



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

February 10, 2011

The Honorable Chuck W. Morse, Chairman
Senate Finance Committee
State House, Room 103
Concord, New Hampshire 03301

Re: SB 158-FN relative to the payment of state aid grants for water and wastewater for 2009 and 2010

Dear Chairman Morse:

Thank you for the opportunity to comment on SB 158-FN relative to the payment of state aid grants for water and wastewater for 2009 and 2010. The Department of Environmental Services (DES) supports this bill which requires that, as new revenue or appropriations for state aid grants under RSA 486 and RSA 486-A become available, eligible projects that had such grants delayed and deferred during FY 2009, FY 2010, or FY 2011 would receive first priority prior to providing grants for new projects. The bill also requires DES to keep a list of such projects and the amount of funds each project would receive annually if funds were made available and further provides that, if an additional appropriation for state aid grants is insufficient to allow for annual payments to be made for all such eligible projects, payments for all projects shall be reduced proportionally.

DES understands and supports the underlying concern of this bill, which is the need to provide state aid grant payments to those eligible communities that proceeded with construction of their water pollution control and drinking water infrastructure projects with the expectation that state aid grants would be available to help offset costs. These communities have not received grants because appropriations for new grants have not been available since November 2008 due to state revenue shortfalls. At this time, DES has a backlog of 77 wastewater projects and 10 water supply projects for which state aid grants have been delayed and deferred. See attached tables for communities affected.

A significant long term need exists for investment in New Hampshire's water and wastewater infrastructure. A recent EPA Needs Survey for New Hampshire, performed with the assistance of DES, estimated that wastewater facility upgrades and measures to reduce pollution from non-point sources will cost about \$1.2 billion over the next 10 years (\$120 million/year). This investment will be necessary to address aging infrastructure, capacity attainment, and more stringent federal water pollution discharge permits. There are also additional costs anticipated for nutrient removal and stormwater treatment to address federal requirements for which precise estimates are not available at this time. DES also estimates that approximately \$700 million in drinking water supply infrastructure needs must be addressed due to aging infrastructure and the requirements of the federal Safe Drinking Water Act.

It is widely recognized that investments to address water infrastructure needs are also investments in the long term vitality of New Hampshire's economy. In 2009, in recognition of this issue, a Commission to Study Water Infrastructure Sustainability Funding was formed by enactment of Senate Bill 60. The Commission worked diligently to evaluate New Hampshire's infrastructure needs and a final report was issued in November 2010 that recommended that the Commission be continued. At the request of the

The Honorable Chuck W. Morse, Chairman
February 10, 2011
Page Two

Commission's municipal members, bills have been filed this session to extend the Commission to further focus on the funding issue. DES is hopeful that the Commission will be extended and that, as a result of further work, its final recommendations will serve as a framework for development of a long term funding strategy for New Hampshire's water infrastructure that helps address these needs in an affordable manner for New Hampshire's citizens.

We appreciate the opportunity to comment on this bill. If you have any questions, please call Paul Heirtzler at 271-2001 or me at 271-2958.

Sincerely,

A handwritten signature in black ink that reads "Thomas S. Burack". The signature is written in a cursive style with a large, prominent initial "T".

Thomas S. Burack
Commissioner

cc: Senators Gallus, Odell, and D'Allesandro
Representatives Umberger, St. Cyr, Spang, Chandler and Kappler

