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The State of New Hampshire
Department of Environmental Services



Robert R. Scott, Commissioner

January 27, 2022

The Honorable Karen Umberger, Chairman
 Fiscal Committee of the General Court
 State House and

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 (NHDES) to budget and expend funds under the provisions of RSA 486:14, in the amount of \$80,000,000 for the issuance of low interest wastewater loans, effective upon Fiscal Committee and Governor and Council approval through June 30, 2023. Funding is 100% Clean Water Revolving Loan Funds, to be budgeted as follows:

Clean Water SRF Repayment Account
 03-44-44-441018-2001
 FY 2022

Class	Title	Current Budget	Requested Action	Revised Budget
Income				
008-407124	SRF Loans	\$ (20,000,000)	\$ (80,000,000)	\$ (100,000,000)
Expenditures				
301-500832	Loans	\$ 20,000,000	\$ 80,000,000	\$ 100,000,000

EXPLANATION

The purpose of this request is to budget additional funds in the Clean Water State Revolving Loan Repayment Fund (CWSRF), which provides low interest loans for wastewater treatment and other water pollution control measures. The FY 2022 appropriation of \$20,000,000 is insufficient for the fiscal year. The program has loan applications in process with five communities totaling \$17,381,700. NHDES has already obligated ninety percent of the funds available. There is presently \$125 million in unencumbered funds available for loans.

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Under the American Rescue Plan Act (ARPA) grant, funds totaling \$150 million have been allocated to NHDES to provide additional funding for wastewater and drinking water infrastructure projects. The ARPA funds are being paired with SRF funds and awarded based on the 2021 Project Priority Lists for both drinking water and wastewater. As a result, NHDES has experienced an increased demand for CWSRF loans. The program currently has forty pending loan applications paired with ARPA grant offers totaling approximately \$83 million. Some of the communities anticipating CWSRF funding include Claremont (\$3.1 million), Hampton (\$13.7 million), Antrim (\$5.8 million), Ashland (\$3.1 million), Colebrook (\$3 million) and Winchester (\$2.9 million).

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.



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Department of Environmental Services
Fiscal Situation
Clean Water SRF Repayment Account
03-44-44-441018-2001
FY 2022

	<u>FY 2022</u>
Balance carried forward 7/1/21	\$ 117,425,891
Estimated Income to be received	<u>9,517,681</u>
Total Available:	\$ 126,943,572
Less current budget	<u>20,000,000</u>
Available to budget	\$ 106,943,572
Less current request	<u>80,000,000</u>
Available Balance	\$ 26,943,572