

TABLE 1C
Renewal of Critical Components and Dam Projects Subgroup -
8 Projects Requesting 50% or Less Grant

(RC) RENEWAL OF CRITICAL COMPONENTS AND (D) DAM PROJECTS SUBGROUP ^[1,2]									
Applicant	Project Name	Project Category	Grant Request	% Grant Request of Project Total	Loan Request	Contributing Funds	Project Total ^[2]	SRF Eligibility	Notes
Manchester Water Works	Main Dam Improvements	(D) Dam Projects	\$0	0%	\$1,000,000	\$0	\$1,000,000	NO	
City of Lebanon	Hillcrest Acres Reconstruction Program	(RC) Renewal of Critical Components	\$350,000	20%	\$1,400,000	\$0	\$1,750,000	YES	
Marlborough Water Works	2019 Water Main Replacement	(RC) Renewal of Critical Components	\$250,000	25%	\$750,000	\$0	\$1,000,000	YES	
Hooksett Village Water Precinct	Water Storage Tank Replacement Project	(RC) Renewal of Critical Components	\$727,788	26%	\$0	\$2,070,831	\$2,798,619	YES	
West Stewartstown Water Precinct	West Stewartstown Distribution System Improvements	(RC) Renewal of Critical Components	\$750,000	36%	\$0	\$1,305,900	\$2,055,900	YES	High DWSRF ranking but only DWGTF grant requested.
Keene Water Department	Woodward Pond Dam Improvements	(D) Dam Projects	\$792,988	46%	\$918,012	\$0	\$1,711,000	NO	
Plymouth Village Water Sewer District	Main Street Water Improvements Phases 1, 2 & 3	(RC) Renewal of Critical Components	\$2,647,500	50%	\$0	\$2,647,500	\$5,295,000	YES	
Littleton Water & Light	Transmission Main Relocation	(RC) Renewal of Critical Components	\$2,929,500	50%	\$2,927,500	\$0	\$5,857,000	YES	
Lancaster Water & Sewer Department	Water Main Replacement and Preliminary Engineering	(RC) Renewal of Critical Components	\$3,561,178	72%	\$0	\$1,361,400	\$4,922,578	YES	High DWSRF ranking but only DWGTF grant requested.
Acorn Terrace Cooperative	Acorn Terrace Phase III	(RC) Renewal of Critical Components	\$527,000	79%	\$0	\$142,000	\$669,000	YES	High DWSRF ranking but only DWGTF grant requested.
Franklin Water Works	Franklin Water System Improvements 2019	(RC) Renewal of Critical Components	\$5,314,000	100%	\$0	\$0	\$5,314,000	YES	
Pennichuck Water Works Inc.	Bowers Dam Spillway Reconstruction	(D) Dam Projects	\$990,000	100%	\$0	\$0	\$990,000	NO	
Pennichuck Water Works Inc.	Kessler Farm Tank Replacement	(RC) Renewal of Critical Components	\$3,080,000	100%	\$0	\$0	\$3,080,000	YES	
DWGTF Requests (\$M)			\$21.9		\$7.0				
Total Request (\$M)			\$28.9						

DWSRF = Drinking Water State Revolving Fund

DWGTF = Drinking Water and Groundwater Trust Fund

Notes:

1. The Renewal of Critical Components (RC) category represents construction projects that include replacement or upgrading of an existing asset that is critical to the operation of the water system.
2. The Dam Projects (D) category represents projects associated with dam improvement and are not eligible for DWSRF.
3. Project total is the cost of full project scope and may include grant and loan requests and/or other funding sources.

