



The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner



33

FEB 11 2026

January 8, 2026

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

REQUESTED ACTION

Authorize the Department of Environmental Services (NHDES) Aquatic Resources Mitigation Fund Program (ARM Fund) to enter into a Memorandum of Understanding (MOU) with the Department of Environmental Services Water Division, Dam Bureau (NHDES Dam Bureau) (Vendor Code #177894-B001) totaling \$4,510,464 for the purpose of removing the Hadley Falls Dam and restoring natural stream and wetland functions in Goffstown, NH, effective upon Governor and Council approval through December 31, 2032. 100% ARM Funds.

Funding is available in the following account:

03-44-44-442010-38710000-073-500580

Dept. Environmental Services, In-Lieu Wetland Mitigation, Grants Non-Federal

FY 2026

\$4,510,464

EXPLANATION

New Hampshire RSA 482-A:3 requires a wetland permit for any proposed project that involves dredging or filling of a wetland. Before a wetland permit is issued, applicants must show that the proposed project will avoid adverse impacts to wetlands and will minimize and provide compensation for those wetland impacts which are unavoidable.

The NHDES wetlands program adopted a set of mitigation rules that establish what is necessary for an applicant to provide for wetland compensation. The current department rules spell out ratios for wetland compensation that include creating a new wetland, restoring a former wetland site, or protecting a high-quality aquatic resource by preserving adjacent upland habitat. One mitigation option, commonly referred to as an *in-lieu fee program*, is ideal for projects that have difficulty in locating an appropriate mitigation site. The ARM Fund authorizes the collection of mitigation funds in lieu of other forms of wetland mitigation as part of a wetlands permit application.

NHDES issued a request for proposals for ARM Funds available in the Merrimack River Service Area in April 2025. The NHDES received two full applications within the Merrimack River Service Area and on November 20, 2025, ARM Fund Site Selection Committee recommended awarding funds to the Hadley Falls Dam Removal and Piscataquog River Restoration Project. The New Hampshire Wetlands Council and U.S. Army Corps of Engineers approved the recommendation to award funds to support the projects. Attachment A lists the proposals received and the ARM Fund Site Selection Committee members involved in the decision.

The NHDES Dam Bureau proposes to utilize ARM funds to remove the defunct high-hazard, state-owned Hadley Falls Dam and associated aquatic resource restoration. Removal of the dam will restore 69.5 miles of free-flowing river and aquatic connectivity within the Piscataquog River watershed, in combination with a proposal to improve fish passage downstream, between Kelley's Falls Dam in Manchester and Gregg's Falls Dam in Goffstown. The 69.5 miles includes the 15.5 miles below Hadley Falls Dam to Kelley's Falls Dam and the 54 miles above Hadley Falls Dam to barriers in the upstream network. The project will restore and enhance 3.3 acres of wetland and

2,887 linear feet of stream habitat within the former 20-acre impoundment through passive and active restoration techniques. Proposed restoration activities include the removal of the concrete spillway, remnants of a timber crib structure, active channel reconstruction for approximately 647 linear feet and restoration of 1.2 acres of floodplain wetland through native plantings, invasive species management and monitoring to ensure stream stability and riparian buffer reestablishment. Passive restoration will result in approximately 2.1 acres of enhanced wetland and reestablished vegetated buffers and 2,240 linear feet of stream enhancement. Restoration activities will build upon existing landscape connectivity efforts in the region and result in significant wildlife habitat and connectivity benefits including restoring habitat for diadromous and catadromous fish species in the Merrimack River watershed as well as access to prime spawning and rearing habitat. The ARM funds will also be utilized to establish a long-term protection mechanism for all restored areas in accordance with 33 C.F.R. § 332.7(a) of the Federal Mitigation Rule. The long-term protection mechanism will include a provision for designated points for public access for passive recreational uses including fishing. Anticipated increased functions include improved water quality, natural sediment transport/nutrient flow, flood resiliency and increased storage capacity, shoreland stabilization, habitat connectivity, and recreation. Attachment B includes a map of the project location.

The MOU specifies that the funds will be used to fully fund the restoration project scope associated with the dam removal and additionally clarifies the tasks to be completed to ensure funds are used in compliance with state and federal compensatory mitigation rules.

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

We respectfully request your approval.



