



The State of New Hampshire **FIS 20 038**
Department of Environmental Services



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Robert R. Scott, Commissioner

February 10, 2020

APPROVED BY FISCAL COMMITTEE

~~MAR 13 2020~~

The Honorable Mary Jane Wallner, 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 prior year carryforward funds under the provisions of RSA 486:14, in the amount of \$50,000,000 for the issuance of low interest loans to local communities, effective upon Fiscal Committee and Governor and Council approval through June 30, 2021. Funding is 100% Clean Water Revolving Loan Funds, to be budgeted as follows:

Clean Water SRF Repayment Account
03-44-44-441018-2001
FY 2020

Object Class	Title	Current Budget	Requested Action	Revised Budget
Income				
008-407124	SRF Loans	\$ (20,000,000)	\$ (50,000,000)	\$ (70,000,000)
Expenditures				
301-500832	Loans	\$ 20,000,000	\$ 50,000,000	\$ 70,000,000

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 New Hampshire communities for wastewater treatment and other water pollution control measures. The FY2020 appropriation of \$20,000,000 is insufficient for the fiscal year. Over ninety-nine percent of the funds available in FY2020 have been obligated in loans to date.

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court, and
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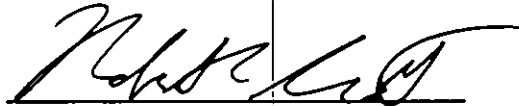
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Overall demand for CWSRF funding has increased mainly due to growing complexity and cost of wastewater treatment projects necessary to meet more stringent federal permit requirements. The program currently has ten loan agreements, five loan amendments and four loan applications in process totaling approximately \$50,000,000. Communities anticipating funding include the cities of Berlin, Exeter, Laconia, Nashua, Manchester, Merrimack, and Rochester.

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 of this item.



Robert R. Scott, Commissioner

Department of Environmental Services
Fiscal Situation
Clean Water SRF Repayment Account
03-44-44-441018-2001
FY 2020

	<u>FY 2020</u>
Balance carried forward 7/1/19	\$ 57,606,793
Estimated Income to be received	<u>26,713,205</u>
Total Available:	\$ 84,319,997
Less current budget	<u>20,000,000</u>
Available to budget	\$ 64,319,997
Less current request	<u>50,000,000</u>
Available Balance	\$ 14,319,997