



The State of New Hampshire
Department of Environmental Services



Robert R. Scott, Commissioner

January 10, 2018

The Honorable Neal M. Kurk
Chairman, House Finance Committee
Legislative Office Building, Room 210
Concord, NH 03301

RE: HB 1736, An Act relative to increasing the threshold required for governor and council approval of expenditures from the dam maintenance fund.

Dear Chairman Kurk and Members of the Committee:

Thank you for the opportunity to testify on HB 1736. This bill would amend RSA 482:54 IV through VI to increase the thresholds at which expenditures from the Dam Maintenance Fund must first be approved by the Governor and Executive Council. NHDES supports this bill.

Under RSA 482:57, all expenditures on a dam that exceed the threshold for a Minor Project must be approved by Governor and Council. Minor projects are defined in RSA 482:54 IV as work performed on a periodic basis with costs not exceeding \$20,000. This threshold was set in 1982 when the non-lapsing, continually appropriated Dam Maintenance Fund was first established (Chapter 49 Laws of 1982).

Based on current costs of construction, it does not take much to hit the \$20,000 threshold when making needed repairs to one of the state-owned dams, particularly since normal operation and maintenance costs over the course of the entire fiscal year are included in determining when this threshold is hit. Updating the threshold to reflect current cost of construction would make the statutory definition consistent with the intention of the legislators when the thresholds were established 36 years ago.

The Engineering News Record (ENR) Construction Cost Index over the 36-year period since the threshold was established indicates that construction costs have increased by a factor of 2.77 in this part of the country. Thus, the bill proposes to update the thresholds, currently specified in RSA 482:54 IV through VI for Minor Project, Reconstruction, and Repair, to \$50,000, greater than \$200,000, and \$200,000 or less, respectively.

In addition to reflecting the current costs of construction, updating the threshold would reduce administrative costs associated with the preparation of Governor and Council Requests, would reduce the burden on the Governor and Executive Council, and would result in more timely repairs to state-owned dams.

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Thank you again for the opportunity to comment on HB 1736. Should you have further questions or need additional information, please feel free to contact either Jim Gallagher, Dam Bureau Administrator, (James.Gallagher@des.nh.gov, 271-1961) or me (Robert.Scott@des.nh.gov, 271-2958).

Sincerely,



Robert R. Scott
Commissioner

cc: Sponsor of HB 1736: Representative Mullen