

**STATE OF NEW HAMPSHIRE**  
**DRINKING WATER AND GROUNDWATER TRUST FUND**  
**2020 AWARD PLAN**

**Commission Members**

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**Senator Tom Sherman**, *Vice Chair*

**Representative Deborah Hobson**, Clerk

**Representative Kevin Maes**,

**Rodney Bartlett**, Public Member

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**Christopher S. Way**, NH Economic Development

Adopted Date TBD



**NEW HAMPSHIRE DRINKING WATER  
& GROUNDWATER TRUST FUND**



## TABLE OF CONTENTS

|   | Page   |
|---|--|
| <b>1. Introduction</b>  | <b>1</b>   |
| <b>2. Background</b>  | <b>1</b>   |
| <b>3. Goals</b>   | <b>1</b>   |
| <b>3.A. Short-Term Goals</b>  | <b>2</b>   |
| <b>3.B. Long-Term Goals</b>   | <b>3</b>   |
| <b>4. Fund Balance and Award History</b>                                    | <b>3</b>   |
| <b>4.A. Fund Balance</b>  | <b>3</b>   |
| <b>4.B. Fund Award History</b>  | <b>3</b>   |
| <b>4.C. 2019 Allocation Spending Summary</b>                                | <b>4</b>   |
| <b>5. 2020 Award Programs</b>   | <b>5</b>   |
| <b>5.A. Construction Projects</b>   | <b>7</b>   |
| <b>5.A.1 Project Readiness Eligibility Requirements</b>                     | <b>7</b>   |
| <b>5.A.2. Special Projects Assistance Program</b>                           | <b>9</b>   |
| <b>5.A.3. Annual Drinking Water Construction Project Assistance Program</b> | <b>10</b>  |
| <b>5.B. Source Water Protection Grant Program</b>                           | <b>11</b>  |
| <b>5.C. NHDES Projects</b>  | <b>12</b>  |
| <b>6. 2020 Target Award Spending</b>  | <b>13</b>  |
| <b>7. Criteria and Method for Distribution of Project Funds</b>             | <b>14</b>  |
| <b>Attachment A:</b>  | Financial Cumulative Summary as of December 31, 2019   |
| <b>Attachment B:</b>  | Guidance on Contamination Projects   |
| <b>Attachment C:</b>  | Statement Regarding the Availability of Funds for the Creation and Expansion of Drinking Water Infrastructure                |
| <b>Attachment D:</b>  | Statement Regarding the Review of Funding Applications to the Annual Drinking Water Construction Projects Assistance Program |



## 1. INTRODUCTION

The Drinking Water and Groundwater Advisory Commission (Commission) has promulgated rules regarding dissemination of funds from the Drinking Water and Groundwater Trust Fund (DWGTF). These rules allow the Commission to publish further guidance and objectives to help steer application requests towards projects beneficial to New Hampshire.<sup>1</sup> The 2020 Award Plan (Award Plan) has been prepared to inform stakeholders on the intended use of the DWGTF in 2020, present the target award allocation for grants and loans, and reiterate the Commission's goals and long-term intentions. Applicants should also refer to the other relevant rules and guidance, such as the Commission's *Rules for Construction Projects* and *Rules for Source Water Protection Grants* (Construction Rules and Source Water Protection Rules, respectively), available on the DWGTF website as well as applicable rules promulgated by the N.H. Dept. of Environmental Services (NHDES) including N.H Code of Administrative Rules Chapter Env-Dw 1300 – Administrative Procedures for Grants and Loans from the Drinking Water and Groundwater Trust Fund. For further information on the DWGTF, contact Erin Holmes, Administrator at (603) 271-8321 or [erin.holmes@des.nh.gov](mailto:erin.holmes@des.nh.gov).

## 2. BACKGROUND

In 2003, the State of New Hampshire brought suit against the manufacturers of the gasoline additive methyl tertiary butyl ether (MtBE) because of its impact on the groundwater and drinking water of the State. All but Exxon-Mobil settled before trial. Eventually, the jury awarded the State damages for the harm caused to its groundwater and drinking water. The Legislature used this money plus accumulated interest to establish the DWGTF.

The Commission, established pursuant to RSA 485-F, oversees the DWGTF and must use its authority to provide for the protection, preservation, and enhancement of the drinking water and groundwater resources of the State. To accomplish this, the Commission provides both grants and low interest loans to applicants. For more information about the DWGTF, see [Link to DWGTF Website](#).

