



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES

FIS 14 087



Thomas S. Burack, Commissioner

May 6, 2014

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

Jettison 6/9/14
Approved by Fiscal Committee Date

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 \$10,000,000 for the issuance of low interest loans effective upon Fiscal Committee and Governor & Council approval through June 30, 2015. 100% Clean Water Revolving Loan Funds. Funding is to be budgeted as follows:

Clean Water SRF Repayment Account
03-44-441018-2001
FY 2014

Object Class	Title	Current Budget	Requested Action	Revised Budget
Income				
008-407124	Interest-SRF Loans	\$ (25,000,000)	\$ (10,000,000)	\$ (35,000,000)
Expenditures				
301-500832	Loans	\$ 25,000,000	\$ 10,000,000	\$ 35,000,000

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, an increase in demand has resulted in all budgeted funds being committed to loan agreements at an earlier date than previously anticipated.

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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 \$20,000,000 or more.

At this time there are two communities in need of new loans totaling approximately \$8,000,000. The City of Lebanon is requesting \$3,200,000 for a Combined Sewer Overflow Project and \$2,500,000 for the Etna Road, NH Route 120 Sewer Replacement Project. The North Conway Water Precinct is requesting \$2,293,000 for the Water & Sewer Infrastructure Improvements Project.

There is presently \$2,031,862 in unencumbered funds available for loans. We anticipate the need to encumber an additional \$10,000,000 for the three loans described above and any additional loans which may be requested in FY 2014.

This account is 100% Other 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.

The Clean Water State Revolving Loan Repayment Fund has grown to \$186 million and has 139 loans in repayment status. It is anticipated that this action will budget sufficient funds to provide low interest rate loans requested for eligible projects through June 30, 2015.

We respectfully request your approval.


Thomas S. Burack
Commissioner

Department of Environmental Services
Fiscal Situation
Clean Water SRF Repayment Account
03-44-441018-2001
FY 2014

	<u>FY 2014</u>
Balance carried forward 7/1/13	\$ 169,443,898
Revenue Received Thru 5/1/14	17,061,915
Estimated Income to be received	<u>8,000,000</u>
Total Available:	\$ 194,505,813
Less current budget	<u>(25,000,000)</u>
Available to budget	\$ 169,505,813
Less current request	<u>10,000,000</u>
Available Balance	\$ 159,505,813