Bill as Introduced

HB 738-FN-A-LOCAL – AS INTRODUCED

2003 SESSION

03-0051
06/10

HOUSE BILL ***738-FN-A-LOCAL***

AN ACT permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor.

SPONSORS: Rep. R. Cooney, Rock 76; Rep. Patten, Carr 7; Rep. M. Blanchard, Rock 86; Sen. Johnson, Dist 2; Sen. Cohen, Dist 24; Sen. Kenney, Dist 3; Sen. Gallus, Dist 1

COMMITTEE: Resources, Recreation and Development

ANALYSIS

This bill:

I. Adds regional water systems to the water systems eligible for state aid and adds the evaluation of the groundwater contributing area of public wells that have recorded levels of chemical contaminants, excluding MTBE, to projects eligible for state aid;

II. Defines the terms "eligible regional water system costs," "regional water system" and "groundwaters;"

III. Requires regional water systems to agree to participate in regional and statewide water supply planning initiatives as a condition for receiving aid;

IV. Adds criteria for prioritizing applications and evaluating regional water systems;

V. Makes the polluter of a well responsible for repaying a state grant; and

VI. Makes an appropriation to the department of environmental services to implement grants for regional water system projects.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

03-0051
06/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Purpose; Regional Water Systems Added. Amend RSA 486-A:1 to read as follows:

486-A:1 Purpose. The purpose of this chapter is to provide a state contribution to aid all public water systems in achieving compliance with the requirements of the surface water treatment rules of the federal Safe Drinking Water Act, ***to provide a state contribution to aid public water systems in the formation or improvement of regional water systems that provide a benefit to public health, safety, and economic well-being, to provide a state contribution to aid public water systems in the evaluation of the groundwater contributing area of public wells that have recorded levels of chemical contaminants, excluding MTBE,*** and to protect sources of public drinking water that serve community or non-transient non-community water systems and associated natural resources through the acquisition of land or conservation easements within source water protection areas.

2 Definitions; Construction; Regional Water Systems Added. Amend RSA 486-A:2, I to read as follows:

I. "Construction" means:

(a) The installation or building of:

(1) New wells or well buildings; [~~or~~]

(2) Filtration systems and associated pump stations, pump equipment, chemical treatment systems, telemetry and metering equipment, and storage tanks; and

(3) Distribution mains and valves needed to interconnect the new wells or filtration system to the existing system as may be required by the department and the EPA ***or to interconnect public water systems to form a regional water system***.

(b) Altering, improving or adding to existing water treatment or water source, storage or transmission main facilities ***or regional water system interconnections*** in order to meet the requirements of the surface water treatment rules ***or to meet the water needs of a regional water system***.

(c) Engineering services related to the activities identified under this paragraph, ***including the scientific evaluation of the groundwater contributing area of pubic wells with recorded levels of chemical contaminants, excluding MTBE, using a method approved by the department***.

3 New Paragraph; Definitions; Eligible Regional Water System Costs. Amend RSA 486-A:2 by inserting after paragraph III-a the following new paragraphs:

III-b. "Eligible regional water system costs" means that portion of the costs of construction and related services attributable, as determined by the department, to the provision of water for domestic, commercial, or fire protection purposes, whether as routine supply or emergency reserve supply, through one or more of the interconnections that form a regional water system, but shall not include any of the following:

(a) Land acquisition, except for land which shall be an integral part of a well system or filtration system.

(b) Easements and rights-of-way necessary to the project.

(c) Distribution systems and any improvement thereto not necessary for the municipality to achieve compliance with the surface water treatment rules.

(d) Administrative, legal, and fiscal costs related to the project.

III-c. "Eligible evaluation of the groundwater contribution area of public wells that have recorded levels of chemical contaminants excluding MTBE" means that portion of the actual costs of scientific evaluation of the contribution area of the sources of public drinking water, such as a well or surface water intake, through which water is likely to flow towards the source and related services attributable, as determined by the department, to the provisions of water for domestic, commercial, or fire protection purposes, whether as routine supply or emergency backup supply, through one or more interconnections that form a regional water system, but shall not include the following:

(a) Land acquisition, except for land which shall be an integral part of a well system or filtration system;

(b) Easements and rights-of-way necessary to the project;

(c) Distribution systems and any improvement thereto not necessary for the municipality to achieve compliance with the surface water treatment rules; and

(d) Any administrative, legal, and fiscal costs related to the project.

4 New Paragraphs; Definitions; Public Water System; Regional Water System. Amend RSA 486-A:2 by inserting after paragraph V the following new paragraphs:

V-a. "Regional water system" means the system which results from the interconnection of 2 or more discrete public water systems to provide routine or emergency reserve supply.

V-b. "Groundwaters" means all areas below the top of the water table, including acquifers, wells and other sources of groundwater.

5 Section Heading Changed. Amend the section heading of RSA 486-A:3 to read as follows:

486-A:3 State Contribution; Surface Water Treatment Costs; Water Supply Land Protection Costs; ***Regional Water System Costs.***

6 New Paragraph; State Contribution; Eligible Regional Water System Costs Added. Amend RSA 486-A:3 by inserting after paragraph II the following new paragraph:

III. Any public water system which incurs eligible regional water system costs or eligible evaluation of contributing area of groundwaters contribution to public wells that have recorded levels of chemical contaminants costs, excluding MTBE, after the effective date of this paragraph shall be eligible for a state contribution in accordance with the provisions of this chapter. As its contribution, the state shall pay 25 percent of the annual amortization charges, meaning the principal and interest, on the bonded eligible regional water system costs, or 25 percent of non-bonded, eligible regional water system costs. Plans for construction shall be approved in accordance with the provisions of RSA 485:8.

7 Equitable Allocation of Costs; Regional Water Systems. Amend the introductory paragraph and paragraph I of RSA 486-A:5 to read as follows:

The department shall not approve any contribution for surface water treatment ***or for the formation or improvement of a regional water system or for evaluation of contribution of groundwaters to public wells that have record levels of chemical contaminants, excluding MTBE*** under this chapter unless it shall first have determined that the applicant:

I. Has adopted or will adopt a system of charges to assure that each recipient of water service within the applicant's jurisdiction, as determined by the department, will pay its proportionate share of the costs of operation and maintenance, including replacement, of water services provided by the applicant. ***For a regional water system project, the department must also determine that each public water system that is to make payments to the applicant for water service provided through area regional water system interconnection has adopted or will adopt a system of charges to assure that each recipient of water service within the public water system will pay its proportionate share of the such payments.***

8 Application for Funding; Regional Water Systems Added. Amend RSA 486-A:6 to read as follows:

486-A:6 Application for Funding. Application for payments under the provisions of this chapter shall be made in accordance with rules adopted by the commissioner under RSA 541-A, and, for surface water treatment projects ***and regional water system projects and evaluation of groundwaters contributing area of public wells***, shall be based upon reports filed with the commissioner prior to January 31, in the calendar year for which payment is being requested.

9 Applicant Agreement; Regional Water Systems. Amend RSA 486-A:7, I to read as follows:

I. Applications for state grants for surface water treatment ***and for regional water systems and evaluation of groundwaters contributing area of public wells with recorded levels of chemical contaminants*** shall contain an agreement that the applicant:

(a) Has installed ***or will install*** the water works facilities in accordance with the plans and specifications approved by the department;

(b) Will provide proper and efficient operation and maintenance of facilities;

(c) Agrees that failure to install the facilities in accordance with the approved plans and specifications or to provide proper and efficient operation and maintenance of such facilities shall result in loss of payments of the annual grant installment next following such failure. The loss of payment of the annual grant installment shall continue in effect until such time as the applicant has completed the steps necessary to install the facilities in accordance with plans and specifications approved by the department, or made provisions for proper and efficient operation and maintenance of the facilities in accordance with department instructions or both.

(d) For a grant to aid in the development of a regional water system and evaluation of groundwaters contributing area of public wells with recorded levels of chemical contaminants, agrees to participate in regional and statewide water supply planning initiatives and to consider the results of such initiatives for purposes of long term water supply planning and infrastructure development.

10 New Paragraph; Priority of Applications; Regional Water Systems. Amend RSA 486-A:8 by inserting after paragraph II the following new paragraph:

III. For regional water system projects and evaluation of groundwaters contributing area of public wells with recorded levels of chemical contaminants, the department shall adopt prioritization factors by rule under RSA 541-A, to assist in determining which new projects to fund under this chapter. Prioritization factors shall include, but not be limited to:

(a) The population of the service area that would receive water through the regional water system interconnection.

(b) The degree to which the public's health, safety, and economic well-being will benefit.

(c) The fiscal impact on user fees and taxes in the area of the regional water system.

(d) The consistency with land use master plans in the affected municipalities and with the provisions of RSA 9-B and RSA 162-C:2, V, to the extent that a proposed regional water system project may impact the municipality's growth and development patterns.