## 3. GOALS

The mission of the Commission as adopted October 5, 2017 is to:

“... provide for the protection, preservation, and enhancement of the drinking water and groundwater resources of New Hampshire. The Drinking Water and Groundwater Advisory Commission will develop a comprehensive strategy designed to ensure the continued availability of safe drinking water for every citizen in New Hampshire. The Commission shall develop and lead the processes for selecting the award of loans and grants, while maximizing the

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<sup>1</sup> Specifically, the Commission's "Rules for Construction Projects" state: "The Commission may, through an annual budget or other decision, establish other priorities and goals in order to incentivize projects that fulfill the purposes of RSA ch. 485-F."

return on investments to achieve these strategic purposes.”

Short- and long-term goals developed by the Commission are intended to provide focus on the Commission’s priorities and tasks as listed below.

### **3.A. SHORT-TERM GOALS**

The short-term goals of the Commission are to:

- Provide effective program management to ensure the integrity of the DWGTF.
- Utilize DWGTF monies to address contamination and health risks as priorities.
- Fund administrative staff to achieve the goals and mission of the DWGTF.
- Coordinate DWGTF activities with NHDES activities.
- Provide eligible public and private water systems the financial assistance to complete eligible projects such as protection of water supplies, treatment of contaminated drinking water, or drinking water infrastructure improvements.

A review of the 2019 actions of the Commission indicates that the Commission is continuing to achieve the short-term goals presented above. In April 2019, The Commission adopted two rule sets governing their practice of awarding grants and loans for construction and source water protection projects in accordance with RSA ch. 485-F and adopted the 2019 Award Plan. These documents were developed to ensure the integrity of the DWGTF and presented the process for soliciting applications and selecting projects for funding awards. Additionally, on October 23, 2019, in accordance with RSA ch. 485-F, NHDES established New Hampshire Code of Administrative Rules, Chapter Env-Dw 1300, *Administrative Procedures for Grants and Loans from the Drinking Water and Groundwater Trust Fund*, for the administrative procedures for grants and loans from the DWGTF. The purpose of the rules is to support the work of the Commission by establishing the criteria and procedures necessary to administer the grant and loan awards.

The Commission has continued to utilize DWGTF monies to prioritize addressing contamination. The 2019 Award Plan included guidance to stakeholders seeking funding for contamination projects and described how the Commission would prioritize DWGTF monies to address contamination and health risks. Through the Special Projects Assistance Program, the Commission approved four projects associated with contamination or immediate health risks. Additionally, several applications were received in the Annual Drinking Water Construction Projects program for projects that addressed contamination. These projects were either approved for funding or referred to the Special Projects Assistance program.

The Commission is coordinating DWGTF activities with NHDES activities through the continuation of the Statewide Sampling program approved in 2017 and the approval of funding for a pilot program to distribute filter pitchers that remove arsenic to low-income expectant mothers. This program is a collaboration between NHDES and the New Hampshire Department of Health and

Human Services (NHDHHS) and is the first program approved by the Commission to improve water quality from private drinking water wells.

### **3.B. LONG-TERM GOALS**

The long-term goals of the Commission are to:

- Protect public health and promote the completion of cost-effective projects.
- Manage the fund balance and longevity of the fund by awarding 20% or less of the corpus annually as a mix of grants and loans.
- Advance water infrastructure sustainability through the promotion of asset management and financial planning.
- Collaborate with other funding programs such as the Drinking Water State Revolving Loan Fund, Community Loan Fund, and USDA Rural Development or private investment to leverage funds to the greatest extent possible.
- Provide input on the expenditure of public funds for the purpose of directing investment toward improvements that maximize public benefits, maintain affordability, promote sustainability and increase public water systems' technical, managerial and financial capacity.

Through the adoption of the Commission rule sets for drinking water construction projects and source water protection grants, the development of the Award Plan, and the actions of the Commission to date, the Commission is maintaining focus on the long-term goals described above. The rules describe the criteria to be considered by the Commission to evaluate the meritorious aspect of a proposed project and the outside funding requirements to ensure the longevity of the fund. The Award Plan puts the rules into practice describing how the Commission intends to spend the annual allocation and what types of projects are the priority of the Commission. By adhering to the rules and Award Plan, the Commission is actively working on the long-term goals.

## **4. FUND BALANCE AND AWARD HISTORY**

### **4.A. FUND BALANCE**

As of December 31, 2019, the Fund balance is \$171.6 million dollars. The balance is calculated using the following inputs:

- the income investment earnings into the fund;
- repayment into the fund;
- the total expenditures paid from the fund;
- the obligated balance of grants, loans, and other contracts; and,
- the committed funds approved by the Commission.



The fund balance details are presented in *Attachment A*.

