



The State of New Hampshire  
DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

February 5, 2013

The Honorable Shannon Chandley, Chairman  
Resources, Recreation and Development Committee  
Legislative Office Building, Room 305  
Concord, NH 03301

**RE: HB 397 – An act relative to state aid grants for wastewater and water supply projects**

Dear Chairman Chandley:

Thank you for the opportunity to comment on HB 397, an act relative to state aid grants for wastewater and water supply projects. The Department of Environmental Services (DES) supports this bill because its enactment would provide DES with guidance on how appropriations should be prioritized should funds become available to support payments for projects in queue for state aid grants.

HB 397 requires that, as new revenue or appropriations become available to fund state aid grants under RSA 486 and RSA 486-A, DES shall give priority on a first-in, first-out basis to communities with wastewater or public water supply projects that were eligible for, but did not receive grants in, Fiscal Years 2009, 2010, 2011, 2012 or 2013. HB 397 further provides that priority then be given on a first-in, first-out basis to projects with approved warrant articles passed before the end of calendar year 2008 that are listed on the draft project list dated August 31, 2012, the fiscal year 2014 project list dated August 31, 2012 and the extended portion of the draft project list beyond fiscal year 2014 dated August 31, 2012.

The state aid grant programs for water pollution control, drinking water and landfill closure authorized under the relevant sections of RSA 486, 486-A and 149-M, respectively, have been among the most important and successful environmental programs in New Hampshire's history. For many years, these programs have contributed to significant environmental progress and helped make environmental infrastructure investment more affordable for New Hampshire's communities. Since the inception of the wastewater state aid grant program in 1959, for example, more than \$400 million in aid has been provided to eligible New Hampshire communities to provide state support, typically through grants of 20% to 30% of annual loan costs.

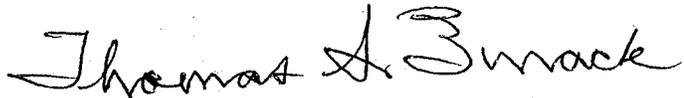
Due to state revenue shortfalls during the recession, state appropriations for new state aid grants ended in November, 2008. Since then, funds have continued to be appropriated to make annual payments for state aid grants previously approved by Governor and Executive Council. However, due to the lack of funds, new requests have been placed on what is known

as the "delayed and deferred list" (D&D list), since these projects are still eligible for funding under existing statutory criteria. The D&D list, shown in Attachment A, is a queue of projects by date of application for each state aid grant type. As of February 7, 2013, there are 127 projects from 64 entities with total grant applications of \$52,692,726 on the list. Initial annual payments for all of the D&D projects would cost the state approximately \$4.944 million in the first year and \$4.522 million in the second year of repayment.

Attachments B1, B2 and B3, respectively, provide the draft lists referenced in Paragraph 1 for Fiscal Year (FY) 2013, FY 2014 and the extended portion beyond FY 2014. Please note that we do not have a precise inventory of "*those projects that were approved by warrant article passed before the end of calendar year 2008.*" Therefore, we cannot determine at this time exactly how many of the projects on these lists might qualify for funding on first-in, first-out basis in accordance with the criteria in HB 397.

Thank you for this opportunity to comment on this bill. Please feel free to call Harry Stewart, Water Division Director at 271-3308 or me at 271-2958, if you have any questions or need additional information.

Very truly yours,



Thomas S. Burack  
Commissioner

Attachments

cc: Representatives Buco, Butler, White and Umberger