



STATE OF NEW HAMPSHIRE
DEPARTMENT of NATURAL and CULTURAL RESOURCES
DIVISION of PARKS and RECREATION
BUREAU of TRAILS

172 Pembroke Road Concord, New Hampshire 03301
Phone: (603) 271-3254 Fax: (603) 271-3553 E-Mail: nhtrails@dncr3745.nh.gov
Web: www.nhtrails.org

April 18, 2018

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

REQUESTED ACTION

Pursuant to RSA 216:9, authorize the Department of Natural and Cultural Resources, Division of Parks and Recreation (Department) to accept and expend \$93,136 in interest earnings from the Connecticut Lakes Headwaters Stewardship Endowment Fund upon Governor and Executive Council approval through June 30, 2019. **100% Agency Income**

03-35-35-351510-37450000								
CLH STEWARDSHIP ENDOWMENT								
Class	Description	Acct	FY 2018 Current Budget	Requested Action	FY 2018 Revised Budget	FY 2019 Current Budget	Requested Action	FY 2019 Revised Budget
Revenue								
008	Agency Income	402744	(100,000)	(76,500)	(176,500)	(128,000)	(16,636)	(144,636)
Totals:			(100,000)	(76,500)	(176,500)	(128,000)	(16,636)	(144,636)
Expense								
020	Current Expenses	500200	7,500		7,500	7,500		7,500
022	Rents-Leases Other Than Sta	500257	10,000		10,000	25,128		25,128
030	Equipment -New/Rep	500300	0	76,500	76,500	0	16,636	16,636
047	Own Forces Maint	500240	48,429		48,429	50,000		50,000
050	Per. Svcs. - Temp	500109	14,000		14,000	14,280		14,280
060	Benefits	500600	1,071		1,071	1,092		1,092
102	Contracts for Prg Svc	500731	19,000		19,000	30,000		30,000
Totals:			100,000	76,500	176,500	128,000	16,636	144,636

EXPLANATION

In accordance to RSA 216:9, the interest earnings from the CLH Stewardship Endowment Fund shall be used for the purposes of recreation, use, and the conservation easement management of the 146,000 acre Connecticut Lakes Headwater property, on which the state holds a conservation easement within the Connecticut Lakes. The principal of the endowment is managed by the NH State Treasurer. Over several years, the interest has been left to accrue for use to fund anticipated costs associated with the exercise a new Stewardship Plan for the property. The Department has completed an amended Stewardship Plan. In cooperation with the Connecticut Lakes Headwaters Citizens Committee (CLHCC) as established in RSA 12-A:9-b, the Department has identified deferred maintenance of the road system as the priority for which the funding should be used. This road system serves the recreational access to the property.

In 2017, the CLHCC met to recommend that the Department increase the maintenance of the public road network on the property, which is owned by the state. The Office of the Attorney General has determined that these roads are recreational access assets of the state and that therefore, the Stewardship interest earnings may be used for public recreational purposes including the maintenance of these roads.

Funds are currently budgeted to be used for purchasing bridging materials, contracting with outside service providers for road maintenance and construction, staffing and performance of repairs and utilizing the Student Conservation Association for Stewardship projects.

The CLHCC recommended that the Department use some of these funds to enter into a lease/purchase for a tractor with a mowing head, paying half of the purchase price up front and financing the other half. This funding request establishes the Equipment appropriation in order to allow the Department to proceed with the bid for the needed tractor.

The following appropriation is requested for Fiscal Year 2018:

Class 030 – Equipment - New/Replacement \$76,500, amount needed for tractor lease/purchase.

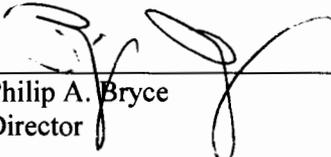
The following appropriation is requested for Fiscal Year 2019:

Class 030 – Equipment - New/Replacement \$16,636, amount needed for tractor lease/purchase.

