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The State of New Hampshire

Department of Environmental Services

Robert R. Scott, Commissioner

Thomas J. Frawley, Chairman *Oil Fund Disbursement Board*

March 3, 2021

The Honorable Kenneth Weyler, Chairman
Fiscal Committee of the General Court
State House

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

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, authorize the Department of Environmental Services to budget and expend $4,700,000 in prior year carry forward funds under the provisions of RSA 146-D:3, to continue providing oil discharge cleanup reimbursements, effective upon Fiscal Committee and Governor and Council approval through June 30, 2021. 100% Oil Discharge and Disposal Cleanup Fund.

Funding is to be appropriated as follows:

Oil Discharge & Disposal Cleanup Fund
03-44-44-444010-14140000
FY 2021

Class	Budget Category	Current Budget	Requested Action	Revised Budget
Income				
009-402315	Agency Income	($12,450,000)	($4,700,000)	($17,150,000)
Expenditures				
300-500830	Reimbursements	$12,450,000	$4,700,000	$17,150,000

EXPLANATION

The Oil Discharge and Disposal Cleanup Fund (ODDCF), authorized by state statute RSA 146-D, is a financial assistance program for owners of petroleum storage facilities, owners of public and private water supplies, and owners of properties identified as a source of gasoline ether contamination, predominately methyl tertiary-butyl ether (MtBE). Petroleum contamination is a risk to public health and the environment, and under RSA 146-A, storage tank facility owners are strictly liable for cleanup costs. Typical insurance policies do not provide cleanup cost coverage. The ODDCF, which is funded through import fees on motor fuel, oil used for on-premise

heating, and motor oil, provides coverage so facility owners do not face significant and unplanned financial hardship.

The budget increase requested herein for Class 300-Reimbursements will be used to pay cleanup cost reimbursement claims from owners of facilities and contaminated properties where facilities were located. The current FY 2021 reimbursement budget was based on the best available information at the time of biennium budget development. The increase is needed because approximately $4,600,000 will be reimbursed for unplanned remediation activities that occurred at two sites with site redevelopment activities, which allowed access to petroleum impacted soil that was otherwise inaccessible, and one site that recently suffered a significant petroleum release. We anticipate over 400 reimbursements totaling approximately $5,500,000 for various corrective action projects including investigation, remediation, and water supply well treatment and sampling for the remainder of FY 2021. There is currently only $873,006 remaining in this year's Class 300-Reimbursement appropriation. Budgets are developed in consideration of planned projects and contingencies, and maintaining a minimum fund balance for unanticipated work and long term project planning. Thus, carry forward funds are available to budget an additional $4,700,000 in Class 300-Reimbursement expenditures.

On behalf of the Board, the Department of Environmental Services approves all reimbursable cleanup work in advance for both scope and cost, and eligible applicants may request payment when work is completed. Applications are reviewed in accordance with applicable rules and regulations adopted by the Board under N.H. Administrative Rule Odb 400.

We respectfully request your approval.

Thomas J. Frawley, Chairman
Oil Fund Disbursement Board

Robert R. Scott, Commissioner
Dept. of Environmental Services