ATTACHMENT
Table 1
SB158 Letter of Testimony
2/10/11

WASTEWATER DELAYED AND DEFERRED STATE AID GRANTS - SB 158 LETTER OF TESTIMONY ATTACHMENT (Table 1 of 2), 2/10/2011

Applicant	Wastewater Project	Application Received	Grant Request	Payment Term (years)	Year 1 Payment	Year 2 Payment	Year 3 Payment	Year 4 Payment
NHDES WRRP	Dewatering Improvements Project	7/10/2008	\$2,778,857	20	\$172,642	\$169,095	\$165,548	\$162,000
Manchester	Chas Brook Interceptor Ph 2, Contract 1 (Debt Service Portion)	7/24/2008	\$1,191,858	20	\$73,289	\$72,574	\$71,052	\$69,529
Manchester	Sludge Dewatering System Project (SRF Funded Portion)	7/24/2008	\$927,737	20	\$57,361	\$56,471	\$55,286	\$54,102
Manchester	Valley St. Pipe Replacement Preliminary Design *	7/24/2008	\$59,418	5	\$11,884	\$11,884	\$11,884	\$11,884
Manchester	CSO South Main St. North	7/30/2008	\$498,138	5	\$101,065	\$100,846	\$99,795	\$98,742
Manchester	South Mammoth Rd. Sewer Extension *	8/4/2008	\$352,273	5	\$70,455	\$70,455	\$70,455	\$70,454
Hillsborough	Contocook R. Anti-degradation Study	8/6/2008	\$7,901	1	\$7,901	-	-	-
Hillsborough	III Investigation / Sewer Collection System Repairs	8/6/2008	\$8,238	1	\$8,238	-	-	-
Manchester	Cemetary Bk / Penacook St. / Stark Bk CSO Basin Study *	8/6/2008	\$230,406	5	\$46,081	\$46,081	\$46,081	\$46,081
Swanzey	North Swanzey Wastewater Improvements Amendment	8/22/2008	\$121,071	28	\$6,515	\$6,376	\$6,236	\$6,097
Bristol	Wastewater Treatment Plant Improvements, Contract 2	8/29/2008	\$32,469	1	\$32,469	-	-	-
Manchester	Crescent Rd. CSO Project, Design *	9/3/2008	\$53,766	5	\$10,753	\$10,753	\$10,753	\$10,753
Portsmouth	Pleasant Point Sewer *	9/4/2008	\$100,988	5	\$20,198	\$20,198	\$20,198	\$20,197
Manchester	Chas Brook Interceptor Ph 2, Contract 1 & 2, Design *	9/18/2008	\$97,548	5	\$19,510	\$19,510	\$19,510	\$19,509
Manchester	West Bridge / Lorraine / Brenner (Debt Service Portion)	9/28/2008	\$1,313,912	20	\$69,511	\$80,736	\$79,045	\$77,351
Manchester	Clarifier 1 & 2 Mechanism Replacement	9/28/2008	\$29,193	1	\$29,193	-	-	-
Concord	Penacook WWTP Modifications **	10/1/2008	\$688,808	15	\$64,741	\$57,851	\$57,725	\$57,596
Manchester	Beech, Revere & Jewett CSO Study	10/14/2008	\$33,798	1	\$33,798	-	-	-
Manchester	Beech, Cheney & Dover Sewer Projects *	10/14/2008	\$86,204	5	\$13,241	\$13,241	\$13,241	\$13,241
Hannover	Industrial Pretreatment Program	10/30/2008	\$15,100	1	\$15,100	-	-	-
Concord	Headworks Improvements, Screening Facility Upgr. *	11/3/2008	\$256,394	5	\$51,279	\$51,279	\$51,279	\$51,279
Lebanon	CSO, Contract 1 *	11/4/2008	\$147,620	5	\$29,524	\$29,524	\$29,524	\$29,524
Lebanon	CSO, Contract 2 *	11/4/2008	\$298,365	5	\$59,673	\$59,673	\$59,673	\$59,673
Lebanon	CSO Contract 3 and Design for Contract 4 *	11/4/2008	\$250,417	5	\$50,084	\$50,084	\$50,083	\$50,083
Hinsdale	Canal Street Sewerage Improvements *	11/5/2008	\$137,956	5	\$27,592	\$27,591	\$27,591	\$27,591
Newmarket	Cedar St. Pump Station Backup Pump	11/7/2008	\$4,628	1	\$4,628	-	-	-
Manchester	Sludge Dewatering System (US Portion) *	11/19/2008	\$106,048	5	\$21,210	\$21,210	\$21,210	\$21,209
Newmarket	Sewer System Evaluation, I/ Analysis	12/1/2008	\$14,180	1	\$14,180	-	-	-
Allenstown	WWTF Capacity Analysis	12/1/2008	\$428	1	\$428	-	-	-
Allenstown	Intermunicipal Agreement (Allenstown/Pembroke)	12/1/2008	\$5,367	1	\$5,367	-	-	-
Allenstown	Canal Street Sewer	12/1/2008	\$45,436	1	\$45,436	-	-	-
Allenstown	WWTF Evaluation	12/1/2008	\$3,985	1	\$3,985	-	-	-
Amherst	Babooatic Lake Ph. II: Community Water System *	12/11/2008	\$127,215	5	\$25,443	\$25,443	\$25,443	\$25,443
Amherst	Meadowood Gravity Sewers *	12/12/2008	\$62,914	5	\$12,583	\$12,583	\$12,583	\$12,583
Exeter	WWTF Upgrade **	12/19/2008	\$192,487	30	\$21,880	\$24,292	\$24,293	\$24,292
Pleasant	Wastewater Effluent Force Main Upgrade, Contract 1 *	3/4/2009	\$913,204	5	\$182,641	\$182,641	\$182,641	\$182,641
Derry	Wastewater Effluent Force Main Upgrade, Contract 2 *	3/4/2009	\$271,594	5	\$54,317	\$54,317	\$54,317	\$54,317
Salem	Elmwood & Marsh Area Sewer Extension *	3/12/2009	\$184,573	5	\$36,915	\$36,915	\$36,915	\$36,914
Epping	WWTF Upgrade	3/16/2009	\$41,295	1	\$41,295	-	-	-
Littleton	Bedger Street and Kelly Lane Sanitary Sewer Replacement *	4/13/2009	\$90,278	5	\$18,056	\$18,056	\$18,056	\$18,055
Nashua	Infiltration/Inflow Study *	5/29/2009	\$56,071	5	\$11,215	\$11,214	\$11,214	\$11,214
Nashua	CSO II - East Dunsable Road *	6/1/2009	\$144,070	5	\$28,814	\$28,814	\$28,814	\$28,814
Nashua	CSO VII - ledge Street *	6/1/2009	\$137,428	5	\$27,486	\$27,486	\$27,486	\$27,485
Newport	Guild Pump Station Project	6/11/2009	\$132,991	10	\$15,813	\$16,036	\$15,743	\$15,451
Claremont	Water Street Reconstruction, Main Street Sewer Improvement	6/25/2009	\$126,269	20	\$12,357	\$6,131	\$6,122	\$6,113