#### **4.B. FUND AWARD HISTORY**

Since the establishment of the DWGTF, the Commission has awarded the following grants and loans for drinking water construction and source water protection projects:

**Table 1. Summary of DWGTF Grant and Loan Awards**

| <b>Award Year<sup>[1]</sup></b> | <b>Grant<sup>[2]</sup></b> | <b>Loan<sup>[2]</sup></b> |
|---------------------------------|----------------------------|---------------------------|
| 2017                            | \$11.5                     | \$25.1                    |
| 2018                            | \$14.4                     | \$7.6                     |
| 2019 <sup>[3]</sup>             | \$28.1                     | \$17.9                    |
| 2020 (as of February 10, 2020)  | \$0.994                    | \$0.045                   |

**Notes:**

[1] The table presents the grant and loan amounts awarded in the indicated year (between January 1 and December 31). The amounts presented are the committed funds and may be at various stages of obligation and/or expenditure.

[2] Grant and loan amounts presented in millions of dollars. Grant and loan award totals listed do not include awards that were declined by the applicant.

[3] Approximately \$16.1 M in grants associated with the Southern NH Regional Water Project were encumbered in 2019. These grants were approved in 2018 and executed in 2019 and are included in the \$28.1 M grant total for 2019, but were not counted against the 2019 target award allocation budget.

#### **4.C. 2019 ALLOCATION SPENDING SUMMARY**

The Commission allocated \$37.3 M to be awarded through the Special Projects Assistance Program, the Annual Drinking Water Construction Project Assistance Program, the Source Water Protection Grant Program, and the NHDES Special Projects Program. Generally, the Commission authorized slightly more loans funds in the Special Projects and Annual Construction Projects programs than allocated and approximately one-third less than the allocation for grant funds. The total grant funds awarded for projects in the Source Water Protection Grant program and the NHDES Special Projects Program were below the 2019 allocation. The balance of unobligated funds in 2019 remains in the corpus and does not rollover into the subsequent year's allocation. A summary of the 2019 spending actuals is provided in Table 2.

**Table 2. 2019 Allocation Spending Summary**

| 2019 Allocation<br>Spending Summary<br><i>(in millions of dollars)</i>   | Loan <sup>[1]</sup> |         |                 | Grant <sup>[1]</sup> |         |                 |
|--|---------------------|---------|-----------------|----------------------|---------|-----------------|
|  | Allocation          | Actuals | %<br>Authorized | Allocation           | Actuals | %<br>Authorized |
| Special Projects<br>Assistance Program                                   | 16.7                | 13.99   | 107%            | 16.9                 | 7.64    | 63%             |
| Annual Drinking<br>Water Infrastructure<br>Assistance Program            |                     | 3.96    |                 |                      | 2.93    |                 |
| Source Water<br>Protection Grant<br>Program                              | 0                   | --      | --              | 2                    | 1.173   | 59%             |
| NHDES Special<br>Projects Program in<br>Accordance with RSA<br>485-F:3,1 | 1.4                 | 0       | 0%              | 0.25                 | 0.333   | 133%            |

