



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

May 23, 2016

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

Her Excellency, Governor Margaret Wood Hassan
 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 prior year carry forward funds under the provisions of RSA 486:14, in the amount of \$50,000,000 for the issuance of low interest loans, effective upon Fiscal Committee and Governor & Council approval through June 30, 2017. Funding is 100% Clean Water Revolving Loan Funds to be budgeted as follows:

Clean Water SRF Repayment Account
 03-44-44-441018-2001
 FY 2016

Object Class	Title	Current Budget	Requested Action	Revised Budget
Income				
	PY Carry Forward Funds	132,012,380	(50,000,000)	82,012,380
008-407124	SRF Loans	\$ (105,000,000)		\$ (105,000,000)
Expenditures				
301-500832	Loans	\$ 105,000,000	\$ 50,000,000	\$ 155,000,000

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 present budgeted amount was estimated to be sufficient for the Fiscal Year; however, at this time there is one community with an unanticipated need for a loan totaling \$50,000,000.

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Page 2 of 2

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 \$20,000,000 or more. The Town of Exeter is now requesting a loan in the amount of \$50,000,000 for a Wastewater Treatment Facility Upgrade project.

There is presently \$40.1million in unencumbered funds available for loans. There are loan applications pending in the amount of \$26.8 million, which will reduce the unencumbered funds available for loans to \$13.3 million. We anticipate the need to encumber an additional \$50,000,000 for the Exeter loan described above and any additional applications for loans which may be funded in FY 2016.

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.

It is anticipated that this action will budget sufficient funds to provide low interest rate loans requested for eligible projects through June 30, 2017.

We respectfully request your approval.



Thomas S. Burack
Commissioner

Department of Environmental Services
Fiscal Situation
Clean Water SRF Repayment Account
03-44-44-441018-2001
FY 2016

	<u>FY 2016</u>
Balance carried forward 7/1/15	\$ 204,973,534
Revenue Received Thru 5/11/16	20,447,685
Estimated Income to be received	2,500,000
Total Available:	<u>\$ 227,921,219</u>
Less disbursements to date	(21,451,301)
Less Encumbrances	<u>(116,373,810)</u>
Available to budget	\$ 90,096,108
Less Current Request	<u>(50,000,000)</u>
Available Balance	\$ 40,096,108