11 Public Notice; Regional Water Systems Added. Amend RSA 486-A:8-a, I to read as follows:

I. For surface water treatment projects, ***regional water system projects, and evaluation of groundwaters contributing area of public wells with recorded levels of chemical contaminants*** the commissioner of environmental services or designee shall hold an annual public hearing to receive testimony on the projects recommended by the department, in accordance with RSA 486-A:8, to receive grants in the next fiscal year. After considering the testimony offered at the hearing, the commissioner shall finalize the priority list for the next fiscal year, and project assistance shall be granted accordingly.

12 Administration; Regional Water Systems Added. Amend the introductory paragraph of RSA 486-A:9, I to read as follows:

I. The department shall perform the following functions related to the administration of the provisions of this chapter applicable to surface water treatment ***and to any regional water system and evaluation of groundwaters contributing area of public wells with recorded levels of chemical contaminants***:

13 Administration; Review and Approval; Regional Water System Costs Added. Amend RSA 486-A:9, I(p) to read as follows:

(p) Based upon a satisfactory final project inspection, review and approve final eligible surface water treatment costs, ***regional water system project costs and evaluation costs of groundwaters contributing area of public wells with recorded levels of chemical contaminants,*** and authorize release of retainage.

14 New Subparagraphs; Regional Water Systems; Criteria for Evaluation. Amend RSA 486-A:9, I by inserting after subparagraph (p) the following new subparagraphs:

(q) Evaluate the defined project for consistency with municipal master planning, RSA 9-B, and RSA 162-C:2, V and require limitations on future water system connections where appropriate.

(r) For a regional water system project and evaluation of groundwaters contributing area of public wells with recorded levels of contaminants, evaluate the defined project to ensure that it is designed to provide an overall benefit to public health, safety, and economic well-being and that it is a cost-effective means of achieving these benefits.

15 Water Companies, When Public Utilities; Higher Rates for Existing Customers Limited. Amend RSA 362:4, III-a (b)-(d) to read as follows:

(b) The commission may exempt a municipal corporation from any and all provisions of this title except the franchise application requirements of RSA 374, and may authorize a municipal corporation to charge new [~~and existing~~] customers outside its municipal boundaries a rate higher than 15 percent above that charged to its municipal customers, if after notice and hearing, the commission finds such exemption and authorization to be consistent with the public good. ***The commission may not authorize a municipal corporation to charge existing customers outside its municipal boundaries a rate higher than 15 percent above that charged to its municipal customers until any rate agreements in effect for those customers on May 13, 2002 shall have expired.***

(c) A municipal corporation's authority to charge higher rates for new customers outside of its municipal boundaries shall be applied prospectively to new customers taking water service provided by means of a main extension or an expansion of the municipal corporation's system after the effective date of this paragraph.

(d) ***A municipal corporation's authority to charge higher rates for existing customers outside of its municipal boundaries shall not become effective until any rate agreements in effect on May 13, 2002 have expired.***

(e) A municipal corporation serving customers outside of its municipal boundaries and charging a rate no higher than 15 percent above that charged to its municipal customers prior to July 1, 2002, may also be exempted from regulation as a public utility, except for the franchise application requirements of RSA 374, if after notice and hearing, the commission finds such exemption and authorization to be consistent with the public good.

16 New Section; Repayment Responsibility. Amend RSA 486-A by inserting after section 486-A:14 the following new section:

486-A:15 Repayment Responsibility. Any party found, by means of a scientific or hydrogeological study, or other evaluation as approved by the department, of the groundwaters contributing area of public wells with recorded levels of contaminants, to be responsible for contaminating a wellhead area, shall be required to repay to the state, the amount the state contributed for the evaluation.

17 Appropriation. The sum of $74,000 is hereby appropriated to the department of environmental services for the fiscal year ending June 30, 2004 and the sum of $147,000 for the fiscal year ending June 30, 2005, for the purpose of providing grants for regional water system projects under RSA 486-A. The governor is authorized to draw a warrant for said sums out of any money in the treasury not otherwise appropriated.

18 Effective Date. This act shall take effect July 1, 2003.

LBAO
03-0051
1/27/03

HB 738-FN-A-LOCAL - FISCAL NOTE

AN ACT permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor.

FISCAL IMPACT:

Due to time constraints, the Office of Legislative Budget Assistant is unable to provide a fiscal note for this bill at this time. When completed, the fiscal note will be forwarded to the House Clerk's Office.

LBAO
03-0051
Revised 2/7/03

HB 738 FISCAL NOTE

AN ACT permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor.

FISCAL IMPACT:

The Department of Environmental Services states this bill may increase state expenditures and local revenue by $90,000 in FY 2004, $180,000 in FY 2005, $362,000 in FY 2006 and $543,000 in FY 2007. Local expenditures may increase by $343,000 in FY 2004, $687,000 in FY 2005, $2,502,000 in FY 2006 and $4,316,000 in FY 2007. There will be no fiscal impact on county expenditures or state and county revenue.

This bill appropriates $74,000 in FY 2004 and $147,000 in FY 2005 from the general fund to the Department of Environmental Services for the purposes of this act.

METHODOLOGY:

The Department of Environmental Services (DES) anticipates the administrative duties related to regional water system grants and groundwater investigation grants under this legislation can be absorbed by existing DES staff. The Department assumes:

- Bonds for water system improvements will have a term of 20 years at 4 percent interest;
- Initial bond payments for interconnections will be made over a 5-year period from 2004-2008;
- Initial bond payments for supply improvements will be made over a 5-year period from 2006-2010;
- Groundwater investigation grants will apply to 50% of the total well sites where groundwater contamination has been detected since 1995, and will not otherwise be addressed through contaminant source investigations in the DES Waste Management Division;
- Groundwater investigations for contaminated well sites will be bonded over a ten-year period beginning in 2004;
- Grants under this program will reimburse 25% of bond principal and interest.
- No local spending is mandated by this bill.

This legislation would not take effect until mid 2003. Regional water system and groundwater investigation grants would apply to work initiated after that date. Typically, water system improvements are bonded upon completion of the construction, and at that time the costs of both design and construction may be incorporated into a long-term bond. As the first payment for interest on bonds typically is due during the first year, and first principal payment is due at the end of the first year, it is assumed that, at the earliest, the first grant payment for debt service (principal and interest) would be due in 2004.

Regional water system projects will fall into two categories: (1) Interconnection Grants - interconnections, consisting of piping and facilities, such as pumping stations, to meet interconnection pressure requirements; and (2) Source Development Grants - improvements to existing or proposed wells and treatment plants intended to enhance the capacity or reliability of these supply facilities. It is estimated that a total of $20M (100% of which is related to regional benefits) will be expended for interconnections, and $100M (25% of which is related to regional benefits) will be expended for source improvement over five-year periods, as indicated above, and will be paid through 20-year, 4% bonds. The grants will reimburse 25% of these eligible costs, including principal and interest payments, over the life of bonds issued by water system owners. The fiscal impact is as follows:

	FY 2004	FY 2005	FY 2006	FY 2007
Regional Water System Projects and Groundwater investigation				
Local Expenditures	$343,000	$687,000	$2,502,000	$4,316,000
State Grants (State Expenditures & Local Revenue)				
Regional Interconnection Grants	$ 74,000	$147,000	$313,000	$478,000
Regional Source Development Grants	16,000	33,000	49,000	65,000
Total Grants	$ 90,000	$180,000	$ 362,000	$ 543,000
Net Increase in Local Expenditures	$253,000	$507,000	$2,140,000	$3,773,000

Amendments

House Finance
March 21, 2003
2003-0952h
10/01

Amendment to HB 738

Amend the bill by replacing section 17 with the following:

17 Appropriation. The sum of $1 is hereby appropriated to the department of environmental services for the fiscal year ending June 30, 2004 and the sum of $1 for the fiscal year ending June 30, 2005, for the purpose of providing grants for regional water system projects under RSA 486-A. The governor is authorized to draw a warrant for said sums out of any money in the treasury not otherwise appropriated.

Committee Minutes

COPY

MINUTES
HOUSE COMMITTEE ON FINANCE
DIVISION I - WORK & EXECUTIVE SESSION
MARCH 21, 2003 – Room 209, Legislative Office Building

Division Members Present: Reps. Stone, Holbrook, Wheeler, Anderson, Blanchard, Coes, Robert Johnson, King

Rep. Stone, chairman, called the work session to order at 9:00 a.m.

****HB 274-A, making an appropriation for the restoration of the White Island Light Station.**

Presentation by the students. They raised $15,000 on their own. Recessed for further information.

****HB 353-FN-A, making an appropriation for the pilot program to study and establish protected instream flows and water management plans on the Lamprey River and the Souhegan River.**

Prime Sponsor Rep. Cooney explained the bill and the consensus that had been garnered.

Paul Currier – exchange for either a capital or operating budget line (p. 630).

