



The State of New Hampshire
Department of Environmental Services



Robert R. Scott, Commissioner

September 5, 2025

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Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Environmental Services Air Resources Division (NHDES-ARD) to enter into a Memorandum of Understanding (MOU) with the Department of Environmental Services Water Division, Dam Bureau (NHDES Dam Bureau) (VC# 177894-B001) totaling \$219,031 for the replacement of one (1) engine model year (EMY) 2009 dump truck, effective upon Governor and Council approval through December 31, 2026. 100% New Hampshire Volkswagen Environmental Mitigation Trust (Trust) funds.

EXPLANATION

The New Hampshire Volkswagen Beneficiary Mitigation Plan provides that 20 percent of New Hampshire's allocation of the Volkswagen Mitigation Trust (VW Trust) funds will be utilized to replace state-owned vehicles. During an open solicitation from July 7 to August 12, 2025, NHDES received nine (9) eligible vehicle replacement proposals from five (5) public entities. All proposals were selected for funding, with one (1) proposal subsequently withdrawn. Please see Attachment A for the list of proposals selected for funding.

NHDES-ARD requests approval to enter into an MOU with the NHDES Dam Bureau in an amount not to exceed \$219,031. The EMY 2009 dump truck has been in active use supporting rehabilitation and removal of State-owned dams for over 15 years, has accumulated nearly 100,000 miles, and extensive rust and deterioration of the frame and body are reflective of its age. In the last three years, the vehicle has required increasing investment to repair and maintain. In 2022 alone, the top end of the engine had to be rebuilt at a cost of over \$25,000. The NHDES Dam Bureau is prioritizing the replacement of this critical unit to improve operational reliability and efficiency and improve infrastructure security and public safety.

The MOU specifies that the funds will be used to fully fund the purchase and replacement of the one EMY 2009 dump truck and additionally clarifies the tasks to be completed to ensure funds are used in compliance with the terms of the VW Trust. NHDES-ARD will not be holding VW Trust funds in its accounts; all funds will be transferred directly from the trustee, Wilmington Trust, to the NHDES Dam Bureau, who will administer the project.

This MOU has been approved as to form, substance, and execution by the Office of the Attorney General. In the event that VW Trust funds become no longer available, general funds will not be requested to support this program.

We respectfully request your approval.

Robert R. Scott
Commissioner

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State of New Hampshire

Intra-agency Memorandum of Understanding

Whereas, the New Hampshire Department of Environmental Services - Air Resources Division [**"DIVISION 1"**] is a duly constituted agency or branch of government of the State of New Hampshire;

Whereas, the New Hampshire Department of Environmental Services - Water Division [**"DIVISION 2"**] is a duly constituted agency or branch of government of the State of New Hampshire;

Whereas, pursuant to RSA 21-O:10 **DIVISION 1** is responsible for: Achieving and maintaining air quality in New Hampshire that is protective of public health and our natural environment.

Whereas, **DIVISION 1** desires to: Fund the replacement of diesel-powered vehicles, engines and equipment to reduce diesel emissions and improve air quality in New Hampshire using New Hampshire Volkswagen Environmental Mitigation Trust funds.

Whereas, pursuant to Chapter 21-O:6 **DIVISION 2** is responsible for: Protecting and restoring the waters of New Hampshire to help sustain a high quality of life.

Whereas, **DIVISION 2** desires to: Obtain New Hampshire Volkswagen Environmental Mitigation Trust funds to replace one (1) diesel-powered dump truck for use in the construction, maintenance and support of dams under the oversight of the Dam Bureau.

NOW, THEREFORE, the parties enter into this Memorandum of Understanding to their mutual benefit, the benefit of the State and in furtherance of constitutional or statutory authority and objectives.

1. The New Hampshire Department of Environmental Services - Air Resources Division [**DIVISION 1**] agrees to [**check all that apply**]:

- A. Pay **DIVISION 2** the amount of \$219,031 for the services described in the attached MOU Exhibit A, which is hereby incorporated by reference. **Execute the following if Box 1., A is checked:** Payment shall be provided from The New Hampshire Volkswagen Environmental Mitigation Trust

B. Perform the services described in the attached MOU Exhibit A, which is hereby incorporated by reference.

2. The New Hampshire Department of Environmental Services - Water Division [*DIVISION 2*] agrees to [*check all that apply*]:

A. Pay *DIVISION 1* the amount of \$ _____ for the services described in the attached MOU Exhibit A, which is hereby incorporated by reference.

Execute the following if Box 2. A is checked: Payment shall be provided from [*IDENTIFY FUND*]: _____

B. Perform the services described in the attached MOU Exhibit A, which is hereby incorporated by reference.

3. The method of payment and payment amount for the above-referenced services, if any is required, is described in the attached MOU Exhibit B, such exhibit being hereby incorporated by reference.