Robert R. Scott, Commissioner

State of New Hampshire

Interagency Memorandum of Understanding

(For use between an executive branch agency and another agency or branch of government of the State of New Hampshire)

Whereas, the New Hampshire Department of Environmental Services- Water Division, Aquatic Resource Mitigation Program [“PROGRAM 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, Dam Bureau [“PROGRAM 2”] is a duly constituted agency or branch of government of the State of New Hampshire;

Whereas, pursuant to RSA 482-A:28 **PROGRAM 1** is responsible for: Providing a compensatory mitigation option for applicants for unavoidable impacts to aquatic resources authorized by state and federal permit decisions and ensuring that all compensatory mitigation funds generated In-lieu Fee payments used to fund projects that restore, enhance, establish and, in certain circumstances, preserve aquatic resources and lost resources and their functions and values within the same watershed where impacts occurred.

Whereas, **PROGRAM 1** desires to: Provide funding to support sustainable compensatory mitigation projects that will result in a net gain of resource acreage and/or functions and values and offset impacts that paid into fund.

Whereas, pursuant to RSA 482:48 **PROGRAM 2** is responsible for: Making repairs and modifications to state-owned dams or rebuild them if required to best serve the interests of the state..

Whereas, **PROGRAM 2** desires to: Obtain New Hampshire Aquatic Resource Mitigation grant funding to support the removal of the Hadley Falls Dam in the Town of Goffstown and restore over 69 miles of aquatic connectivity in the Piscataquog River watershed.

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- Water Division, Aquatic Resource Mitigation Program [“PROGRAM 1”] agrees to **[check all that apply]:**

- A.** Pay **PROGRAM 2** the amount of \$4,510,464 for the services described in the attached MOU Exhibits A and B, which is hereby incorporated by reference.

Execute the following if Box 1., A is checked: Payment shall be provided from Aquatic Resource Mitigation Fund:



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, Dam Bureau [**PROGRAM 2**] agrees to

A. Pay PROGRAM the amount of \$ for the services described in the attached MOU Exhibits A and B, 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 Exhibits A and B, which are 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, 2032.

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

Initials RS
Date 1/14/26

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 PROGRAM 1: New Hampshire Department of Environmental Services- Water Division, Aquatic Resource Mitigation Program**



[Agency signature]

Date

1/14/26

Rene Pelletier, Water Division Director

[Agency Head name in print]

15. **FOR PROGRAM 2 New Hampshire Department of Environmental Services- Water Division, Dam Bureau:**



[Commissioner signature]

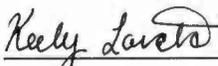
Date

1/21/26

Robert Scott, NHDES Commissioner

[Agency Head or Commissioner name in print]

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

By: 

[Name of Assistant Attorney General] Keely Lovato, AAG

On: 1/22/2026

Date

Approved by the Governor and Executive Council

By: _____

On: _____

Date

Initials 
Date 1/24/26

EXHIBIT A
SCOPE OF SERVICES

A. Project Title:

Hadley Falls Dam Removal and Piscataquog River Restoration Project

B. Project Period:

Upon Governor & Council Approval through December 31, 2032

C. Grant Amount:

Total funds available for payment of allowable costs incurred under this Memorandum of Understanding (MOU) shall not exceed \$4,510,464. The New Hampshire Department of Environmental Services (NHDES) ARM Fund (ARM) will not reimburse the NHDES Dam Bureau (DAM BUREAU) for costs exceeding the amount specified in this paragraph.

D. Effective Date and Commencement of Work:

This Scope of Services describes the activities that have agreed to between ARM and the DAM BUREAU, and all obligations of the parties hereunder shall become effective on the date the Governor and Executive Council of the State of New Hampshire approve this MOU ("Effective Date") and shall end on December 31, 2032. Any work performed by the DAM BUREAU prior to the Effective Date shall be at the **sole risk** of the DAM BUREAU. In the event this MOU does not become effective, ARM shall be under no obligation to pay the DAM BUREAU for any costs incurred or work performed; however, if this MOU becomes effective, costs incurred prior to the Effective Date that would otherwise be allowable are eligible for payment under the terms of this MOU.

