

Commission Members

Hon. William W. Boyd III
NH Business Community,
Chair

Josh Elliott
Governor's Designee

Hon. David Watters
NH State Senate

Hon. Jeb Bradley
NH State Senate

Hon. Linda Gould
NH House Representative

Hon. Peter Petrigno
NH House Representative

Rachel Miller
NH State Treasury

Robert Scott
NH Department of
Environmental Services

Michele Roberge
NH Division of Public Health

Michael Bergeron
NH Economic Development

Michael Dionne
NH Fish and Game

Jason Gagnon
NH Water Pollution Control
Association

Rick Russman
State & Regional Land Trusts

Marco Philippon
NH Water Works Association

Bernie Rousseau
Public Member

Andrea Kenter P.G.
Public Member

Vacant
Town Selectmen

Bruce Breton
Town Selectmen

Hon. Karen Umberger
Public Member

New Hampshire Drinking Water and Groundwater Trust Fund

2023 Annual Report



NEW HAMPSHIRE DRINKING WATER & GROUNDWATER TRUST FUND



Prepared by:
Department of Environmental Services
for the Drinking Water and Groundwater Advisory Commission

Table of Contents

- Executive Summary..... 1
- 1. Background and Purpose of the Trust Fund 1
 - 1.1 Establishment of the Trust Fund..... 1
 - 1.2 Goals of the Advisory Commission 2
- 2. Operation of Trust Fund Programs 2
 - 2.1 Drinking Water Construction Project Assistance Program 3
 - 2.2 Source Water Protection Grant Program 4
 - 2.3 NHDES’ Initiatives..... 6
- 3. Trust Fund Expenditures 7
 - 3.1 Spending History from 2017-2023 7
 - 3.2 Summary of 2023: Allocation of Trust Fund Balance and Spending..... 10
- 4. 2023 Program Updates and Status of Funded Projects 11
 - 4.1 Drinking Water Construction Project Assistance Program 11
 - Special Project Assistance 11
 - 4.2 Source Water Protection Program..... 13
 - 4.3 NHDES Initiatives..... 15
- 2024 Trust Fund Balance..... 20
- 2024 Spending Plan Allocations 20

Abbreviations and Acronyms used in this Report

Advisory Commission	Drinking Water and Groundwater Advisory Commission
CSAP	Construction Project Assistance Program
CPA	Consolidation Study Assistance Program
Legislature	New Hampshire General Court
MCL	Maximum Contaminant Level
MHI	Median Household Income
MtBE	Methyl-tertiary Butyl Ether
NHDES	New Hampshire Department of Environmental Services
NHDHHS	New Hampshire Department of Health and Human Services
NHDOE	New Hampshire Department of Education
PFAS	Per-and Polyfluoroalkyl Substances
ppb	Parts per a billion
RP	Responsible Party
SWP	Source Water Protection
Trust Fund	Drinking Water and Groundwater Trust Fund
USDA	United State Department of Agriculture
WAND	Water Assistance for Natural Disasters Program
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children

Executive Summary

The intent of this report is to provide an annual review of the work and projects funded by the Drinking Water and Groundwater Trust Fund (Trust Fund) in the 2023 calendar year as required by RSA 485-F:4 and develop the spending plan for the 2024 funding year consistent with RSA 485F:4, IX. Pursuant to RSA 485-F:4, VI the New Hampshire Department of Environmental Services (NHDES) is required to provide an annual report to the Drinking Water and Groundwater Advisory Commission (Advisory Commission) on expenditures from the Trust Fund for the calendar year, provide the status on projects begun or completed during the previous year, and report on the balance in the Trust Fund. The Advisory Commission reviews the work and projects funded by the Trust Fund, consults with the NHDES regarding these activities, and provides advice and counsel at regular meetings relative to future work and project priorities. The Trust Fund 2024 Spending Plan presents the target award allocation for grants and loans based on 20% of the Trust Fund balance.

1. Background and Purpose of the Trust Fund

1.1 Establishment of the Trust Fund

In 2013, the State of New Hampshire (State) went to trial against ExxonMobil Corporation as part of its 10-year lawsuit against refiners and suppliers of gasoline to seek compensation for damages associated with methyl-tertiary butyl ether (MtBE) contamination of groundwater and drinking water resources throughout the state. The State prevailed in a jury trial and was awarded \$236 million in damages. During the pendency of the appeals process, the New Hampshire General Court (Legislature) established the Drinking Water and Groundwater Trust Fund (Trust Fund) to receive these funds (RSA 485-F, effective March 31, 2016). In June of 2016, after all appeals were exhausted, and verdict proceeds plus interest had been disbursed in accordance with state law, \$277 million was deposited into the Trust Fund. The Legislature established the Trust Fund to:

“...provide for the protection, preservation, and enhancement of the drinking water and groundwater resources of the state” (RSA 485-F:1)

The Legislature formed the Advisory Commission to consult with and advise NHDES relative to the proper administration and management of the Trust Fund. The [Advisory Commission consists of nineteen members](#), including representatives of five State agencies, members of the House of Representatives and Senate, municipal officials, and members of the public. The Advisory Commission administers the Trust Fund through the NHDES’ MtBE Remediation Bureau.

NHDES is responsible for administrative support to the Advisory Commission and manages the programs and projects listed in RSA 485-F:3. The programs and projects include:

- Investigating, managing, and remediating contaminated groundwater.
- Assisting local and regional entities in the development and administration of local wellhead protection programs, including delineation of wellhead protection areas and the inventory and management of activities which have a potential effect on groundwater quality.
- Maintaining a statewide map identifying the classes of groundwater.

- Measuring levels of contamination statewide and generating maps to show the areas of greatest contamination.
- Maintaining an inventory of wells serving public water supply systems, and to the extent practicable other wells, and establishing a priority list for delineation of systems that are currently contaminated with MTBE.
- Administering a competitive grant program for drinking water protection projects.
- Administering the revolving loan fund.

1.2 Goals of the Advisory Commission

The long-term goals of the Advisory Commission as adopted October 5, 2017, are to:

- Protect public health and promote the completion of cost-effective projects.
- Manage the fund balance and longevity of the fund by awarding 20% or less of the corpus annually as a mix of grants and loans.
- Advance water infrastructure sustainability through the promotion of asset management and financial planning.
- Collaborate with other funding programs such as the Drinking Water State Revolving Loan Fund, Community Loan Fund, United States Department of Agriculture (USDA) Rural Development program, other USDA programs that protect drinking water, Community Development Block Grants through the US Department of Housing and Urban Development and Community Development Finance Authority, Northern Borders Regional Commission, or private investment to leverage funds to the greatest extent possible.
- Provide input on the expenditure of public funds for the purpose of directing investment toward improvements that maximize public benefits, maintain affordability, promote sustainability, and increase public water systems' technical, managerial, and financial capacity.

To achieve these goals, the Advisory Commission provides loans and grants to projects that ensure the continued availability of safe drinking water to New Hampshire's citizens, while maximizing the return on investments to achieve longevity of the Trust Fund. The Advisory Commission strategically awards grants, loans, and matching funds on a competitive basis to projects that will protect, preserve, and enhance drinking water and groundwater.

2. Operation of Trust Fund Programs

The Advisory Commission provides grants and loans for drinking water projects through its core programs and NHDES' initiatives (Figure 1). The Advisory Commission adopted [Rules for Construction Projects](#) and [Rules for Source Water Protection Grants](#) to establish criteria for evaluating the merits of a proposed project for grants and loans. NHDES administers the grants and loans in accordance with RSA 485-F:3, II and [NH Code of Administrative Rules Chapter Env-Dw 1300 – Administrative Procedures for Grants and Loans from the Drinking Water and Groundwater Trust Fund](#). The Advisory Commission may also publish guidance to solicit drinking water projects beneficial to New Hampshire based on current priorities and water needs of the State.

