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The State of New Hampshire  
**Department of Environmental Services**

**FIS 18-010  
Replacement**



*Bent*

Robert R. Scott, Commissioner

January 19, 2017

The Honorable Neal M. Kurk, Chairman  
Fiscal Committee of the General Court  
State House

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

*[Signature]*  
Approved by Fiscal Committee Date 1/19/18

**REQUESTED ACTION**

Pursuant to RSA 14:30-a, VI, and RSA 485-F:3, authorize the Department of Environmental Services (NHDES) to accept and expend \$35,204,700 in Drinking Water and Groundwater Trust Funds for the purpose of implementing RSA 485-F, effective upon Fiscal Committee and Governor and Council approval through June 30, 2019. 100% Drinking Water and Groundwater Trust Fund.

Funding is to be appropriated as follows:

**Drinking Water and Groundwater Trust  
03-44-44-442010-39040000  
FY 2018/2019**

Class	Budget Category	Current Budget	Requested Action	Revised Budget
<b>Income</b>				
009-401831	Trust Loan Fund	(\$5,000,000)	(\$35,204,700)	(\$40,204,700)
<b>Expenditures</b>				
073-500580	Grants – Non federal	-0-	11,530,000	11,530,000
102-500731	Contracts for Program Services	-0-	500,000	500,000
301-504059	Loans	5,000,000	23,174,700	28,174,700
	<b>Total</b>	<b>\$5,000,000</b>	<b>\$35,204,700</b>	<b>\$40,204,700</b>

**EXPLANATION**

The New Hampshire legislature established the Drinking Water and Groundwater Trust Fund (Trust Fund) under RSA 485-F. The statute provides that NHDES shall provide administrative support to the Drinking Water and Groundwater Advisory Commission (Commission) to accomplish the intent of the statute.

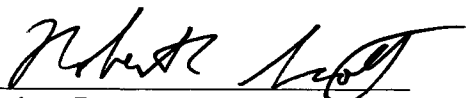
The budget revisions adds funds to cover project costs approved by the Commission at its November 2, 2017 meeting. The approved projects are detailed in the attached sheets A, B and C. The funding is split between loans (67.4%), grants (28.6%) and contractual work (4.0%). The loans and grants address drinking water infrastructure and source water protection projects. The contracted services would include laboratory analysis of drinking water and groundwater samples for a statewide groundwater survey. In addition to the listed projects, Chapter 207:5, Laws of 2017 appropriated \$5,000,000 from the Trust Fund for the purposes of issuing a loan to Textiles Coated International to extend public water service to properties with drinking water supply wells that were impacted by releases of perfluorinated compounds.

NHDES is requesting to budget these funds as shown below:

- Class 073 To cover grants for water supply infrastructure expansion.
- Class 102 To cover costs for water supply sampling and analysis.
- Class 301 To cover the cost of loans for drinking water infrastructure to address drinking water quality concerns.

These funds were not included in the FY18/19 Operating Budget as the statutory changes were not put into place until the end of the legislative session and did not become effective until July 1, 2017.

We respectfully request your approval.



Robert R. Scott, Commissioner

Drinking Water & Groundwater Trust Fund  
 List of Drinking Water Projects Approved by Drinking Water And Groundwater Trust Advisory Commission on November 2, 2017

Projects With Public Health Issues						
Water System	Town/City	Project Description	Population Served	Current Project Cost	Additional Funds Needed	Notes
Town of Colebrook	Colebrook	Lead Line Replacement, New Service Meters & Water Main Replacement	1,200	\$4,772,000	\$1,150,000	Currently funded with RD & DWSRF - Additional funds are needed
Pennichuck East Utility - Litchfield	Litchfield	PEU/Litchfield - Pennichuck Water Works Nashua Core Interconnection	3,608	\$2,400,000	\$600,000	Currently funded with DWSRF - Additional funds are needed
North Walpole Village District	Walpole	1,4 Dioxane Treatment and/or New Supply	700	\$1,000,000	\$500,000	Drinking water exceeding standards
Bethlehem Village District	Bethlehem	Plant Improvements & Meter Project	1,700	\$3,872,114	\$750,000	Currently funded with RD & DWSRF - Additional funds are needed
City of Dover	Dover	Water Facilities Improvements - Phase II & Somersworth Interconnection	28,000	\$9,100,000	\$2,600,000	Currently funded with DWSRF - Additional funds are needed
Groveton Water System	Northumberland	Water Main Replacement	2,650	\$3,205,300	\$200,000	Currently funded with RD & DWSRF - Additional funds are needed
Town of Whitefield	Whitefield	Water Main Replacement	1,500	\$6,500,000	\$4,330,000	Currently funded through RD; additional funds are needed
Portsmouth Water System (Breakfast Hill Road Area in Greenland)	Greenland	Coakley Landfill Area Water Extension Evaluation	300 homes	TBD	\$200,000	Addresses PFC concerns near the Coakley landfill
Lee Traffic Circle	Lee	Water Line Extension to MtBE Contaminated Area at Lee Traffic Circle	16,000	\$3,250,000	\$1,000,000	Addresses long term MtBE problems at Lee Traffic Circle.
<b>TOTAL</b>				<b>\$34,099,414</b>	<b>\$11,330,000</b>	