E. Objectives:

The Hadley Falls Dam Removal Project objective is to remove the defunct high-hazard, state-owned Hadley Falls Dam. Removal of the dam will restore 69.5 miles of free-flowing river and aquatic connectivity within the Piscataquog River watershed, in combination with a proposal to improve fish passage downstream, between Kelley's Falls Dam (Manchester) and Gregg's Falls Dam (Goffstown). The 69.5 miles includes the 15.5 miles below Hadley Falls Dam to Kelley's Falls Dam and the 54 miles above Hadley Falls Dam to barriers in the upstream network. The project will restore and enhance 3.3 acres of wetland and 2,887 linear feet of stream habitat within the former 20-acre impoundment through passive and active restoration techniques. Proposed restoration activities include the removal of the concrete spillway, remnants of a timber crib structure, active channel reconstruction for approximately 647 linear feet and restoration of 1.2 acres of floodplain wetland through native plantings, invasive species management and monitoring to ensure stream stability and riparian buffer reestablishment. Passive restoration will result in approximately 2.1 acres of enhanced wetland and reestablished vegetated buffers and 2,240 linear feet of stream enhancement. Restoration activities will build upon existing landscape connectivity efforts in the region and result in significant wildlife habitat and connectivity benefits including restoring habitat for diadromous and catadromous fish species in the Merrimack River watershed and access to prime spawning and rearing habitat for shad, alewife, and blueback herring within the Piscataquog River watershed. American eel and sea lamprey will also benefit from the restoration of fish passage at Kelley's Falls Dam. The project will restore, enhance, and protect similar functions and values to what was lost in the Merrimack River watershed by the permitted impacts that generated the funds, including improved water quality, natural sediment transport/nutrient flow, flood resiliency and increased storage capacity, shoreland stabilization, habitat connectivity, and recreation (consumptive & non-

consumptive). ARM funds will also be utilized to establish a long-term protection mechanism for all restored areas in accordance with 33 C.F.R. § 332.7(a) of the Federal Mitigation Rule. The long-term protection mechanism will include a provision for designated points for public access for passive recreational uses including fishing.

F. Scope of Work:

The DAM BUREAU agrees to complete the following tasks under this grant MOU with ARM.

Tasks I: Design & Permitting

The DAM BUREAU is responsible for obtaining all required federal, state, and local permits and approvals prior to any restoration work. The DAM BUREAU will submit 60% design plans to the ARM Site Selection Committee and incorporate feedback to optimize the restoration outcomes of the design and adaptively manage design and construction to ensure habitat is maximized for aquatic and wildlife species. The DAM BUREAU will coordinate with New Hampshire Fish and Game Department (NHFG) throughout design planning phase to minimize impacts to dwarf wedge mussel and brook floater. This may include sharing sediment analysis results, wildlife surveys, review and comment of 60% design plans and plans for relocation if necessary.

The Dam Bureau will obtain ARM approval for the final design and construction timeline. The DAM BUREAU will work with ARM to develop a Federal Mitigation Plan for approval by the United States Army Corps of Engineers (USACOE) prior to submittal of the wetlands permit application and project implementation. The Federal Mitigation Plan shall meet the criteria outlined in 33 CFR 332.4(c) and establish the mitigation work plan, performance standards, monitoring requirements, site protection, long-term management plan, adaptive management plan, and financial assurance measures.

Task II: Construction Phase Engineering Services

The DAM BUREAU's selected contractor(s) will participate in a pre-construction meeting before any site work begins that will include ARM, NHDES Wetlands Bureau permitting staff project partners and contractors to review permit conditions, construction inspection requirements, the construction schedule and lines of communication, and grant-related requirements. During the pre-construction meeting the DAM BUREAU will designate a QUALIFIED PROFESSIONAL(S) (as defined in Env-Wt 802.06) with expertise in wetland and stream restoration to supervise and be on-site during construction to ensure conformance with the final design plans and specifications, as well as monitor the project site until it is stabilized. Construction Status Meetings will be held weekly with the Contractor during construction. The purpose of these meetings will be, among other things, to review current progress, projected progress, and identify any areas needing coordination. Representatives from ARM will be invited to these meetings to review progress and provide input. The QUALIFIED PROFESSIONAL(S) will prepare and distribute notes from each Construction Status Meeting. The QUALIFIED PROFESSIONAL(S) will also develop and submit monthly construction progress reports that will include on-site observations to include field reports, field change sketches, maintenance records of activities and office support including review of shop drawings, submittals, invoice/payment requisitions and review of conformance with the contract documents. In the event questions or concerns arise during construction, QUALIFIED PROFESSIONAL will work with ARM, project partners, and contractor to develop and implement adaptive management interventions that may be necessary to optimize channel conditions to improve hydrology and aquatic habitat connectivity. Adaptive management may include but not limited to bedrock removal and channel adjustment to meet passage criteria for target fish species, riverbank and channel adjustment for

proper thalweg alignment and bank stability, adjustment to wetland and buffer planting area locations and plant species, etc. Adaptive management actions shall only be enacted and in coordination with the methodology agreed upon by the DAM BUREAU, ARM, NHDES Wetlands Bureau, NHF&G, and USACOE.