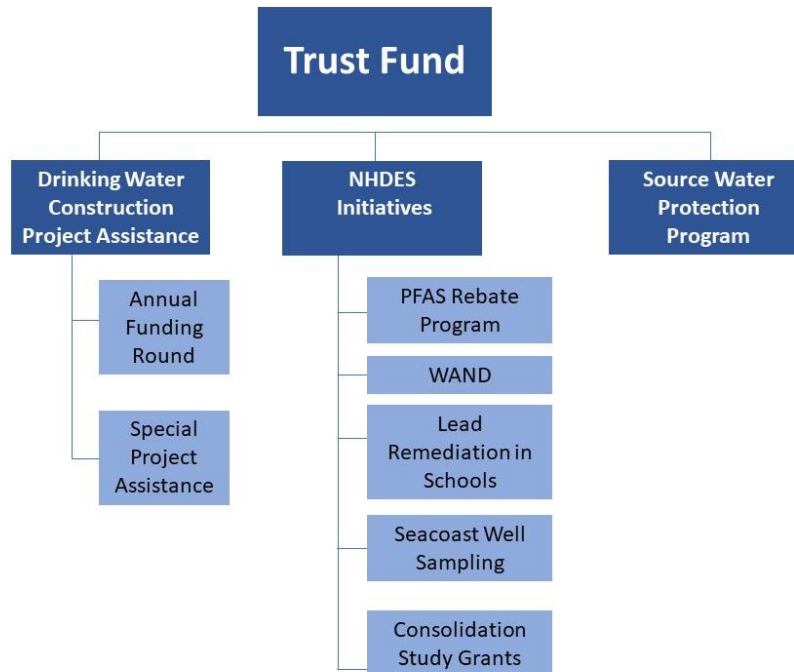


Figure 1. Organizational chart of current Trust Fund programs and ongoing NHDES Initiatives.

2.1 Drinking Water Construction Project Assistance Program

The construction loan and grant program provides funding to projects that build and enhance drinking water infrastructure, improve water quality, increase the viability or longevity of an existing drinking water system, and enable the State to meet present and future drinking water needs.

Annual Funding Round: The Annual Drinking Water Construction Project Assistance Program provides loans and grants on a competitive basis. Each spring, the Advisory Commission determines the funding amounts allocated for the program, establishes funding priorities, and sets the application due date. NHDES announces a request for proposals through outreach with water systems, a collaborative workshop with other funders, and NHDES’ webpage. Once applications are received, NHDES performs a review for eligibility and completeness. A subcommittee evaluates the merits of the projects based on criteria and makes recommendations to the Advisory Commission on which projects to fund.

Funding Priorities Used By the Subcommittee to Evaluate Projects for Funding

The Advisory Commission has identified the following types of projects as priorities to fund:

- The removal, reduction, or mitigation of contamination in groundwater or drinking water. Contamination is defined as an exceedance of a drinking water Maximum Contaminant Level (MCL) and/or water quality standards.
- The interconnection or consolidation of two or more public water systems.
- Projects that are regionally significant by expanding an existing or creating a new community water system to address contamination or current and future supply needs.
- Projects that promotes economic development for the state by improving water system accessibility and/or increasing capacity to areas without access to a public water system.

Other Criteria Considered to Evaluate Projects for Funding

The Advisory Commission uses the following criteria and evaluating applications seeking grant and/or loan funding for projects:

- The proposed project is associated with a public water system that serves customers with a low median household income (MHI; defined as less than the state MHI of \$83,449 using the 2017 – 2021 American Community Survey data,) or high Affordability Index (water rates/MHI is greater than 1.5).
- The application prioritizes a Trust Fund loan request over a Trust Fund grant request.
- The project addresses an infrastructure deficiency documented by NHDES that requires improvements to meet compliance.
- The project will have long-term viability and is consistent with the applicant’s established Asset Management Program and proposed management of assets, capital improvement plans, and rate analysis associated with the project.
- The project will be energy efficient or increase the energy efficiency of the public water system.
- The project will improve water efficiency.
- The project involves a unique or innovative approach that enhances public health, cost savings and/or improve the reliability of safe drinking water.

Upon recommendations from the Subcommittee, the Advisory Commission votes to approve projects for funding. NHDES notifies recipients and coordinates to obtain necessary documentation for Governor and Executive Council approval. The Advisory Commission reserves the right to deny funding to any applicant that does not comply with the applicable rules of the Advisory Commission and [NHDES Code of Administrative Rules Env-Dw 1300](#).

Special Project Assistance: An applicant may apply at any time if the project meets one of the criteria listed below. Applications for special project assistance are evaluated on a case-by-case basis based on the justification as why the project should be considered outside of the annual application schedule. The Advisory Commission votes to approve Special Projects for funding at the regular meetings.

- **Projects Addresses Drinking Water Contamination**
- **Time Criticality:** Aspects of the project make it impractical to wait for the next annual round, such as public health concerns, delays that would significantly impact project cost, a project is tied to another project’s schedule where completion is critical for efficiency or cost savings, or a project is co-funded and those external funds are reliant on a decision from the Trust Fund.
- **Financial Hardship:** The applicant cannot afford to incur additional debt because of a low MHI (< state MHI) or high Affordability Index (>1.5; defined as annual water rates/MHI).
- **Projects that Support Economic Growth:** Projects that create or expand drinking water systems which in turn expand the economic wellbeing of a community

2.2 Source Water Protection Grant Program

The Source Water Protection (SWP) Program provides grants to permanently protect lands that contribute source water to public drinking water systems. Eligible lands are identified in the recent publication of the Geographical Information System dataset maintained by NHDES titled “High Priority Water Supply Lands” and available online through the [Source Water Protection - Eligible Lands Mapper](#) (Figure 2). A project may also apply for grant funds to protect land that is anticipated to provide a future public drinking water supply source for a public water system. The SWP Program funds up to 50% of the total project costs, with a maximum grant award of \$500,000. Applicants who leverage as much outside

funding as possible and demonstrate efforts to obtain matching funds are given higher priority. Pre-applications are due to NHDES annually each spring and projects that are eligible are invited to submit a full application.

A subcommittee of the Advisory Commission evaluates projects and makes recommendations on which applications to fund to the Advisory Commission based on the criteria listed below:

- Total acres of “High Priority Water Supply Lands” that will be permanently protected;
- Whether the project area has been identified in a land conservation plan as a high priority for conservation, specifically for water supply or water quality protection;
- Proximity to a public water supply well or intake;
- Other surface waters that will benefit from the project such as frontage on rivers, streams, tributaries, lakes, ponds, and wetlands;
- Type of water system whose source is to be protected and the population served;
- Value of match and documented efforts to obtain outside funding;
- Project readiness; and
- Land development pressure in the vicinity of the project.