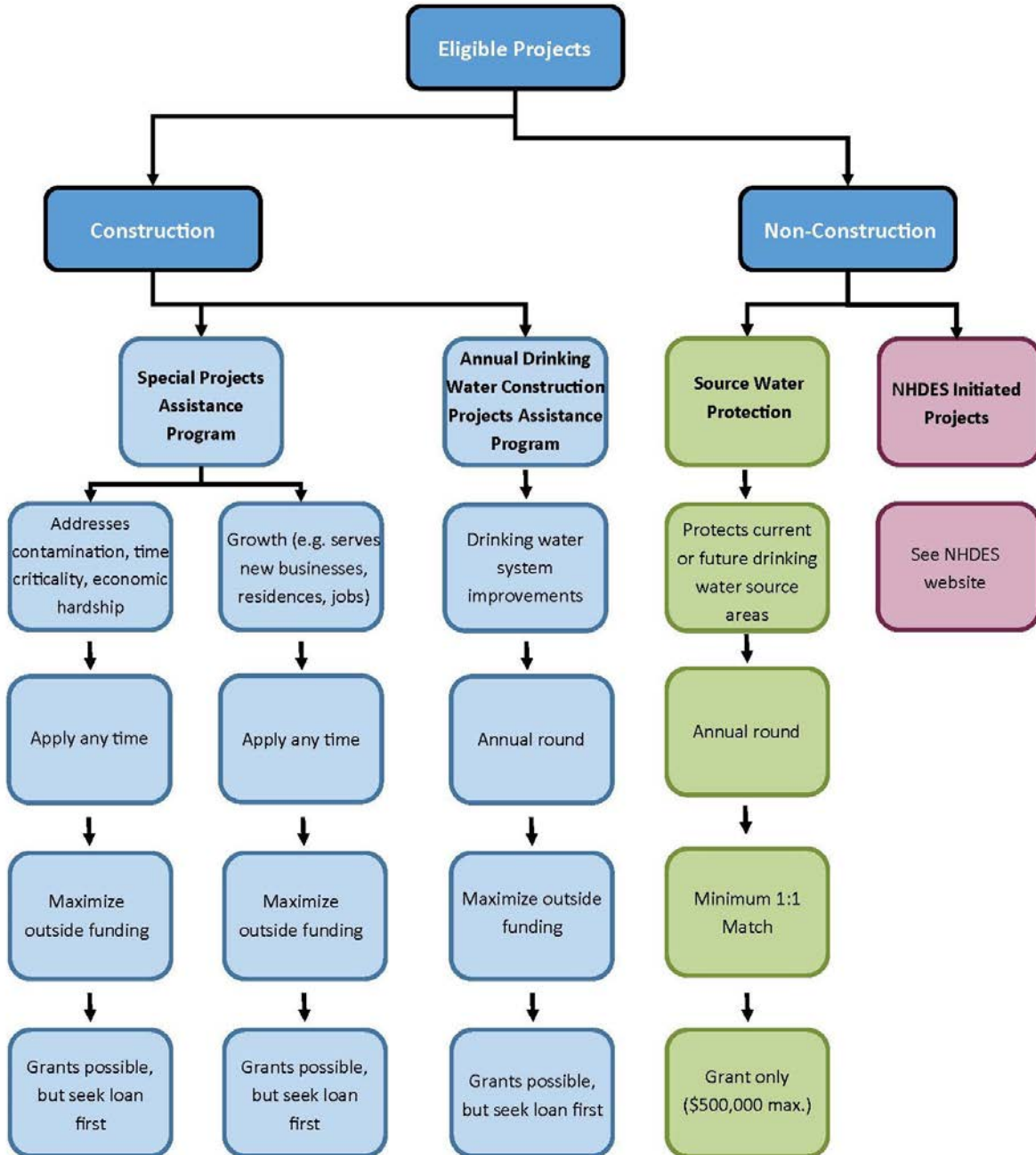
**Notes:**

[1] Approximately \$16.1 M in grants associated with the Southern NH Regional Water Project were encumbered in 2019. These grants were approved in 2018 and executed in 2019 and were not counted against the 2019 target award allocation budget and are not presented in the table. However, the actuals do include subsequent out-of-scope costs for the project that were authorized in 2019 (chloramine conversions, additional funding to Derry/Salem, loan for CIAC tax).

**5. 2020 AWARD PROGRAMS**

The Commission administers the DWGTF using three major funding categories: Construction Projects, Source Water Protection Projects, and NHDES Activities. Applicants should be familiar with the schedule and funding associated with each category. The Commission reserves the right to implement its programs with flexibility. Figure 1 presents a generalized conceptual model intended to help potential applicants visualize the funding opportunities/restrictions:

Figure 1. 2020 Conceptual Funding and Application Model





## 5.A. CONSTRUCTION PROJECTS

Construction projects can be considered to be either part of a Special Projects Assistance Program focused on targeting project types outlined in Figure 1 and described in detail in Section 5.A.2 or the Annual Drinking Water Construction Projects Assistance Program which is focused on drinking water system improvements described in Section 5.A.3. Regardless of which program a funding application is submitted under, all drinking water construction projects must satisfy the eligibility requirements described in Section 5.A.1.

### 5.A.1 Project Readiness Eligibility Requirements

The Commission has authorized NHDES to determine eligibility of the funding applications with respect to project readiness prior to review by the Commission. Refer to Figure 2 which presents the process for NHDES' review of the funding applications. Two submittals must be included with the funding application to demonstrate project readiness:

- 1) **Authority to Submit a Funding Application** - The applicant must provide a copy of the attached *Authority to Submit Drinking Water and Groundwater Trust Fund Funding Application Form* signed by the governing body.
- 2) **Planning Document** – The applicant must provide a *Planning Document Form* with the application that includes the following sections:
  - I. Existing Conditions
  - II. Project Need
  - III. Basis of Design (flow rate, contaminant concentrations, pressures, etc.)
  - IV. Alternatives Evaluation
  - V. Recommended Alternative
  - VI. Opinion of Project Cost including engineering, administrative, legal, land/easement acquisition, permitting, construction, and contingency costs.

If the funding application does not meet the eligibility requirements described above, the application is incomplete and the applicant will be sent written notification from NHDES that the project is ineligible for review through either the Special Projects Assistance Program or the Annual Construction Assistance Program. A denial of the project does not preclude an applicant from reapplying again in future loan and grant rounds.

## Drinking Water and Groundwater Trust Fund 2020 Award Plan *Adopted Date TBD*



**Figure 2: NHDES FUNDING APPLICATION REVIEW PROCESS**





### 5.A.2 Special Projects Assistance Program

A Special Project is one that addresses contamination, is time sensitive, facilitates economic growth, or otherwise provides unique opportunities for New Hampshire not covered by other programs. An applicant may submit a funding application to NHDES at any time, and projects will be reviewed and evaluated on a case-by-case basis. The Commission will normally consider all applications during an annual application review but may decide to consider a Special Project at any time. Applications are available on the DWGTF website at the following link:

[Link to Construction Project Funding Program Information](#)

NHDES will review the applications to determine whether the project meets the eligibility requirements for project readiness (Section 5.A.1). If NHDES determines that the application is incomplete, it is ineligible for consideration by the Commission at that time.

