



AGENDA ITEMS #: 20-45
COUNCIL MTG OF: May 5, 2020
FROM: David Caron, Town Administrator
OFFERED BY: Administration
PREPARED BY: Administration
SUBJECT: Groundwater Trust Fund Grant Authorization

STAFF REPORT
Public Hearing 5-5-20

PURPOSE: To request Town Council approval of an Amendment to the NH DES Drinking Water and Groundwater Trust Fund Grant (approved by the Council 5/7/2019) for the Southern NH Regional Water Project to authorize the Town Administrator to apply for, accept and receive an additional \$411,858 to fund additional costs associated with the water system improvements in Derry required by the approved Southern NH Intermunicipal Agreement (SIA).

TOWN ADMINISTRATOR COMMENTS:

BACKGROUND:

On May 7, 2019 the Derry Town Council approved the Southern NH Regional Water Project Intermunicipal Agreement (SIA) to provide additional drinking water to the southern tier communities of Salem, Windham, Atkinson, Hampstead and Plaistow. The SIA required an extension of the Derry water system along Rte. 28 to the Windham town line as well as other Derry water system improvements needed to flow up to 3.13 million gallons per day (MGD) of drinking water into Windham.

The SIA clearly states that all infrastructure improvements required in Derry to implement the SIA will be funded by the NH DES Drinking Water and Groundwater Trust Fund (DWGTF) at no cost to Derry taxpayers or rate payers. The Town Council authorized the Town Administrator (Resolution 2019-020) to apply for, accept and receive up to \$6.29 Million from the DWGTF for the Project. This Grant was approved by the Governor and Council and the Derry water projects were bid, awarded and construction begun.

DISCUSSION:

When bids were originally received it was anticipated that additional funding above the \$6.29 Million may be needed due to expedited construction schedules and materials cost increases. The Town and NH DES staff requested and received approval from the NH DES DWGTF Advisory Commission for an additional \$411,858 for the Derry Projects as a contingency.

At this point of the project, additional work is now anticipated to complete the Derry water system improvements including pipeline laterals across Route 28 and related NH DOT pavement overlay requirements. Additional funding is needed. Therefore, we are seeking Derry Town Council approval to send our Grant amendment request for \$411,858 to the Governor and Executive Council for final approval.

FISCAL IMPACT:

The revised projected value of the improvements to the Derry Water System is up to \$6,701,858; all of which will be funded by the NH DES Drinking Water and Groundwater Trust Fund grant. There will be no cost to Derry.

RECOMMENDED ACTION BY COUNCIL:

The Council is urged to support Resolution 2020-025.

RECOMMENDED MOTION:

Please see Resolutions 2020-025.

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RESOLUTION

Number 2020-025

To Accept Grant Funding from the Drinking Water and Groundwater
Trust Fund

WHEREAS, the Section 9.15 of the Town Charter authorizes the Town Council to apply for, accept and expend funds received from the Federal and State Governments; and

WHEREAS, pursuant to Resolution #2019-018 the Town Council approved an Intermunicipal Agreement to participate in the Southern New Hampshire Regional Interconnection Project; and

WHEREAS, pursuant to Resolution #2019-020 the Town Council accepted \$6.29M from the Drinking Water and Groundwater Trust Fund to reimburse the Town for all expenses incurred constructing improvements to the Town's water system to facilitate the Southern New Hampshire Regional Interconnection Project; and

WHEREAS, additional construction costs are anticipated which are necessary to complete the project; and

WHEREAS, the Town will be receiving a grant from the State of New Hampshire to reimburse the Town for all associated costs;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that the Town Administrator is hereby authorized to apply, accept and receive, pursuant to RSA 31:95-b, up to \$411,858 dollars from the Drinking Water and Groundwater Trust Fund to reimburse the Town for all expenses incurred constructing improvements to the Town's water system to facilitate the Southern New Hampshire Regional Interconnection Project.

This Resolution shall take effect immediately upon its passage.

Adopted: May 5, 2020

Attest:

X _____

Charles Foote, Council Chair

Date: _____

X _____

Daniel Healey, Town Clerk

Date: _____