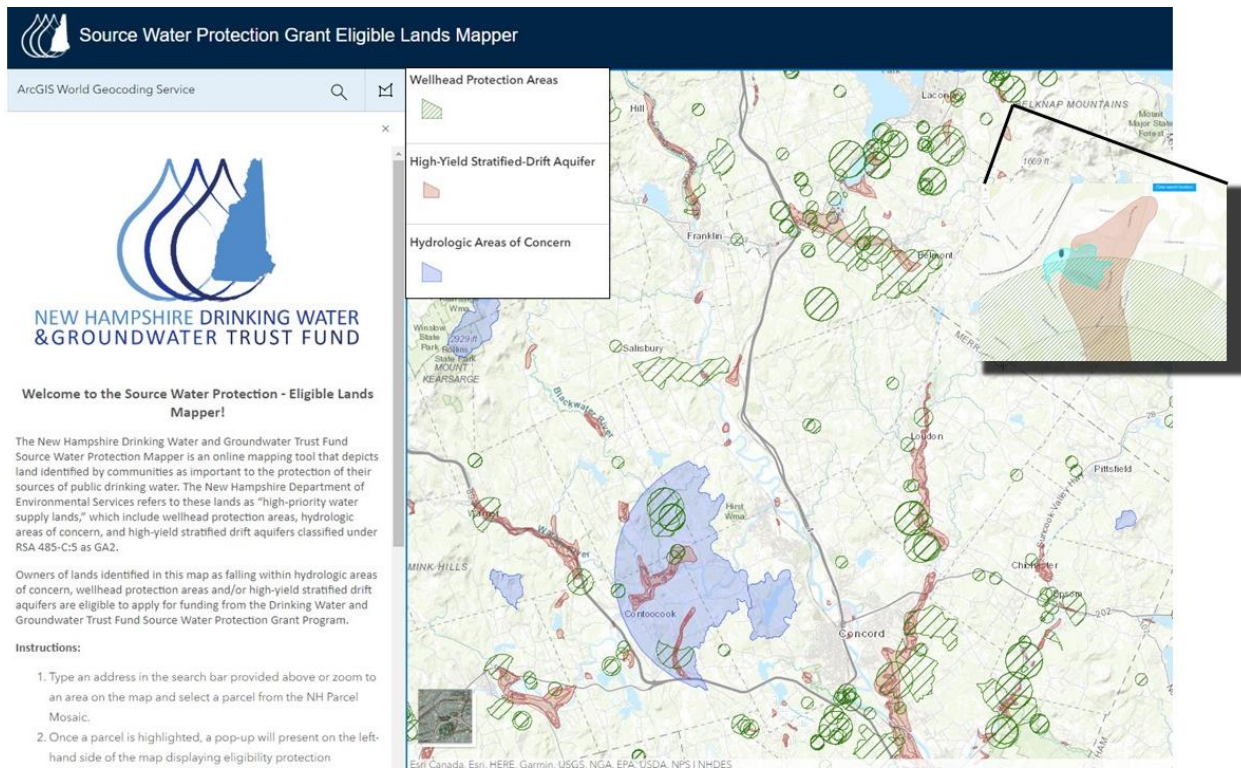


Figure 2. Snapshot of the new online Source Water Protection Eligible Lands Mapper launched in 2023.

2.3 NHDES' Initiatives

NHDES may request funding consistent with its duties to administer the Trust Fund in accordance with RSA 485-F:3, I. To date, the Advisory Commission has approved nine NHDES Initiatives (Table 1) that continue to be managed, and updates are provided to the Advisory Commission at regular meetings. In 2023, the Advisory Commission approved to reallocate a \$1,000,000 grant that had been previously awarded in 2018 to the Department of Education (NHDOE) for lead remediation in schools and daycares, to NHDES to distribute \$1,000,000 as grants to schools and \$400,000 to the Department of Health and Human Services for daycares.

Table 1. Summary of NHDES Initiatives approved since 2017 and their status.

NHDES Initiative	Year Approved	Amount	Description	Status
Statewide Private Well Sampling	2017	\$500,000	Sampling program to evaluate water quality of private drinking water wells	Complete
Water Well-ness Program	2019	\$333,278	Pilot program to provide water testing and filter pitchers to low-income expectant mothers	Discontinued in 2023
Water Infrastructure Improvement for the Nation Grant Match	2020	\$343,636	Matching funds to an EPA WIIN grant to Weare and Marlborough.	Complete
Low-Income Residential Drought Assistance Program	2021	\$450,000	Assistance for qualifying applicants who primary residential water well has been impacted by drought	Complete
Consolidation Study Assistance Program	2021	\$200,000	Planning grants for public water systems to identify and evaluate the feasibility and cost-effectiveness of connecting to a community water system	Ongoing
Water Assistance for Natural Disasters	2022	\$1,250,000	Financial assistance for qualifying low-income homeowners experiencing well problems due to extreme weather event or other natural hazard	Ongoing
PFAS Rebate Program	2022	\$5,000,000	Provide up to \$10,000 for treatment or \$5,000 for private well owners with PFAS contamination to interconnect to a PWS	Ongoing
Seacoast Private Well Initiative	2022	\$289,767	Outreach and sampling program for residential private wells in 11 coastal communities	Ongoing
Lead Remediation in Schools and Daycares	Originally approved in 2018	\$1,400,000	Reallocated previous \$1,400,000 grant to NHDOE to disburse as grants to schools and childcare centers for lead remediation.	Ongoing

3. Trust Fund Expenditures

3.1 Spending History from 2017-2023

Since the establishment of the Trust Fund, the Advisory Commission has awarded a total of \$200.2 million in grants and loans for drinking water infrastructure construction projects, source water protection projects, and NHDES' initiatives (Table 2). Of this total, \$127,893,252 (64%) was distributed as grants and \$72,345,999 (36%) as loans across the three programs over the past seven years. The most grant funds were awarded in 2019, when \$32.7 million was awarded under the Construction Project Assistance Program to the Towns of Salem and Derry, the Hampstead Area Water Company, and Manchester Water Works for the Southern NH Region Interconnection Project – Phase I. It is important to note that in 2019, \$11,174,000 of the total \$39.2 million grant awards was for the Merrimack Source Development Charge, of which \$3,444,053 has been paid back to date with the remaining balance expected to be repaid over the next several years. In 2019, the Legislature appropriated \$6,000,000 to NHDES and \$500,000 to NHDHHS for PFAS investigations and studies; the agencies were paid on a reimbursement basis for the work completed.

Table 2. Summary of Trust Fund grants and loans by calendar year for all programs combined. The grants category includes Drinking Water Construction Project Assistance, Source Water Protection, and NHDES Initiatives. The amounts presented are the committed funds and may be at various stages of obligation and expenditure. Totals do not include awards that were declined or the 2019 Legislative appropriations.

Calendar Year	Grants	Loans	Total Awards
2017	\$12,030,000	\$25,066,500	\$37,096,500
2018	\$14,339,833	\$7,641,000	\$21,980,833
2019	\$39,057,272	\$17,194,315	\$56,251,587
2020	\$17,954,572	\$1,756,250	\$19,710,822
2021	\$16,086,912	\$7,990,123	\$24,077,035
2022	\$17,997,519	\$4,664,861	\$22,662,380
2023	\$10,427,145	\$8,032,950	\$18,460,095
Total	\$127,893,252	\$72,345,999	\$200,239,251

Since 2017, the Construction Project Assistance Program has awarded \$110,025,003 in grants and \$72,345,999 in loans to a total of 121 individual drinking water infrastructure projects for general infrastructure upgrades, interconnecting small systems to municipal water, watermain replacements, and treatment systems for contaminants (Table 3). The Source Water Protection Program has awarded \$9,501,569 to 51 land protection projects since 2017. The Advisory Commission has awarded \$8,366,681 for eight NHDES Initiatives (Table 1) and approved to reallocate \$1,400,000 grant funds originally awarded to NHDOE to NHDES and New Hampshire Department of Health and Human Services (NHDHHS) to continue the lead remediation in schools and daycares initiative. The Trust Fund has leveraged significant outside funding sources from Federal and State programs, as well as stakeholder investment and local funds, totaling \$221,534,752 in matching funds for Drinking Water Construction and Source Water Protection Projects (Table 3 and Figure 3).

Table 3. Summary of Trust Fund grants and loans since 2017 by calendar year by program. The amounts presented are the committed funds and may be at various stages of obligation and expenditure. Grant and loan amounts presented in millions of dollars. Totals listed do not include awards that were declined.