If the application meets the eligibility requirements, NHDES will screen the special project and funding applications using the criteria identified in the Construction Rules. NHDES will also evaluate whether the project demonstrates one or more of the circumstances below as determined by the Commission for consideration outside of the annual application review.

NHDES will prepare a project screening summary sheet and a letter presenting an opinion of whether or not the project meets the considerations for the Special Projects program. NHDES' screening sheet and letter along with the funding applications will be provided to the Commission for their review. The Commission will vote to determine whether the project is to be reviewed as a Special Project. A denial as a Special Project does not preclude the applicant applying in the annual round (Section 5.A.2).

Special Projects must demonstrate one of the following circumstances:

- (1) Projects Addressing Drinking Water Contamination. The Commission considers addressing contamination paramount when evaluating a project need.
- (2) Time Criticality. The time-critical aspect makes it impractical for the project to be considered in the annual application review. This may include, but is not limited to:
  - i. Public health.
  - ii. Delays that would significantly impact project cost.
  - iii. Project is tied to another project's schedule where completion is critical for efficiency or cost savings.
- (3) Grant Request due to Financial Hardship. An applicant may tailor its request to account for financial hardship. For instance, an applicant may be able to demonstrate through its median household income (MHI) and affordability index<sup>[2]</sup> that it cannot afford to incur additional debt. Applicants are encouraged to submit any information that supports the justification for financial hardship.
- (4) Projects that Support Economic Growth. Special consideration will be given to projects that create or expand drinking water systems which in turn expand the economic well-being of a community (see Attachment C for additional information).

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<sup>2</sup> Affordability is calculated by dividing the project user rate by the community or water system's MHI.



This program does not have requirements for minimum outside funding (match) percentage or maximum DWGTF grant allowed; however, in accordance with the Construction Rules, the Commission will endeavor to leverage the DWGTF to the greatest extent possible by taking into consideration financial contributions to the project including:

- Supplemental funds provided by the applicant through bonding, capital reserve funds, and/or other loan programs.
- State or Federal funding sources such as the Drinking Water State Revolving Fund (DWSRF), the United States Department of Agriculture Rural Development Program, Community Development Block Grants (CDBG), etc.
- Private third-party contributions.
- Any non-DWGTF funding contribution(s).

In-kind contributions may be considered by the Commission. Outside funding requirements are further defined in the Construction Rules.

Decisions on the amount of loan and grant awarded may include considerations related to fund sustainability such as the available DWGTF balance and the rate at which the DWGTF will be replenished.

The Commission may request additional information not included in the funding application either directly or through NHDES.

Based on the funding application and any additional information collected during the project review process, the Commission or a duly appointed subcommittee of Commissioners may:

- (1) Recommend the applicant submit a revised funding application proposing a different project scope and/or different loan/grant funding plan.
- (2) Request additional information on the project, such as letters of local support, agreement documents necessary to execute the project, water quality data, etc. Specific information would be requested on a case by case basis.
- (3) Present the funding application to the full Commission with a recommendation to approve the funding or not.
- (4) Take other actions as determined by the Commission.

If the application passes any applicable screening process and initial consideration, the Commission will vote to approve or deny funding the project.

A denial of the project does not necessarily preclude an applicant from reapplying again through the other programs outlined herein. For instance, a Special Project could be applied for again under the annual round for construction projects (Section 5.A.3).

### 5.A.3. Annual Drinking Water Construction Project Assistance Program

The Annual Drinking Water Construction Project Assistance Program (Annual Construction Assistance Program) essentially addresses system improvements of existing public drinking water



systems. The Commission will review applications for funding awards for this type of project once per year. In 2020, the annual assistance program will occur in the fall. The deadline for applications is September 10, 2020. The funding application and associated forms are available on the DWGTF website at the following link:

[Link to Construction Project Funding Program Information](#)

In general, any eligible applicant may apply for funding of eligible projects under the Annual Construction Assistance Program; however, the Commission will look favorably on applications that endeavor to leverage the DWGTF to the greatest extent possible by taking into consideration financial contributions to the project including:

- Supplemental funds provided by the applicant through bonding, capital reserve funds, municipal bond bank, other loan programs.
- State or Federal funding sources such as the Drinking Water State Revolving Fund (DWSRF), the United States Department of Agriculture Rural Development Program, Community Development Block Grants (CDBG), etc.
- Private third-party contributions.
- Any non-DWGTF funding contribution(s).
- In-kind contributions may be considered by the Commission.

