

Drinking Water & Ground Water Trust Fund
Advisory Commission
June 10, 2019 Meeting Minutes Summarized

Committee Members Present

Sen. Chuck Morse, Chair	Bernie Rousseau
Sen. Tom Sherman, Vice-Chair	Rodney Bartlett
Rep. Deborah Hobson	William Boyd, III
Rep. Kevin Maes	Marco Philippon
Former Senator Richard Russman	Rachel Miller
Robert Scott	Christopher Way
Clark Freise	Andrea Kenter
Lisa Morris	Paul Sanderson
Tim Vadney	

Meeting convened at 10 am

Sen. Morse opened the meeting commenting about meeting frequency during the summer months. We need to be flexible for a while longer.

Rule Making Update

Erin Holmes, P.E. Drinking Water and Groundwater Trust Fund Administrator, MtBE Remediation Bureau, Department of Environmental Services (DES)

Proposed Arsenic & PFAS Standards

Paul Susca, Administrator III, Revolving Loan Funds, Department of Environmental Services
A bill last year directing DES to review the drinking water and groundwater standards for arsenic passed. DES recommended adjusting the standard from 10 ppb to 5 ppb. More legislation needed to pass and hence we have HB261. This passed the house and was amended in the senate and passed. We believe R R & D in the house has concurred. This bill will lower the arsenic from 10 ppb to 5 ppb for drinking water and ambient groundwater.

This bill enables the Advisory Council to make loans and grants for water systems to implement additional treatment to deal with new stricter standards.

Clark Freise, Assistant Commissioner, Department of Environmental Services
As far as PFAS substances, which are per- and polyfluoroalkyl substances, PFOA & PFOS being most commonly recognized, legislation passed last year in both a House and Senate bill, that authorized the formation of maximum contaminate levels which are drinking water standards for four PFAS compounds. This requires an initial proposal by January 1, 2019. It was filed on December 31, 2018.

We completed the public comment period receiving over 500 individual written comments. We are on line to make July JLCAR meeting with final proposals. Once reviewed, if approved, we would look for implementation around October 1. This lines up with the next round of testing for public water systems.

There were a couple of efforts to modify bills for additional study of the proposed levels. There is also some effort in the budgeting to provide some money to help municipalities with implementation. There is debate back and forth as to what the source of that funding should be. One of the suggestions was the Trust Fund, the other was General Funds.

Source Water Protection Grant Eligibility Process

Paul Susca: We had a Review Panel last year. DES had the initial review of the Source Water protection applications for land conservation. The Review Panel made recommendations as to which should be funded and then those came to the Advisory Commission.

The rules that were adopted by the Commission earlier this year have a little different process. There is an extra step to review the eligibility applications. These applications basically let applicants know if they should proceed with a full application. The Rules say that the Commission may direct the Department or subcommittee to determine whether the projects are eligible at that point.

We are asking for the Commission to designate a subcommittee to meet and make a ruling on those applications in July. We would like to give the applications that have to do with existing sources approval to proceed. If it's in a wellhead protection area that is already delineated or in a hydrologic area of concern that is already delineated, we would be able to direct applicants to proceed. However, if it falls into a third category which is a future source, we would like to have your subcommittee make that determination.

Chairman Morse: SRW's are already in process right now. September 13th starts another whole process.

Erin Holmes confirmed.

Chairman Morse: What we are talking about is Source Water protection. We split into different groups last time. We want a few people to split off and participate in this debate.

Erin Holmes: June 28th is the deadline for eligibility applications. Those are really the first draft. They come in and are reviewed by Paul as to what is eligible and what is not. Then applicants submit their final application, which last year involved site walks. That is where the subcommittee was invited to participate in that big review.

The decision is whether it is a clear bright line wellhead protection or it's a hack and we can make that determination like we did last year without the subcommittee. But for projects that aren't so clear cut, we would like the subcommittee's input. Perhaps it could be done in one meeting, but it would be a public meeting.

Chairman Morse: It would still come back to the full committee. Chairman Morse asked for volunteers for subcommittee.

Vounteers: Andrea Kenter, Paul Susca, Clark Freise, Senator Sherman, Bernie Rousseau, Rick Russman.