	Construction Project Assistance Loans	Construction Project Assistance Grants	Source Water Protection Grants	NHDES Initiatives Grants	Total All Awards	Leveraged Outside Funds
2017	\$25,066,500	\$11,330,000	\$200,000	\$500,000	\$37,096,500	\$48,770,430
2018	\$7,641,000	\$12,032,277	\$2,307,556	\$0	\$21,980,833	\$17,260,425
2019	\$17,194,315	\$37,717,017	\$1,006,977	\$333,278	\$56,251,587	\$30,140,018
2020	\$1,756,250	\$16,899,350	\$711,586	\$343,636	\$19,710,822	\$22,750,135
2021	\$7,990,123	\$14,081,945	\$1,354,967	\$650,000	\$24,077,035	\$33,821,269
2022	\$4,664,861	\$9,913,200	\$1,544,552	\$6,539,767	\$22,662,380	\$21,469,310
2023	\$8,032,950	\$8,051,214	\$2,375,931	\$0	\$18,460,095	\$47,323,165
Totals	\$72,345,999	\$110,025,003	\$9,501,569	\$8,366,681	\$200,239,251	\$221,534,752

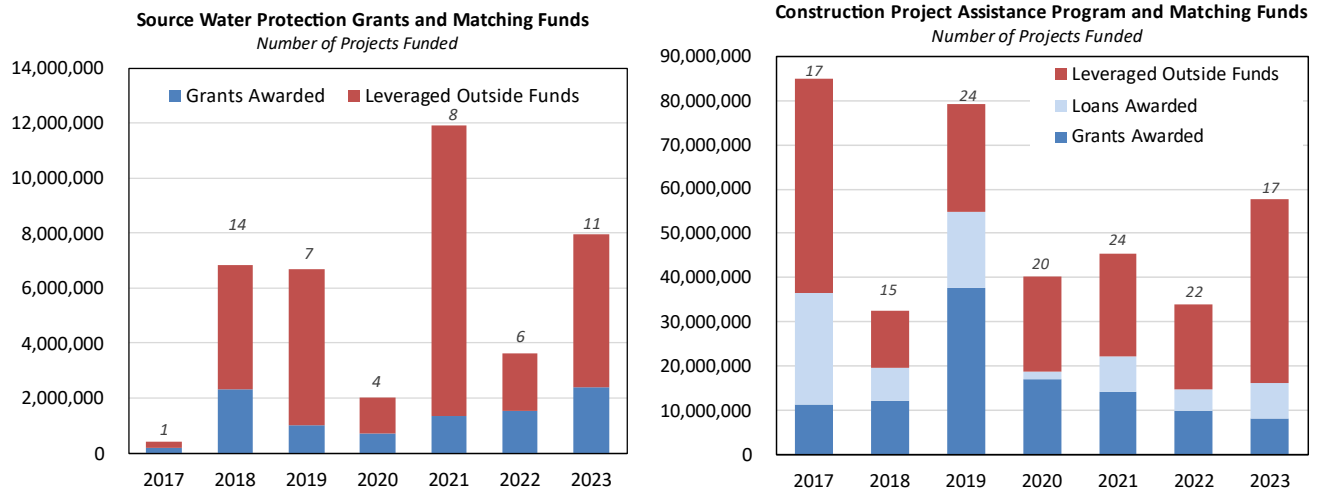


Figure 3. Summary of Trust Fund grants and loans for the Source Water Protection and Construction Assistance since 2017 by calendar year. Number of projects funded each year includes additional awards to provide gap funding.

A total of \$29,987,056 in outside funds was leveraged for the 51 land protection projects funded by the Source Water Protection Program (Figure 3). On average, the Trust Fund grant contribution was 31% of total project costs annually, ranging from 11% in 2021 to 47% in 2017. The Construction Project Assistance Program has leveraged a total of \$191,547,696 for the 121 funded projects. Since 2017, on average, 48% of the total project costs annually were from outside funding sources, ranging from 28% in 2023 to 69% in 2019.

The Advisory Commission typically aims to award funds annually as 60% grant and 40% loans across all programs. Over the past seven years, the Advisory Commission has approved on average 66% of the annual awards as grants and 34% as loans (Figure 4). However, this ranges from 91% grants awarded in 2020 to only 32% grants in 2017.

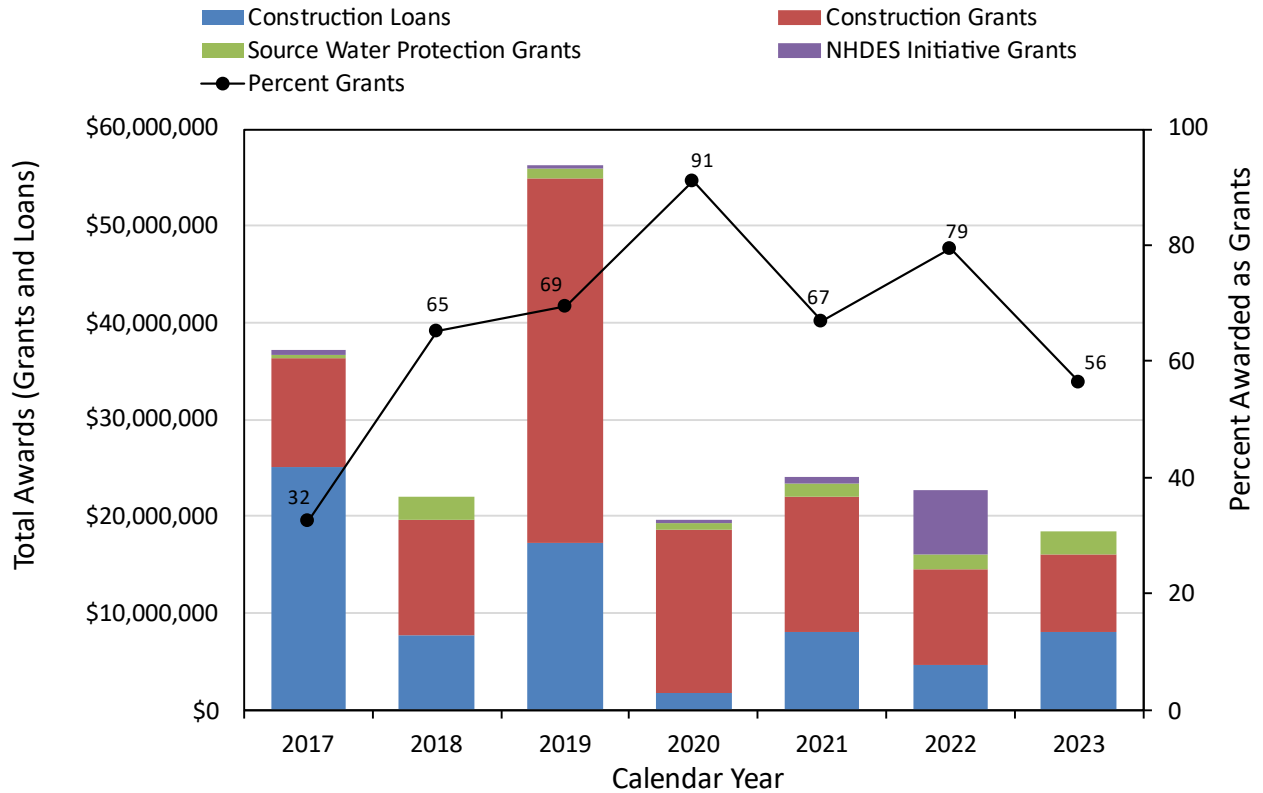


Figure 4. Summary of Trust Fund grants and loans since 2017 by calendar year for the the Drinking Water Construction Project Assistance Program, Source Water Protection Program, and NHDES Initiatives. The amounts presented are the committed funds and may be at various stages of obligation and expenditure.

3.2 Summary of 2023: Allocation of Trust Fund Balance and Spending

In April 2023 the Advisory Commission allocated \$21,776,141, which was 20% of the Trust Fund balance of \$108,880,703 (as of January 1, 2023), to be available for funding through the Construction Project Assistance Program, Source Water Protection Grant Program, and NHDES Initiatives (Table 4). The Advisory Commission set the goal to award 50% of the total allocation for Construction Project Assistance Grants, 40% for Construction Project Assistance Loans, \$2,000,000 for Source Water Protection Program grants, and the remaining \$177,614 for NHDES Initiatives (Table 4).

The total amount of grant and loan awards approved by the Advisory Commission for the 2023 calendar year was \$21,735,095, however, one project subsequently declined their \$3,275,000 loan award (City of Rochester; Table 5), bringing the total awards to \$18,460,095. In 2023, the awards were distributed as 56% grants and 44% loans. The Advisory Commission spent \$3,316,046 less than the allocated amount for the calendar year.

Table 4. Funds allocated from the Trust Fund balance for 2023 and awards authorized by the Commission.