Other outside funding requirements are further defined in the Construction Rules.

NHDES will review the funding application and determine whether the applicant and project are eligible using the criteria identified in the Commission's Rules. If the funding application is for a project that demonstrates the considerations outlined in the Special Projects program, such as addressing contamination or related to economic development, NHDES may send written notification recommending that the Applicant apply for funding through the Special Projects Assistance Program and request that the applicant respond to NHDES' recommendation in writing within 10 days of the notification.

### **5.B. Source Water Protection Grant Program**

In accordance with the mission of the Commission "to provide for the protection, preservation, and enhancement of the drinking water and groundwater resources of New Hampshire," the Commission recognizes the need to have a sustainable grant program for source water protection. As with the drinking water construction projects, applicants shall endeavor to maximize the contribution of outside funding sources for projects to be considered by the Commission. The focus of the Source Water Protection Grant Program is prioritizing preservation/protection of lands directly associated with water supplies. These lands are defined as Wellhead Protection Areas (WHPAs) for wells or Hydrologic Areas of Concern (HACs) for surface water supplies. Additionally, the Commission recognizes the importance of protecting future supplies. These projects shall be evaluated against the Future Source Evaluation Criteria presented in the Commission's Rules for Source Water Protection Grants.



The Source Water Protection Grant Program application review will be held once per year. In 2020, the Source Water Protection Grant Program will start in June with eligibility applications due June 26, 2020 and funding applications due on September 10, 2020. The deadlines were set by the Commission on March 9, 2020. Applications are available on the DWGTF website at the following link:

[Link to Source Water Protection Grant Program Information](#)

Any eligible project defined in the Source Water Protection Rules, adopted March 11, 2019 and revision 1 adopted on March 9, 2020 may apply for a grant under the annual Source Water Protection Grant Program. The Commission endeavors to leverage the DWGTF to the greatest extent possible and will only consider grants that are no more than 50% of the eligible project cost and no more than \$500,000 per project.

The application and review process is defined in detail in the Source Water Protection Rules and summarized below:

1. Eligibility application submitted by June 26, 2020.
2. Eligibility applications will be reviewed by NHDES and may include a review by the Commission or a Review Subcommittee appointed by the Commission. If, after review the eligibility application is found to be complete and the project eligible, the application is designated for further consideration, and the applicant must submit a funding application by September 10, 2020.
3. Funding applications will be reviewed by a Review Subcommittee comprised of Commission members and possibly other experts. This phase of the review process will include site visits by NHDES and the Review Subcommittee.
4. The Review Subcommittee will conduct public meetings to review the applications and develop recommendations for funding to be presented to the full Commission for a vote.

A denial of the project does not necessarily preclude an applicant from reapplying again in future grant rounds.

### **5.C. NHDES Projects**

NHDES may request funding for projects consistent with NHDES' duties to administer the DWGTF in accordance with RSA 485-F:3,I. Funding for these projects will be in addition to NHDES's DWGTF operating budget which is established by the Commission bi-annually.

If the Commission approves the request, funds will be transferred from the DWGTF to NHDES, and NHDES will administer the project(s) according to the approved proposal.

NHDES will provide quarterly status updates at meetings of the full Commission and will include these projects in NHDES' written annual report to the Commission. An example of this type of project from 2018 is the Statewide Drinking Water Quality Sampling program.

**6. 2020 TARGET AWARD SPENDING**

Annually, the Commission will establish a budget for the DWGTF program administration and target award allocations to the project types described in the sections above. The target award spending is based on the Commission’s goals and priorities. However, the Commission reserves the right to award more or less than the amounts described below at the Commission’s sole discretion depending on the quality and quantity of applications received and needs of the State.

The calendar year 2020 target award spending threshold is \$34.3M, which represents approximately 20% of the corpus of the DWGTF at the end of calendar year 2019 presented in Section 3.A and *Attachment A*.

**Table 3** presents the target award spending for the programs defined in Section 5 adopted by the Commission on March 9, 2020. The allocations should be considered a target for spending “up to” the amounts presented. As noted in the table, funds may be shifted as needed to the other programs.

Additionally, the Commission recognizes possible overlap between some types of Special Projects and projects covered by the Annual Construction Assistance Program. The target award allocation presented below combines these two programs. As described in Section 5.A.2, the Special Projects Assistance Program is an open application program designed to address specific project considerations and need. These projects are the priorities of the Commission. Therefore, the Annual Construction Assistance Program awards will be selected in late fall. This schedule recognizes the potential that the Special Projects Assistance Program may experience a greater need than anticipated, which may significantly reduce the availability of funds for the Annual Construction Assistance Program.