Rep. Blanchard moved ITL, **Rep. Coes** seconded the motion, passed 6-0.

****HB 643-FN, relative to establishing the family division of the courts statewide.**

Howard Zibel presented on behalf of the courts. The House supported the concept in both committees.

****HB 649-FN-A, (New Title) establishing a building permit surcharge to fund regional planning initiatives.**

Rep. Lockwood presented her bill and detailed the charges.

Rep. Wheeler moved to retain, **Rep. Anderson** seconded the motion. Motion passed 6-1. Submitted exhibits 1 and 2.

****HB 109-FN, (New Title) relative to telemarketing practices.**

Rep. Jane Langely and the **Attorney General's Office** presented.

Rep. Blanchard moved OTP, **Rep. Coes** seconded the motion. Motion failed 3-4.

Rep. Holbrook moved to retain, **Rep. Wheeler** seconded the motion. Motion passed 6-1.

****HB 738-FN-A, permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor.**

Rep. Blanchard moved to accept the amendment, **Rep. King** seconded this motion. Amend to $1.00 in section 17 in each fiscal year. **Rep. Blanchard** moved to OTPA, **rep. King** seconded this motion.

****HB578 establishing a program for self-certification by small quantity hazardous waste generators and making an appropriation therefor.**

Rep. Allen and Ken Marshner.
Rep. Blanchard moved to OTP and **Rep. King** seconded this motion. OTP roll call vote 8-0.

****HB 728-FN-A establishing a dedicated fund for organic certification inspections.**

Rep. Ahern, Dept of Agriculture, Littleton Griss Mill, **Ron Merrow, Rebecca Wallace, and Dick Uncles from Dept. of Agriculture** – described organic regulations for certification of processors. **Rep. King** moved to OTP and **Rep. Coes** seconded this motion. OPT roll call vote 8-0.

****HB 737 FN-A relative to the state conservation committee and making an appropriation therefore.**

Rep. Blanchard, Joanna P., Richard Babcock, USDA and Mary Currier Rockingham County – discussion followed around the availability of federal dollars form The Farm Bill and our inability to apply. **Rep. Blanchard** shared with us that this issue needs leadership. **Rep. Holbrook** moved amendment 0429h and amended the money to $1, **Rep. King** seconded this motion. **Rep. Holbrook** moved OTPA and **Rep. King** seconded this motion. Roll call vote OTPA.

****HB 577-FN-A-L (New Title) relative to implementing the Help America Vote Act of 2002 and relative to rulemaking by the secretary of state.**

Dep. Secretary of State, Scanlon presented along with **Rep. Stevens and Ofitch(??)** – Exhibits 3 and 4 – relative to implementing The Help America Vote Act and the rule making by the Secretary of State. Recessed pending further information.

****HB 719-FN-A relative to the duties, function, and operation of the Pease development authority.**

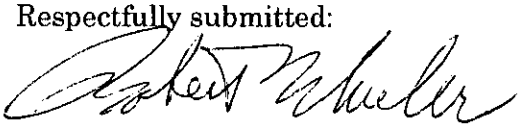
Rep. Leber, Pease Development Authority, Dept. Harbor. Rep. Wheeler moved to OTP and **Rep. King** seconded this motion. Roll call vote, OTP 7-0.

****HB 702 relative to payment of medical benefits costs for disabled group II members of the retirement system.**

Terminally funded. **Rep. Wheeler** moved to OTP and **Rep. Coes** seconded this motion. Roll call vote 7-0 OTP.

No other bills before the Committee, Rep. Stone adjourned the work session.

Respectfully submitted:



Robert L. Wheeler
Clerk for Division I

N.B. 738 OTPA 8-0

This bill, as amended, reduces the appropriation to $1.00, but makes no other changes. The bill widens use of existing surface water filtration plant funds to include interconnections when/if money becomes available as the need for filtration declares.

Mary Ann M. Blanchard

~~HB 548~~

HB 738 8-00TPA

permitting aid to public water systems to be used for or improving regional water systems and making an appropriation therefor. to $1.00, but makes no other changes. The bill widens use of existing surface water filtration grants funds to include interconnections when/if money becomes available as the need for filtration declines.

Mary Ann M. Blanchard

DIVISION I
2003 SESSION

Date: 3/21 Bill #: HB 738-FN-A-L

Bill Title: _____

Amendments

Sponsor: OLS Document #: Amend Section 70 $1M each yr.

Sponsor: OLS Document #:

Sponsor: OLS Document #:

Motions: OTP, OTPA, ITL, TABLE, RETAIN

Motion made by: Blanchard **Seconded by:** King

	YEAS	NAYS	ABSENT
Stone, Joseph, Chairman	8		
Holbrook, Robert, Vice Chairman	1		
Wheeler, Robert, Clerk	2		
Anderson, Eric	3		
Blanchard, Maryann	4		
Coes, Betsy	5		
Johnson, Robert	6		
King, Fred	7		
Mitchell, McKim			
Kurk, Neal			
	8	0	

Rep. Robert Wheeler
Division I Clerk

MINUTES
HOUSE COMMITTEE ON FINANCE
WORK AND EXECUTIVE SESSION – March 24, 2003
Legislative Office Building, Room 210-211

Committee Members Present: Reps. Kurk, Weyler, Holbrook, Robert Johnson, Stone, Anderson, Hager, Emerton, Wheeler, Rodeschin, Elliott, Dodge, Hunter, King, Smith, Blanchard, Coes, Mitchell, Densmore, Eaton, Mercer

Work session brought to order by Rep. Kurk, Chairman at 9:30 a.m.

***HB 353 making an appropriation for the pilot program to study and establish protected instream flows and water management plans on the Lamprey River and the Souhegan River.**

Rep. Blanchard moved to ITL and **Rep. Coes** seconded this motion. Will be addressed in the budget bill no necessary. Roll Call vote, ITL, 18-2.

***HB 643-FN relative to establishing the family division of the courts statewide.

Rep. Wheeler moved and **Rep. Holbrook** seconded the motion to retain this bill. Roll call vote, 14-6.

***HB 649-FN (New Title) establishing a building permit surcharge to fund regional planning initiatives.**

Rep. Wheeler moved and **Rep. Anderson** seconded this motion to retain this bill. Roll call vote, 20-0.

***HB 738 FN-A-L permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor.**

Rep. Blanchard moved and **Rep. King** seconded the motion of OTPA (#0952), roll call vote 19-0.

***HB 578 establishing a program for self-certification by small quantity hazardous waste generators and making an appropriation therefor.**

Rep. Blanchard moved and **Rep. King** seconded the motion to OTP. Roll call vote, OTP, 18-1

***HB 728-FN-A establishing a dedicated fund for organic certification inspections.**

Rep. King moved and **Rep. Coes** seconded this motion of OTP. Roll call vote, OTP, 20-0.

***HB 737 FN-A relative to the state conservation committee and making an appropriation therefore.**

Rep. Holbrook moved and **Rep. King** seconded this motion of OTPA. Amendment 0951h reduced appropriation to $1. Discussion followed regarding process and administration. Amendment passed, 20-1. Roll call vote OTPA, 20-1.

***HB 719 relative to the duties, function, and operation of the Pease development authority.**

Provides for a new position of Deputy Chief Harbor Master at grade #21. **Rep. Wheeler** moved and **Rep. King** seconded this motion of OTP. Roll call vote, OTP, 21-0.

***HB 702 relative to payment of medical benefits costs for disabled group II members of the retirement system.**

Rep. Wheeler moved and **Rep. Holbrook** seconded the motion of OTP. Passed on a roll call vote, 20-0.

***HB 621 FN-A-L establishing an early childhood literacy program.**

Rep. Smith moved and **Rep. Dodge** seconded to OTP as amended. Amendment 0955h discussed and accepted by voice vote. Roll call vote, OTPA, 17-2.

***HB 304-A relative to state acquisition of certain acreage in the Connecticut Lakes headwaters tract and making an appropriation therefor.**

Rep. Weyler moved and **Rep. Eaton** seconded this motion. OTP as amended, amendment 0945h submitted and discussed and it passed. Roll call vote, OTPA, 20-0.

***HB 786 FN-L relative to the participation of the state and its political subdivisions in the federal No Child Left Behind Act of 2001.**

Rep. Dodge moved OTP and **Rep. Smith** seconded this motion. Roll call vote, OTP, 18-1.

11:00 **Governor, Staff, Department heads** appeared before the Finance Committee to present the details that were absent in the Governor's earlier presentation. IT, planning, Energy, Distance Learning.

***HB 751 FN-L implementing an alternative school building aid grant formula, establishing size and cost standards for the construction of new school facilities, and permitting high school vocational technical education programs which lease space to be eligible for school building aid grants.**

Rep. Dodge moved and **Rep. Mercer** seconded the motion of OTP. Fiscal note revised 2/20/03. Roll call vote, OTP, 17-3.