Deadline is midnight on the 28th. Paul and his team will start reviewing them. We will determine if a meeting is necessary. They will have until September 13 to do the final funding applications.

Paul Susca: We will determine whether a subcommittee is necessary. This will be great for everyone, applicants in particular, so that they get a quick answer. We also will not have a lot of site visits for projects that don't make the cut.

VOTE: Chairman Morse: Vote on the Minutes. Minutes were amended to reflect voting on the grant for the Town of Derry and Salem.

Mr. Rousseau moved to accept the minutes as amended. Marco Phillipon, NH Water Works Association, 2nd. Motion Accepted.

Erin Holmes: Gave a "loan refresher" as we are coming into the 2019 round and looking at new projects. She wanted to make sure everyone knows how the loan rates are set and how they are implemented.

Per Commission's Rules established in April, loan terms are 5, 10, 15, 20, up to 25 years. The loan rate is established the first Thursday in August. Want confirmation that in August the rate of loan will be set. As per rules, based on 11 GO Bond Index published weekly by Bond Byer, it is a set rate and that loan will be set based on that number and does not need a vote.

At the time that rate is set per the Trust Fund, Commission rules and the proposed administrative rules, that loan rate will be in effect at the time the original loan agreement is transferred to the recipient. If the loan agreement is transferred to the recipient the following year past that first Thursday of August, they would be getting the new effective loan rate.

We just received a couple (applications) last year and their OLA's haven't been drafted yet. Whatever is transferred to them in the OLA when they finish their project completion, there's not a new loan rate. The rate would be whatever was transferred to applicants at the start of the project and not at the completion of the project.

Q: (Ms. Rachel Miller) And by transfer to the recipient is there a signing process? Is that what signifies the transfer?

A: (Ms. Holmes): Yes. The OLA's are drafted and they have to be approved by Governor and Council. They are signed before they go to Governor & Council and that is when the loan rate is set. Privates are a little bit different. They have a signing after, but the OLA will have been drafted prior to Governor & Council approval.

Johanna McKenna, Administrator II Revolving funds, DES

We draft them, email to them for signature and it comes back to us and then off the Commissioner and then to the Governor.

Q: Chairman Morse: What is the current rate for the GO bonding?

A: Ms. McKenna: We get it every week and it's 3.02 last Friday.

**M. Miller: I want to say 3.01. It's been trending down.

Q: Senator Sherman: Does it matter the loan term or rate? Does it vary at all or is it the same rate for each term?

A: Ms. Holmes: it is the same rate for each term. The commission/subcommittee went with one straight flat rate. The loan term is based on the life expectancy of the equipment that is being provided. There is also discussion about the loan terms longer than 25 years. The subcommittee believed that the 25-year cap could always submit a waiver to the rule if they needed a longer term.

Q: Fmr. Senator Rick Russman: Question to Senator Morse. If someone wants a 15-year loan and discovers the rate has going down quite a bit, would applicant push out for a longer term, say 20 years to play with the term of the loan?

A: Ms: McKenna – This program has been set up with the same term for the same interest rate. It was not going to change at all. The option for the Drinking Water State Revolving Loan Fund we offer a lot more flexibility. We have different interest rates for different loan terms. We do offer a lower rate at project completion. If our current rate is lower, we will offer the lower rate. We never go higher.

Chairman Morse: The intent of staying at 25 years or less was that originally, we had a presentation that we would last until 2043 under the current structure. Granted we wouldn't be working with the numbers we are working with today, but I think people wanted to see that money coming back in during that time period.

Chairman Morse: Providing loans are one thing, we are not trying to mimic other programs. We are trying to loan money to get projects started. Covering 1/10th or 2/10th of a project I don't think would bother this account. At this point, we don't have hundreds of these (projects) every year. We will see how it goes.

Erin Holmes: This project falls under the award plan as a DES led project. There are funds allocated within that award plan for a project that we can bring in. This is the Filter Pitcher

Project. This is a pilot program that would be targeting the most vulnerable residents in the state. Paul Susca (DES) and Karen Craver from the Department of Health and Human Services (DHHS) will present.