New Hampshire Drinking Water and Groundwater Advisory Commission

RSA 485-F:4 – SB380 – Chapter 11:2 – Laws of 2016

Subcommittee Group C Meeting Minutes

MEETING DATE: 9:00 a.m., Wednesday, July 25th, 2018, SH 100

Members of the Committee Present: Senator Rick Russman
Paul Sanderson
David Paris
DES Assistant Commissioner Clark Freise
Christopher Way

Audience Members Present: Griffin Roberge – Senate Legislative Aide
Randy Suozzo – Department of Environmental Services
Erin Holmes – Department of Environmental Services

Meeting Discussion:

1) Welcome – Senator Rick Russman, Chairman

The subcommittee discussed how the trust fund should be the final opportunity for projects to get funding. Members reiterated the need for applicants to seek out alternative sources of funding for projects. Applicants should illustrate to the Advisory Commission that they have skin in the game. The trust fund should not be the first and only source of funding. The subcommittee would discuss the specifics of each application with DES staff and make possible recommendations to the wider Commission. The members agreed to divide the applications into three categories: YES (projects that should be funded), NO (projects that should not be funded), and MAYBE (projects to be further discussed at future dates).

2) Manchester Water Works – Main Dam Improvements

The applicant requested a \$1,000,000 loan. The Massabesic Lake Dam is classified as a High Hazard dam and needs improvements to be in compliance with NHDES Dam Bureau Requirements. The members felt that the applicant had a wide enough base of customers to address the problem on its own. If funding for the applicant is a problem, the members noted the applicant could look into increasing their water rates. **Recommendation: NO.**

3) Pennichuck Water Works – Kessler Farm Tank Replacement, Bowers Dam Spillway Reconstruction

The applicant requested the following:

- Kessler Farm Tank Replacement – a \$3,080,000 loan or the grant of the maximum amount.
- Bowers Dam Spillway Reconstruction – a \$990,000 loan or a grant of the maximum amount.

The members of the subcommittee found that the applicant could bond the cost of the project, if necessary. The grant requests were too large and not adequately justified. **Recommendation: NO to Kessler Farm Tank Replacement and Bowers Dam Spillway Reconstruction.**

4) Lebanon Water Department – Hillcrest Acres Reconstruction Program

The applicant requested a \$350,000 grant and a \$1,400,000 loan. The applicant seeks to address water and waste water issues in Hillcrest Acres, a 43 unit private development. Based on the application, the members felt much of the funding would go toward wastewater/septic projects. These types of projects are not in line with the vision and goals of the Advisory Commission. However, the subcommittee was unwilling to make a final determination. **Recommendation: MAYBE.**

5) Marlborough Water Works – 2019 Water Main Replacement

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The applicant requested a \$250,000 grant and a \$750,000 loan. The members noted that the applicant had high annual residential water rates and a low median household income (MHI). However, DES staff noted that the construction costs outlined on the application are suspect. The applicant has an illustrated history of maintaining water systems in their district. The subcommittee was unwilling to make a final determination and wanted to revisit the pre-application. **Recommendation: MAYBE.**

6) Hooksett Village Water District – Water Storage Tank Replacement Project East Utility W&E – W&E CWS Water Main Replacement

The applicant requested a \$727,788 grant. The applicant seeks to replace a water tank and connect it to an existing water line. The subcommittee noted the \$2,070,831 that the applicant secured in outside funding before applying to the trust fund. The members appreciated the contributions of an industrial partner and the use of an existing SRF loan. The pre-application also noted economic development benefits if the project were completed. The subcommittee felt it best to revisit the pre-application to see if other pre-applications had more pressing projects and if the grant amount was necessary to award to the project. **Recommendation: MAYBE.**

7) West Stewartstown Water Precinct – West Stewartstown Distribution System Improvements

The applicant requested a \$750,000 grant. The members appreciated the \$1,305,900 in contributing funds from USDA grants and local contributions. The subcommittee noted there was a small MHI for the district, but the applicant was in the process of more than doubling their annual residential water rates. The members noted the public health justification for moving forward with the project. Project completion could bring economic development to the area. **Recommendation: YES.**

8) Keene Water Department – Woodward Pond Dam Improvements

The applicant requested a \$792,988 grant and a \$918,012 loan. DES staff noted that the applicant has known about the need for dam improvements since 2012. The trust fund should not fund projects for applicants who knew of problems and were not proactive in addressing them. **Recommendation: NO.**

9) Plymouth Village Water & Sewer District – Main Street Water Improvements Phases 1, 2, & 3