**Table 3. 2020 Target Award Allocation by Program Type**

| <b>Program</b>  | <b>Loan<sup>[1]</sup></b> | <b>Grant<sup>[1,2]</sup></b> | <b>Total<sup>[1]</sup></b> |
|---|---------------------------|------------------------------|----------------------------|
| Special Projects Assistance Program                           | \$15.5                    | \$15.4                       | \$30.9                     |
| Annual Drinking Water Construction Project Assistance Program |                           |                              |                            |
| Source Water Protection Grant Program                         | \$0                       | \$2.0                        | \$2.0                      |
| NHDES Projects Program in Accordance with RSA 485-F:3,I       | \$1.4                     |                              | \$1.4                      |
| <b>Total</b>  |                           |                              | <b>\$34.3</b>              |

**Note:**

[1] All values presented in millions of dollars.

[2] Grant funds may be shifted to loan based on the Annual Construction Assistance Program process.



## **7. CRITERIA AND METHOD FOR DISTRIBUTION OF PROJECT AWARDS**

Project selection results will be communicated to each applicant in writing following the Commission's votes on the projects. Final applications for funding will be due to NHDES by the deadline established by the Commission. Applicants with projects that have been awarded funding shall refer to the Commission website for the resources needed to submit the final application for funding. Finalizing the applications and processing of the grant and/or loan documents are described in detail in the N.H. Code of Administrative Rules, Chapter Env-Dw 1300 – *Administration Procedures for Grants and Loans from the Drinking Water and Groundwater Trust Fund*, effective October 23, 2019.



**ATTACHMENT A**

Financial Cumulative Summary as of December 31, 2019

**BEGINNING FUND BALANCE: July 1, 2017** **\$ 277,619,263**

**INCOME:**

|                             |            |            |
|-----------------------------|------------|------------|
| Investment Earnings         | 12,725,923 |            |
| Water Rights Reimbursements | 2,674,822  | 15,400,745 |

**EXPENDITURES:**

|                                |            |                   |
|--------------------------------|------------|-------------------|
| Operating Expenses             | 1,587,272  |                   |
| Loans                          | 12,950,104 |                   |
| Grants                         | 19,899,275 |                   |
| 2019 Legislative Disbursements | -          |                   |
| <b>TOTAL EXPENDITURES</b>      |            | <b>34,436,651</b> |

**OBLIGATION BALANCE AS OF  
12.31.19**

|                          |            |                   |
|--------------------------|------------|-------------------|
| Grants                   | 36,078,048 |                   |
| Loans                    | 13,277,396 |                   |
| Contracts                | 1,270,565  |                   |
| <b>TOTAL OBLIGATIONS</b> |            | <b>50,626,009</b> |

**BALANCE BEFORE COMMITMENTS** **\$ 207,957,348**

**COMMITMENTS AS OF 12.31.19**

|                              |            |                   |
|------------------------------|------------|-------------------|
| 2019 Legislative Commitments | 6,500,000  |                   |
| Grants                       | 4,380,000  |                   |
| Land Grants                  | 2,198,610  |                   |
| Loans                        | 23,219,500 |                   |
| <b>TOTAL COMMITMENTS</b>     |            | <b>36,298,110</b> |

**BALANCE AFTER COMMITMENTS AS OF 12.31.19** **\$ 171,659,238**

**20% of Balance** **\$ 34,331,848**

2019 Legislative Commitments represent the two appropriations made during the 2019 session. \$6M to DES and \$500,000 to DHHS-Public Health. Both agencies will be paid on a reimbursement basis. Both appropriations expire 06.30.21.

## **ATTACHMENT B**

### **Guidance on Contamination Projects**

The Commission has promulgated rules regarding dissemination of funds from the DWGTF. These rules allow the Commission to publish further guidance and objectives to help steer application requests towards projects beneficial to New Hampshire.<sup>3</sup> The following provides further guidance to potential applicants for projects addressing contamination.

#### *Projects Addressing Contamination*

The Commission has identified issues associated with contamination of drinking water as the highest priority of the DWGTF. Funding for this type of projects may be applied for at any time in the Special Projects Assistance Program. Specifically, projects that are addressing contamination issues related to man-made contaminants with established drinking water or groundwater standards or emerging man-made contaminants or time-critical contamination issues associated with changing standards, man-made or naturally occurring, will be reviewed as a priority by the Commission. If a funding application for this type of project is received in the Annual Construction Assistance Program, NHDES will recommend that the project be considered in the Special Projects Assistance program. It is at the discretion of the applicant to determine which program best meets their needs.

The Commission will always strive to leverage the DWGTF to the greatest extent possible, maximizing outside funding sources; however, the Commission recognizes the financial impact that addressing contamination may have on a water system and anticipates being flexible in its review of these projects.