	Construction Project Assistance Grants	Construction Project Assistance Loans	Source Water Protection Grants	NHDES Initiatives Grants	Total
Allocated	\$10,888,070	\$8,710,456	\$2,000,000	\$177,614	\$21,776,141
Awarded	\$8,051,214	\$8,032,950	\$2,375,931	\$0	\$18,460,095
Difference (-)	\$2,836,856	677,506	+ \$375,931	\$177,614	\$3,316,046

4. 2023 Program Updates and Status of Funded Projects

4.1 Drinking Water Construction Project Assistance Program

Annual Funding Round- The 2023 Annual Funding Round for Drinking Water Construction Project Assistance Program was promoted on the Trust Fund’s webpage, and several outreach sessions were held to solicit requests for proposals in spring 2023. NHDES received 29 applications that had projects from 26 municipalities that included projects to develop a new source and water supply; address contamination; increase storage capacity, upgrade electrical and metering components; and replace watermain and distribution systems. The Construction Project Subcommittee reviewed the applications according to the evaluation criteria and made recommendations to fund 12 projects (Table 5) and defer another four projects to reapply through the Special Project Assistance Program with more information. The Advisory Commission voted on November 20, 2023 to approve \$11,307,950 in loans and \$2,661,586 in grants for the projects listed in Table 5 (shown in blue on Figure 5). The City of Rochester subsequently declined a \$3,275,000 loan offer, reducing the total loan awards in 2023 to \$8,032,950.

Special Project Assistance- In 2023, seven applications were reviewed in the Special Projects Assistance Program (Table 6 and Figure 5). These projects generally addressed contaminated drinking water supplies and time critical water system improvements. The Commission approved funding for all seven projects, totaling \$5,389,628 in grants and \$0 in loans.

Figure 5. Map of projects funded in 2023 for the Construction Project Assistance Program during the Annual Round (blue) and as Special Projects (yellow), and the Source Water Protection Program (red).

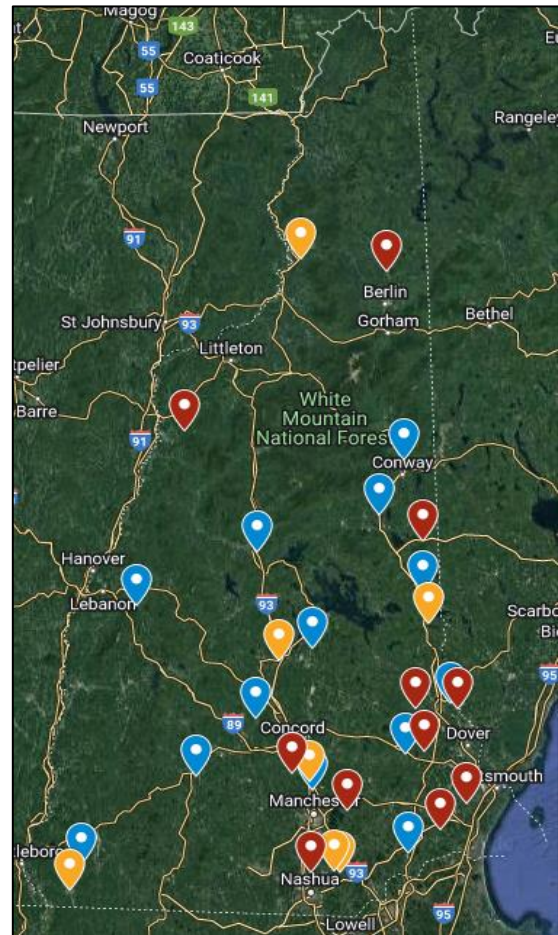


Table 5. Projects approved by the Advisory Commission in 2023 for Drinking Water Construction Project Assistance Annual Round. Total loan amount excludes the declined loan award for City of Rochester.

Applicant	Town	Project Name	Loan	Grant
Emerald Lake Village District	Hillsborough	ELVD Water Distribution Upgrades	\$0	\$390,000
Highland Place	Tamworth	Water System Improvements	\$282,000	\$50,000
Lakes Region Mobile Home Park	Belmont	Distribution Replacement and Pumphouse	\$812,500	\$812,500
Lakeview Condo Association	Enfield	Water System Improvements	\$350,000	\$150,000
Michawanic Village Condo Association	Wakefield	Expansion Tank Project	\$100,000	\$0
North Conway Water Precinct	North Conway	Pressure Zone Connection	\$1,357,200	\$150,800
Pillsbury Lake Village District	Webster	Source Capacity Improvements	\$66,250	\$198,750
Pine Grove Mobile Home Park	Swanzy	Water Distribution System Completion	\$0	\$265,755
Pine Valley Estates	Kingston	Source Replacement and Pumphouse	\$115,000	\$215,000
Plymouth Village Water and Sewer District	Plymouth	Holderness Well Continuation	\$0	\$428,781
City of Rochester-DECLINED	Rochester	Salmon Falls Booster Pump Station Upgrade	(\$3,275,000)	\$0
Rye Water District	Rye	Central Water Treatment Plant	\$4,950,000	\$0
Total Awards			\$8,032,950	\$2,661,586

Table 6. Projects approved by the Commission in calendar year 2023 for Drinking Water Construction Projects Assistance - Special Project Assistance Program.

Applicant	Location	Project Name	Loan	Grant
Town of Hooksett	Hooksett	Route 3A TIF District Infrastructure Expansion	\$0	\$384,170
Town of Northumberland	Northumberland	Hill Area Infrastructure Improvements	\$0	\$1,500,000
Olde Country Village Cooperative, Inc	Londonderry	Interconnection with Pennichuck Water Works for PFAS	\$0	\$900,000
Rolling Meadows Condominium	Londonderry	Interconnection with Pennichuck Water Works for PFAS	\$0	\$620,000
Town of Sanbornville	Sanbornville	Watermain Gap Funding	\$0	\$300,000
Tilton-Northfield Water District	Tilton	Iron and Manganese Water Treatment Facility	\$0	\$1,585,458
Town of Winchester Water Department	Winchester	Water Storage Tank, Watermain, and Booster Station	\$0	\$100,000
Total Awards			\$0	\$5,389,628

Status of Funded Drinking Water Construction Projects

Since 2017, the Advisory Commission has awarded 125 projects funding for drinking water infrastructure. Of these, four declined their funding offer and withdrew from the program. As of December 31, 2023, 59 construction projects have been completed, with 20 loans in repayment status. NHDES is currently managing 62 active projects, 43 are in engineering design and permitting phase, and 19 projects are currently under construction.

4.2 Source Water Protection Program

Annual Funding Round- The Advisory Commission approved to allocate \$2.0 million for the Source Water Protection program for the 2023 grant round. The program received the highest number of pre-applications dating back to 2018. NHDES received a total of 21 pre-applications with a preliminary grant request of \$4.6 million. All pre-applications were deemed eligible and were invited to submit full funding applications. NHDES received 15 final applications in September 2023 from 7 regional land trusts, 3 large non-profit organizations, 1 small non-profit organization, 2 municipalities, and 2 public water systems, with a total grant request of \$3,631,960. One application was withdrawn by the applicant, since they obtained full funding from an outside source, bringing the total applications to be considered for funding to 14. The Source Water Protection Subcommittee reviewed the 14 projects using the evaluation criteria in Table 1 of the [Source Water Protection Grant Program Rules](#) and made funding recommendations to the full Advisory Commission. The Advisory Commission voted to approve funding on November 20, 2023 for 11 projects totaling \$2,375,931 (Table 7 and Figure 4). The 2023 approved projects will protect a total of 876 acres of high-priority water supply land (this area includes 110 acres of wellhead protection area, 751 acres of Hydrologic Areas of Concern, and 56 acres GA2 high-yield aquifers that overlap each other), with an overall total of 1,758 acres of land protected.

Status of Funded Source Water Protection Projects

To date, the SWP Program has funded 51 water supply protection projects across the state. Of these, 28 projects have been completed and NHDES has received due diligence materials and recorded the conservation deeds. These 28 completed projects have permanently protected 899 acres of wellhead protection areas, 1,558 acres of hydrologic area of concern, and 170 acres of GA2 high-yield stratified drift aquifers, for a total of 2,194 acres of high-priority water supply lands protected across 30 municipalities. NHDES is currently working on finalizing funding agreements and due diligence materials for the remaining 23 projects.

