NH Department of Environmental Services

FY 26/27 CAPITAL BUDGET

House Public Works & Highways Committee

March 10, 2025

NEW HAMPSHIRE DEPARTMENT OF Environmental Services

Summary of Requests

	Project Name	Amount Requested
1	Dams Repairs and Reconstruction	$10,810,000
2	Drinking Water SRF State Match	$8,846,360
3	Superfund State Match	$829,217
4	Clean Water SRF State Match	$9,467,496
5	Winnipesaukee Infrastructure Upgrades	$19,700,000
	TOTAL:	$49,653,073

NEW HAMPSHIRE DEPARTMENT OF Environmental Services

1. Dam Repairs & Reconstruction

Dam	Location	Amount
Lakeport Gates	Lake Winnipesaukee, Laconia	$1,000,000
Lakeport Flume	Lake Winnipesaukee, Laconia	$1,900,000
Horn Pond Dam	Wakefield	$2,000,000
Ossipee Lake Dam	Effingham	$1,250,000
Highland Lake Dam	Stoddard	$750,000
Lakeport Operator House	Lake Winnipesaukee, Laconia	$450,000
Murphy Dam Operator House	Pittsburg	$660,000
Flood Control Turf Equipment	n/a	$450,000
Murphy Dam Spillway	Pittsburg	$1,250,000
Pittsfield Mill Dam	Pittsfield	$500,000
Silk Farm Operation Center	Concord	$350,000
SCADA upgrades	Various	$250,000
	TOTAL	$10,810,000

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2. & 4. Clean Water & Drinking Water SRF Match

- The State provides a 20% match to the Drinking Water (DW) and Clean Water (CW) capitalization base grants.
- Match must be committed funds and identified in the State budget prior to EPA awarding grant funds.
- For FY26 Additional 20% match is needed for the Supplemental Grants from BIL
- Supplemental Grants for FY26 total $47.5 Million, requiring additional state match of $9.5 million
- Provides match for $96.6 million in federal funds

Provides low-interest loans for communities to build and/or upgrade drinking water and wastewater facilities.

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Clean Water & Drinking Water SRF Match Con't

Federal Fiscal Year (amounts shown in thousands)	**2026**	**2027**	**Biennial Total**
Base Awards	$22,100	$26,979	$49,079
Supplemental Awards	47,528	-0-	47,528
Total Awards	$69,628	$26,979	$96,607
Match Required	13,925	5,396	19,321
Less: Match On Hand	(1,017)	-0-	(1,017)
Needed Match	$12,908	$5,396	$18,304

This table shows Clean Water & Drinking Water SRF grants combined based on anticipated FFY 26/27 federal awards

3. Superfund State Match

- EPA federal program – Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) is commonly known as the Superfund Program
- NH has participated in this program for over 40 years
- Federal regulations require a 10% State Match for grant funds issued at superfund sites with no responsible party
- Match leverages approx. $12.6 million in federal funds

NEW HAMPSHIRE DEPARTMENT OF Environmental Services

5. WRBP Infrastructure Upgrades

- Winnipesaukee River Basin Program (WRBP) manages a regional wastewater treatment system that covers 10 communities ranging from Meredith to Alton to Laconia to Franklin
- The solids handling portion of the system is 40 years old and needs replacement
- Phased replacement of pipelines beginning with 2.5 miles in Belmont and 1.5 miles in Gilford/Laconia area
- WRBP Advisory Board fully supports this $19.7M capital request
- Project will be funded through a SRF loan and paid back through user fees

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DEPARTMENT OF ENVIRONMENTAL SERVICES
CAPITAL BUDGET LAPSE EXTENSION REQUEST
Presented to House Public Works & Highways Committee
March 10, 2025

The Department of Environmental Services (NHDES) respectfully requests that the following capital budget appropriations be extended as the funds are needed to pay for ongoing or anticipated capital projects during fiscal years 2026/2027. The explanations are grouped by subject matter. A summary of account balances is attached in Table 1.

Section 94 L'15, 220:1, VI-B Hazardous Waste Match
Section 92 L'17, 228:1, VIII-F Hazardous Waste Match

These appropriations are anticipated to be used for the State's 10% cost match for the cleanup of contaminated soil and/or groundwater at the following Superfund sites, the New Hampshire Plating Company site in Merrimack, the Collins & Aikman Plant in Farmington, and the Savage Municipal Water Supply Well site in Milford. The Federal Superfund Program by statute requires the State to contribute a 10% cost share to match the Federal 90% share for the cleanup of abandoned Superfund sites. The remaining balance of these appropriations leverages 10 times its value in Federal funds. Existing Capital Match budgets are currently targeted for use in support of the implementation of a groundwater remedy at the New Hampshire Plating Company site, which is scheduled to begin implementation in late FY25 and achieve construction completion in FY26. All federal Superfund work is dependent on which sites EPA prioritizes and the availability of federal funds. Therefore, any work on a specific site during a given biennium may be modified and other sites may be placed at a higher priority based on EPA's prioritization.