PWS=Public Water System  
 DWSRF= Drinking Water State Revolving Loan Fund

Sheet B - Loans  
 Drinking Water & Groundwater Trust Fund  
 List of Drinking Water Projects Approved by Drinking Water And Groundwater Trust Advisory Commission on November 2, 2017

Unfunded DWSRF Projects from 2017 Project Priority List (PPL) and Candidates for Trust Fund Loans						
Applicant	Location	Project Description	Population Served	Loan Request	Readiness to Proceed Status	
Belmont Water Department	Belmont	Depot Street/Pout Pond Water Supply Well	1,612	\$2,500,000	Authority to borrow to be requested at Spring 2018 Town Meeting	
Pennichuck Water Works	Nashua	Pennichuck Core Water Main Replacement	87,682	\$3,375,000	PUC approval in January 2018	
Atkinson Woods Owners Association	Atkinson	Filter Installation	140	\$25,000	Association authority to borrow April 2018	
Manchester Water Works	Manchester	Merrimack River Well Collector Water Treatment Plant	133,000	\$13,000,000	Authority to borrow to be requested in January 2018	
Merrimack Village District	Merrimack	Turkey Hill Booster Pumping Station	25,000	\$1,300,000	Authority to borrow to be requested in Spring 2018	
Newport Water Works	Newport	New Groundwater Supply and pump station	5,000	\$572,800	Authority to borrow to be requested in May 2018	
City of Lebanon	Lebanon	Water main replacement as part of CSO # 13-Design only	10,050	\$47,000	Authority to borrow to be requested December 13, 2017	
City of Lebanon	Lebanon	Water main replacement as part of CSO # 12 -Design only	10,050	\$142,000	Authority to borrow to be requested December 13, 2017	
Newport Water Works	Newport	Filtration Plant and Water System SCADA Upgrade	5,000	\$117,900	Authority to borrow to be requested in May 2018	
Newport Water Works	Newport	1st, 2nd, 3rd & 4th Streets Infrastructure Project	5,000	\$1,507,000	Authority to borrow to be requested in May 2018	
Farmington Water Department	Farmington	System-wide Water Meter Replacement	3,000	\$588,000	Authority to borrow to be requested at March 2018 Town Meeting	
<b>TOTAL</b>				<b>\$23,174,700</b>		

Sheet C - Source Water Protection and Other

Drinking Water & Groundwater Trust Fund

List of Drinking Water Projects Approved by Drinking Water And Groundwater Trust Advisory Commission on November 2, 2017

Time Critical Source Protection Land Conservation Project						
This list provides water supply lands identified by water systems as high priority for conservation.						
Water System	Town/City	Project Description	Population Served	Acres	Trust Fund Request	Notes
City of Portsmouth	Madbury	1,000 ft frontage on Bellamy Reservoir and 800 ft on Bellamy River in Madbury - in negotiation	33,000	72	\$200,000	Total project cost is \$423K; Trust Fund share estimated to be \$200K
<b>TOTAL</b>				<b>72</b>	<b>\$200,000</b>	

Other Projects						
This includes projects that do not fit the other categories but fulfill RSA 485 requirements and needs						
Water System	Town/City	Project Description	Population Served	Acres	Trust Fund Request	Notes
Statewide	Statewide	Statewide groundwater quality determination	Statewide	Statewide	\$500,000	This project collects statewide data on groundwater quality and is necessary to determine the extent of emerging contaminants and background levels of key groundwater contaminants.
<b>TOTAL</b>					<b>\$500,000</b>	