Within 60 days of Substantial Completion, to ensure the implementation of the design has occurred in accordance with permits, this MOU, and contract documents, a post-construction/ final site walk will be conducted with the ARM Fund Program, NHDES Wetlands Bureau permitting staff, project partners and contractors will be convened by the QUALIFIED PROFESSIONAL. If necessary, a list of action items and a timeline for completion or correction will be developed by the QUALIFIED PROFESSIONAL. The DAM BUREAU will provide ARM with one P.E.-stamped as-built survey of the site to confirm as-built dimensions of any structures, locations of designated monitoring cross-sections, channel elevations for each cross-section, channel topography of the longitudinal profile, bank stabilization and planting areas. The as-built survey will be accompanied by one P.E.-stamped as-built report. The as-built report will include dated/captioned photos at each monitoring cross-section and of the restored areas. The report will include a summary of adaptive management strategies implemented during construction and provide the status of any plantings, completion of action items addressed during the final site walk through, and site stabilization measures.

Task III: Construction

The construction contractor(s) hired by DAM BUREAU will remove the Hadley Falls Dam and enact other project elements (i.e. mobilization/ demobilization, site preparation, water controls, lower impoundment sediment excavation and off-site disposal, site work, demolition work, rock excavation, vibration monitoring, structural work, and site restoration) as per the final design plans and in accordance with the project's NHDES wetlands permit and conditions.

The DAM BUREAU agrees to work cooperatively with ARM on the restoration of the Piscataquog River, including, during the initial construction phases, adaptively managing the uncertain channel conditions and contours that are currently buried by the dams and accumulated sediment. The construction plans, specifications, and bid items will anticipate adaptive management interventions that may be necessary to optimize channel conditions to improve river channel hydrology and aquatic habitat connectivity. During the initial construction phase, the Project Engineer shall convene field meetings as necessary between the Contractor, Project Engineer, ARM, and other natural resource agency representatives with expertise in aquatic habitat connectivity to adaptively manage the site within the terms of the existing construction plans, approvals, and MOUs.

Task IV. Long-Term Monitoring and Adaptive Management

The DAM BUREAU will provide geomorphic and biological monitoring and prepare summary reports for five years post-construction to determine whether the performance standards included in the Federal Mitigation Plan approved by USACOE have been successfully achieved. The DAM BUREAU, ARM, and project partners will collaboratively review the monitoring results on an annual basis to evaluate whether the site is maintaining target wetland functions and meeting the performance standards. The DAM BUREAU will be responsible for the long-term maintenance of the Restoration Areas and development of adaptive management actions at the site if needed. Adaptive management and remedial actions shall only be enacted and in coordination with agreed upon methodology by the DAM BUREAU, ARM, NHF&G, and USACOE.

The DAM BUREAU shall allow ARM unrestricted access to the restoration project areas for five consecutive years following construction completion. ARM will assist with the monitoring efforts, if

necessary, to ensure the success of the activities taken and to ensure that no actions are occurring which could be detrimental to the attributes of the project. ARM will refer any deficiencies observed to the DAM BUREAU to address.

Task V. Historical Investigation & Documentation

The DAM BUREAU shall fulfill the requirements for compliance with Section 106 of the National Historic Preservation Act. This shall include any required documentation and/or mitigation measures determined by the NH Division of Historical Resources (NHDHR) and the USACOE.

Task VI. Long-term Protection

The DAM BUREAU shall use a portion of the ARM grant funding to fulfill the requirements of 33 C.F.R. § 332.7(a) and establish a long-term protection mechanism for the aquatic habitats, riparian areas, buffers, and uplands that comprise the overall compensatory mitigation project area.

Task VII. Community Engagement and Signage

Community outreach and engagement events, including but not limited to public notices and/or hearings, shall be completed prior to construction in accordance with state, local and federal approval requirements.