Mr. Susca: Usually I present to you it's as an administrator. Today, I'm speaking to you as an applicant. Karen is an epidemiologist and helped us put together this proposal. Most projects that are funded by the commission serve a population using a community water system, but half of the state's population have private wells.

This project is designed to focus on them and within that group, the most vulnerable population. Arsenic deserves attention in light of the fact we are bringing the standard down from 10 to 5.

This application is submitted through DES by the Water Division and in cooperation with DHHS. DES would be receiving the grant money and would be working closely with DHHS. All of the grant money would go toward project expenses and not DES or DHHS staff services.

As we mentioned, 46% of New Hampshire use private wells. The estimate based on U.S.G.S. indicates 30% of bedrock wells in the state exceed 5 ppb that's been proposed. That is substantial. The most vulnerable are pregnant women and young children because of the health effects of exposure in utero and early life increase adverse birth outcomes. Some of these are increased infections in the first year of life, gestational diabetes suffered by the mother associated with arsenic exposure between 5 and 10.

Lifelong exposure cancers, particularly bladder and lung cancer are the health effects that the existing standard was based on. However, there is increasing evidence that there is increased risk of death from cardiovascular disease associated with low risk exposure to arsenic. There is also emerging information about reduced IQ in school aged children below 10 ppb.

Ms. Craver, Administrator DHHS

The project would start by screening pregnant women to identify those on private wells. We would promote testing of private wells through free testing incentives. Finally, we would reduce exposure by providing filter pitchers to those whose test come back with an exceedance of arsenic. This is the pilot phase.

In addition, we see our WIC (Women, Infants, Children nutrition program) clinics in the state as a prime opportunity to reach the other vulnerable New Hampshire residents.

The eligibility criteria are set at 185% Federal Poverty Level. For a family of four the poverty level for family income would be \$47,640 per year. This program would be administered through the Department of Environmental Services. Many of the project's aspects would be handled through a hired contractor. The contractor would develop materials, training, etc.

Those that test within the acceptable range for contaminants would get an informational packet to express the importance of regular testing. Those testing over the range of acceptable levels would be given information about the importance of filtration, etc. Follow up would occur at 3 and at 6-month intervals via survey. The project would wrap up after 2 years with a final survey.

Mr. Susca: This project would run a little over 5 years. During the first year we would develop the project advisory committee and put out an RFP to hire the contractor who will implement the entire project. The project would run in 1 or 2 of the 42 WIC clinics throughout the state. It would enroll 50 women. All of the contracted WIC staff would be trained. The contractor will ensure proper use of the pitcher and program participation.

At the end of the 3rd year, we would stop enrollment of new study participants, but would continue following the remainder of the women in the study for 24 months. Participants would be eligible for an additional year of replacement cartridges, in hopes they will have learned the positive benefits of clean water and the clean water process.

We are hoping for 500 women to participate and as a result, 500 low-income families will have reduced arsenic exposure. We would get valuable information from this study and more importantly have a model of this process for future use in New Hampshire and potentially other states.

The project cost would be approximately \$212. Per family.
\$130,838 for the pitchers and the filters.
\$20. Per test for arsenic & shipping.
\$150,000 Contractor cost for remainder of project coordination
\$333,000. Total being requested for project.

Chairman Morse: The commission is doing two different things directly with the department. First, we fund the positions. Last round we approved 2 projects similar to this Pitcher Project.

Mr. Freise: First was statewide background sampling with groundwater in use of drinking water. In conjunction with HHS we are monitoring 500 locations throughout the state, biomonitoring. The second was an engineering project for Portsmouth to discover the viability to provide water to Coakley area.

Question: Mr. Way – What are the costs of the filters per family?

Answer: Mr. Susca - Filters are \$17. Per family.

Lisa Sirrois – Dir WIC program, DHHS – in addition to healthy foods, WIC program provides education. Incorporating water education in this program is very doable.

Question: Sen. Sherman – Is this a rolling enrollment or do you have a fixed number of people at the beginning of the study and then that's it for the 5 years?

Answer: Paul Susca – During pilot we enroll a fixed number. We will see how it goes. In years two and three we are enrolling everybody who's eligible.

Question: Sen. Sherman – If the pilot program shows non-viability or that there's a problem, does the whole thing shut down?