***HB 724 FN-L establishing a committee to study the relationship between groundwater withdrawals and the ownership of watershed land.**

Rep. Smith moved and **Rep. Eaton** seconded the motion of OTP, extending the effective date of the Skyhaven transfer plan, passed on a roll call vote, 21-0.

***HB788 FN-A (New Title) transferring the duties of the health services planning and review board.**

Certificate of review of proposed new institutional health services. **Rep. Wendelboe** moved OTPA and **Rep. Rogers Johnson** seconded this motion. Passed on a roll call vote 15-7.

Adjourned work and executive session at 1:35 p.m.

Respectfully Submitted:

Rep. Robert L. Wheeler
Clerk for the Committee

OFFICE OF THE HOUSE CLERK

2003 SESSION

FINANCE

Bill #: HB 738 FN-A-L **Title:** _____

PH Date: ____/____/____ **Exec Session Date:** 03/24/03

Motion: OTP/A **Amendment #:** 0952H

MEMBER	YEAS	NAYS
Kurk, Neal M. Chairman	14	
Wevler, Kenneth L. V Chairman	1	
Holbrook, Robert G		
Johnson, Robert A	2	
Stone, Joseph E	3	
Anderson, Eric	4	
Wendelboe, Fran	5	
Hager, Elizabeth S		
Mercer, Robert S	6	
Emerton, Larry A	7	
Wheeler, Robert L	8	
Rodeschin, Beverly T	9	
Johnson, Rogers J	10	
Elliott, Larry G	11	
Dodge, Robert K	12	
Hunter, Bruce F		
King, Frederick W	13	
Wallner, Mary Jane	14	
Smith, Mariorie K	15	
Blanchard, MarvAnn N	16	
Coes, Betsy A	17	
Mitchell, McKim W		
Densmore, Edward D	18	
Eaton, Daniel A		
TOTAL VOTE:	19	0

Printed: 1/6/2003

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 738-FN-A-LOCAL Date February 19, 2003

Committee Resources, Recreation & Development

**** Please Print All Information ****

Name	Address	Phone	Representing	(check one) Pro	Con
Judy Silva	PO Box 617 Concord	224-7447	NHMA	✓	
M Blanchard	Plaistow		Rock 86	✓	
Senator D. Kenney				✓	
STEVE DEL DEO	LONDON, NH	798-5828	NH Water Works Assoc	✓	
Robert Beauregard	Manchester, N.H.		Manchester W/W	✓	
KATHY VERACCO	2 EAGLE SQ CONCORD	2282966	TENNICHUCK	✓	
Marjorie Smith	Concord	224-7867	NHARC	✓	

Hearing Minutes

HOUSE COMMITTEE ON RESOURCES, RECREATION AND DEVELOPMENT

PUBLIC HEARING ON HB 738-FN-A-LOCAL

BILL TITLE: permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor.

DATE: February 18, 2003

LOB ROOM: 305 **Time Public Hearing Called to Order:** 1:30 P.M.

Time Adjourned: 2:10 P.M.

(please circle if present)

Committee Members: Reps. Royce, Lawton, R. Cooney, D. Fields, Russell, Bruno, D. Christensen, Akins, Camm, Ruffner, Cail, Campbell, C. LaFlamme, Merrow, Wiley, Spang, McEachern, Bleyler, Brueggemann, Donovan and Parkhurst.

Bill Sponsors: Rep. R. Cooney, Rock 76; Rep. Patten, Carr 7; Rep. M. Blanchard, Rock 86; Sen. Johnson, Dist 2; Sen. Cohen, Dist 24; Sen. Kenney, Dist 3; Sen. Gallus, Dist 1

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Richard Cooney - Prime sponsor of the bill. Bill would provide a "crossover" system of water supplies – should one system be polluted, another can inter-connect. Eligible for Block Grant Aid.

Rep. Laflamme: Would "for profit" water companies be eligible for Block Grant? ANS: I think so.

Rep. Betsey Patten - Co-sponsor of the bill. Asks we extend bill to include municipal surface and ground water. Tracking pollution is a very lengthy and expensive process.

Rep. Mary Ann Blanchard - Co-sponsor of the bill. Supports the bill. Claims bill is a good conservation instrument – also provides financial incentive. Urges that we pass it on to Finance.

Brian Goetz, Aquarion Water - Supports the bill. Likens it to a mutual aid fire agreement. Inter-connections are vital to provide consistent water supply.

William Hounsell, Conway Village District, North Conway Precinct - Supports the bill. Bill provides super intendents of water districts a safeguard against pollution or contamination.

*** Rene Pelletier, NH Department of Environmental Services (DES)** - Supports the bill.

Rep. Laflamme: What are the chances of cross contamination? ANS: Can always be shut off. Doesn't see it as a major risk.

Chairman Royce: Is this not just enabling legislation? ANS: Yes.

Respectfully submitted,

David H. Russell

Rep. David H. Russell
Clerk

Testimony

State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES
6 Hazen Drive, P.O. Box 95, Concord, NH 03302-0095
(603) 271-3503 FAX (603) 271-2982

February 18, 2003

The Honorable H. Charles Royce, Chairman
Resources, Recreation, and Development Committee
Room 305, LOB
Concord, NH 03301

Re: HB 738-FN, permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor

Dear Chairman Royce:

The Department of Environmental Services (DES) wishes to thank the Committee for the opportunity to comment on HB 738-FN, which would provide financial assistance to public water systems which expend funds to interconnect with neighboring water systems and to investigate chemical contamination of existing wells.

HB 738-FN provides municipalities and water systems an incentive for water supply improvements such as regional water supply interconnections that fortify New Hampshire's infrastructure against natural and man-made emergencies. This legislation results from the recommendations of a study committee formed during the 2002 legislative session under Senate Bill 437. The committee's report, issued November 1, 2002, recommended extension of the existing Filtration Grants Program under RSA 486-A, which has reimbursed approximately $19.3 million to date, primarily to cities and towns which constructed water system improvements mandated by the federal Surface Water Treatment Rule. As the state's annual financial commitment will diminish over time due to retirement of grantees' indebtedness for these projects, new grants under the proposed legislation would be phased in over the next ten years to buffer the total fiscal impact.

The integrity of the state's water supplies is vital to the health and safety of the approximately 825,000 people in the state who use public water supplies. Two past studies support our position that promotion of the interconnection of water supplies and other regional approaches constitutes beneficial public policy. The 1990 "Water Supply Study for Southern New Hampshire," prepared by the N.H. Water Supply Task Force, focused on a 68-community area in Strafford, Rockingham, and a portion of Hillsborough and Merrimack Counties. The purpose of the task force was development of a plan to meet the drinking water needs of the study area. Recommendations of the study emphasized consolidation of management and infrastructure to achieve greater reliability and efficiency of small public water systems. The study further recommended adoption of state policies promoting sound financial management of water supplies.

The 2001 study prepared by the N.H. Department of Environmental Services and the N.H. Public Utilities Commission entitled "Regulatory Barriers to Water Supply Regional Cooperation and Conservation in New Hampshire," prepared pursuant to Chapter 64, Laws of 2000, included

recommendations on modifications to state policies and regulations to foster reliability of water service. Several of these recommendations, which were adopted into statute in the 2002 legislative session, foster a regional approach to water supply. Senate Bill 437 modified the conditions in RSA 362:4 under which a municipal corporation would be regulated under the Public Utilities Commission and allowed a rate premium of as much as 15 percent to customers outside municipal boundaries. SB 437 also modified RSA 378:30 to allow inclusion of planning and new source development costs in the rate base for PUC-regulated water systems. Further, SB 437 established the study committee noted above to consider a state grant program to support regional water systems. The recommendations of this committee have been incorporated into House Bill 738.

The component of this legislation which addresses groundwater contamination will also provide assistance to New Hampshire's water systems. DES estimates that 118 public water supply wells in which volatile organic chemicals have been detected since 1995 might be addressed under this legislation. The eventual remediation of groundwater at these wells would significantly increase the quantity of high quality water available to public water supplies and the reliability of these systems.

Thank you for your consideration. Please contact me at 271-3503, or Anthony Giunta at 271-2951 if you have any questions.

Sincerely,

Robert Monaco
Acting Commissioner

cc: Rep. Richard T. Cooney
Rep. Betsy L. Patten
Rep. MaryAnn N. Blanchard
Sen. Carl R. Johnson
Sen. Burton J. Cohen
Sen. Joseph D. Kenney
Sen. John T. Gallus

State of New Hampshire

HOUSE OF REPRESENTATIVES

CONCORD

Cooney

MEMORANDUM

DATE: **October 30, 2002**

TO: **Honorable C. Jeanne Shaheen, Governor**
Honorable Gene Chandler, Speaker of the House
Honorable Arthur P. Klemm, Jr., President of the Senate
Honorable Karen O. Wadsworth, House Clerk
Honorable Tammy L. Wright, Assistant Senate Clerk
Michael York, State Librarian

FROM: **Rep. Richard T. Cooney, Chairman**
2 Samoset Drive, Salem NH 03079-1532
(603) 893-0883

SUBJECT: **Final Report on SB 437, relative to the protection of public water supplies during emergency conditions and establishing a committee to study the formation of regional water systems and the eligibility of such systems for state construction grants**

Pursuant to Chapter 141:7, Laws of 2002, enclosed please find the Final Report of the committee charged with studying SB 437, relative to the protection of public water supplies during emergency conditions and establishing a committee to study the formation of regional water systems and the eligibility of such systems for state construction grants.