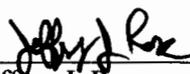
Respectfully submitted,

Concurred,

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Philip A. Bryce
Director



Jeffrey J. Rose
Commissioner

Connecticut Lakes Headwaters Natural Areas Stewardship Endowment

Fiscal Year Ending

June 30, 2018

	July	August	September	October	November	December	January	February	March	April	May	June	SUMMARY
Beginning Book Value	1,691,935.69	1,707,264.87	1,712,242.59	1,714,016.12	1,722,819.27	1,695,276.13	1,756,818.62	1,761,847.73	1,772,838.72	1,772,838.72	1,772,838.72	1,772,838.72	1,691,935.69
Dividends and Interest	5,381.38	864.76	1,725.95	917.98	929.08	17,069.77	923.51	888.22					28,700.65
From NH Charitable	11,474.02							11,207.82					22,681.84
Realized Gains on Investments	38,160.48	6,074.54	47.58	8,373.04	8,602.15	44,490.78	4,105.60	1,028.42					110,882.59
Total Receipts	55,015.88	6,939.30	1,773.53	9,291.02	9,531.23	61,560.55	5,029.11	13,124.46	0.00	0.00	0.00	0.00	162,265.08
Payments to DRED	(39,572.98)												(39,572.98)
Payments to F&G					(35,000.00)								(35,000.00)
Investment Management Fees		(1,961.58)			(2,028.56)			(2,133.47)					(6,123.61)
Realized Losses on Investments	(113.72)			(487.87)	(45.81)	(18.06)		0.00					(665.46)
Total Disbursements	(39,686.70)	(1,961.58)	0.00	(487.87)	(37,074.37)	(18.06)	0.00	(2,133.47)	0.00	0.00	0.00	0.00	(41,789.07)
Net Change in Book value	15,329.18	4,977.72	1,773.53	8,803.15	(27,543.14)	61,542.49	5,029.11	10,990.99	0.00	0.00	0.00	0.00	
Ending Book Value	1,707,264.87	1,712,242.59	1,714,016.12	1,722,819.27	1,695,276.13	1,756,818.62	1,761,847.73	1,772,838.72	1,772,838.72	1,772,838.72	1,772,838.72	1,772,838.72	1,772,838.72
Beginning Market Value	1,949,382.20	1,959,695.32	1,966,847.17	1,999,266.80	2,036,298.71	2,032,947.34	2,057,161.59	2,141,991.38	2,081,045.82	0.00	0.00	0.00	
Net Change in Market Value	10,313.12	7,151.85	32,419.63	37,031.91	(3,351.37)	24,214.25	84,829.79	(60,945.56)	(2,081,045.82)	0.00	0.00	0.00	
** Ending Market Value	1,959,695.32	1,966,847.17	1,999,266.80	2,036,298.71	2,032,947.34	2,057,161.59	2,141,991.38	2,081,045.82	2,081,045.82	2,081,045.82	2,081,045.82	2,081,045.82	2,081,045.82
FIS Account (Money Market)	11,483.60	11,492.60	6.94	6.95	9.87	9.88	9.89	1.40	-	-	-	-	-
Fidelity PAS Account	1,948,211.72	1,955,354.57	1,999,259.86	2,036,291.76	2,032,937.47	2,057,151.71	2,141,981.49	2,081,044.42	-	-	-	-	-
** Ending Market Value	1,959,695.32	1,966,847.17	1,999,266.80	2,036,298.71	2,032,947.34	2,057,161.59	2,141,991.38	2,081,045.82	2,081,045.82	2,081,045.82	2,081,045.82	2,081,045.82	2,081,045.82

TITLE XIX PUBLIC RECREATION

CHAPTER 216 MANAGEMENT OF CERTAIN RECREATIONAL AND HISTORIC SITES

Connecticut Lakes Headwaters Natural Areas Stewardship Endowment

Section 216:9

216:9 Stewardship Endowment. –

I. There is hereby established an endowment fund to be known as the Connecticut Lakes headwaters natural areas stewardship endowment account.

II. The stewardship endowment shall be maintained in perpetuity and shall be utilized jointly by the executive director of the fish and game department and the commissioner of the department of natural and cultural resources only for the purposes of habitat and public use management of 25,000 acres of natural areas owned by the state of New Hampshire, and for the purposes of recreation, use, and the conservation easement management of the 146,400 acres on which the state shall hold a conservation easement within the Connecticut Lakes headwaters tract.

III. The principal of the endowment shall be managed by the state treasurer for the sole purpose of providing interest earnings for the purposes set forth in this subdivision and expenditures from the endowment account for those purposes shall be limited to the interest earned thereon.

IV. Any interest earned on the endowment principal which is not used for the purposes set forth in this subdivision within the fiscal year in which it is earned shall be nonlapsing. The state treasurer is authorized to accept gifts, donations, and grants, including federal gifts, donations, and grants, for the purposes set forth in this chapter, and such gifts, donations, and grants shall be added to the principal amount.

V. The executive director of the fish and game department and the commissioner of the department of natural and cultural resources shall, pursuant to the stewardship endowment, prepare an annual report to be presented no later than December 1 of each year to the speaker of the house, the president of the senate, the governor, the house clerk, the senate clerk, and the state library. The report shall include a listing of all natural area lands within the Connecticut Lakes headwaters tract under their joint stewardship and a complete financial accounting of the funds in the stewardship endowment including expenditures for the most recent full fiscal year. The report shall also summarize stewardship activities and findings for each natural area, for the most recent full fiscal year.