ATTACHMENT
Table 2
SB 158 Letter of Testimony
2/10/11

DRINKING WATER DELAYED AND DEFERRED GRANTS - ATTACHMENT SB 158 (Table 2 of 2), 2/10/2011

Drinking Water Filtration Grant Program

Applicant	Project Description	Application Received	Total Request	Payment Term	Year 1	Year 2	Year 3	Year 4
Orford Village Water District	Develop new source, water main upgrades	7/10/2008	133,822	26 YRS	5,147	5,147	5,147	5,147
Granlden Community	Interconnect with Sunapee	12/5/2008	49,620	20 YRS	2,481	2,481	2,481	2,481

System Interconnection and Groundwater Investigation Grant Program

Applicant	Project Description	Application Received	Grant Request	Payment term	Year 1	Year 2	Year 3	Year 4
Lower Bartlett Water Precinct	Interconnection with public water systems	7/1/2008	1,716,624	28 YRS	61,308	61,308	61,308	61,308
Birch Hill (Pennichuck)	Interconnection with North Conway Water Precinct	7/1/2008	370,639	20 YRS	18,532	18,532	18,532	18,532
Manchester Water Works	Upgrade river crossing to Hooksett	7/1/2008	250,740	5YRS	50,148	50,148	50,148	50,148
Merrimack Village District	Groundwater investigation for Well # 6	7/1/2008	13,275	5 yrs	2,655	2,655	2,655	2,655
White Rock Estates	Interconnection with Loomere	7/1/2008	105,540	28 YRS	5,277	5,277	5,277	5,277
Brake Hill	Interconnection with Gunstock Glen	7/10/2008	33,750	5 YRS	6,750	6,750	6,750	6,750
North Conway Water Precinct	Upgrades for interconnection with Lower Bartlett	7/28/2010	423,281	30 YRS	14,110	14,110	14,110	14,110
North Conway Water Precinct	Upgrades for interconnection with Conway Village	7/28/2010	125,766	5 YRS	25,155	25,155	25,155	25,155

Total Value of Delayed and Deferred Grant Requests:					3,223,057				
Total Number of Delayed and Deferred Projects:					10				
Projected Required State Aid Grant Cash Outlays						141,415	141,415	141,415	141,415
Years 1 through 4									

Notes:
 Lump sum payments spread out over five years

In accordance with Chapter 63, Laws of 2010, if funds are appropriated for additional projects in these programs, grants will be awarded on a first in - first out basis. The estimated annual grant payments for each project are not assigned to a specific fiscal year because the timing for appropriation of additional grant funds is not known.