Figure 6. Map of land protection projects funded by the Source Water Protection Program since 2017 that have been completed (blue) and are in process (orange).

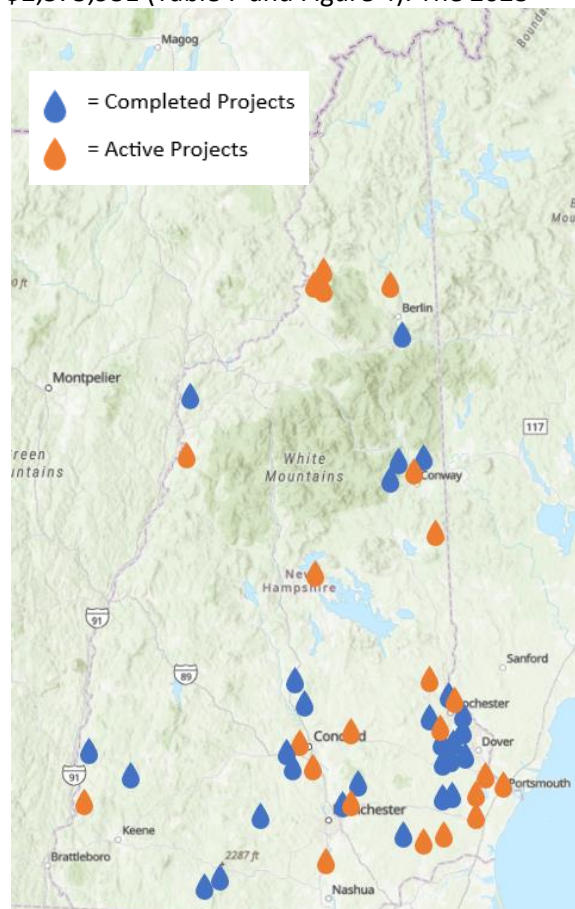


Table 7. 2023 calendar year summary of the projects approved for grant funding through the Source Water Protection Program.

Applicant	Project Name	Project Location and Source Protected	People Served	Total Project Cost	Trust Fund Grant (% of total cost)	Total Acres
Ammonoosuc Conservation Trust	Moulton Generations Farm	Haverhill; Woodsville Water and Light	2,075	\$129,700	\$64,850 (50%)	75
Bow Open Space, Inc	Houghton-Stone Sled WHPA	Bow; PEU/Stone Sled WHPA	105	\$237,350	\$44,350 (19%)	11
Green Mountain Conservation Group	GMCG Natural Area Expansion	Effingham; Effingham Elementary School	128	\$94,500	\$29,650 (31%)	34
Litchfield Conservation Commission	Durocher Farm Land Acquisition	Litchfield; Pennichuck Water Works	87,932	\$1,210,000	\$360,000 (30%)	64
Manchester Water Works	Lake Massabesic Watershed Protection	Auburn; Manchester Water Works	123,500	\$2,124,570	\$500,000 (24%)	195
Moose Mountain Regional Greenways	Shillaber Conservation	Farmington/ Strafford; Rochester Water Dept.	25,000	\$320,371	\$120,371 (38%)	195
Southeast Land Trust of NH	Rider Property	Exeter, Kensington, East Kensington; Exeter Water Dept., River Run WHPA	13,596	\$1,355,000	\$500,000 (37%)	153
Southeast Land Trust of NH	Griewank Property	Rochester; Somersworth Water Works	12,000	\$462,200	\$225,000 (49%)	69
Town of Stratham	Ross-Stratham Memorial School	Stratham; Stratham Memorial School WHPA	691	\$189,400	\$91,950 (49%)	18
Swains Lake Village District	Dudzik-Swains Lake	Barrington; Swain's Lake VWD, UNH/Durham	16,227	\$382,820	\$189,760 (50%)	75
The Conservation Fund	Milan Community Forest Expansion	Milan; Berlin Water Works	9,575	\$1,526,750	\$250,000 (16%)	869
Totals				\$8,032,661	\$2,375,931	1,758

4.3 NHDES Initiatives

Water Assistance for Natural Disasters (WAND)

The *Water Assistance for Natural Disasters* (WAND) initiative provides financial assistance to low-income homeowners with a well that has been damaged by a natural disaster, such as a flood or drought. With the certification of a licensed well driller or pump installer, the program allows for the improvement or replacement of an impacted well. The Advisory Commission approved the initiative in February 2022 with a budget of \$500,000 and approved the transfer of \$243,688 that remained in the Emergency Drought Assistance Program to the newly created WAND program. An additional \$750,000 was approved by the Advisory Commission in September 2022, making a total budget of \$1.5 million. Currently, the program is not accepting applications as the State is no longer experiencing drought or another natural disaster; however, NHDES may reopen the program if needed.

Since the program opened, NHDES has received 66 applications, of which 52 were approved for funding. Under the original income-based tier system, 9 applicants received a 50% grant, 10 an 80% grant, and 33 a 100% grant to cover the costs of installing a new well. Due to the demand for the program in the summer of 2022, when regions of the state were in extreme drought, the WAND Subcommittee prioritized the neediest applicants and approvals were limited to applicants whose income fell below 50% of the MHI of the State or county of residence. Currently, 44 projects have been completed, 5 are near completion, and 3 are scheduled to have new wells drilled in the spring of 2024. The remaining funds for the program following completion of all 52 projects is \$366,000.

NH Water Well-ness

The Advisory Commission approved the NH Water *Well-ness* Initiative in June 2019 with a budget of \$333,278. This collaborative project between NHDES and NHDHHS was intended to provide free water testing to low-income, pregnant women whose drinking water comes from a private well. A consultant, 120 Water, was retained to manage the program. Participants were recruited through the federally funded, state-run Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) clinics. If participants' well water tested above a State health standard for drinking water contaminants, they were provided a filter pitcher, replacement cartridges, and remote support for two years.

The first year was run with a pilot region in southern NH from September 2020 to October 2021. During the pilot, only 18 women had their water tested, and six received filter pitchers. The program was expanded in March 2022, and all four NH WIC offices were trained to enroll participants state-wide.

NH Water *Well-ness* continued to experience low enrollment in comparison to estimated participation. Only 56 women participated by sending their water samples to the lab for analysis and 18 had contaminants above health limits and received filter pitchers. On October 16, 2023, NHDES communicated to the the Advisory Commission that the initiative would be discontinued and the contract with 120 Water terminated by a mutual agreement on October 31, 2023. Of the \$333,278 awarded by the Advisory Commission, \$280,250 was under contract with 120 Water and \$52,440 was allocated for water sample analysis. As of Oct 31, 2023, \$49,095 was disbursed to 120 Water and \$4,470 has been spent on water sample analysis. Since 2020 when the project began through October 2023, a total of 74 women had their water tested and 26 received water pitchers.

Seacoast Private Well Initiative

In January 2022 the Advisory Commission approved \$289,767 for the *Seacoast Private Well Initiative*. The Seacoast Commission on Long-Term Goals and Requirements for Drinking Water (established under a RSA 485-F:6) and NHDES launched this initiative to: (1) protect public health by reducing exposure to arsenic and other contaminants commonly found in well water in the seacoast region; (2) evaluate the effectiveness of this approach to improve the protection of public health by people that obtain their drinking water from a private well; and (3) promote best practices for households that rely on private wells for drinking water.

The 12 municipalities represented by the Seacoast Commission were divided into six regions for the purpose of hosting educational workshops open to private well owners and provide free water testing. At each workshop, participants are given a water sample kit and instructed on how to collect their own water samples (Figure 7). Samples were analyzed for common well water contaminants—including naturally occurring arsenic, manganese, and radon; plumbing based contaminants such as lead; and human-caused contaminants such as sodium and poly- and perfluoroalkyl substances (PFAS). Participants received their results and information on contaminants that were above health limits. They were also provided water treatment options to address the contaminants. Low-income households were given a free pitcher filter if contaminants were above health limits. Households with PFAS exceedances are encouraged to apply for the New Hampshire PFAS Removal Rebate program.