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Section 84 L'21, 107:1 V-3 Drinking Water State Revolving Fund State Match
Section 80 L'23, 113-IV:3 Drinking Water State Revolving Fund State Match

Federal mandates for the Drinking Water State Revolving Fund (DWSRF) program require a 20% state match to the federal grant (capitalization grant). Consequently, to receive and benefit from a federal DWSRF grant, the State must demonstrate that its budget includes the required 20% state match. The DWSRF grant is composed of two main components: loans for water infrastructure projects and set-asides. Set-asides are portions of each DWSRF grant earmarked for specific costs such as 15% for source water protection grants, 4% for administration, 2% for technical assistance, and 10% for state program management. Set-asides are drawn directly from the federal grant, while all of the state match funds are combined with the federal grant funds to make loans to public water systems.

Typically, it takes an average of 3 to 4 years between the time NHDES receives the DWSRF matching funds and the time NHDES is able to fully expend the match funds for public water supply projects funded by the DWSRF program. For each loan, NHDES allows up to approximately one year to allow for project planning and Town Meeting votes. In addition to this one year period, there is also a period of approximately two - three years between the time NHDES enters into a loan for a given project, and the time that the project is completed. Historically, this has been due to the long time frame inherent in the municipal drinking water facility construction and, therefore, loan disbursements. The communities that own and operate the water systems develop and implement the construction schedules. NHDES can only close projects out and complete payments after construction has been completed.

NHDES is currently spending out of 2022 and 2023 grant awards for both loans and the Set-Aside portion of the DWSRF program. The Set-aside portion of the DWSRF program includes funds for 25 staff who manage the loan program, perform large groundwater withdrawal and discharge permitting, provide technical assistance to communities and award asset management grants. Without the matching funds currently being requested to be retained, we would have to lay off these staff and close the program, resulting in NH communities losing the advantage of these low-interest loans.

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Section 82 L'21, 107:1 V-3 Clean Water State Revolving Fund State Match
Section 81 L'23, 113-IV:4 Clean Water State Revolving Fund State Match

Like the Drinking Water SRF program, federal mandates for the Clean Water (Wastewater and Stormwater) State Revolving Fund (CWSRF) program also require a 20% state match to the yearly federal capitalization grant. Consequently, to receive and benefit from a federal CWSRF grant, the State must demonstrate that its budget includes the required 20% state match.

Typically, it takes an average of 3 to 5 years between the time NHDES receives the CWSRF matching funds and the time NHDES is able to fully expend the match funds for public wastewater infrastructure projects funded by the CWSRF program. For each loan, there is a one-year period on average to allow for project planning and Town Meeting votes. In addition to this one-year period, there is also a period of approximately two to four years between the time NHDES enters into a loan for a given project, and the time that the project is completed. It takes several years to design, bid and construct multi-million dollar wastewater infrastructure projects. The CWSRF program disburses loan funds as costs are incurred, therefore it takes several years to disburse all funds. In addition, NHDES can only close projects out and complete payments after construction has been completed. It is important to note that match funds are dedicated to a particular project until construction has been completed. Only then may any unspent project match funds be re-obligated to another project. NHDES is currently spending out of the 2021 and 2022 grant awards for loans.

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Section 89 L'19, 146:1-VI-A Dam Repairs & Reconstruction
Section 83 L'21 107:1 V-2 Dam Repairs & Reconstruction
Section 76 L'23 113-IV:1 Dam Repairs & Reconstruction

Of the $4,144,500 appropriated in 2019 for Dam Repairs and Reconstruction, all except for nearly $61,000 has been expended or encumbered on dam repair or reconstruction projects as of March 1, 2023. The remaining balance from the 2019 appropriation is expected to be used for the ongoing Pine River Dam reconstruction project taking place on Pine River Pond in Wakefield. This project is being funded with a mix of ARPA and Capital Funds. Of the $8,100,000 appropriated in 2021 for Dam Repairs and Reconstruction, all except nearly $262,000 has been expended or encumbered on dam repair or reconstruction projects as of March 1, 2025. The remaining balance from the 2021 appropriation is also expected to be used for the ongoing Pine River Dam reconstruction project. Of the $750,000 appropriated in 2023 for Dam Repairs and Reconstruction, nearly $79,000 has been expended or encumbered on dam repair or reconstruction projects as of March 1, 2025. The remaining balance is expected to be used for the removal of the Israel River Ice Control Structure in Lancaster once the design and permitting is completed for the project.

