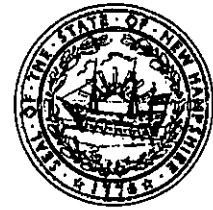




NHDES

The State of New Hampshire
Department of Environmental Services

FIS 18 214



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Robert R. Scott, Commissioner

October 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

[Signature]
Approved by Fiscal Committee 11/1/18
Date

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI authorize the Department of Environmental Services to budget and expend funds under the provisions of RSA 486:14, in the amount of \$40,000,000 for the issuance of below market interest rate loans for water pollution control measures, effective upon Fiscal Committee and Governor and Council approval through June 30, 2019. Funding is 100% Clean Water Revolving Loan Fund.

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 |
|---------------------|-----------|-----------------|------------------|-----------------|
| Income | | | | |
| 008-407124 | SRF Loans | \$ (20,000,000) | \$ (40,000,000) | \$ (60,000,000) |
| Expenditures | | | | |
| 301-500832 | Loans | \$ 20,000,000 | \$ 40,000,000 | \$ 60,000,000 |

EXPLANATION

The purpose of this request is to budget additional funds in the Clean Water State Revolving Loan Repayment Fund, which provide below market interest rate loans to municipalities for wastewater treatment and other water pollution control measures. The FY19 revised budgeted amount of \$20,000,000 is insufficient for the fiscal year. Over seventy percent of the funds available are already

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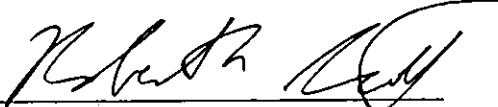
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obligated. Loan and loan amendment applications currently in process with nine communities, total over \$4,400,000. DES also have pending loan requests with sixteen communities, including the cities of Manchester, Rochester, Dover, Lebanon, and Claremont as well as the towns of Colebrook, Berlin, and Boscawen totaling over \$33,816,000. Pending planning and asset management loans comprise an additional \$2,312,000.

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.

This account is 100% Loan Repayment Funds. When the projects are complete, the loan recipients repay the loans over a 5, 10, 15, 20 or 30 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.


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 carried forward 7/1/18 | \$ 70,624,476 |
| Estimated Income to be received | 20,883,027 |
| Total Available: | <u>\$ 91,507,503</u> |
| Less current budget | <u>20,000,000</u> |
| Available to budget | \$ 71,507,503 |
| Less current request | <u>40,000,000</u> |
| Available Balance | \$ 31,507,503 |