If you have any questions or comments regarding this report, please do not hesitate to contact me.

RTC:co
cc: Study Committee Members
Joel Anderson, Committee Researcher

REPORT OF THE STUDY COMMITTEE ON THE

FORMATION OF REGIONAL WATER SYSTEMS AND ELIGIBILITY FOR STATE CONSTURCTION GRANT MONEY UNDER RSA 486-A

(SB 437, Chapter 141:7, Laws of 2002)

November 1, 2002

Membership

Representative Richard T. Cooney, Chair	Senator Russell E. Prescott
Representative MaryAnn N. Blanchard	Senator Beverly A. Hollingworth
Representative Pierre W. Bruno	Senator Thomas R. Eaton

Background

This study committee was formed during the 2002 session to allow the General Court the opportunity to study the issue of providing state grant money to regional water system projects, prior to establishing such a program as was proposed in the original version of SB 437. This proposal, along with many other proposals contained in SB 437 (which were in contrast passed into law) were outgrowths of recommendations contained in a study completed by the Department of Environmental Services (DES) and the Public Utilities Commission (PUC) entitled, *Regulatory Barriers to Water Supply Regional Cooperation and Conservation in New Hampshire*, dated August 14, 2001. The General Court had directed these two state agencies to conduct the study through passage of Chapter 64, Laws of 2000, and to make "recommendations for future action to encourage water conservation and regional cooperation on water resources management matters."

The committee has held 6 meetings at which it heard from personnel from the relevant state and federal agencies including the Department of Environmental Services, the Office of State Planning, the Public Utilities Commission, and the United States Department of Agriculture, officials of various public and private waterworks entities from throughout the state, and the Legislative Budget Assistants Office. Presentations before the committee were thorough and informative.

Discussion and Recommendations

The development of regional water systems that interconnect two or more public water systems is important to the public health, safety and economic well-being of New Hampshire. Interconnections allow the sharing of water between water systems during times of drought or other water emergency. They can also be used to supply water on a routine basis. This makes economic sense when one water system has a surplus amount of water or can more easily or less expensively increase its water supply than can a nearby water system that is facing a water deficit.

The committee found that water system planning and development has historically occurred at the local level in New Hampshire. This is attested to by the myriad number and types of public water systems that are dotted throughout the state, sometimes even within the same municipality. As found by the DES/PUC study mentioned earlier:

> Most water systems operate independently of other systems except during water supply emergencies, even in New Hampshire's more highly developed regions. Furthermore, few interconnections exist in some areas, even to address short-term emergencies. For example, the Seacoast region includes thirteen major

water supply systems. Despite the proximity of the service areas, only three interconnections exist for backup or emergency purposes.

The committee believes that encouraging regional cooperation among water systems should be a high priority of the state. Regional cooperation will help ensure that adequate supplies of clean water at affordable rates will be available to the state's citizenry and businesses, even in times of emergency. Unfortunately, the cost of creating regional systems and also the prevalence of parochial attitudes have obstructed progress in forming alliances among water systems.

One of the more effective ways of overcoming these obstacles would be for the state to provide a modest amount of funding assistance for regional projects. This could be patterned after the state grant program that the General Court established in 1993, under RSA 486-A, to aid public water systems in complying with the surface water treatment rules of the federal Safe Drinking Water Act. Since its inception, the program has assisted 54 municipalities by paying 20% of their annual amortization charges on surface water treatment projects. An additional 10% was made available to those municipalities whose rates would exceed 20% of the statewide average due to project costs. Offering this type of financial assistance proved to be an essential element in the state's effort to overcome municipal resistance to surface water treatment improvements, and to garner enough voter support to pass the necessary bond issues.

As always, it can be difficult to find new money in the state budget to fund even worthy proposals such as this. Fortunately, DES has determined that state grants to aid public water systems under the current program will steadily decline in the near future. This is because most all of the communities that are eligible to receive state aid under RSA 486-A are already doing so and their bond issues will be expiring in the upcoming years. Annual state expenditures on this program, which currently total approximately $1.8 million, are expected to gradually decline over a 15 year period, starting in fiscal year 2006, from $1.8 million to $300,000. DES anticipates that a regional grant program would cost approximately $660,000 per year once it is in full operation, and that current personnel would be able to administer it.

At least part if not all of the money that will no longer be needed for the current grant program should be allocated for funding the proposed regional water system grant program. This is reasonable as both the current and the proposed programs are aimed at protecting public health and safety through the provision of adequate supplies of clean drinking water. It is also important to the economic well-being of the state to have adequate supplies of water available at affordable rates. With this proposal, the General Court has the opportunity to continue its financial commitment to creating a reliable and safe drinking water infrastructure in the state.

The committee has prepared and attached to this report draft legislation that will establish a state grant program for regional water system projects. The legislation phases in funding for the program, beginning with $74,000 in fiscal year 2004, and increasing to $147,000 in fiscal year 2005.

Hydrogeological Studies

Toward the end of its deliberations, the committee heard from Representative Betsey L. Patten, chairperson of a separate commission (SB 351) that was charged with studying the need to expand the financial assistance program under RSA 486-A to include hydrogeological studies. She respectfully requested, on behalf of the commission, that the study committee consider combining into one legislative effort the establishment of state funding under RSA 486-A for both regional water system development and in-depth hydrogeological studies to determine the source of public water system wellhead contamination.

The study committee agrees that combining these two drinking water initiatives is reasonable as long as an adequate means can be established of prioritizing projects by DES, within legislative appropriations. It will also be necessary to make sure that any party found, by means of a hydogeological study, to be responsible for contaminating a wellhead area will be required to repay the state the amount the state contributed for the study, to the maximum extent achievable under law.

Respectfully submitted,

Richard Cooney

Richard T. Cooney, Chair
On behalf of the Committee
Rock. Cty./Dist. 26

STATE AID TO REGIONAL WATER SYSTEMS

1 Amend RSA 486-A:1 to read as follows:

486-A:1 Purpose. The purpose of this chapter is to provide a state contribution to aid all public water systems in achieving compliance with the requirements of the surface water treatment rules of the federal Safe Drinking Water Act, ***to provide a state contribution to aid public water systems in forming or improving regional water systems that provide an overall benefit to public health, safety, and economic well-being,*** and to protect sources of public drinking water that serve community or non-transient non-community water systems and associated natural resources through the acquisition of land or conservation easements within source water protection areas.

2 Amend RSA 486-A:2, I to read as follows:

I. "Construction" means:

(a) The installation or building of:

(1) New wells or well buildings; [~~or~~]

(2) Filtration systems and associated pump stations, pump equipment, chemical treatment systems, telemetry and metering equipment, and storage tanks; and

(3) Distribution mains and valves needed to interconnect the new wells or filtration system to the existing system as may be required by the department and the EPA ***or to interconnect public water systems to form a regional water system.***

(b) Altering, improving or adding to existing water treatment or water source, storage or transmission main facilities ***or regional water system interconnections*** in order to meet the requirements of the surface water treatment rules ***or to meet the water needs of a regional water system.***

(c) Engineering services related to the activities identified under this paragraph.

3 Amend RSA 486-A:2 by inserting after paragraph III-a the following new paragraph:

III-b. "Eligible regional water system costs" means that portion of the actual costs of construction and related services attributable, as determined by the department, to the provision of water for domestic, commercial, or fire protection purposes, whether as routine supply or emergency backup supply, through one or more interconnections that form a regional water system, but shall not include the following:

(a) Land acquisition, except for land which shall be an integral part of a well or filtration system, or a corridor for a regional water system interconnection;

(b) Easements and rights-of-way necessary to the project; and

(c) Any administrative, legal, permitting, and fiscal costs related to the project.

4 Amend RSA 486-A:2 by inserting after paragraph V the following new paragraph:

V-a. "Regional water system" means the system which results from the interconnection of two or more discrete public water systems for providing routine supply or emergency backup supply.

5 Amend RSA 486-A:3 by inserting after paragraph II the following new paragraph:

III. Any public water system which incurs eligible regional water system costs after the effective date of this paragraph shall be eligible for a state contribution in accordance with the provisions of this chapter. As its contribution, the state shall pay 25 percent of the annual amortization charges, meaning the principal and interest, on the bonded eligible regional water system costs, or 25 percent of non-bonded, eligible regional water system costs. Plans for construction shall be approved in accordance with the provisions of RSA 485:8.