Section 90 L'19, 146:1-VI-B Construction and Operations Facility

Of the $8,235,000 appropriated in 2019 for the Construction and Operations and Watershed/Spill Response facilities on Silk Farm Road in Concord, all except nearly $1,100 has been expended or encumbered as of March 1, 2025. NHDES is still in the process of following up on the payment of invoices from existing encumbrances and change orders, and purchases of equipment, tools and materials to complete the occupation and function of both facilities. These activities and expenditures are expected to continue through the end of 2025.

Section 93 L'17, 228:1-VIII-H Ossipee Lake Dam

Most of the $4,909,000 appropriated in 2017 for replacement of the Berry Bay Dam at the outlet of Ossipee Lake was expended during reconstruction of the dam in 2020 and 2021. Additional work was completed on a force account basis throughout the 2023 construction season. Currently operations of the dam are being reviewed with the assistance of an engineering consultant to ensure the most efficient operation of the dam. Additionally, the same consultant is evaluating the second dam at the outlet of Ossipee Lake, the Headworks Dam, to prepare a design package so that structure can be rehabilitated on a force account basis in the future. The remaining unencumbered $43,000 of the 2017 appropriation will be used for those ongoing engineering and operational evaluations on the two Ossipee Lake dams.

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Section 95 L'15, 220-1:VI-C Suncook River Infrastructure Protection Project

The 2006 avulsion on the Suncook River in Epsom is widely regarded as the most significant river change in New Hampshire recorded history. Following the avulsion, the Suncook River abandoned over a mile of its former channel, forging a new course through wetlands, working agricultural fields, and forested tracts of land. The newly formed channel was unstable and threatened to undermine the structural integrity of the U.S. Route 4 Bridge. NHDES assumed the leadership role in the project area and worked with a myriad of local, state, and federal project partners to develop river stabilization designs, permits, and plans that resulted in the Suncook River stabilization project that was completed in 2019. Since that time, design, assessment, and construction contractors remained involved with the project ensure that construction practices met the design objectives to protect the safety of the traveling public, river stabilization and ecological goals, and the state and federal permit requirements and conditions associated with this work.

The remaining encumbrance balance of $14,051 supports the on-call construction contract with F.L. Merrill that expires on December 31, 2028 (approved by G&C on November 8, 2023. Item #105). This construction contract is essential for responding to emergency construction needs should they arise within both Suncook River stabilization areas. This is one of the largest river stabilization projects in the state and extending this appropriation provides emergency construction response capabilities that are essential for the continued protection of the U.S. Route 4 Bridge, the safety of the traveling public, residential dwellings, and working, agricultural fields in Epsom.

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Section 91 L'19, 146:1, VI-E IT Upgrades for E-Permitting and Automation
Section 85 L-21 107:1 V-4 One Stop/IT Systems Upgrades
Section 77 L'23 113-IV:2 IT Infrastructure

NHDES & DoIT have contracted with Windsor Solutions to provide a comprehensive e-permitting and information management experience for our customers. This includes the ability to submit permit applications for our Land Resources Management programs (more than 10,000 permits annually) online, creating efficiencies for both NHDES staff and customers. Additionally, these enhancements will allow NHDES to migrate off legacy databases that store our permitting data and transition to a modern platform to house and display that data, making it easier for the public to access this critical information. For context, this information is heavily used for site selection and development, such as for housing, commercial projects, and more.

Because of the deadlines associated with the American Rescue Plan Act (ARPA), NHDES has prioritized IT infrastructure funding received under that program but still needs the capital budget funding to ensure this work is completed.

The capital funding is also being used to transition paper files to electronic records to free up physical storage space and allow NHDES customers to find their data online. Currently, in order to

access our septic records, customers call the department and staff would find the information they're seeking. Oftentimes, these records are off site, requiring staff to spend a significant amount of time searching for and our customers waiting to receive the information.

Without retaining the balances of these accounts currently being requested, existing e-permitting and modernization efforts would be cancelled, requiring NHDES to continue to maintain its antiquated IT solution and heavily rely on paper transactions to satisfy public need for permits and information.