The applicant requested a \$2,647,500 grant and a \$2,647,500 loan. While the MHI was low, the applicant's water rates were much like those of other districts. The project would move ahead, regardless of a trust fund award. The applicant has \$18 million in projects planned. The members noted a USDA grant was not secured by the time of the pre-application's filing and there was no contribution from other entities like Plymouth State University. The applicant also asked for a sizable grant award. **Recommendation: NO.**

10) Littleton Water & Light – Transmission Line Relocation

The applicant requested a \$2,928,000 grant and a \$2,928,000 loan. The project would bring their water source to treatment. The subcommittee was reluctant to award the requested grant because the applicant had no alternative funding sources. Awarding such a grant would send the wrong message to current and future applicants. The subcommittee decided to revisit the application. **Recommendation: MAYBE.**

11) Acorn Terrace Cooperative – Acorn Terrace Phase III

The applicant requested a \$527,000 grant. The applicant was contributing a \$142,000 existing SRF loan to the project. Subcommittee members worried giving such a sizable grant to the applicant. DES staff noted that the grant was a smaller percentage of the overall project if the subcommittee considered the applicant's costs in completing phases I and II. The applicant had a low MHI and annual residential water rates that were near 1.2% of overall MHI. Questions arose over whether the Rochester's water system could address the applicant's needs. DES stressed that the applicant's water system is at its breaking point and should be addressed sooner rather than later. **Recommendation: MAYBE.**

12) Franklin Water Works – Franklin Water System Improvements 2019

The applicant requested a \$5,314,000 grant or a \$5,314,000 loan. The subcommittee noted that the applicant had high water rates. DES staff and subcommittee members felt the applicant was not contributing significantly to capital improvements. The applicant should more adequately address its water needs with its water rates and alternative sources of funding. **Recommendation: NO.**

13) Lancaster Water Department – Water Main Replacement and Preliminary Engineering

The applicant requested a \$3,561,178 grant. The applicant had \$4,538,000 in contributing funds. The subcommittee noted the applicant could look into increasing their rates. The requested grant award was not an amount the subcommittee was willing to entertain. **Recommendation: NO.**

Project	Town	Rank	Grant	Loan	Total TF	Outside Funds	Total Project	TF Share	
West Stewartstown Distribution System	West Stewartstown	?	\$750,000	\$0	\$750,000	\$1,305,900	\$2,055,900	36%	
YES Subtotal			\$750,000	\$0	\$750,000	\$1,305,900	\$2,055,900	36%	
Hillcrest Acres	Lebanon	?	\$350,000	\$1,400,000	\$1,750,000	\$0	\$1,750,000	100%	
2019 Water Main replacement	Marlborough	?	\$250,000	\$750,000	\$1,000,000	\$0	\$1,000,000	100%	DWSRF Funding Potentially Available
Water Storage Tank Replacement	Hooksett	?	\$727,788	\$0	\$727,788	\$2,070,831	\$2,798,619	26%	
Transmission Line Relocation	Littleton	?	\$2,929,500	\$2,927,500	\$5,857,000	\$0	\$5,857,000	100%	
Acorn Terrace Phase III	Rochester	?	\$527,000	\$0	\$527,000	\$142,000	\$669,000	79%	
MAYBE Subtotal			\$4,784,288	\$5,077,500	\$9,861,788	\$2,212,831	\$12,074,619	82%	
YES and MAYBE TOTAL			\$5,534,288	\$5,077,500	\$10,611,788	\$3,518,731	\$14,130,519	75%	

Next Meeting: Tuesday, 7/31/2018 at 8:30 a.m. in SH 100.

