

Long-Term Goals

1. Operate a self-sustaining program to ensure compliance by all publicly owned treatment works with state and federal water quality goals.
2. Protect the public health and the environment and promote the completion of cost-effective projects.
3. Promote Sustainable Infrastructure (SI) by encouraging the development and implementation of asset management programs, regionalization of utilities, the use of energy efficient technologies and renewable energy sources.

CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

Approximately \$40,300,978 will be available to fund loan applications through June 30, 2020. DES issued a request for project proposals on May 1, 2019 with a pre-application due date of June 14, 2019. The total estimated cost of all 108 proposed projects is \$183,139,734.

Pre-applications for 56 wastewater projects, 1 stormwater project, 22 planning evaluations, 4 energy audit measure implementations and 17 asset management projects were received. The wastewater proposals include 5 projects with stormwater components, 3 with asset management programs, 3 with energy audit measure implementations, 10 with planning evaluations, 3 with septage receiving facilities and 1 brown grease receiving facility.

Project proposals were scored using ranking criteria designed to meet CWSRF program goals and the 2019 Capitalization Grant requirements. Project score is based on benefit to human health and the environment, sustainability and GPR eligibility.

The 2019 CWSRF Amount of each wastewater project, selected planning evaluations and energy audit measure implementation projects and all asset management projects make up the 2019 CWSRF Project Priority List (Appendix II). Because the total estimated cost of all proposed projects exceeds the amount of available funds, loans will be awarded by score.

In order to distribute available funds through the spring of 2020, the application deadline for communities with town meeting/local funding authority votes by March 31, 2020 is May 1, 2020, and the application deadline for communities with town meeting/local funding authority votes on or after April 1, 2020 is June 30, 2020. This will allow time to evaluate and allocate any remaining available funds and plan for the next funding cycle. Asset Management Program applications are due on June 30, 2020 regardless of the date of the community's town meeting/local funding authority vote.

Approximately \$24,700,000 is reserved to provide additional funding for existing projects, funding for projects to loan recipients on the extended priority list (Appendix III) and support for emergency projects. Additional

projects may be funded based on readiness to proceed and the availability of funds. Reserve funds and/or funds available for loans may increase by additional available funds, such as funds returned by loan finalizations.

A public comment period for the 2019 Project Priority List and Intended Use Plan (PPL/IUP) will be observed from July 26, 2019 through August 8, 2019. A public hearing at DES is scheduled on August 1, 2019. The draft PPL/IUP may be adjusted based on comments received during the public comment period.

ADDITIONAL SUBSIDY (Principal Forgiveness)

NH CWSRF plans to offer the maximum allowable additional subsidy for projects funded from the 2019 CWSRF Intended Use Plan in the form of principal forgiveness (\$6,351,600). In addition, principal forgiveness may be made available from prior capitalization grants and/or unused loan commitments.

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 government loan recipients based on affordability score and other special initiatives described below. No project or loan recipient shall receive more than \$2,500,000 in principal forgiveness.

Affordability, 5%, 10% or 15%:

For wastewater projects, NH CWSRF will award loan recipients 5% principal forgiveness for communities with an affordability score below 0.5; 10% principal forgiveness for those with an affordability score between 0.5 and 1.49; and 15% principal forgiveness for those communities with an affordability score 1.50 or greater.

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. Project scope of work will follow the template for Basis of Design Reports outlined in Env-Wq 707, to the extent possible. Planning efforts included in a final design project may also be eligible, typically through 30% design, such as a preliminary engineering or value engineering report.

The process to receive the principal forgiveness will include NHDES approval of eligible scope of work and disbursements tracking. Prior to or during review of the full loan application, applicants will submit scope of work proposals related to planning evaluations 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.

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 programs. Approved asset management program implementation generally satisfies the CWSRF Fiscal Sustainability Plan (FSP) requirement. Asset management program implementation requirements incorporate additional assets as well as the 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 prior to review of the full loan application and meet the minimum requirements of the following guidance document:

<https://www.des.nh.gov/organization/divisions/water/dwgb/asset-management/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 has contracted directly for the services to provide energy audits for both wastewater treatment facilities and pumping stations. Loan agreements are not required to receive 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 septage receiving disbursements above \$1,000,000 and/or outside the approved septage receiving facility scope 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. CWSRF will award loan recipients principal forgiveness for brown grease receiving facility disbursements above \$600,000 and/or outside the approved brown grease scope 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 and/or outside the approved energy conservation scope in accordance with the Affordability section above.

Applications for electric and gas utility incentives are required to qualify for NH CWSRF principal forgiveness. CWSRF principal forgiveness will be calculated on the project costs prior to incentives from the electric or gas utility being applied. 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 disbursements 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.

Interim Financing:

Due to continued increase in demand and limited available funding, NH CWSRF will not be able to assist communities with interim financing this year, and USDA financing awards would preclude CWSRF financing.