The DAM BUREAU agrees to place a sign at a prominent location on or near the Restoration Area in agreed upon location by the DAM BUREAU and ARM. The sign should contain at a minimum the NHDES logo and the following statement: "This project was funded, in part, by the New Hampshire Aquatic Resource Mitigation Fund" Should the sign be damaged or destroyed, the DAM BUREAU agrees to repair or replace it with identical signage and to share any costs associated with that repair or replacement to the extent reasonably practicable. All final work products must meet the applicable Americans with Disabilities Act (ADA) Title II Regulations to the extent practicable and shall be guided by best practices outlined in the Revised Section 508 Standards of the Rehabilitation Act and the Web Content Accessibility Guidelines (WCAG).

G. Deliverable Schedule:

Task	Deliverable	Timeframe
I. Design & Permitting	Submit all required state, federal and local permit applications, executed professional services contract, kick-off, mid-level, and final meeting notes, Preliminary Design Review Memo, Final Design Review Memo, Approved Federal Mitigation Plan	upon G&C approval- June 2027
II. Construction Phase Engineering	Pre-construction meeting minutes, construction status meeting notes, monthly construction reports summarizing completed activities and correspondence such as RFIs, shop drawing review, Field Observation Reports, adaptive management strategies, Photos, PE-stamped as-built report, survey and construction drawings, etc.	June 2027-March 31, 2028
III. Construction	Successful removal of dam structure to restore the Piscataquog River, Certificate of Substantial Completion(s); Certificate of Final Completion(s), adaptive management strategy approval(s) and implementation (as-needed)	July-December 31, 2027
IV. Long Term Monitoring	Annual post-construction monitoring reports, including maintenance and adaptive management activities.	Annually by December 31, 2028-2032
V. Historical Investigation & Documentation	Report from qualified professional as defined by NHDHR of dam removal(s) and any unanticipated findings.	December 31, 2027
VI. Long-term Protection	Establish long-term protection mechanism approved by USACE in accordance with 33 C.F.R. § 332.7(a)	December 31, 2032
VII. Community Engagement & Signage	Public Notices, Draft and Final Sign Design, Installed Sign	December 31, 2032

EXHIBIT B
ARM BUDGET & PAYMENT METHOD

The DAM BUREAU shall submit requests for payment after completing each task and submitting evidence of the associated deliverable. Upon receipt and approval by ARM of the invoices, payment to the DAM BUREAU shall be transferred in accordance with the following:

Budgeted amounts by Task are estimated. The DAM BUREAU is authorized to move funds between Tasks based on actual expenses incurred by Task with an award amount not to exceed \$4,510,464.

Upon receipt and approval by ARM of the invoices, NHDES shall issue payment to the DAM BUREAU in accordance with the following:

Task		ARM Budget	Payment Method
I	Design & Permitting	\$717,964	Upon Completion
III	Construction Phase Engineering	\$387,500	Upon Completion
IV	Construction	\$2,800,000	Upon Completion
V	Long Term Monitoring & Adaptive Management	\$400,000	Upon Completion
VI	Historical Investigation & Documentation	\$80,000	Upon Completion
VII	Long-term Protection	\$100,000	Upon Completion
IX	Community Engagement & Signage	\$25,000	Upon Completion
TOTAL		\$4,510,464	

Total amount to be authorized following approval by the Governor and Executive Council: \$4,510,464

Payments shall be made by ARM to the DAM BUREAU upon approval of stated deliverables and verification of the value of completed work through submitting invoices for services rendered.

The payments listed above are inclusive of project labor and expenses. Invoices shall be formatted to note completion of services.

The billing address shall be as follows:

NH Department of Environmental Services
29 Hazen Drive, PO Box 95
Concord, NH 03302-0095
ATTN: Emily Nichols, ARM Fund Program Manager

Invoices shall be approved by the Contract Officer before payment is processed.