6 Amend the introductory paragraph and paragraph I of RSA 486-A:5 to read as follows:

486-A:5 Equitable Allocation of Costs. The department shall not approve any contribution for surface water treatment ***or for a regional water system*** under this chapter unless it shall first have determined that the applicant:

I. Has adopted or will adopt a system of charges to assure that each recipient of water service within the applicant's jurisdiction, as determined by the department, will pay its proportionate share of the costs of operation and maintenance, including replacement, of water services provided by the applicant. ***For a regional water system project, the department must also determine that each public water system that is to make payments to the applicant for water service provided through a regional water system interconnection has adopted or will adopt a system of charges to assure that each recipient of water service within the public water system will pay its proportionate share of the such payments.***

7 Amend RSA 486-A:6 to read as follows:

486-A:6 Application for Funding. Application for payments under the provisions of this chapter shall be made in accordance with rules adopted by the commissioner under RSA 541-A, and, for surface water treatment projects ***and regional water system projects***, shall be based upon reports filed with the commissioner prior to January 31, in the calendar year for which payment is being requested.

8 Amend RSA 486-A:7, I to read as follows:

I. Applications for state grants for surface water treatment ***and for regional water systems*** shall contain an agreement that the applicant:

(a) Has installed ***or will install*** the water works facilities in accordance with the plans and specifications approved by the department;

(b) Will provide proper and efficient operation and maintenance of facilities;

(c) Agrees that failure to install the facilities in accordance with the approved plans and specifications or to provide proper and efficient operation and maintenance of such facilities shall result in loss of payments of the annual grant installment next following such failure. The loss of payment of the annual grant installment shall continue in effect until such time as the applicant has

completed the steps necessary to install the facilities in accordance with plans and specifications approved by the department, or made provisions for proper and efficient operation and maintenance of the facilities in accordance with department instructions or both.

(d) For a grant to aid in the development of a regional water system, agrees to participate in regional and statewide water supply planning initiatives and to consider the results of such initiatives for purposes of long term water supply planning and infrastructure development.

9 Amend RSA 486-A:8 by inserting after paragraph II the following new paragraph:

III. For regional water system projects, the department shall adopt by rule, under RSA 541-A, prioritization factors to assist in determining which new projects to fund under this chapter within legislative appropriations, which shall include, but not be limited to:

(a) The population of the service area that would receive water through the regional water system interconnection.

(b) The degree to which the public's health, safety, and economic well-being will benefit.

(c) The fiscal impact on user fees and taxes, if any, in the area of the regional water system.

(d) The consistency with land use master plans in the affected municipalities and with the provisions of RSA 9-B and RSA 162-C:2, V to the extent that a proposed regional water system project may impact the municipality's growth and development patterns.

10 Amend paragraph I of RSA 486-A:8-a to read as follows:

I. For surface water treatment projects ***and regional water system projects***, the commissioner of environmental services or designee shall hold an annual public hearing to receive testimony on the projects recommended by the department, in accordance with RSA 486-A:8, to receive grants in the next fiscal year. After considering the testimony offered at the hearing, the commissioner shall finalize the priority list for the next fiscal year, and project assistance shall be granted accordingly.

11 Amend the introductory paragraph of RSA 486-A:9, I to read as follows:

I. The department shall perform the following functions related to the administration of the provisions of this chapter applicable to surface water treatment ***and to any regional water system***:

12 Amend RSA 486-A:9, I(p) to read as follows:

(p) Based upon a satisfactory final project inspection, review and approve final eligible surface water treatment costs ***and eligible regional water system costs*** and authorize release of retainage.

13 Amend RSA 486-A:9, I by inserting after subparagraph (p) the following new subparagraphs:

(q) Evaluate the defined project for consistency with municipal master planning, RSA 9-B, and RSA 162-C:2, V and require limitations on future water system connections where

appropriate.

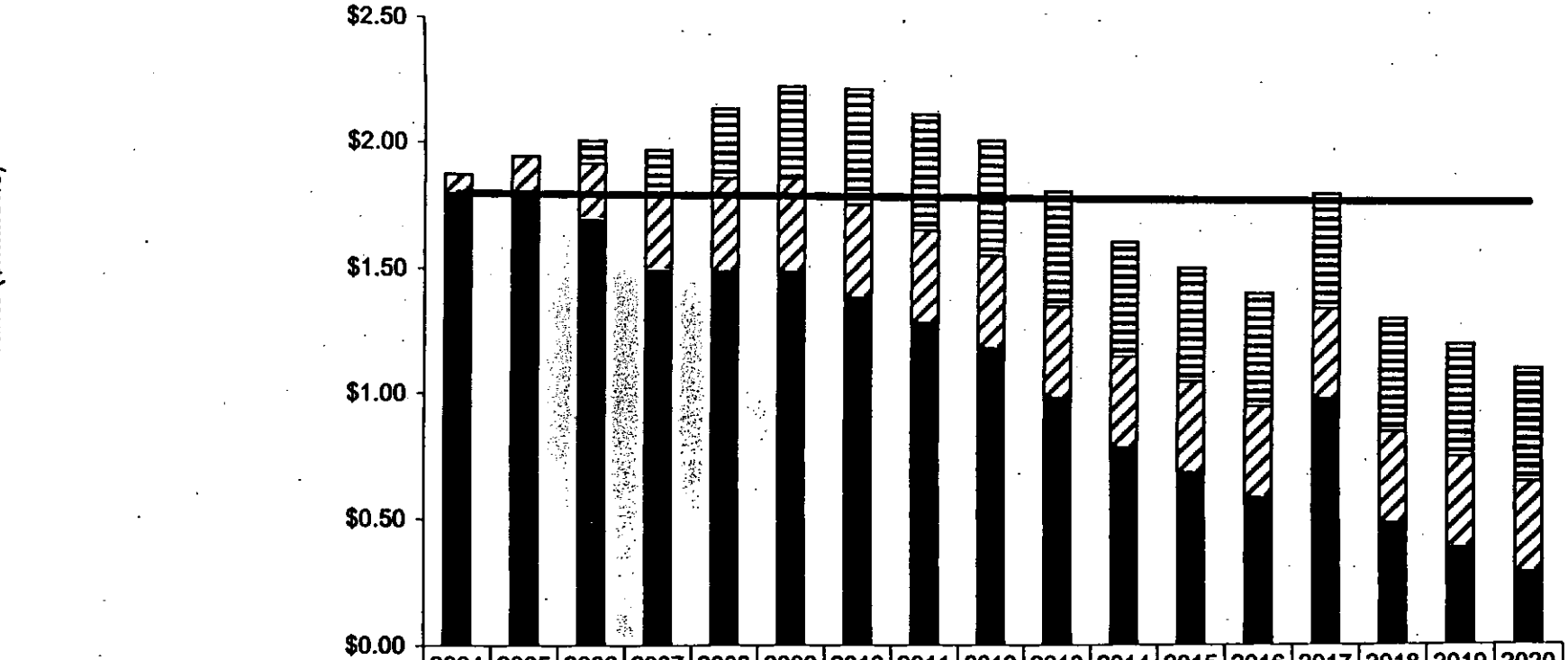
(r) For a regional water system project, evaluate the defined project to ensure that it is designed to provide an overall benefit to public health, safety, and economic well-being and that it is a cost-effective means of achieving these benefits.

14 Appropriation. The sum of $74,000 is hereby appropriated to the department of environmental services for the fiscal year ending June 30, 2004, and the sum of $147,000 for the fiscal year ending June 30, 2005, for the purpose of providing grants for regional water system projects under RSA 486-A. The governor is authorized to draw a warrant for said sums out of any money in the treasury not otherwise appropriated.