4. All obligations hereunder are contingent upon the availability and continued appropriation of funds. The agencies shall not be required to transfer funds from any other account in the event that funds are reduced or unavailable.

5. The Memorandum of Understanding is effective until December 31, 2026.

6. This Memorandum of Understanding may be amended by an instrument in writing signed by both parties. Either party may terminate this agreement by providing written notice to the other party at least 30 days prior to termination.

7. The Parties agree that the obligations, agreements and promises made under this Memorandum of Understanding are not intended to be legally binding on the Parties and are not legally enforceable.

8. Disputes arising under this Memorandum of Understanding which cannot be resolved between the agencies shall be referred to the New Hampshire Department of Justice for review and resolution.

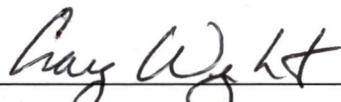
9. This Agreement shall be construed in accordance with the laws of the State of New Hampshire.

10. The parties hereto do not intend to benefit any third parties and this Memorandum of

Understanding shall not be construed to confer any such benefit.

11. In the event any of the provisions of this Memorandum of Understanding are held to be contrary to any state or federal law, the remaining provisions of this Memorandum of Understanding will remain in full force and effect.
12. This Memorandum of Understanding, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Memorandum of Understanding and understandings between the parties, and supersedes all prior Memoranda of Understanding and understandings relating hereto.
13. Nothing herein shall be construed as a waiver of sovereign immunity, such immunity being hereby specifically preserved.

14. **FOR DIVISION 1:** New Hampshire Department of Environmental Services - Air Resources Division



[Division Head signature]

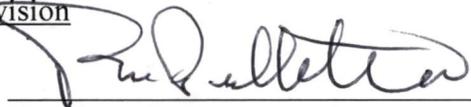
8/22/25

Date

Craig Wright

[Division Head name in print]

15. **FOR DIVISION 2:** New Hampshire Department of Environmental Services - Water Division



[Division Head signature]

8/22/25

Date

Rene Pelletier

[Division Head name in print]

Approved by the New Hampshire Department of Environmental Services:

By: 

On: 9/7/25

[Name of Agency Commissioner]

Approved by the New Hampshire Department of Justice for form, substance, and execution:

By:  , Melissa Fzles

On: 9/11/25

[Name of Assistant Attorney General]

Approved by the Governor and Executive Council:

By: _____

On: _____

EXHIBIT A

SCOPE OF SERVICES

This Scope of Services describes activities that have been agreed to between the New Hampshire Department of Environmental Services Air Resources Division (hereinafter NHDES-ARD) and the New Hampshire Department of Environmental Services Water Division, Dam Bureau (hereinafter NHDES Dam Bureau) regarding use of Volkswagen Mitigation Trust Funds to replace an NHDES Dam Bureau vehicle.

The purpose of this MOU is to fully fund the replacement of a NHDES Dam Bureau diesel vehicle to reduce air pollution. Funds are available via New Hampshire's Volkswagen Mitigation Trust Agreement for State Beneficiaries (VW Trust). Total funding shall not exceed \$219,031 or 100 percent of the project cost, whichever is less. Funds shall be available to NHDES Dam Bureau upon approval by the Governor and Executive Council through December 31, 2026.

For the purposes of this MOU, NHDES-ARD and NHDES Dam Bureau agree to the following:

1. NHDES-ARD shall assign the appropriate staff to coordinate this project with NHDES Dam Bureau.
2. The Scope of Services consists of the replacement of one (1) engine model year (EMY) 2009 Freightliner M2112 diesel dump truck ("existing vehicle") with one (1) EMY 2025 Freightliner SD114 diesel dump truck ("replacement vehicle"), or with the prior written approval of NHDES-ARD, the existing vehicle may be replaced with a comparable make/model vehicle.
3. VW Trust shall reimburse NHDES Dam Bureau up to 100 percent of eligible expenses, or \$219,031, whichever is less.
4. Eligible expenses shall include:
 - a. Cost of replacement vehicle (including cab, chassis and body);
 - b. Cost of the direct replacement of vehicle accessories that are necessary for the function of the vehicle for its intended use and that existed on the vehicle being replaced (e.g., plow frames, wings and blades on a plow truck, hydraulic systems, load cover).
5. Ineligible expenses shall include, but are not limited to:
 - a. Optional vehicle components or add-ons (e.g., racks, lights, toolboxes, etc.);
 - b. Vehicle registration;
 - c. Scrappage of existing vehicle, engineering or project management; and
 - d. Personnel costs.
6. NHDES Dam Bureau shall provide the following information on the existing vehicle to be replaced to NHDES-ARD:
 - a. Annual miles driven
 - g. Vehicle Class

