



The State of New Hampshire  
**Department of Environmental Services**



**Robert R. Scott, Commissioner**

April 3, 2018

The Honorable Gary Daniels  
Chairman, Senate Finance Committee  
State House, Room 103  
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 Daniels and Members of the Committee:

Thank you for the opportunity to testify on HB 1736. This bill would amend RSA 482:54 IV and 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 reach 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 reached. Updating the threshold to reflect the 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. The bill would update the threshold, currently specified in RSA 482:54 IV for Minor Project, to \$50,000, and would exclude the costs of normal operation and maintenance in determining when the threshold is reached. In addition, the bill would update the threshold, currently specified in RSA 482:54 VI for Repair, to \$150,000.

In addition to better reflecting the current costs of construction, updating the thresholds would 1) reduce administrative costs associated with the preparation of Governor and

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Page 2

Council requests, 2) reduce the burden on the Governor and Executive Council, and 3) result in more timely repairs to state-owned dams.

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](mailto:James.Gallagher@des.nh.gov), 271-1961) or me ([Robert.Scott@des.nh.gov](mailto:Robert.Scott@des.nh.gov), 271-2958).

Sincerely,



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Robert R. Scott  
Commissioner

cc: Sponsor of HB 1736: Representative Mullen