15 Effective Date. This act shall take effect on July 1, 2003.

ROB NAWN - 8/15/02 Department of Environmental Services

Figure 1
Estimated Annual State Aid Grant Payments for Existing Filtration Grants, and Proposed Regional Interconnections and Regional Source Development Grants



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Regional Source Development	$0.00	$0.00	$0.09	$0.18	$0.28	$0.37	$0.46	$0.46	$0.46	$0.46	$0.46	$0.46	$0.46	$0.46	$0.46	$0.46	$0.46
Regional Interconnection	$0.07	$0.15	$0.22	$0.29	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37
Surface Water Treatment Rule*	$1.80	$1.80	$1.70	$1.50	$1.50	$1.50	$1.40	$1.30	$1.20	$1.00	$0.80	$0.70	$0.60	$1.00	$0.50	$0.40	$0.30
2002 State Aid Grant Budget	$1.80	$1.80	$1.80	$1.80	$1.80	$1.80	$1.80	$1.80	$1.80	$1.80	$1.80	$1.80	$1.80	$1.80	$1.80	$1.80	$1.80

State Fiscal Year

Surface Water Treatment Rule* | Regional Interconnection | Regional Source Development | 2002 State Aid Grant Budget

Table 1
Estimated Costs for Interconnections of New Hampshire's Major Municipal Water Systems With Identified Need Based on 25% State Aid Grant

POSSIBLE INTERCONNECTING PUBLIC WATER SYSTEMS		ESTIMATED COST Per Connection	Regional Total
Seacoast			
Dover	Somersworth	180,000	
Durham	Newmarket	1,750,000	
Exeter	Hampton	1,250,000	
Hampton	Rye	180,000	
Newmarket	Newfields	650,000	
Portsmouth	Rye	550,000	
Rochester	Somersworth	450,000	
Rochester	Farmington	1,250,000	
Somersworth	Rollinsford	650,000	
Rollinsford	S. Berwick, ME	280,000	
Subtotal			**$7,190,000**
Southern Merrimack River Valley			
Concord	Pembroke	270,000	
Franklin	Tilton-N.	200,000	
Goffstown	Grasmere	650,000	
Manchester	Hooksett V.	750,000	
Manchester	Merrimack	500,000	
Manchester	Litchfield	1,050,000	
Milford	Wilton	550,000	
Salem	Bryant Woods	140,000	
Subtotal			**$4,110,000**
North Country			
Campton Village	Waterville Est	400,000	
Lower Bartlett	Jackson	1,050,000	
N. Conway	Conway	550,000	
Woodsville	N. Haverhill	390,000	
Woodsville	Mt. Lakes	200,000	
Northumberland	Lancaster	750,000	
Subtotal			**$3,340,000**
Lower Connecticut River Valley			
Claremont	N. Charlestown	750,000	
Charlestown	N. Charlestown	950,000	
N. Walpole	*Bellows Falls, VT	325,000	
Walpole	N. Wapole	1,150,000	
Subtotal			**$3,175,000**
Other Small System Interconnections and Contingency			**$2,185,000**
Estimated Total Interconnection Cost			**$20,000,000**
Estimated Total State-Aid Grant Cost (25%)			**$5,000,000**

Department of Environmental Services

Table 2
Estimated Costs for Water Supply Source Upgrades
With Potential Regional Benefits
Based on 25% State Aid Grant

System	Source Improvement	Estimated Cost
Manchester	Water treatment plant	$30,000,000
Pennichuck	Water treatment plant	$3,000,000
	Source Improvements	$10,000,000
Exeter	Water treatment plant upgrade	$20,000,000
Rochester	Source Improvements	$2,000,000
Somersworth	Water treatment plant upgrade	$1,000,000
Concord	Source Improvements	$2,000,000
Portsmouth	Water treatment plant upgrade	$10,000,000
Hampton	New Well	$500,000
Merrimack	New Well	$500,000
Newmarket	Water treatment plant upgrade	$1,000,000
Durham	Water treatment plant upgrade	$1,000,000
Hooksett Village	New Well	$500,000
Pembroke WW	New Well	$500,000
Subtotal		**$82,000,000**
Contingency		**$18,000,000**
Estimated Total		**$100,000,000**
Est. Average Regional Benefit (see Note 1)		**25%**
Estimated Cost Eligble for State-Aid Grant		**$25,000,000.0**
Estimated Total State Aid Grant (25%)		**$6,250,000.0**

NOTES

1. "Regional benefit" is the portion of the water supply source development cost that is considered to have regional significance. For example, a treatment plant may cost $10,000,000 with 75% of the capacity to address local needs and 25% regional needs. In this case, 25% of the total cost would be eligible for the 25% state-aid grants. The result is 5% of the total project cost is funded by the state-aid grant program.

Department of Environmental Services

CHAPTER 141
SB 437-FN-LOCAL – FINAL VERSION

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17apr02...3338h
5/2/02 3755eba

02-3163
06/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Two

AN ACT relative to the protection of public water supplies during emergency conditions and establishing a committee to study the formation of regional water systems and the eligibility of such systems for state construction grants.

Be it Enacted by the Senate and House of Representatives in General Court convened:

141:1 Petition to Protect Water Supplies; Emergency Conditions. Amend RSA 485:23 to read as follows:

485:23 Petition to Protect Water Supplies.

I. Whenever any board of water commissioners, local board of health, local health officer or 10 or more citizens of any town or city have reason to believe that a public water or ice supply is being contaminated or is in danger of contamination, and that the local regulations are not sufficient or effective to prevent such pollution, they may petition the department to investigate the case, and to adopt rules under RSA 541-A as the department may deem necessary for the protection of the said supply against any pollution that in its judgment would endanger the public health. Citizens petitioning under this section shall designate a signatory of the petition as the person to whom the department shall send its response.

II. Whenever any board of water commissioners, local board of health, or other owner of a public water supply has reason to believe that a public water supply is in danger of being contaminated or is otherwise threatened and that an emergency condition exists such that a petition pursuant to paragraph I to the department and the adoption of rules would not adequately protect the water supply, the board or owner may petition the governor to declare a state of emergency for the public water supply. At the request of the governor, the department shall consult with the owner of the water supply and make a recommendation as to emergency protections that may be necessary. If the governor declares a state of emergency for a public water supply, those additional protections that the governor deems necessary shall be effective immediately and for the duration of the emergency. The declaration of a state of emergency for a public water supply shall not exceed 6 months. The governor may renew the declaration one time for up to 6 additional months upon further request by the original petitioner. At such time as any of the emergency protections are to become permanent, the department shall initiate rulemaking in accordance with RSA 485:24. Any protections in the governor's declaration shall be

enforced in the same manner as rules adopted pursuant to RSA 485:24 or RSA 485:25 with violations of the protections subject to RSA 485:4 and RSA 485:58.

141:2 Investigations; Rules. Amend RSA 485:24, I to read as follows:

I. The department shall respond in writing to a petition filed under RSA [~~485:23~~] *485:23, I*, after due investigation, but not later than 30 days after receipt of the petition, informing the petitioners of the department's intended action. In response to a petition, or upon its own motion, the department shall adopt such rules under RSA 541-A as it may deem best to protect the water or ice supply against any dangerous contamination. If requested by the department, the local board of water commissioners, the local board of health, or the local health officer, shall enforce such rules in cooperation with the department.

141:3 Power to Require Improvements; Citizen Complaint Procedure. Amend RSA 485:4 to read as follows:

485:4 Power to Require Improvements.

I. The department is empowered to investigate the sanitary conditions and methods pertaining to the source, treatment, and distribution of all public water supplies for domestic use, and to require the application of any treatment or improvement in conditions and methods as it may deem necessary to insure fitness and safety and adequate protection of the public health. If the department determines that improvements are necessary, the municipality, corporation, or person shall be so notified in writing and the requirements so ordered shall be effected pursuant to RSA 38:25 within a reasonable time to be fixed by the department. Appeals of actions of the department may be made as provided in RSA 485:59. The department may set intermediate goals and time frames to assist municipalities, corporations, or persons to abide by an order of the department under this [~~section~~] *paragraph*.

II. Upon complaint of not less than 10 customers of an existing public water system or not less than 10 residents not currently served by a public water supply, the department shall make an investigation of conditions regarding water quality or quantity problems described in the complaint. If, as a result of any such investigation, the department concludes that a significant public health or safety problem exists due to water supply quality or quantity, it shall perform a preliminary analysis of alternatives which address the problem. The department may request additional information from the complainants and nearby public water supply system owners, such as data on water supply quality and quantity, well characteristics, and water distribution system characteristics, as is necessary to perform its investigation and analysis. If the department determines that an extension of water service from an existing public water supply system to the area of impaired water quality or quantity is the most feasible and cost-effective alternative, that the extension is consistent with municipal master planning, local water system policies

and rules, RSA 9-B, and RSA 162-C:2, V, and that the existing public water system has adequate water supply and system capacity to serve the problem area, the municipality, corporation, or person who owns the public water system shall be ordered to allow connection to its water distribution system from the identified area, regardless of existing municipal or public water system service area boundaries. The connection so ordered shall be effected pursuant to RSA 38:25 within a reasonable time to be fixed by the department and may contain limitations on water system connections unrelated to the original petition in order to limit unintended land use impacts. Appeals of actions of the department may be made as provided in RSA 485:59. The department may set intermediate goals and time frames to assist municipalities, corporations, or persons to abide by an order of the department under this paragraph. The provisions of this paragraph or of any order issued under this paragraph shall not delegate any costs associated with a connection to the person receiving the order from the department.

141:4 Public Utilities; Municipal Corporations; Sewage Disposal. Amend RSA 362:4, III to read as follows:

III. A municipal corporation furnishing [~~water or~~] sewage disposal services shall not be considered a public utility under this title:

(a) If [~~serving~~] *it serves* customers outside its municipal boundaries, charging such customers a rate no higher than that charged to its customers within the municipality, and [~~serving~~] *serves* those customers a [~~quantity and quality of water or a~~] level of sewage disposal service equal to that served *to* customers within the municipality. Nothing in this section shall exempt a municipal corporation from the franchise application requirements of RSA 374.