By the end of 2023, five workshops had been held, covering 10 municipalities (Madbury, North Hampton, Exeter, Stratham, Hampton, Seabrook, Greenland, Portsmouth, Newington and Rye). Over 700 individuals from households that use a private well for drinking water attended to hear speakers from NHDES and NHDHHS Division of Public Health Services speak about common well contaminants, health impacts, water testing, and treatment options.

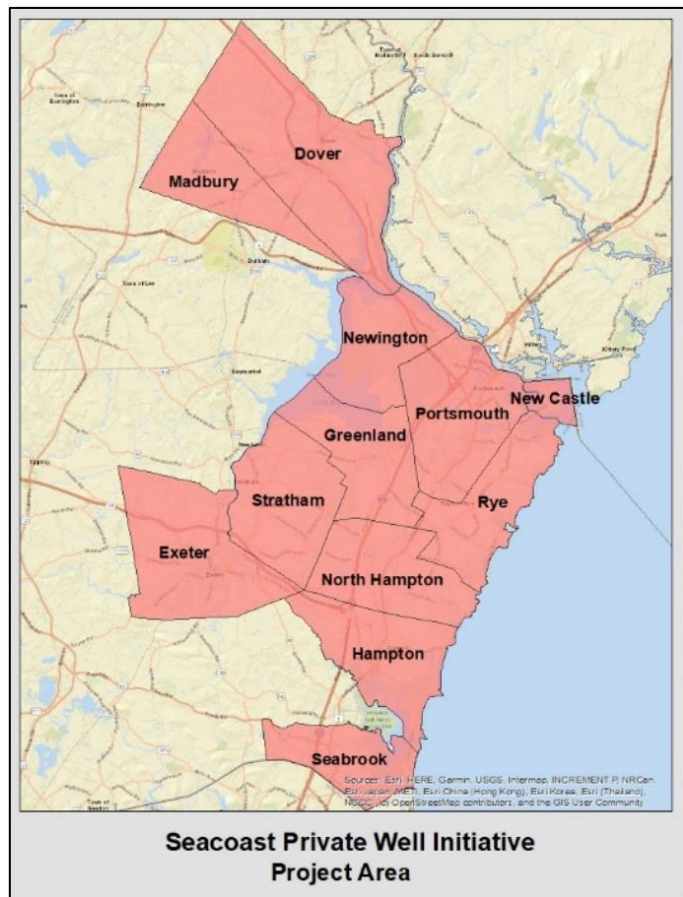


Figure 7. Map of the Seacoast Private Well Initiative Project Area which spans 12 New Hampshire seacoast municipalities.



Figure 8. Private well owners in Stratham listen to NHDES and NHDHHS Public Health Services speakers describe common well contaminants.

A total of 669 households have had their water sampled, received laboratory results, and education on water treatment recommendations (Table 8). Naturally occurring arsenic, prominent in the soil and rock of the Seacoast area, was found in 39% of all households sampled across the 10 municipalities, with the highest rates in Stratham. Radon, another natural element in New Hampshire groundwater, was also found in levels above the health standard for 39% of participants' water.

NHDES has been testing water from private wells for PFAS in areas near known PFAS contamination sites for several years. This project provided PFAS testing for many households that were not included in prior testing efforts and 26 new households with PFAS above health limits were identified as part of the Seacoast Private Well Initiative. Finding PFAS exceedances where there are no known sources of potential contamination, demonstrates that PFAS contamination can occur anywhere in New Hampshire. Additionally, where water obtained from private wells exceeded a health limit, NHDES attempted to complete additional sampling of water from nearby private wells and analyze these samples for PFAS.

Table 8. Summary of workshops held, community participation, and water test results to date for the Seacoast Private Well Initiative.

Workshop Region	Date	Attendance	Samples	Arsenic	Radon	Manganese	PFAS
Madbury	9/22/22	110	84	31 (37%)	40 (48%)	1 (<1%)	3 (4%)
North Hampton and Exeter	1/11/23	116	108	33 (31%)	26 (24%)	3 (3%)	6 (6%)
Stratham	2/22/23	309	276	142 (51%)	67 (24%)	2 (<1%)	9 (3%)
Hampton and Seabrook	9/14/23	45	40	9 (23%)	13 (33%)	0 (0%)	2 (5%)
Greenland, Rye, Portsmouth, Newington	11/15/23	180	161	44 (27%)	33 (20%)	1 (<1%)	6 (4%)
Totals		760	669	259 (39%)	179 (27%)	7 (1%)	26 (4%)

Based on survey responses from individuals that participated in the Seacoast Private Well Initiative 70% of the participants took action within two months to mitigate the exposure to unsafe concentrations of contaminants in their drinking water. An additional 20% of the participants planned to act in the future to address contamination in the drinking water obtained from their private well.

The Advisory Commission approved \$289,767 for water testing (standard analysis plus radon) and to provide pitcher filters for low-income participants with contaminants for the Seacoast Private Well Initiative. By the end of 2023, \$117,177 had been expended, with \$172,589 remaining. PFAS testing was paid for by a different funding source. The last workshop is scheduled in Dover for early 2024 and concludes the project.

Consolidation Study Assistance Grants

The Advisory Commission approved \$200,000 for the Consolidation Study Assistance Program (CSAP) in February 2021. This program provides grants up to \$10,000 for small water systems to evaluate the feasibility and cost-effectiveness of connecting to another community water system. The goal is to support water systems in making informed decisions regarding long-term options for maintaining a safe and reliable drinking water supply. The program is available to community water systems that serve up to 1,000 people or non-profit, non-transient, non-community water systems (e.g., public schools), with a source exceeding a drinking water MCL or ambient groundwater quality standard, or a documented water supply shortage. Grants can be used for an engineering analysis that assesses the cost and benefits of connecting to another community water system to address water quantity or quality issues versus investing in improvements and paying long term operation and maintenance costs to continue to operate its own water source(s). Since 2021, four studies have been completed and three others are in progress (Table 9). Of the \$200,000 allocated for this program \$72,000 is still available.

Project Highlight– City of Concord

In 2023, The City of Concord (Concord) applied for a \$68,000 grant from the Consolidation Study Assistance Program to conduct a Source Development Charge study for potential water interconnections with surrounding municipalities. Concord has been approached by several adjacent communities about obtaining drinking water from Concord, which is amenable to acting as a regional supply source. The study will provide a system-demand profile for current and projected use and determine the potential charge to cover expenses for new supply projects to enable neighboring communities to interconnect.

Table 9. Consolidation Study Assistance Program projects from 2021-2023. Award amounts in dollars.

Approved	Applicant	Town	People Served	Award	Status
2021	Newfields Village Water and Sewer District	Newfields	550	10,000	Complete
2022	Windemere Ridge	Laconia	55	10,000	Complete
2022	Villages of Windham	Windham	145	10,000	Complete
2023	Rolling Ridge Water Association	Bartlett	58	10,000	Ongoing
2023	City of Concord	Bow, Pembroke, Chichester, Loudon, Canterbury, Boscawen, Webster, Hopkinton.	64,126	68,000	Ongoing
2023	Fitzwilliam Village Water District	Fitzwilliam	161	10,000	Ongoing
2023	Cross Ridge Estates	Plaistow	73	10,000	Ongoing

PFAS Rebate Program

In January 2022 the Commission approved \$5.0 million to create a PFAS Rebate Program to provide a one-time rebate to assist eligible private residential well users to install a treatment system designed to remove PFAS or connect to an existing public water system. Since June 2022, the program has received over 930 applications (Figure 9). To date, over 840 applications have been processed and approved to provide reimbursements to homeowners for the installation of treatment or connection to a public water system. Approximately \$1.18 million remains of the originally allocated \$5.0 million.