Answer: Paul Susca – The goal is to improve on the success of the overall project, including the design. If we find we need to make some changes outside the scope of the initial proposal, we will come back to the Advisory Commission for an amendment.

Mr. Freise – DES really appreciates that some budget was broken off for this project. It's a very important project with a lot of potential impact. The chance to provide children with inoculation can improve the rest of their lives is amazing.

Question: Mr. Rousseau – Will the results be shared with DES?

Answer: Mr. Susca – Whether the results come back from DES at the individual participant level has yet to be determined. But certainly, the contractor will have that information and it can be provided at the aggregate level. We just don't want it to affect the participation rate.

Question: Bill Boyd – Town Council Member, Merrimack

Mr. Boyd Questions the number of residents being tested 1748 out of 1900. Some individuals are on a public water system. We want them to have confidence in their public water systems. Summarizes that only 1/3 are potentially going to have a well that will test over 5 ppb.

Mr. Boyd also questions the cost of the contractor. He asked wouldn't \$30,000 a year be adequate to cover 42 clients statewide for the services?

Answer: Ms. Craver – The services, training of the WIC staff, mailing, follow up, etc, I do feel \$150,000. Is reasonable to pay the contractor.

Senator Sherman has been working on this for a number of years and this new (ish) data out of Dartmouth. He asked if as the program materials are being developed, could data that is extrapolated be distributed to people on private wells? Primary care physicians, OB-gyn and the general public would benefit from this education.

Mr. Susca pointed out that this project would run in parallel with additional outreach efforts.

Question: Ms. Miller – it would be great to have educational material developed in a way that WIC could distribute to all program participants.

Answer: Mr. Susca – we are starting with a targeted population and will learn some interesting information about changes in attitudes.

VOTE: Fmr Sen. Russman moved the motion. The motion is to approve \$333,278. For the Pitcher Program. Second by Mr. Philippon

Follow up question – Mr. Boyd – is there a backup plan in case the pitcher company goes out of business?

Answer: We are looking into it.

Motion passed with unanimous consent.

Manchester

E Holmes.

Manchester Water Works has been working on Cohas Pump Station long before the Southern New Hampshire Project was envisioned. There was a change to the gallons per day projection that was not included in the original improvement plan. DES agrees there is some cost share that the project is responsible for because we have taken that capacity away from their station. Working with Phil & Croasdale and Sarah Demos we came up with \$259,409.

Clark Freise: Manchester Water Works generously agreed to help Southern NH system get on line and up and running. This amount is our prorated share of that discounted rate. We need to make sure in the first stages we get enough water flowing through the system to maintain clean and safe water.

Chairman Morse: Manchester and Derry were essential to the start as we required 2 or 3 million gallons on line. They dealt with us in a professional matter.

VOTE: Sen. Sherman, Move approval.

Second by Chris Way

Motion adopted with unanimous consent.

Chairman Morse – It's becoming clear how this Commission is supposed to work. Our ultimate goal is to be just 1/3 of the funding a project requires. There are other buckets of money that can contribute to some of these water projects.

Sanbornville

Peter Kasprzyk, Chair, Water Dept, Town of Sanbornville

We are in dire need of attention. We've had several costly incidents that caused crisis in our little community. We have one water tower which holds 250,000 gallons of water.

We have 440 hook ups, several restaurants and businesses in town and 1500 users with the school and its employees. We have 2 dead ends in our system that we are hoping to connect as we understand these dead ends can harbor bacteria and can be harmful to the water supply. We are largely a tourism town so if we lose our water, the project would be a great economic value to these businesses.

Cathy Conway, Horizons Engineering

There is no redundancy in the water main so if there is a break, the whole system is without water. Another issue is that there are 2 gravel pack wells that can't keep up with the demands at times. We think the reason for this is because of a 60% loss in the system for unaccounted water. There are 7 ½ miles of pipe and 30% of this is 1937 steel pipe. It is very fragile.

This past spring the storage tank went dry. It took a week to get water back into the storage tank. We were without firefighting capacity during that time.

