

2019 PRE-APPLICATION INVITATION NH CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM

NHDES is now accepting **pre-applications for the 2019 Clean Water State Revolving Fund (CWSRF)** for wastewater, stormwater and nonpoint source projects. CWSRF funding is available for water pollution control, watershed protection and restoration, and estuary management projects that contribute to the protection of public health and water quality.

Deadline for CWSRF pre-applications: Friday, June 14th

CWSRF Pre-application: http://des.nh.gov/organization/divisions/water/wweb/documents/srf_preapp.doc

ADDITIONAL SUBSIDY (Principal Forgiveness)

NH CWSRF plans to offer the maximum allowable additional subsidy for projects funded from the 2019 CWSRF Project Priority List in the form of principal forgiveness. Principal forgiveness awards are generally a percentage of loan disbursements at the time of the initial principal and interest repayment, unless otherwise noted. Principal forgiveness is available to municipal loan recipients based on affordability score and other special initiatives described below.

Affordability:

Once 2019 pre-applications and all 2018 loan applications are received and processed, NHDES will be able to determine the percentages of principal forgiveness available for 2019 projects. This process includes consideration of the number and dollar amount of pre-applications from the various communities in NH, and is based on affordability criteria including sewer user charge rates, median household income, population and unemployment data.

Affordability principal forgiveness will not be awarded in addition to the Planning and Asset Management incentives described below.

Planning, 100% up to \$75,000:

NH CWSRF will award loan recipients 100% principal forgiveness, up to \$75,000, for wastewater and/or stormwater planning evaluations.

Planning evaluations will address wastewater and/or stormwater conveyance and treatment needs and consider solutions that promote energy efficiency, water conservation and flood resiliency.

Please see the CWSRF Wastewater and Stormwater Planning Guidance Document at the following location for more information:

<https://www.des.nh.gov/organization/divisions/water/wweb/documents/cwsrf-stormwater-wastewater-guidance.pdf>

Affordability principal forgiveness will not be awarded in addition to the Planning incentive described above.

Asset Management, 100% up to \$30,000:

NH CWSRF will award loan recipients 100% principal forgiveness, up to \$30,000, for wastewater and/or stormwater asset management projects. Approved asset management implementation is sufficient to satisfy the CWSRF Fiscal Sustainability Plan (FSP) requirement, provided it includes the funded asset(s). The asset management implementation requirements incorporate additional assets and core elements of asset management. Loan recipients who take advantage of the asset management principal forgiveness will develop a more comprehensive and useful tool than by fulfilling the minimum FSP requirement.

Work scopes for asset management projects must be pre-approved by NHDES and meet the minimum requirements of the guidance document available at:

<https://www.des.nh.gov/organization/divisions/water/dwgb/asset-managment/documents/cwsrf-am-guide.pdf>.

Additional asset management principal forgiveness may be available based on the size and complexity of the loan recipient's wastewater infrastructure.

Affordability principal forgiveness will not be awarded in addition to the Asset Management incentive described above.

Energy Audits, up to \$20,000 (no loan required):

For the past few years, loan recipients have received 100% principal forgiveness, up to \$20,000, for the completion of pre-approved comprehensive process energy audits for wastewater treatment facilities and pumping stations. To simplify this process, NHDES is contracting directly for the services to provide energy audits. Loan agreements are not required to cover up to \$20,000 for energy audits and related expenses.

Septage Receiving Facilities, 20% up to \$200,000:

NH CWSRF will award loan recipients 20% principal forgiveness, up to \$200,000, on disbursements for approved project components related to septage receiving facilities.

Up to \$1,000,000 in septage receiving facility project expenditures may be approved for 20% principal forgiveness. NH CWSRF will award loan recipients principal forgiveness for disbursements above \$1,000,000 in accordance with the Affordability section above. For disbursements outside the approved septage receiving facility scope, NH CWSRF will award loan recipients principal forgiveness in accordance with the Affordability section above.

