to increase the appropriation for this fiscal year.

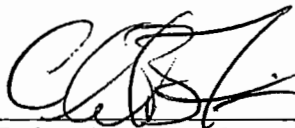
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The size and number of loan requests varies from year to year depending on local budgets and projects of priority. A relatively small project may require a loan for \$100,000 whereas larger wastewater improvement projects cost \$10,000,000 or more. There is presently approximately \$79 million in unencumbered funds available for loans.

This account is 100% Loan Repayment Funds. When the projects are complete, the loan recipients repay the loans over a 5, 10, 15, or 20 year period. The principal and interest payments are deposited into the Repayment Fund, which is subsequently used to make new loans.

We respectfully request your approval.

  
for \_\_\_\_\_  
Robert R. Scott, Commissioner

Department of Environmental Services  
Fiscal Situation  
Clean Water SRF Repayment Account  
03-44-44-441018-2001  
FY 2019

	<u>FY 2019</u>
Balance Forward 7/1/18	\$ 79,243,908
Less Fiscal Year 19 budget	<u>(10,000,000)</u>
Available to budget	\$ 69,243,908
Less current request	<u>(10,000,000)</u>
Estimated Available Balance	\$ 59,243,908