We are looking at several things. We are looking to rehab one of the two wells at an estimated \$30-\$50,000. Working with a well specialist. We need to replace 2 ½ to 3 miles of the 1937 steel pipe at an estimated cost of \$2-\$3 Million dollars. We will be looking at SRF Program, USDA, Governor & Council approval for \$20,000. Asset management planning Grant from DES. We have also applied for \$30,000. From USDA for SEARCH grant. We have a grant with the CDBG Program pending for \$350,000. If we were to receive the \$250,000. from the commission that we are asking for today, we could complete one step toward our final goal. The first and immediate step is to complete this loop.

Discussion continued.

VOTE: Mr. Way moved to fund the Sanbornville Water Precinct Project as proposed for \$250,000 as a grant. Mr. Rousseau seconded. Motion adopted.

Merrimack Village District

Don Provencher, Chair, Board of Commissioners, Merrimack Village District
Wells #2, #3, #7, and #8 Treatment

Keith Pratt, President Underwood Engineers – Asking for \$14.5 million. This is a list of what we will use the money for.

PFAS Treatment at Wells 7, 8, 2, 3.

All active wells have PFAS treatment

Iron & Manganese Treatment in Well 3

Raw Water main to connect Wells 2 & 3

Discussion continued.

There is very strong community support. The average bill to the customer will be in the area of \$550-\$600. when the project is complete. The average is \$315. today.

Many other upgrades and improvements to the wells were discussed.

Q: Tom Sherman – Would the settlement with St. Gobain allow you to go back to ask for more.

A: Mr. Provencher – No.

Q: Tom Sherman - Is it anticipated that they will be using charcoal and resin to capture the short-chain PFAS like at Pease and Aquarion in Hampton?

A: Mr. Provencher – We are putting in 3 vessels. Carbon if they needed them and resin if we wanted them.

Q: Tom Sherman – Are there any other pollutants responsible for other well contamination?

A: Mr. Provencher – Northwood Industrial Park and other sites have been tested with high levels in their septic systems in the groundwater. TCI has emitted in the air and as a result groundwater.

Q: Mr. Scott – Is the intent to treat if there's any detectable level or only if it's above standard?

A: Mr. Provencher – We are looking for a non-detect of basically all PFAS compounds on this.

Discussion continued.

Chairman Morse: There are a couple of things in this proposal that concern me. I think we need to pick it apart as a committee. We want to make sure we are protecting source water in this district. Chairman Morse asked for volunteers to get involved and study the request. Rodney Bartlett, Marco Philippon, Fmr. Sen. Rick Russman, and myself.

Chairman Morse: This committee was opened for MtBE, now we have PFAO & PFAS, and there will be other things that come along after that. We need to take a pause to reflect on legalities and contracts.

Clark Freise: We can estimate their costs with a walk through based on the Consent Decree, but we don't have access to their costs.

Chairman Morse recognized Sen. Shannon Chandley, District #11 and Richard Hinch, State Representative, Hillsborough County, District #21

Q: Rep. Hinch - Clarify 1101, does the air portion of that give us the ability to relook at Saint – Gobain?

A: Clark Freise – It gives the ability to force treatment on their air if there is an exceedance of groundwater.

Bethlehem Village District

This potential project as a draft application looking for DES technical review and guidance that brings their last project to the next phase. The project looks for water system improvements to meet disinfection by-products standards, when they have low water quality. This is a project in anticipation of potential future issues.

Discussion continued.

Lower Bartlett Water Precinct

This project was submitted last year in the 2018 round. The application was not funded. It was a 50/50 grant/loan for about \$6 Million dollars. They are looking to get support from the Governor.

Discussion continued.

Q: Mr. Scott- Can you (E. Holmes) give us an order of magnitude for these two projects?

A: Ms. Holmes- Lower Bartlett was 5.97 M when it came in last year. Bethlehem village district \$950,000.

Chairman Morse stressed the number of requests coming into the department are increasing. Water is a very important issue as we are finding with the population of the state. We are competing with other important issues like education funding. Perhaps it's time to take these water issues to the legislature. Applicants feel the standard of these compounds should be zero and that is the policy debate that needs to take place outside of this committee. What part of zero does this committee fund?

Next meeting information to come over the summer.

Meeting concluded at 12:20 pm.