



AGENDA ITEM #: 21-127  
COUNCIL MTG OF: October 21, 2021  
FROM: M. Fowler, Public Works Director; T. Carrier, Deputy Public Works Director  
OFFERED BY: M. Fowler, Public Works Director; T. Carrier, Deputy Public Works Director  
PREPARED BY: M. Fowler, Public Works Director; T. Carrier, Deputy Public Works Director  
SUBJECT: Drinking Water and Groundwater Trust Fund Grant Application

STAFF REPORT  
*Public Hearing 10/21*

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#### PURPOSE

To request Town Council authorization to submit a Drinking Water and Groundwater Trust Fund grant application to the NH Department of Environmental Services to fund the Southern NH Regional Water Project Phase II Conceptual Planning Report for Derry.

#### TOWN ADMINISTRATOR COMMENTS:

The Council is requested to support this initiative which will properly position the Town to identify necessary improvements to the Derry system in order to accommodate Phase II of the Southern NH Regional Water Project. The action requested is to allow staff to apply for, receive and expend unanticipated revenues from the State's Drinking Water Trust Fund to pay for this work.

#### BACKGROUND

On April 16, 2019, the Derry Town Council approved the Southern NH Regional Water Project Interconnection Agreement (SIA) (Resolution No. 2019-018) which improved and extended the Derry water system to the Windham town line which will provide up to 3.13 million gallons per day (MGD) of drinking water to the towns of Windham and Salem, Atkinson and Hampstead (Hampstead Area Water Co.) and the Town of Plaistow.

Article II of the SIA titled **Town of Derry**, states that "*prior to December 31, 2023, Derry shall complete capital improvements necessary to convey up to 3.13 MGD into Windham*". This work is referred to as **Phase II**. (Phase I, which provided 1 MGD was completed in 2020). Such improvements could conceivably include upgrades to Derry's Manchester Road and Rockingham Road booster pump stations, upgrades to Derry's water mains on Manchester Road up to our Tsienneto Road Tank and water mains along North and South Main Streets and Rockingham Road.

It should be noted that the SIA explicitly states that "***Derry will not be responsible for the cost of capital improvements necessitated by and solely related to the (Regional Water) project***".

## DISCUSSION

The Water Fund FY2022 budget included the updating of Derry's Water System Master Plan. This work is being done by Underwood Engineers. Underwood was also contracted to design the Regional Water Project Phase I improvements in Derry and they are recommended to design Derry's Phase II improvements. Understanding the impact of the Regional Water Phase II work in Derry is essential in moving forward with the Master Plan.

Underwood Engineers has prepared a Scope of Work to provide a technical report summarizing Derry's Phase II options and recommendations and provide an opinion of cost for those recommendations. They will provide a conceptual design of the Phase II improvements in Derry for review by the Council, NH DES and the Regional Water partners.

To ensure Derry is reimbursed for the work related to Phase II, we intend to request grant funding from the Drinking Water and Groundwater Trust Fund to complete that portion of the study.

The grant application requires that the Town Council authorize the application.

## FISCAL IMPACT

The Phase II Conceptual Planning Report is estimated to cost \$60,000. The intention is to obtain 100% grant funding for this work such that there will be no financial impact to Derry.

## RECOMMENDED ACTION BY COUNCIL

It is recommended that the Council vote to submit a Drinking water and Groundwater Trust Fund funding application to the NH Department of Environmental Services to fund the Phase II Conceptual Planning Report as part of the Derry Water System Master Plan and SIA Water Project.

## SUGGESTED MOTION:

See Resolution #2021-066 for action at the Council's November 2 Council meeting.