**ATTACHMENT A
2025 Aquatic Resource Mitigation Fund Grants**

Applications and Funding Amounts in Merrimack Service Area

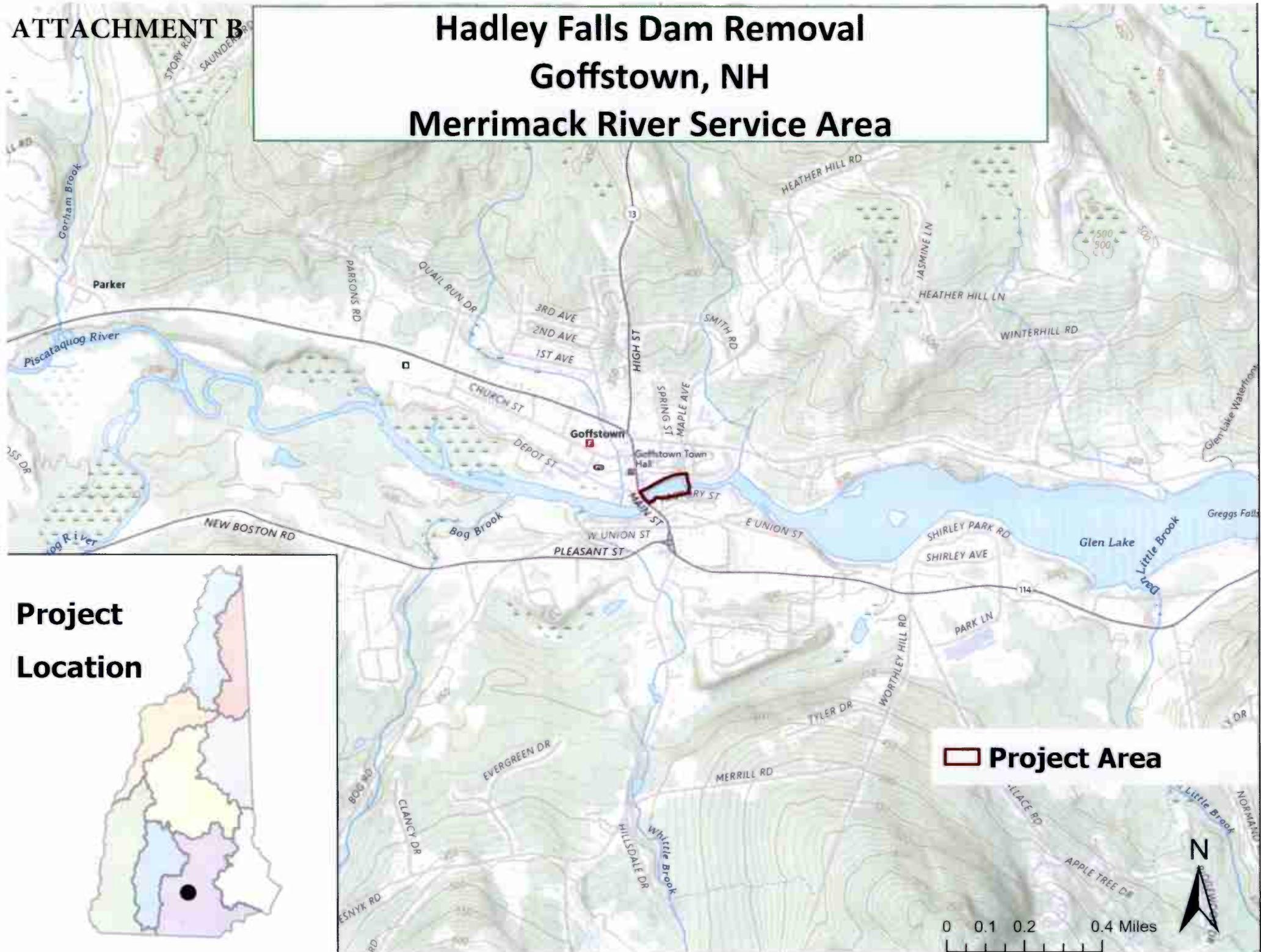
Grant Applicant/Project	Town	Requested Funding Amount	Approved for Funding
Candlewood Hill Bog & Fen Preservation	Francestown	\$159,895	Yes – full funding
Hadley Falls Dam Removal and Piscataquog River Restoration	Goffstown	\$4,510,464	Yes – full funding

(Note: Each Committee member scores the projects and their scores are combined to create a total score.)

Site Selection Committee Voting List

Name	Agency/Organization	Title	Years of Experience
Peter Bowman	NH Dept. of Resources & Economic Development	Ecological Information Specialist	25
Melissa Winters	NH Fish and Game Department	Certified Wildlife Biologist	20
Michael Burke	NH Rivers Council/ American Rivers	Water Resources Engineer	21
Tracy Tarr	NH Association of Natural Scientists	Wetland Scientist	25
Charles DeCurtis	The Nature Conservancy	Lead Conservation Scientist - Freshwater Program Manager	32
Ken Gallegher	NH Department of Business and Economic Affairs	Principal Planner	37
John Davis	NH Association of Conservation Commissions	Surry Conservation Commission	20

Hadley Falls Dam Removal Goffstown, NH Merrimack River Service Area



Project Location