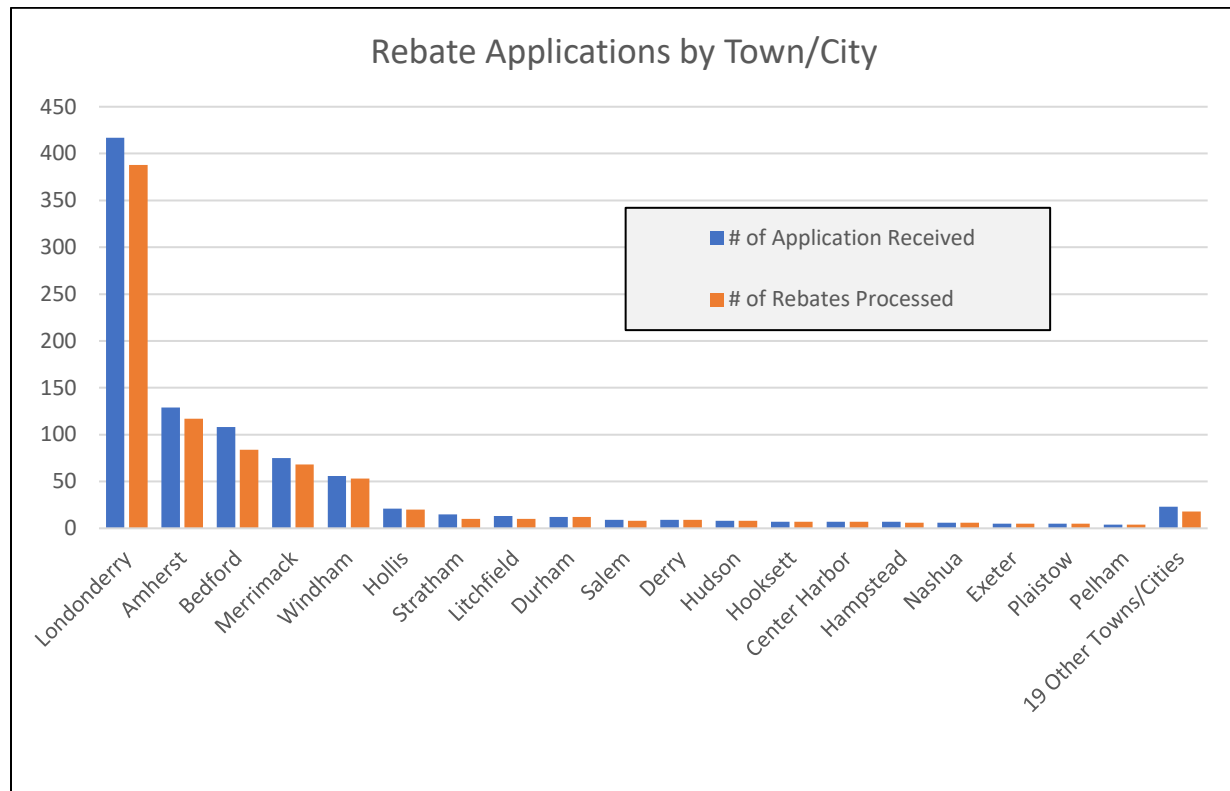


Figure 9. Graph depicting the number of PFAS Rebate Program applications by Town/City since June 2022 to December 31, 2023.

The program received an additional appropriation of \$12.5M in General Funds through HB1547 2022 and will continue to provide rebates to eligible applicants until all available funds have been expended.

Drinking Water Lead Remediation in Childcare Centers and Schools

The Advisory Commission approved a \$1,600,000 grant to the Department of Education in 2019 to provide grants to New Hampshire schools for lead remediation in drinking water. Between 2019 and 2023, 73 schools used the program and a total of \$191,641 was disbursed. In 2023, NHDES received approval from the Advisory Commission to make changes to administration of the program with the goal to increase participation. The updated grant program is available to reimburse New Hampshire public and nonpublic schools for 100% of total lead remediation costs and to provide funding to NHDHHS for funding drinking water lead remediation in childcare facilities. Eligible applicants include individual schools, School Administrative Units and municipalities. The applicant must provide water testing results

that show lead levels at or greater than 5 parts per billion (ppb) to support the grant request and water testing results post remediation showing levels have been reduced below this threshold.

Applicants may request grant funds for lead remediation actions completed after May 17, 2016 (original grant eligibility date), and not previously submitted for reimbursement. Costs that may be covered under this grant include, but are not limited to, the installation of water bottle filling stations, lead-certified point of use filters, removal and/or replacement of faucets, fixtures, fountains, lead solder, piping, plumbing components and/or water treatment at any drinking water location available for consumption by children with lead results at 5 ppb or higher. The minimum grant amount is \$2,500 total project cost. Applications are accepted on an ongoing basis until funds are depleted.

2024 Trust Fund Balance

As of January 1, 2024, the uncommitted Trust Fund balance is \$105,504,409 (Table 11). The balance is based on income investment earnings and repayment into the fund; expenditures paid from the fund; the obligated balance of grants, loans, and other contracts; and committed funds.

2024 Spending Plan Allocations

The Advisory Commission establishes allocations for each program annually based upon review of the Trust Fund balance provided by NHDES (Table 11). Target award spending is based on the Advisory Commission’s priorities for the upcoming year and is typically set at 20% of the fund balance. For calendar year 2024, 20% of the fund balance is \$21,100,882. However, the Advisory Commission reserves the right to award more or less than this amount at their discretion depending on the quality and quantity of projects brought to the Trust Fund and drinking water needs of the State.

The Advisory Commission has typically set a target of the annual allocation as: 50% Construction Program Assistance Program grants, 40% Construction Program Assistance Program loans, and 10% to other grants (Source Water Protection Program and NHDES Initiatives). To support the Trust Fund’s mission to protect and preserve drinking water and groundwater resources of the State, the Advisory Commission has consistently set a target award allocation of \$2,000,000 annually for Source Water Protection grants.

Table 10. Award allocation by program for 2023 calendar year. The allocations should be considered a target for spending “up to” the amounts presented and funds may be shifted as needed to the other programs.

Program	Loan	Grant
Drinking Water Construction Project Assistance Program	\$8,440,352	\$10,550,441
Source Water Protection Grant Program	\$0	\$2,000,000
NHDES Initiatives	\$0	\$110,088
Total Allocation for 2023		\$21,100,882

Table 11. Drinking Water and Groundwater Trust Fund cumulative summary as of January 1, 2024.

BEGINNING FUND BALANCE:	July 1, 2017	\$	277,619,263
INCOME:			
Investment Earnings	25,785,423		
Loan Repayments	12,227,757		
Water Rights Reimbursements	3,444,053		
Bottled Water Refunds	(22,260)		
COVID19 Reimbursements	4,316		
TOTAL INCOME		\$	41,439,289
EXPENDITURES:			
Operating Expenses	7,426,769		
Loans	35,825,204		
Grants	80,709,543		
Drought Reimbursements	2,725,282		
NHDES PFAS Rebate Program	3,365,855		
2019 Legislative Disbursements*	6,480,967		
TOTAL EXPENDITURES		\$	136,532,620
OBLIGATION BALANCE AS OF 12.31.23			
Grants	28,550,880		
Loans	21,670,515		
Contracts	1,366,067		
TOTAL OBLIGATIONS		\$	51,587,463
BALANCE BEFORE COMMITMENTS		\$	130,938,468
COMMITMENTS AS OF 1.1.24			
NHDES PFAS Rebate Program	1,635,145		
NHDES Initiatives	1,949,767		
Land Grants	2,851,983		
Construction Grants	6,709,214		
Construction Loans	12,287,950		
TOTAL COMMITMENTS		\$	25,434,059
BALANCE AFTER COMMITMENTS AS OF	January 1, 2024	\$	105,504,409
20% of Balance		\$	21,100,882
<p><i>*2019 Legislative Disbursements represent the two appropriations made during the 2019 session (\$6M to DES and \$500,000 to NHDHHS-Public Health). Both agencies were paid on a reimbursement basis. Both appropriations expired 06.30.23.</i></p> <p>NHDES Initiatives represent funds authorized but not yet spent or encumbered under WAND, DAP, Consolidation Study Assistance Program, Seacoast Well Program, and Lead Remediation Grants.</p>			