Source. 2002, 148:6, eff. May 14, 2002. 2017, 156:14, I, eff. July 1, 2017.

TITLE I

THE STATE AND ITS GOVERNMENT

CHAPTER 12-A

DEPARTMENT OF NATURAL AND CULTURAL RESOURCES

Section 12-A:9-b

12-A:9-b Connecticut Lakes Headwaters Citizens Committee. –

I. There is established the Connecticut Lakes headwaters citizens committee. Committee membership shall be as follows and shall include a minimum of 7 members who are residents of any community in the Great North Woods region association, as established by the state in February 1998:

- (a) Two residents of the town of Pittsburg, appointed by the selectmen.
- (b) One resident of the town of Clarksville, appointed by the selectmen.
- (c) One resident of the town of Stewartstown, appointed by the selectmen.
- (d) One person who shall have expertise in forestry and timber harvesting, appointed by the speaker of the house of representatives.
- (e) One person who shall have expertise in monitoring conservation easements, appointed by the speaker of the house of representatives.
- (f) One person who shall have expertise in outdoor recreation and tourism, appointed by the president of the senate.
- (g) One person who shall have expertise in forest ecology and management of natural areas, appointed by the president of the senate.
- (h) Two persons appointed by the governor with the consent of the council.
- (i) A Coos county commissioner, or designee.
- (j) The commissioner of the department of natural and cultural resources, or designee.
- (k) The executive director of the fish and game department, or designee.
- (l) A representative of the largest private landowner within the borders of the Connecticut Lakes headwaters tract, appointed by the landowner, who shall serve as an ex-officio, non-voting member.
- (m) The commissioner of the department of environmental services, or designee.
- (n) One leaseholder in any community in the Great North Woods region association, appointed by leaseholders. Leaseholders shall meet to choose the member, who shall be a resident of the state of New Hampshire.

II. Each member shall serve a 3-year term. Vacancies shall be filled for the unexpired term of office in the same manner as the original appointment. Members may serve successive terms.

III. The members shall elect a chairperson from among the public members. Preference shall be given to a resident of the Great North Woods region if a member from that area is willing to serve as chairman, otherwise another public member shall be elected.

IV. The committee shall meet at least annually and at such other times as the chairperson deems necessary. At least once annually, the committee shall meet to review the management plan of the state-owned properties as prepared by the managing state agencies. The committee's meetings shall be open to the public, in accordance with RSA 91-A. Interested members of the public shall be allowed to speak before the committee or to submit statements. Records, reports, and working papers generated or used by the committee, or both, shall be made available to the public for inspection or

copying. The committee shall not be responsible to the public for the costs of copying its documents.

V. The duties of the committee shall include and be limited to:

(a) Providing advice to the monitoring entity for monitoring compliance with the terms and conditions of the working forest conservation easement covering approximately 146,400 acres of the Connecticut Lakes headwaters tract.

(b) Providing advice to the department of natural and cultural resources and the fish and game department on the management of public recreational use of the Connecticut Lakes headwaters tract, including the siting and approval of the first 10 new leases, the seasonal use of the road system, snowmobile trails and their use, and the terms for access and use of the tract by motorized vehicles. Such advice shall be offered in cooperation with the private landowner.

(c) Providing advice on the management of state park and natural areas within the tract owned in fee by the state.

(d) Providing advice to the department of natural and cultural resources and the fish and game department on any proposed revision to the stewardship or management plans required by the conservation easements on the 146,400 acres or the natural areas and, should amendments to these easements ever be contemplated, on the proposed amendments.

(e) Exercising authority to decide if 15 leases in addition to those in subparagraph (b) should be allowed and where such leases should be located, if the private owner or any future private owner requests this action.

(f) Exercising authority to decide if the private buyer, or any future private owner, should be allowed to exercise its rights under the conservation easement for commercial recreational activities for which the private owner may charge fees.

(g) Exercising authority to decide if the state can build structures for visitor support facilities as described in the conservation easement for the 146,400 acres.

(h) Providing advice to the department of environmental services on the management of Lake Francis and approximately 2,676 upland acres of state-owned land known as the Lake Francis impoundment property, including the lease program for the property established under RSA 481:3-a and administered by the department of environmental services.

VI. The commissioner of the department of natural and cultural resources shall designate a state employee from the department as the administrative officer of the committee. The administrative officer shall attend each meeting of the committee and provide recordkeeping and related administrative and clerical assistance to the committee.

VII. The terms and provisions of the conservation easements shall at all times provide the legal basis for the committee's advice and authority, and any legal opinion of the easement's terms shall be rendered by the attorney general.

Source. 2002, 148:3. 2009, 112:2, 3. 2011, 5:1, eff. April 25, 2011. 2017, 156:14, I, eff. July 1, 2017.