- b. Annual fuel use and fuel type
 - c. Annual idling hours
 - d. Vehicle Identification Number (VIN)
 - e. Engine Model Year
 - f. Gross Vehicle Weight Rating (GVWR)
 - h. Engine Manufacturer
 - i. Engine Model
 - j. Engine Serial Number
 - k. Description of routes or typical use
7. NHDES Dam Bureau shall not take delivery of the replacement vehicle prior to written approval from NHDES-ARD that the proposed vehicle replacement is eligible under the terms of this MOU and the terms of the VW Trust requirements.
 8. The existing vehicle shall be taken out of service no later than 30 days from the replacement vehicle being placed into service.
 9. NHDES Dam Bureau shall use the replacement vehicle in normal service for a period of no less than five (5) years. In the event that NHDES Dam Bureau sells or surpluses the replacement vehicle within five years of the effective date of this MOU, NHDES Dam Bureau shall follow the guidelines set forth in Title 2 Code of Federal Regulations, Subtitle A, Section 200.313, and shall reimburse NHDES-ARD in accordance with the depreciation table below.

Project: NHDES Dam Bureau - Dump Truck Replacement

	Percent Value Remaining	Value to be Returned to NHDES
Year 1 value	20	\$43,806
Year 2 value	16	\$35,045
Year 3 value	12.8	\$28,036
Year 4 value	10.2	\$22,341
Year 5 value	7.6	\$16,646

Note: calculation is based on a maximum reimbursement value of \$219,031 for (1) dump truck. If the total reimbursement is less than \$219,031, the value to be returned to NHDES-ARD will be reduced proportionately.

This section shall not apply in the case of a total loss due to collision, fire or other accident.

10. NHDES Dam Bureau shall:
 - a. Register the replacement vehicle in accordance with New Hampshire law;
 - b. Maintain the replacement vehicle in accordance with manufacturer recommendations;
 - c. Make no modifications to the emission controls system on the replacement vehicle or engine; and
 - d. Make the vehicle and any operation and service documents (including maintenance records) available for follow-up inspection for five years from date of its placement in service, if requested by NHDES-ARD.
11. The replaced vehicle shall be scrapped as defined in Attachment 1 to this MOU within 90 days from the date the replacement is put into service. Scrappage may be completed by NHDES Dam Bureau or by a salvage yard or similar service, provided all scrappage

requirements have been met and all necessary NHDES Dam Bureau documentation provided. NHDES-ARD shall be allowed the opportunity to witness the destruction of the vehicle engine and chassis by NHDES Dam Bureau providing a two-week (minimum) advance notice of the event to NHDES-ARD.

12. NHDES Dam Bureau shall submit to NHDES-ARD documentation confirming the scrappage requirements have been met including:
 - a. The date the vehicle was disabled/scrapped;
 - b. Confirmation of the engine model year, engine family name, engine serial number, and VIN;
 - c. The name and contact information for the entity that scrapped the truck, if other than NHDES Dam Bureau; and
 - d. Photographic images of the following:
 1. Side profile of the vehicle;
 2. VIN;
 3. The engine tag that includes the engine serial number and engine family number (if available);
 4. Chassis rail(s) cut in half;
 5. Engine block prior to 3" hole being made; and
 6. Engine block after 3" hole has been made.
13. NHDES Dam Bureau shall submit **Quarterly Project Status Reports** to NHDES-ARD within 15 days after the end of each calendar quarter, beginning from the Effective Date of the MOU for a period of two years following vehicle acquisition. Quarterly Reports are due January 15th, April 15th, July 15th, and October 15th (e.g., if the Effective Date were in August, then the first report would cover activities through September, as part of the July-September calendar quarter, and would be due October 15th). Quarterly Reports shall be made utilizing a template provided by NHDES-ARD, and include sufficient information for NHDES-ARD to know the status of the vehicle replacement and destruction of the existing vehicle, to know if the replacement vehicle is in service, and to estimate the emissions reductions attributable to the project, including:
 - a. The status of the replacement vehicle's order and delivery, with estimates of delivery and in-use dates of the replacement vehicle not yet procured and put in service;
 - b. A description of each vehicle's (existing and replacement, as applicable) service status and maintenance (scheduled and unscheduled) during the preceding calendar quarter;
 - c. The amount of fuel (diesel gallons) used by each vehicle (existing and replacement, as applicable) during the preceding calendar quarter;
 - d. The number of hours each vehicle (existing and replacement, as applicable) was used in the preceding calendar quarter; and
 - e. The estimated amount of idling experienced by each vehicle in the preceding calendar quarter.
14. NHDES Dam Bureau shall submit **Annual Project Status Reports** to NHDES-ARD by January 15th of each year, beginning one year from the last quarterly report, for a period of three years including, but not limited to, the following:
 - a. A description of the vehicle's service status and maintenance (scheduled and unscheduled) during the preceding year;

