

# **WARRANT ARTICLE 04 - KOLELEMOOK LAKE WATERSHED MANAGEMENT PLAN**

## **Frequently Asked Questions**

### **Who sponsored this warrant article and why?**

The Kolelemook Lake Protective Association (KLPA) proposed this warrant article as a cost effective way to fund a watershed-based management plan (WMP) for the Kolelemook Lake watershed. A WMP would provide a comprehensive, scientific study of how and where pollutants such as chlorides and phosphorus are entering our lake and provide a long-range plan to lessen the impact on our water quality. In order to use the CWSRF to pay for the WMP, the town must apply and have a valid warrant article to authorize borrowing.

### **What is the Clean Water State Revolving Fund (CWSRF)?**

Established in 1987 by the EPA, the CWSRF is a federal-state partnership that provides low-cost financing to communities for a wide range of water quality projects. NH's program is run by the NHDES. For WMPs, a unique feature of the CWSRF is that the entire principal of the loan (up to \$100,000) is forgiven provided that the plan is completed within certain guidelines established by the program. Once the project is completed and the principal is forgiven, the borrower is only responsible for interest accrued on the loan. The current rate is 2% for short term loans and will be paid for by the KLPA. A typical study would take between 1 and 2 years to complete.

### **How does the 'Forgivable Loan' feature of the CWSRF work?**

As long as the WMP project is completed within certain parameters set forth by the NHDES the entire principal is forgiven (erased) and the town is released of any obligation to pay the principal amount. Requirements include project consultation with NHDES, a valid warrant article, a Qualifications-Based Selection (QBS) Procurement Process to select a qualified consulting firm and an approved engineering contract with an approved work scope.

### **Have other towns and lake associations successfully used this program?**

Yes! Neighboring towns such as Sunapee (Perkins Pond), Sutton (Kezar Lake) and Lebanon (Mascoma Lake) have been approved and are in various stages of their projects to name a few. A representative of NHDES stated at the Springfield Public Hearing that there have been no instances in the program's history where a CWSRF loan was not forgiven upon completion of the WMP.

### **What is the effect on the town budget and ultimately the taxpayer?**

The project is designed to have no net impact on the town budget and the taxpayer. Payments for the project are paid by the NHDES, which creates the loan. Once the project is completed, the loan principal is forgiven and the KLPA pays all interest on the loan.

**For more detailed information about this proposal, please refer to the KLPA website:  
[www.kolelemook.org/watershed-plan](http://www.kolelemook.org/watershed-plan)**