

Testimony for the New Hampshire House Finance Committee
State Aid Grants for Wastewater Projects
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My name is Brian Goetz and I am the Director of Water Resources/Deputy Director of Public Works for the City of Portsmouth. In my capacity I am in charge of the City's water, wastewater and stormwater systems and have been intimately involved with the infrastructure improvement programs throughout the City and region. I am submitting testimony on behalf of the City of Portsmouth to recommend that the Finance Committee vote to pass HB 311, a bills related to State Aid Grant (SAG) funding.

For years the City has committed millions of dollars toward sewer system upgrades, including our recent, nearly \$100 million, effort upgrading our Peirce Island Wastewater Treatment Facility. To accomplish all of this work, the City has relied in part on State Revolving Fund loans and SAG for financing.

The City of Portsmouth has been proactively committed, to not only meet increasingly stringent regulatory guidelines for our water and wastewater system, but to also replacing aging infrastructure on a programmed basis. This commitment continues. Our proposed six-year capital improvement plan includes millions of dollars for sewer system infrastructure and treatment improvements. This has led to continued customer rate increases. These projections will be compounded this year by the inflationary increases we are experiencing with electricity and chemical treatment costs. Again, as with our capital planning, the City has been proactive with increasing our user rates in anticipation of these projects to avoid rate shock. Even with that, the City sewer's rates will see an approximately five to six percent annual rate increase for the foreseeable future to bond and pay for these projects. These rate increases have been predicated on the anticipated funds already committed by the State through the SAG. If these funds are eliminated or deferred, it will result in additional costs for our customers in Portsmouth and New Castle.

These improvements, past and present, benefit not just the citizens of Portsmouth and New Castle but importantly, the waters of the State of New Hampshire. Many of these projects must meet regulatory requirements mandated by the New Hampshire Department of Environmental Services and the EPA. The City of Portsmouth, along with many other

communities in the State, particularly those in the Great Bay estuary who are facing the financial burden of significant sewer upgrades, support the continued appropriation of funds for SAG programs and oppose any legislation that suspend them.

The Portsmouth City Council has adopted Principles for Legislative Positions. HB 311 supports several of those principles, such as: support revenue streams to aid municipalities, specifically those that name Portsmouth or will directly support Portsmouth; support plans to fund/support infrastructure; support directing revenues to the purposes for which they are raised; and require the State to honor existing financial commitments to communities before new financial commitments are awarded, e.g. infrastructure reimbursements.

For the reasons set forth above, the City of Portsmouth supports HB 311 and urges the House Finance Committee to vote this bill Ought to Pass.