The role of NHDES is to facilitate the transfer of information to the Commission, answer questions, and/or work with the applicant to provide additional information that may be requested by the Commission. The Commission or an established Subcommittee will review the application and any supplemental information and determine whether the project shall be addressed off schedule from the Annual Drinking Water Construction Project Assistance Program.

With respect to the treatment of contaminated drinking water, the Commission may consider whether contributions should be sought from a responsible party (RP) to the extent one is identified and solvent. However, the Commission recognizes that not every case of contamination in drinking water can be linked to an RP.

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<sup>3</sup> Specifically, the Commission's "Rules for Construction Projects" state: "The Commission may, through an annual budget or other decision, establish other priorities and goals in order to incentivize projects that fulfill the purposes of RSA ch. 485-F."

## **ATTACHMENT C**

### **Statement Regarding the Availability of Funds for the Creation and Expansion of Drinking Water Infrastructure**

The Commission has promulgated rules regarding dissemination of funds from the DWGTF. These rules allow the Commission to publish further guidance and objectives to help steer application requests towards projects beneficial to New Hampshire.<sup>4</sup> The following provides further guidance to potential applicants for projects addressing the creation and expansion of drinking water infrastructure.

The Commission believes that New Hampshire citizens will benefit from new drinking water infrastructure and from the extension or interconnection of existing drinking water infrastructure. These types of projects will accommodate both existing users and future growth; however, such projects sometimes fail to materialize because the public or an outside stakeholder is unable to identify attractive funding sources. In other cases, applicants seek traditional funding from the State Revolving Fund (“SRF”) but the project fails to qualify. Many will never even get to the concept phase unless information about funding opportunities like the DWGTF is proactively disseminated. Greater awareness about the availability of supplemental funding may generate interest in these projects, causing stakeholders or others to bring in outside funds, thereby helping serve New Hampshire’s needs while best leveraging DWGTF-dollars.

It is the Commission’s intention that these projects would be applied for through the Special Projects Assistance Program; however, the Commission may determine that the project is more applicable to the Annual Drinking Water Construction Project Assistance Program.

Although each application will be reviewed on a case-by-case basis, the Commission wishes to provide further guidance to applicants considering the creation, expansion, or interconnection of drinking water infrastructure. In general, the Commission may look favorably on applications for this type of project provided the applicant provides at least 50% of the project costs from outside sources. The Commission intends to incentivize innovative and creative projects like those described above and anticipates that up to 25% funding through a DWGTF grant may be made available for meritorious applications. Whether a particular project is awarded funding and to what extent is based on the specifics of the actual proposal.

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<sup>4</sup> Specifically, the Commission’s “Rules for Construction Projects” state: “The Commission may, through an annual budget or other decision, establish other priorities and goals in order to incentivize projects that fulfill the purposes of RSA ch. 485-F.”

**ATTACHMENT D**

**Statement Regarding the Review of Funding Applications to the  
Annual Drinking Water Construction Projects Assistance Program**

The Commission recognizes that there remains confusion surrounding a potential applicant's determination of the percentage of Drinking Water and Groundwater Trust Fund (DWGTF) loan and grant funds to request when submitting an application to the Annual Drinking Water Construction Project Assistance Program (annual round). To address this confusion, the Commission offers the following statement to provide further guidance to potential applicants on developing their loan and/or grant requests.

Although the Commission has not adopted a minimum threshold for the contribution of non-DWGTF funds to request a loan and/or a grant, the Commission wants to be very clear that the amount of non-DWGTF project funding is important in their ranking of projects for funding. Projects that do not have external funding are generally not considered for grants and will usually only be accepted, if at all, for funding only if the requested funding is a loan with no requested grant.

As stated in the Construction Rules, the Commission endeavors to leverage the DWGTF to the greatest extent possible. Putting this into practice means prioritizing the review of funding applications that are "ready" and emphasizing the manner in which the annual round applications may be reviewed.

Funding applications that are ready shall clearly demonstrate the efforts made by the applicant to seek outside funding for the project and have maximized those contributions. This is achieved by engaging stakeholders and funding partners early-on in the project development. Further, if the outside funding is insufficient, the applicant has maximized the loan request over any request for grant funding. Through the development of the funding plan, the applicant should then easily derive the loan and/or grant request necessary to fund the project. Grant requests must be justifiable and in the annual round as presented in Figure 1 of the Award Plan, a grant request from the DWGTF should be the final component of the funding plan, and not the first.

To that last point, the Commission has approved funding for over 60 infrastructure projects between 2017 and 2019. Generally, the majority of projects that received grant funding had significant contributions from non-DWGTF funding sources and/or maximized the contribution from a DWGTF loan over grant. Conversely, projects with no outside funding generally were awarded a loan-only from the DWGTF. Although there were outliers such as projects approved for grant funds with no outside contribution, typically, there were elements of the project beyond the funding plan that influenced the Commission's decisions.