- b. The amount of fuel used during the preceding calendar year;
 - c. The number of miles or hours the vehicle was used in the preceding calendar year; and
 - d. The estimated hours of idling the vehicle experienced in the preceding calendar year.
15. NHDES Dam Bureau shall not use grant funds for any costs not specified in this scope of services. NHDES Dam Bureau shall complete all activities, reports, and work products specified herein.

EXHIBIT B
PAYMENT SCHEDULE

1. Requests for payment shall be submitted on NHDES Dam Bureau letterhead to NHDES-ARD and shall include:
 - a. The following information for both the existing and replacement vehicles:
 - i. VINs;
 - ii. Engine and vehicle model years;
 - iii. Engine and vehicle manufacturers;
 - iv. Engine serial numbers;
 - v. Vehicle classes; and
 - vi. Fuel types;
 - b. A copy of all vendor invoices;
 - c. Documentation verifying payment to the vendor;
 - d. Contact information for any questions related to reimbursement requests.
2. A copy of the replacement vehicle's registration and proof of scrappage of the existing vehicle shall be submitted to NHDES-ARD within 90 days of the replacement vehicle being put into service.
3. NHDES-ARD will submit appropriate forms to the Trustee of the VW Trust requesting release of funds to NHDES Dam Bureau within 45 days of receiving a request for payment, provided NHDES Dam Bureau is in compliance with all recordkeeping and reporting requirements in the Scope of Services.
4. All obligations of NHDES-ARD and the State of New Hampshire are contingent upon availability and continued appropriation of funds for the services.
5. This MOU may be terminated for good cause, or by agreement of the parties, with the provision for orderly termination of the project. Termination of the MOU shall not occur until thirty (30) days after a "notice of termination" has been received by the other party. Said notice shall specify the cause for termination.

This MOU will become effective upon approval by Governor and Executive Council through December 31, 2026, with reporting requirements to continue as specified herein.

ATTACHMENT 1

Projects shall conform to all relevant requirements of the VW Trust including the following:

“Class 4-7 Local Freight Trucks (Medium Trucks)” shall mean trucks, including commercial trucks, used to deliver cargo and freight (e.g., courier services, delivery trucks, box trucks moving freight, waste haulers, dump trucks, concrete mixers) with a Gross Vehicle Weight Rating (GVWR) between 14,001 and 33,000 lbs.

“Class 8 Local Freight, and Port Drayage Trucks (Eligible Large Trucks)” shall mean trucks with a Gross Vehicle Weight Rating (GVWR) greater than 33,000 lbs. used for port drayage and/or freight/cargo delivery (including waste haulers, dump trucks, concrete mixers).

“Scrapped” shall mean to render inoperable and available for recycle, and, at a minimum, to specifically cut a 3-inch hole in the engine block for all engines. If any eligible vehicle will be replaced as part of an eligible project, scrapped shall also include the disabling of the chassis by cutting the vehicle’s frame rails completely in half.

Eligible Large Trucks include 1992-2009 engine model year Class 8 Local Freight or Drayage.

Eligible Medium Trucks include 1992-2009 engine model year class 4-7 Local Freight trucks

All replaced trucks must be scrapped.

Eligible Medium and Large Trucks may be Repowered with any new diesel or Alternate Fueled or All-Electric engine, or may be replaced with any new diesel or Alternate Fueled or All-Electric vehicle, with the engine model year in which the Eligible Mitigation Action occurs or one engine model year prior.

The replacement trucks must be of the same vehicle class as the original trucks and operate in the same manner over similar routes as the replaced trucks.

ATTACHMENT A

New Hampshire Volkswagen Environmental Mitigation Trust Summer 2025 State Vehicles Replacement Program

List and Funding Amounts of Eligible Proposals

Public Entity	Project Description	Funding Amount
NH Department of Safety	Replace one (1) tow truck	\$149,906
NH Fish & Game Department	Replace one (1) dump truck and three (3) stocking trucks	\$558,134
NH Judicial Branch	Replace one (1) box truck	\$117,000
NH Department of Environmental Services	Replace one (1) dump truck	\$219,031
White Mountains Community College	Replace one (1) CDL training truck	\$123,574
NH Department of Safety	Replace one (1) mobile command center	Withdrawn