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Section 97 L'11, 253:1-VI-E Winnipesaukee River Basin Improvements
Section 87 L'21 107:1 V-6 WRBP Upgrades
Section 79 L'23 113-IV:6 WRBP Upgrades

The Winnipesaukee River Basin wastewater collection and treatment plant has been in continuous operation for over 40 years. Much of the original equipment at the treatment plant and 13 pump stations have reached the end of their useful life, is either at or over capacity, lacks sufficient redundancy, or technological advances provide significant opportunities to increase efficiency, regulatory compliance, and/or reduce operating costs. In consultation with the WRBP Advisory Board, a Capital Improvements Plan (CIP) was originally completed in 2009 and is updated annually. The WRBP CIP identifies and prioritizes upgrades to the facilities buildings and infrastructure, including equipment, electrical and communications/monitoring systems. Priority is given to projects where a single point of failure represents a significant risk of non-compliant operations potentially leading to environmental impact or would have a short term return on investment with increased efficiency and safety of operations.

Design and construction projects in the CIP will utilize all available capital funds and an additional request is pending for FY2627 for funds necessary to complete some construction upgrade projects. Studies and evaluations need to precede any design or construction project. The evaluations currently underway include alternatives analyses for construction, equipment replacement and optimization centered on the solids, septic, and biogas handling processes at the WRBP Franklin WWTF. Significant retrofits of pump stations' emergency back-up power generators and transfer switches have also been prioritized, specifications have been completed, and procurements are pending. Alternatives analyses, system integrator services, programming, and equipment retrofits of the supervisory control and data acquisition (SCADA) with associated monitoring electronics and radio telemetry at the 13 remote WRBP pump stations are also included in the CIP using Capital Budget funding. Cybersecurity upgrades will be included in the SCADA upgrades to safeguard WRBP operational control. Collection system repairs, including the failing Belmont forcemain, and facilities upgrades, including debris removal processes, electrical control centers, laboratory, roofing and pavement/drainage restoration are also included in the on-going work. A study is currently underway to evaluate site-specific treatment/destruction methods for the PFAS entering the WRBP Frankin WWTF. Results of that study may lead to future pilots or further process modifications.

As in the past, WRBP capital projects will request a NHDES CWSRF loan or grant funding, if available, and use assessments for repayment.

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Section 86 L'21, 107:1 V-5 Coastal Flood Model
Section 88 L'21, 107:1 14-IV Coastal Flood Model

The Capital Budget appropriation is for the development of a hydrodynamic model for NH's coast and estuaries: the NH Coastal Flood Risk Model (NH-CFRM). The goal of the NH-CFRM and its data is to help state and local decision-makers and stakeholders in New Hampshire's Coastal Zone examine the flood risk of tidal flooding, storm surge, and present and future sea-level rise (SLR) on assets, infrastructure and natural resources.

Currently, statewide maps of water levels during coastal storm events and under potential SLR scenarios provide a rudimentary "bathtub" approach to depicting flood risk that does not account for ocean conditions such as waves and winds or for physical features on the landscape that dynamically interact with tidal floodwaters. Consequently, existing maps predict inundation in areas where flooding will not occur, while also misidentifying some areas as remaining dry that would be inundated. The results of the NH-CFRM will be publicly available for municipalities, state agencies, residents, and other stakeholders to understand flood risk on a parcel level scale for a variety of storm conditions and SLR scenarios.

The project was delayed by 6-8 months due to an issue with a critical data set. However, the project is scheduled to be completed in the summer of 2025.

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Section 78 L'23 113-IV:5 Ground Water Monitoring

The Capital Budget appropriation is to support the drilling of new bedrock monitoring wells and to equip wells with datalogging and telemetry equipment for real-time monitoring of groundwater levels throughout the State. The goal of this enhancement to the statewide Groundwater Level Monitoring Network is to deliver real-time and spatially appropriate quality groundwater data to support drought monitoring and groundwater resource management in the State. Prior to this project, the pre-existing network of 23 unique well sites lacked a statewide representative distribution of wells, which were concentrated in South-Central and Southeast New Hampshire, and also lacked the telemetry equipment to transmit information to the State and Federal decisionmakers and the public in real-time. The pre-existing density of the network was inadequate to accurately assess groundwater conditions in western and northern New Hampshire. The real-time data will be publicly available and accessible for state agencies, the National Weather Service

Forecast Office in Gray/Portland, national weekly drought map authors, residents and other stakeholders who seek the latest groundwater level information for their needs.

