



NEW HAMPSHIRE DRINKING WATER
& GROUNDWATER TRUST FUND

NEW HAMPSHIRE DRINKING WATER AND GROUNDWATER TRUST FUND ADVISORY COMMISSION SUBCOMMITTEE



January 22, 2024 Meeting Minutes

The meeting was convened at 9:00 a.m. at Department of Environmental Services, Room 213-214, 29 Hazen Drive, Concord, N.H.

Members Present: Marco Philippon, Bernie Rousseau, Josh Elliott, Bill Boyd, Deb Paul, Bob Scott

Members Absent: Jason Gagnon

NHDES Present: Cheryl Bondi, Marysa Boire, Cindy Klevens, Tom Willis, Mike Unger, Brady Rambo, Brandon Kernan, Matt Taylor, Rick Skarinka

Public Present: Chris Albert (Evergreen Consultant), Mark Tay (Evergreen manager), 2 Londonderry citizens

Opening Remarks – Cheryl Bondi

The purpose of this meeting is to discuss the incoming Special Project Assistance Program Applications (2-6) from projects that applied in the 2023 annual round and were deferred to reapply. Cheryl discussed how NHDES has been advising applicants that for projects that do not have contamination, and are infrastructure only, they must calculate their water rates with respective loan amounts show increases in the Affordability Index (AI) to at least 1.5 to demonstrate investment into the water system.

Public Comment: No comment

1. Recommendations for Evergreen Terrace, Lee, NH Special Project Assistance Application

This project was originally funded by the Drinking Water and Groundwater Trust Fund (DWGTF) in 2020 and recently applied for Special Project Assistance to complete the project. Chris Albert, the consultant, and Mark Tay, the property owner, presented the project to the subcommittee and discussed why the project requires gap funding from the DWGTF. They explained that during construction they encountered significant ledge that has led to high-cost overruns. The owner has needed to shift his own personal contribution to the water system over to issues with the sewer construction due to the high cost of ledge removal. As a result, they are requesting to take on more DWGTF loan. NHDES had previously requested an income survey. The results show Evergreen Terrace is a low-income community with an MHI of approximately \$31,333. The Subcommittee viewed this project as a financial hardship, addressing arsenic and bacterial contamination, and is time critical because the project is already underway and viewed in favor of funding.

Marco Philippon moved to approve the project for funding, Bernie Rousseau seconded. All in favor.

2. Town of Londonderry-High Range Rd Expansion

The Town applied to 2023 Annual Round and requested a \$10,700,000 grant. This was declined and applicant was instructed to return with greater loan request and leveraged funds. Currently the Town proposes to obtain +/- \$13.1 million from St. Gobain and \$2.0 million in Town-issued ARPA funds. The Town is also pursuing a PFAS RLF loan, developer contribution and 2m applicant funds. The town applied to the annual round for \$10.7 million in grant to extend water down entire length of High Range Road to provide water from Pennichuck East Utility to properties with PFAS exceedances that lie outside of the St. Gobain consent decree. The project includes upsizing new watermain on northern end of High Range Road (portion covered by St. Gobain) and extending new watermains along southern end of High Range Road and

M. Boire and C. Bondi

interconnection with Pennichuck East Utility. The applicant has expressed intention to reapply to the DWGTF as a Special project and justify it will address contamination, is of regional significance, will support economic Development, and will result in the interconnection to 3 systems. The town applied for SRF in 2023 for \$2,000,000, but was not funded. The total project cost is \$25,750,000

Marco Philippon expressed hesitations with the large grant request, and whether the town has confirmation that individual homeowner want to hook up to the watermain if it is installed. Bernie Rousseau has concerns with tax liability passed onto the customer. Brandon Kernan stated that PEU is aware and that the tax issue is being addressed, and that legislation has been written and presented by NHDES, but more work needs to be done. Deb Paul, a member of the subcommittee and citizen of Londonderry, was concerned that Londonderry does not even have a water infrastructure plan in place. Mike Unger stated that for Phase 1 of the project that Manchester is willing to provide water to Londonderry. The recommendation is for Londonderry to apply to the PFAS RLF program for a loan, then likely will apply for DWGTF grant as a Special Project in the spring to offset a loan, after PFAS-RLF amount is determined.

3. Jewel Estates, Merrimack

The Jewel Estates Cooperative is a manufactured housing community with failing water infrastructure. The project aims to replace the distribution system to address frequent leaks, breaks, low pressures, and aesthetic issues. They applied in the 2023 annual round and were invited to apply as a special project after they revisited their budget and removed any sewer-related costs. They also needed to calculate their water rates and Affordability Index correctly. DES had a meeting with the project team on 12/15/23 and discussed increasing loan the amount and estimating water rates. It was discussed how this community does not have any other funding options available to them because they are not a PWS. Bernie Rousseau and Marco Philippon are leaning toward accepting the application with a 70% grant and 30% loan ask. This project will be discussed further once the application is submitted at the February meeting.

4. Warde Senior Living Facility, Windham-Interconnect to PEU

Cheryl Bondi discussed the project and how their original grant request in the annual round was \$3,500,000. The applicant has expressed desire to come back to the DWGTF in the spring and has requested further guidance. The project aims to discontinue use of the current onsite bedrock well and connect to PEU Windham to address compliance issues for radium, PFAS, hardness, iron, and manganese. NHDES project managers discussed the project scope and feel that the project cost is not reasonable, and that they would like to see the cost of interconnection vs. on-site treatment. NHDES met with the project team in December and told them to revisit their budget and bring down high contingency costs, provide estimated water rates once they interconnect with Pennichuck, provide a resident income, and increase their loan request. Warde Senior Living plans to submit to NHDES in the next few months. Mike Unger stated that they could potentially plead a hardship case. Marco Philippon agreed with the project managers and would like a cost comparison of interconnection and on-site treatment.

5. Town of Lancaster, NH

The proposed project is to install a 500,000-gallon storage tank and valve/PRV modifications to provide additional storage capacity to existing clearwells and address water quality violations for disinfection byproducts. Cheryl Bondi discussed the project scope and the original DWGTF grant ask of \$1,800,000. They reapplied for 50% grant and 50% loan. Marco Philippon denied the project the first time due to their low AI. If they do not apply for more loan, it is likely they will not be approved again because their AI will not meet the 1.5 threshold to demonstrate investment. NHDES will follow up with Lancaster and provide more guidance.

6. City of Rochester-Cocheco Well

DWGTF funded this project in 2021 with a \$560,000 grant and \$2,860,000 loan. Their original budget was a significant underestimate, and they now have a \$8,200,000 funding gap. They applied to the 2023 Annual Round and were declined. They applied to 2023 SRF and were declined. The applicant feels strongly that they meet the special project criteria and has requested a meeting with the Advisory Commission several times. They are requesting a \$6,000,000 loan and \$2,200,000 grant. This project would address manganese contamination, but because manganese is not yet regulated by the EPA, the subcommittee is hesitant to fund the project when there are other projects applying for assistance for regulated contaminants. Marco Philippon continued to say that they are likely attracted to the DWGTF because of the low interest rate and grant opportunities. This applicant has alternative funding opportunities aside from the DWGTF, whereas many other applicants do not have the same opportunities. Brandon Kernan said that NHDES is continuing to support projects that address manganese contamination, because while it is not yet regulated, it is considered a health concern by the EPA. Studies have shown that there are acute health risks that come with elevated levels in drinking water. He urged the subcommittee to treat manganese as a regulated MCL. Bill Boyd stated that the applicant has earned the right to be heard by the Commission and stated he would follow up with the applicant directly.

Meeting adjourned at 10:00am.