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New Hampshire Drinking Water and Groundwater Advisory Commission

RSA 485-F:4 – SB380 – Chapter 11:2 – Laws of 2016

Subcommittee Group C Meeting Minutes

MEETING DATE: 8:30 a.m., Tuesday, July 31st, 2018, SH 100

Members of the Committee Present: Senator Rick Russman
Paul Sanderson
David Paris
DES Assistant Commissioner Clark Freise
Christopher Way

Audience Members Present: Josh Elliott – Senate Majority Policy Director
Griffin Roberge – Senate Legislative Aide
Rick Skarinka – Department of Environmental Services
Erin Holmes – Department of Environmental Services
Michael Unger – Department of Environmental Services

Meeting Discussion:

1) Welcome – Senator Rick Russman, Chairman

The subcommittee discussed its intention to address the pre-applications left undecided from the last meeting. Members discussed the possibility of awarding loans to the dam projects (Manchester Water Works, Pennichuck Water Works, and Keene Water Department) as a means to ensuring a financial return into the trust fund and allowing some projects to move forward. The subcommittee discussed the Senate President’s intention to withhold trust fund awards to send a message to applicants about the type of pre-applications that should come forward. The Advisory Commission wants to show all applicants how to structure the best pre-application and demonstrate that the trust fund awards are truly competitive. If no projects come up, some money should go to the dam projects. Dam projects are not eligible for SRF loans. The trust fund could also set a standard whereby dam projects are only offered loans from the trust fund in future rounds.

2) Marlborough Water Works – 2019 Water Main Replacement

The applicant requested a \$250,000 grant and a \$750,000 loan. Following on discussions in the last meeting, the members noted that the project sought a 25% grant and a 75% loan. The members noted that the applicant had high annual residential water rates and a low median household income (MHI). The applicant has an illustrated history of maintaining water systems in their district.

Recommendation: YES.

3) Hooksett Village Water District – Water Storage Tank Replacement Project East Utility W&E – W&E CWS Water Main Replacement

The applicant requested a \$727,788 grant. DES staff noted that the new management team for the Hooksett Village Water District has been proactive on the project. Awarding the grant would help feed commercial development. The subcommittee felt strongly that the applicant should be awarded due to their work in finding an industrial partner. However, some members felt more comfortable awarding a loan instead of a grant. The applicant could afford a loan given the median household income and current annual residential water rates. The subcommittee knew the applicant serves as a model for future applications, but felt the applicant should reach out to other partners and return to the trust fund in the future. Since the area is ripe for economic development, the applicant should have little problem achieving other sources of financial backing. **Recommendation: NO.**

4) Littleton Water & Light – Transmission Line Relocation

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The applicant requested a \$2,928,000 grant and a \$2,928,000 loan. The project would bring their water source to treatment. The subcommittee was reluctant to award the requested grant because the applicant had no alternative funding sources. Awarding such a grant would send the wrong message to current and future applicants.

Recommendation: NO.

5) Acorn Terrace Cooperative – Acorn Terrace Phase III

The applicant requested a \$527,000 grant. DES staff noted that residential cooperatives, when assumed by new owners, tend to have poor water systems. The applicant is making heavy strides in addressing their water problems. DES staff noted the applicant went to the Rochester City Council to have the City apply for a grant on the applicant’s behalf, but the City rejected it. Some members of the subcommittee felt that awarding a 79% grant sent the wrong message about what the trust fund is seeking to achieve. DES and other members countered that the phases I and II of the project illustrate the commitment of the applicant. If the grant was viewed in connection with the other phases, it is a 36% grant. The subcommittee felt the project worthy of a grant, but felt the applicant should use their existing \$172,000 SRF loan before using the trust fund grant dollars. **Recommendation: YES.**

6) Subcommittee C Pre-Application Ranking

Project	Town	Rank	Grant	Loan	Total TF	Outside Funds	Total Project	TF Share	
West Stewartstown Distribution System	West Stewartstown	1	\$750,000	\$0	\$750,000	\$1,305,900	\$2,055,900	36%	100%
2019 Water Main Replacement	Marlborough	2	\$250,000	\$750,000	\$1,000,000	\$0	\$1,000,000	100%	25%
Acorn Terrace Phase III	Rochester	3	\$527,000	\$0	\$527,000	\$970,000	\$1,497,000	35%	100%
Yes Total			\$1,527,000	\$750,000	\$2,277,000	\$2,275,900	\$4,552,900	50%	

The subcommittee recognized the work of these applicants in requesting loans, seeking alternative sources of funding, and commitment to addressing water quality issues.

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