The process to receive the principal forgiveness will include NHDES approval of eligible project components and disbursement tracking. Prior to or during review of the full loan application, applicants will submit a list of project components related to septage receiving facilities to the Wastewater Engineering Bureau Design Review Section for approval. Upon receipt of approval, the Grants Management Section will include the principal forgiveness in the loan agreement for processing and assist with disbursement tracking.

Brown Grease Receiving Facilities, 50% up to \$300,000:

NH CWSRF will award loan recipients 50% principal forgiveness, up to \$300,000, on disbursements for approved project components related to brown grease receiving facilities.

Up to \$600,000 in brown grease receiving facility project expenditures may be approved for 50% principal forgiveness. NH CWSRF will award loan recipients principal forgiveness for brown grease receiving facility disbursements above \$600,000 in accordance with the Affordability section above. For disbursements outside the approved brown grease receiving facility scope, NH CWSRF will award loan recipients principal forgiveness in accordance with the Affordability section above.

The process to receive the principal forgiveness will include NHDES approval of eligible project components and disbursement tracking. Prior to or during review of the full loan application, applicants will submit a list of project components related to brown grease receiving facilities to the Wastewater Engineering Bureau Design Review Section for approval. Upon receipt of approval, the Grants Management Section will include the principal forgiveness in the loan agreement for processing and assist with disbursement tracking.

Comprehensive Energy Audit Measure Implementation, 50% up to \$200,000:

NH CWSRF will award loan recipients 50% principal forgiveness, up to \$200,000, on disbursements for project components that implement recommendations from a comprehensive energy audit conducted within the past three years.

Up to \$400,000 in energy conservation project expenditures may be approved for 50% principal forgiveness. NH CWSRF will award loan recipients principal forgiveness for energy conservation disbursements above \$400,000 in accordance with the Affordability Criteria described above. For disbursements outside the approved energy conservation scope, NH CWSRF will award loan recipients principal forgiveness in accordance with the Affordability section above.

Loan recipients must apply for electric and gas utility incentives to qualify for the NH CWSRF principal forgiveness. CWSRF principal forgiveness will be calculated on the total project cost (project cost prior to incentives from the electric or gas utility). CWSRF principal forgiveness may be reduced if the combination of the two incentives brings the cost of the project to the loan recipient to less than \$0.

The process to receive the principal forgiveness will include NHDES approval of eligible components and disbursement tracking. Prior to or during review of the full loan application, applicants will submit a list of project components related to the implementation of comprehensive energy audit measures to the Wastewater Engineering Bureau Planning, Protection and Assistance Section for approval. Upon receipt of approval, the Grants Management Section will include the principal forgiveness in the loan agreement for processing and assist with disbursement tracking.

New Hampshire may adjust the percentage and/or amount of additional subsidy allocated to any project in order to meet Capitalization Grant requirements and/or CWSRF goals.

LOAN INTEREST RATES (effective until August 2, 2019)

Fixed interest rate charges during the loan repayment period are determined at the time of the supplemental loan agreement, after project completion, based on the established CWSRF market rate and the repayment period selected by the loan recipient.

The CWSRF market rate is based on the 11 G.O. Bond Index. Interest rates are established on the date of the public hearing and reviewed and revised as specified in the CWSRF Administrative Rules (Env-Wq 500).

Effective August 2, 2018, CWSRF loan interest rates are as follows:

5-year term	2.0000%
10-year term	2.0000%
15-year term	2.5350%
20-year term	2.7040%
30-year term*	2.7040%

*Loan recipients may be granted a 30-year repayment term if the useful life of the funded asset is at least 30 years, as determined by the State.

REMINDERS:

LOAN APPLICATIONS

2018 loan applications are due **June 30, 2019**. For projects that did not yet go forward, be sure to submit **new** pre-applications so those projects can be considered for this year's financial incentive package.

PUBLIC HEARING

An annual public hearing on the 2019 Draft Intended Use Plan (IUP) and Project Priority List (PPL) for both the Drinking Water State Revolving Fund (DWSRF) and CWSRF programs will be held at DES on August 1, 2019. The IUP and PPL describe how NHDES intends to use the available SRF funds. Please stay tuned for more information.

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