Currently, $261,368 of the original $490,875 appropriation (53%) remains available. All pre-existing and newly drilled wells within cellular coverage areas to date have been outfitted with real-time data loggers and telemetry, and are actively transmitting data which is available publicly. To date, 6 wells have been or are being drilled, with 3 more to be drilled under an existing contract. The remaining wells to be drilled, and attendant loggers to be purchased, will be procured in a second contract. The first phase was to initiate and execute real-time telemetry and public accessibility prior to new well drilling, which required considerable time to procure equipment, install and configure. The first phase contract for well drilling occurred in summer 2024, with drilling occurring as the contractor's schedule and site conditions can reasonably allow. Currently, NHDES is in the process of issuing a second contract for the balance of the wells to be drilled which will use all remaining funds.

CHANGES TO HB 25:

1. *DELETE Section 96 L'15 220:1 VI-F Permitting, Environmental Monitoring and Flood Forecasting*

This appropriation will be fully expended this fiscal year.

2. Amend the following section V. 5* to read: *To provide funds for the appropriations made in paragraph V, the state treasurer is hereby authorized to borrow upon the credit of the state not exceeding the sum of $19,700,000 and for said purpose may issue bonds and notes in the name of and on behalf of the state of New Hampshire in accordance with RSA 6-A. Payments of principal and interest on the bonds and notes shall be from the Winnipesaukee river basin control ~~replacement~~ fund established in RSA 485-A:~~51~~ 50

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TABLE 1
Department of Environmental Services
Capital Budget Lapse Extension Summary Table

HB 25 Ref #13-xx	Chapter Cite	Title	Original Appropriation	Balance as of 03.01.25	LESS: Current Encumbrances	LESS: Match Commitment	Remaining Available
76	2023, 113-1V:1	Dam Repairs & Reconstr	750,000	690,597	19,113	-0-	671,484
77	2023, 113-1V:2	IT Infrastructure	6,547,000	6,157,294	4,393,375	-0-	1,763,919
78	2023, 113-1V:5	Grnd Water Monitoring	490,875	369,297	107,929	-0-	261,368
79	2023, 113-1V:6	Winni Rvr Basin Upgrde	6,750,000	6,750,000	-0-	-0-	6,750,000
80	2023, 113-1V:3	Drnkng Wtr Rvlg St Mch	10,448,283	10,448,283	-0-	10,448,283	-0-
81	2023, 113-1V:4	Clean Wtr Rvlng St Mch	11,361,871	11,361,871	-0-	11,361,871	-0-
82	2021, 107:1 V-1	CWSRF State Match	8,489,400	4,150,551	-0-	4,150,551	-0-
83	2021, 107:1 V-2	Dam Repairs	8,100,000	5,583,003	5,321,378	-0-	261,625
84	2021, 107:1 V-3	DWSRF State Match	6,476,200	3,220,817	-0-	3,220,817	-0-
85	2021, 107:1 V-4	IT Upgrades	4,825,390	3,953,588	972,403	-0-	2,981,185
86	2021, 107:1 V-5	Coastal Flood Model	188,110	92,384	92,384	-0-	-0-
87	2021, 107:1 V-6	WRBP Upgrade	10,673,000	10,307,878	834,878	-0-	9,473,000
88	2021, 107:14-IV	Coastal Flood Model	161,890	161,890	161,811	-0-	79
89	2019, 146:IV:A	Dam Repairs	4,144,500	60,792	-0-	-0-	60,792
90	2019, 146:IV:B	Constr Facility	8,235,000	66,193	65,122	-0-	1,071
91	2019, 146:IV:E	IT Upgrades	1,460,970	371,415	371,415	-0-	-0-
92	2017, 228:1-VIII:F	Hazardous Waste Match	445,000	445,000	445,000	-0-	-0-
93	2017, 228:1-VIII:H	Ossipee Dam	4,909,000	343,407	300,000	-0-	43,407
94	2015, 220:1 VI-B	Hazardous Waste Match	500,000	325,784	325,784	-0-	-0-
95	2015, 220:1 VI-C	Suncook River	1,800,000	14,051	14,051	-0-	-0-
~~96~~	~~2015, 220:1 VI-F~~	~~Environmental Monitoring~~	~~1,000,000~~	~~12,703~~	~~9,428~~	~~-0-~~	~~3,275~~
97	2011, 253:1VI-E	WRPB Cap Improvement	3,950,000	3,901,453	577,653	-0-	3,323,800
		TOTALS	101,706,489	68,788,251	14,011,724	29,181,522	25,595,005