

**DWGTF Subcommittee Meeting (with handouts)**

**Tuesday Jan 21, 2020**

**9 A.M. – 12 P.M.**

**NHDES Rooms 112-113**

**Attendees:**

**DWGTF:** Senator Chuck Morse; Bernie Rousseau; Christopher Way; Clark Freise; Jason Gagnon;

Marco Philippon; Rodney Bartlett; William Boyd;

**NHDES:** Erin Holmes; Paige Relf; Mike Unger; Johnna McKenna; Paul Susca

**Other:** K. Allen Brooks, Senior Assistant Attorney General; Matt Leahy, Forest Society

**Agenda:**

1. Housekeeping
  - A. Select Subcommittee Chair: (unanimously): Rodney Bartlett
  - B. Define Purpose of Subcommittee: The purpose of the Subcommittee is to review the Commission rules and revise as needed and also to develop the 2020 Award Plan.
  
2. Budget Update overview provided by Erin
  - We have about \$34.5 million for the 2020 project round (20% of the corpus).
  - Sue Carlson will be updating the 2043 modeling at the February Trust Fund Advisory Commission meeting.
  - Grand Totals: 57 construction projects have been awarded, not including projects that declined & 23 source water protection grants equaling about \$105M awarded throughout NH; doubling to \$207M total TF investment with other sources for total project costs.
  - 2019: 57% loans; 43% grants
  
3. Source Water Protection Program & Rules Review with Paul Susca  
Paul Susca's suggestions:
  1. Page 3: language change: "The property to be protected must be free of contamination and potential sources of contamination or must be *restored to such a condition as part of the project*" to "*as a condition of the grant.*" Clark questioned \$500,000 in match money/50% limit on funding remediation. Erin: do we then expand the definition of eligible costs and capture it there? Paul: do we add additional limitations vs do we expand eligible costs? Bill disagrees adding remediation to the project costs. Allen believes the current language is vague

enough to fit the change. Allen offered that larger contamination projects could come in under the loan and grant construction program. Paul would like something more defined; suggested large cleanup projects come in under the construction program and if it's relatively small/incidental to a source water protection project, cleanup would be eligible to up 25% of the total project cost. Rodney believes remediation of incidental contamination should be explicitly eligible.

2. Page 7: language change: #3. "Whether a land conservation plan identifies the subject parcel(s) as high priority for conservation specifically for *water supply protection*," add "*or water quality protection*." This is so that applicants can get evaluation credit for either.
3. Page 7: language change: #11. Project readiness. Paul suggests adding considerations include the extent to which project cost have been determined; the willingness of the land owner to proceed with the project and accept the program's conditions has been documented; preliminary title work has been completed; applicant has developed a reasonable funding plan; and match funding (including in kind) has been secured. These are all elements that are already considered but would be called out in the rule so that applicants know what we are looking for in an ideal application.
4. Paul's suggestions for additional (#12 and 13) Evaluation Criteria: "12. Documented efforts, whether successful or not, to obtain match funding for the project from sources other than the Trust Fund." and "13. Documented development pressure in the vicinity of the project."
5. Page 4: Match requirements: NHDES suggests deleting paragraph 2, which currently reduces the match requirement for projects protecting future sources. The subcommittee agreed with removing the paragraph, the result being that all projects would need to provide a minimum match of 50% unless the Commission grants a waiver to the requirement.

#### 4. Source Water Protection Program Discussion

The program is functioning as expected and meeting expected goals; minor rule cleanup; may explore contamination issues.

#### 5. Drinking Water Infrastructure Rules

*Tabled.*

#### 6. Drinking Water Infrastructure Programs

##### A. Special Projects Assistance Program

NHDES has first review of the projects. Overall, this program is functioning as expected and meeting expected goals.

B. Annual Drinking Water Infrastructure Assistance Program

- Senator Morse believes that too many applications are coming in that don't meet the criteria and those applications should never make it to our committee. He believes in giving credit to 1. Leveraged funding 2. Expanding systems so we can deliver the water (such as the southern NH project) 3. Denying applicants who aren't submitting proper applications. Senator Morse believes that NHDES can skinny that down and also strongly suggests April, May June outreach to help with applications being received in September.
- Clark recommends the NHDES be provided some criteria so that NHDES can screen project and save everyone time. Senator Morse suggests between the NHDES observation/knowledge and the "big 5" application questions, that could be the cut off for the NHDES end with the biggest reject factor being, did they even make an effort?
- Bill Boyd recommends the Conway application as an example & grant writing workshop for applicant writers.
- Jason recommend a road map (instruction sheet) to help applicants complete the process. Chris agrees.
- Clark questioned using the SRF list to use up the end of the budget.

7. Open Discussion

- A. \$6-million for PFAS explained by Clark; money for investigation, small system support, hiring 8 new personnel positions and waste water studies.
- B. \$500,000 Cancer Study
- C. 3 Proposed Bills explained by Clark:
  - a. HB 1603 Cushing: From the last session, the Senator Morse bill states any winnings from PFAS lawsuits go to the TF. This pending bill switches that bill to winnings would go to a separate PFAS fund & a parallel structure.
  - b. SB 496 Watters: A bill that would set up a 40% state grant aid program (Drinking Water, Waste Water and Landfill.)
  - c. SB 641 Morse: A bill that Senator Morse is writing, but is not finalized, where the state can go out and bond (\$50,000,000) to set up a loan program (like the SRF program with TF as a back stop).

8. 2020 Award Plan – Overall 2019 comments

- Erin: How to address funding a project that has already received funds, such as Newmarket?

- Clark: It's too frustrating. Even with the rules and the award plan, 80% of applications were not what we wanted to get and we need to find some way to address that. Senator Morse agrees.
- Chris: The quality of the application often depends on the person filling it out. And we had no authority to go back and ask for clarification.

9. Schedule next subcommittee meeting: February 6, 2020, NHDES Room 208C 9am.

*Actions/Requests:* Send current invested and leveraged budget models out.