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THE STATE OF NEW HAMPSHIRE DEPARTMENT OF TRANSPORTATION



Victoria F. Sheehan Commissioner

William Cass, P.E. Assistant Commissioner

The Honorable Mary Jane Wallner, Chairman Fiscal Committee of the General Court State House Concord, New Hampshire 03301

Division of Operations December 17, 2018

His Excellency, Governor Christopher T. Sununu and the Honorable Council State House Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, authorize the New Hampshire Department of Transportation to accept and expend revenue in the amount of \$3,270,000 from the Environmental Mitigation Trust Agreement for State Beneficiaries ("Mitigation Trust") from the Volkswagen Settlement Funds upon the date of Fiscal Committee and Governor and Council approval through June 30, 2019. 100% Agency Income (VW Settlement Funds).

In SFY 2019, funds shall be accepted and expended within 04-096-096-960515-3005 - Mechanical Services, as follows:

Table with 4 columns: 04-096-096-960515-30050000 Mechanical Services, FY 2019 Budget, Requested Change, FY 2019 Revised Budget. Rows include various expense categories like Personal Services, Equipment, and Benefits.

04-096-096-960515-30050000 Mechanical Services	FY 2019 Budget	Requested Change	FY 2019 Revised Budget
066 500543 Employee Training	8,450	0	8,450
070 500704 In State Travel Reimbursement	1,000	0	1,000
080 500710 Out of State Travel Reimbursement	10,875	0	10,875
103 500741 Contracts for OP Services	6,500	0	6,500
Total	\$14,618,309	\$3,270,000	\$17,888,309
Source of Funds			
Revenue:			
004 403631 Intra-Agency Transfers	\$826,000	\$0	\$826,000
007 407073 Agency Income	506,250	3,270,000	3,776,250
009 405698 Agency Income	229,814	0	229,814
Highway Fund	13,056,245	0	13,056,245
Total	\$14,618,309	\$3,270,000	\$17,888,309

EXPLANATION

The Department requests authorization to accept and expend the proceeds from the Environmental Mitigation Trust Agreement for State Beneficiaries ("Mitigation Trust") in the amount of \$3,270,000 to be used towards the replacement of 9 Extra Heavy Duty Trucks (10 Wheelers) and 21 Heavy Duty Trucks (6 Wheelers) used on highway and winter maintenance throughout the State of New Hampshire. State bonded Highway funds in Fund 30 for equipment (Accounting Unit 1686) will provide the \$1,210,000 match for this equipment.

Total Project Cost:	\$4,480,000
Volkswagen Funds Requested:	\$3,270,000
NHDOT Budgeted Match:	\$1,210,000

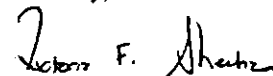
The NHDOT proposes to replace the following vehicles to improve fuel efficiency and emissions control:

- 9 - 2004 to 2009 Tier 1 Extra Heavy Duty Trucks (10 Wheelers) used for plowing. Based on current funding and Department priorities, the replacement of these trucks is not foreseen in the next 3 years.
- 21 - 2002 to 2006 Tier 1 & 2 Heavy Duty Trucks (6 Wheelers) used for plowing. The average annual usage for these Trucks exceeds 500 hours per year. Based on current funding availability and Department priorities, the replacement of these trucks is not foreseen in the next 3 years.

Equipment replaced as a result of the Mitigation Trust Funds will be sent to Administrative Services-State Surplus or a private contractor for decommissioning efforts and disposal. Prior to spending any of the Mitigation Trust Funds for the purchase of the vehicles noted above, the NHDOT will obtain a formal waiver from Administrative Services rule 611.03 Property Delivered to State Surplus Management to prevent the engines from operating again. Once the said waiver is received, the NHDOT will be able to use the Mitigation Trust Funds to assist in the purchase of the noted vehicles. After the new vehicles are received, fitted up, and put into service, mechanics from the Bureau of Mechanical Services or a private contractor will destroy the engines of all vehicles replaced using Mitigation Trust Funds by fracturing or penetrating the engine block to create a minimum 3-inch hole and cutting the frame into at least two pieces rendering it unusable and irreparable. The remaining, inoperable unit would then be sold as scrap metal via the normal state surplus process. The terms of the State's Plan requires the engines to be rendered unusable to meet the air quality requirements of the Mitigation Trust Fund.

Your approval is respectfully requested.

Sincerely,



Victoria F. Sheehan,
Commissioner

Attachment

Department of Transportation
FISCAL SITUATION FISCAL YEAR 2019
04-096-096-9605-30050000

Non-participating Equipment

Estimated revenue budgeted:	\$	229,814
Prior year carryforward revenue:	\$	-
Additional non-budgeted revenue:	\$	<u>3,270,000</u>
Amount available to budget:	\$	3,499,814
Less current FY19 budget authorization:	\$	<u>229,814</u>
Total available for budgeting:	\$	3,270,000
Amount to be budgeted this request:	\$	<u>3,270,000</u>
Amount available to budget with future requests:	\$	<u>-</u>

Source of Non-Budgeted Revenue	Amount	Expenses through 6/30/19	Balance
Agency Income-VW Settlement Funds	\$ 3,270,000	\$ -	\$ 3,270,000
		\$ -	\$ -
		\$ -	\$ -
Totals	\$ 3,270,000	\$ -	\$ 3,270,000