(b) If [~~supplying bulk water or~~] *it supplies* bulk [~~sewer~~] *sewage* disposal services pursuant to a wholesale rate or contract to another municipality, village district, or water precinct. [~~This subparagraph shall not apply to bulk water contracts which were in effect before July 23, 1989, or renewal of said bulk water contracts.~~]

141:5 New Paragraph; Public Utilities; Municipal Corporations; Water Supply. Amend RSA 362:4 by inserting after paragraph III the following new paragraph:

III-a.(a) A municipal corporation furnishing water services shall not be considered a public utility under this title:

(1) If it serves new customers outside its municipal boundaries, charging such customers a rate no higher than 15 percent above that charged to its municipal customers, including current per-household debt service costs for water system improvements, within the municipality, and serves those customers a quantity and quality of water or a level of water service equal to that served to customers within the municipality. Nothing in this paragraph shall exempt a municipal corporation from the franchise application requirements of RSA 374.

(2) If it supplies bulk water pursuant to a wholesale rate or contract to another municipality, village district, or water precinct. This subparagraph shall not apply to bulk water contracts which were in effect before July 23, 1989, or to the renewal of said bulk water contracts.

(b) The commission may exempt a municipal corporation from any and all provisions of this title except the franchise application requirements of RSA 374, and may authorize a municipal corporation to charge new and existing customers outside its municipal boundaries a rate higher than 15 percent above that charged to its municipal customers, if after notice and hearing, the commission finds such exemption and authorization to be consistent with the public good.

(c) A municipal corporation's authority to charge higher rates for new customers outside of its municipal boundaries shall be applied prospectively to new customers taking water service provided by means of a main extension or an expansion of the municipal corporation's system after the effective date of this paragraph.

(d) A municipal corporation serving customers outside of its municipal boundaries and charging a rate no higher than 15 percent above that charged to its municipal customers prior to July 1, 2002, may also be exempted from regulation as a public utility, except for the franchise application requirements of RSA 374, if after notice and hearing, the commission finds such exemption and authorization to be consistent with the public good.

141:6 New Section; Regional Technical Planning and New Source Development; Included in Rates. Amend RSA 378 by inserting after section 30-c the following new section:

378:30-d Regional Technical Planning and New Source Development; Included in Rates. Notwithstanding the provisions of RSA 378:30-a, the commission may include the cost or value of capital improvements or programs in the rates of a utility when the capital improvement or program is directly related to technical planning of regional water supply development or is directly related to development of new water supply sources.

141:7 Committee Established. There is established a committee to study the formation of regional water systems and the eligibility of such systems for state construction grant money under RSA 486-A.

141:8 Membership and Compensation.

I. The members of the committee shall be as follows:

(a) Three members of the house of representatives, appointed by the speaker of the house.

(b) Three members of the senate, appointed by the president of the senate.

II. Members of the committee shall receive mileage at the legislative rate when attending to the duties of the committee.

141:9 Duties. The committee shall study the formation of regional water systems and the eligibility of such systems for state construction grant money under RSA 486-A.

141:10 Chairperson; Quorum. The members of the study committee shall elect a chairperson from among the members. The first meeting of the committee shall be called by the first-named house member. The first meeting of the committee shall be held within 45 days of the effective date of this section.

141:11 Report. The committee shall report its findings and any recommendations for proposed legislation to the speaker of the house of representatives, the senate president, the house clerk, the senate clerk, the governor, and the state library on or before November 1, 2002.

141:12 Effective Date. This act shall take effect upon its passage.

(Approved: May 13, 2002)
(Effective Date: May 13, 2002)

Voting Sheets

HOUSE COMMITTEE ON RESOURCES, RECREATION AND DEVELOPMENT

EXECUTIVE SESSION on HB 738-FN-A-LOCAL

BILL TITLE: **permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor.**

DATE: March 6, 2003

LOB ROOM: 305

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: (OTP), OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Cooney

Seconded by Rep. Lawton

Vote: 15-0 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. David H. Russell, Clerk

HOUSE COMMITTEE ON RESOURCES, RECREATION AND DEVELOPMENT

EXECUTIVE SESSION on HB 738-FN-A-LOCAL

BILL TITLE: **permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor.**

DATE: 3/6/03

LOB ROOM: 305

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: (OTP) OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Cooney

Seconded by Rep. Lawton

Vote: 15-0 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. David H. Russell, Clerk

OFFICE OF THE HOUSE CLERK 2003 SESSION

RESOURCES, RECREATION AND DEVELOPMENT

Bill #: 738 FN-AL **Title:** Public Aid To Water Systems

PH Date: 1 1 **Exec Session Date:** 3 16 03

Motion: OTP **Amendment #:**

MEMBER	YEAS	NAYS
Royce. H Charles. Chairman	✓	
Lawton. David M. V Chairman	✓	
Cooney. Richard T	✓	
Fields. Dennis H		
Russell. David H	✓	
Bruno. Pierre W		
Christensen. D L Chris		
Akins. Ralph L	✓	
Camm. Kevin L	✓	
Ruffner. Walter D	✓	
Cail. Kenneth B		
Campbell. W Packy		
Laflamme. Charles F	✓	
Merrow. Harry C	✓	
Wiley. Robert W	✓	
Spang. Judith T	✓	
Donovan. Thomas E	✓	
McEachern. Paul		
Blevler. Ruth Z	✓	
Brueggemann. Donald A	✓	
Parkhurst. Henry A L	✓	
TOTAL VOTE:	16	0

Printed: 1/6/2003

Committee Report

COMMITTEE REPORT

COMMITTEE: **Resources, Recreation and Development**

BILL NUMBER: **HB 738-FN-A-LOCAL**

TITLE: permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor.

DATE: March 6, 2003 CONSENT CALENDAR YES ☐ NO ☒

☒ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

This bill is the result of a study committee form by SB 437 which was passed last year. That initiative encouraged regionalization of our public water systems. But provided no financial incentives. HB 738 provides access to some block grant money presently available to other initiatives, including surface water treatment plants. Access to these funds is also provided to funding the means to locate groundwater contamination, which would require the polluter, when found, to repay these costs.

Vote 15-0.

Rep. Richard T. Cooney
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

Resources, Recreation and Development

HB 738-FN-A-LOCAL, permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor. **OUGHT TO PASS**

Rep. Richard T. Cooney for Resources, Recreation and Development: This bill is the result of a study committee form by SB 437 which was passed last year. That initiative encouraged regionalization of our public water systems. But provided no financial incentives. HB 738 provides access to some block grant money presently available to other initiatives, including surface water treatment plants. Access to these funds is also provided to funding the means to locate groundwater contamination, which would require the polluter, when found, to repay these costs. **Vote 15-0.**

3/6/03 BLURB FOR HB 738 OTP

THIS BILL IS THE RESULT OF A STUDY COMMITTEE FORM BY SB 437 WHICH WAS PASSED LAST YEAR. THAT INITIATIVE ENCOURAGED REGIONALIZATION OF OUR PUBIC WATER SYSTEMS, BUT PROVIDED NO FUNANCIAL INCENTIVES. HB 738 PROVIDES ACCESS TO SOME BLOCK GRANT MONEY PRESENTLY AVAILABLE TO OTHER INITIATIVES, INCLUDING SURFACE WATER TREATMENT PLANTS. ACCESS TO THESE FUNDS IS ALSO PROVIDED TO FUNDING THE MEANS TO LOCATE GROUNDWATER CONTAMINATION, WHICH WOULD ~~BE REPLACED WHEN THE IDENTITY OF THE POLLUTER IS DETERMINED.~~ ~~APPROPRIATE CRITERIA FOR PRIORITIZING THE VARIOUS APPLICATIONS.~~ PRIORITIZING

VOTE: 15-0 OK CR

REQUIRE THE POLLUTER, WHEN FOUND, TO REPAY THESE COSTS.

Richard Cowan

COMMITTEE REPORT

COMMITTEE: **Finance**

BILL NUMBER: **HB 738-FN-A-L**

TITLE: permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor.

DATE: March 24, 2003 CONSENT CALENDAR YES ☐ NO ☒

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

This bill, as amended, reduces the appropriation to $1.00, but makes no other changes. The bill widens use of existing surface water filtration funds to include interconnections when/if money becomes available as the need for filtration declines.

Vote 19-0.

Rep. MaryAnn N. Blanchard
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

Finance

HB 738-FN-A-L, permitting aid to public water systems to be used for forming or improving regional water systems and making an appropriation therefor. **OUGHT TO PASS WITH AMENDMENT** Rep. MaryAnn N. Blanchard for Finance: This bill, as amended, reduces the appropriation to $1.00, but makes no other changes. The bill widens use of existing surface water filtration funds to include interconnections when/if money becomes available as the need for filtration declines. **Vote 19-0.**