



State of New Hampshire
DEPARTMENT OF NATURAL & CULTURAL RESOURCES
OFFICE OF THE COMMISSIONER

172 Pembroke Road Concord, New Hampshire 03301
Phone: 603-271-2411 Fax: 603-271-2629
TDD Access: Relay NH 1-800-735-2964
dnrcr.nh.gov



June 29, 2024

Peter Disch, General Manager
Mount Sunapee Resort
PO Box 2021
Newbury, NH 03255

RE: Mount Sunapee Resort Annual Operating Plan 2024-2025

Dear Mr. Disch,

Pursuant to the Lease and Operating Agreement under Part 5, MSR's proposed schedule for operation shall be reviewed by DNCR and either approved as proposed, or revised for resubmission; and, DNCR is required to notify the Operator in writing of a final schedule of operations no later than June 30th of each year. The purpose of this letter is to provide you with conditional approval of the Mount Sunapee Resort (MSR) Annual Operating Plan 2024-2025 (AOP), dated May 15, 2024.

The Lease and Operating Agreement of 1998 (Lease 1998) enables the Operator, d/b/a Mount Sunapee Resort (MSR), "to manage and operate the Leased Premises as a public ski area and summer recreational facility to provide year-round outdoor recreational opportunities for the general public" and "shall entitle the Operator to the right to operate a commercial recreational recreational (*sic*) facility (including all of its support activities) on Mount Sunapee in the Towns of Newbury and Goshen" (Lease 1998, Part 4, Ski Area Operations, p. 4).

The Annual Operating Plan. Pursuant to the Lease 1998, Part 5, Annual Operating Plan, p. 4 "[o]n or before the 15th day of May during each year of this Agreement, the Operator shall submit to the Department of Natural and Cultural Resources (DNCR) an annual operating plan, including a schedule of the proposed days and hours of operation for the ski area, and a description of the types of recreational activities available to the public. The proposed schedule of operation shall be reviewed by DNCR and either approved as proposed or revised for resubmission. The DNCR shall notify the Operator in writing of a final schedule of operations no later than June 30th of each year." The AOP 2024-2025 was delivered to the DNCR on May 15, 2024. The DNCR distributed the AOP to the Mount Sunapee Advisory Commission (MSAC) and posted a copy on the MSAC website.

The Mount Sunapee Advisory Commission (MSAC). The MSAC operates under the Public Involvement and Oversight Policy for Mt. Sunapee Ski Area (PIOP), dated August 31, 1998, and revised on December 3, 2018. The Lease Amendment approved by the Governor and Executive Council on December 19, 2018, codified the requirement that the Operator meet with the MSAC at the call of the Commissioner.

I called a meeting of the MSAC held on June 11, 2024, at the Newbury Town Offices. At the meeting, MSR provided an update of its prior year operations and presented its AOP 2024-2025. Comments on the AOP were received from the MSAC and the public. The deadline for additional public comment was June 17, 2024.

Conditional approval of the AOP. The DNCR has completed its review of Mount Sunapee Resort's Annual Operating Plan 2024-2025 (AOP), dated May 15, 2024. The activities in the AOP are consistent with the 1998 Lease and Lease Amendments, and the Master Development Plan (MDP) and Environmental Management Plan (EMP) 2020-2025, that was approved by the DNCR on June 1, 2021. Comments received from the public, the MSAC, and the DNCR technical staff were considered. I am providing the MSR with written approval of the AOP 2024-2025, on the following basis and subject to the conditions herein.

- 1) The proposed schedule of operations for the ski area and the types of recreational activities available to the public are approved as proposed. I acknowledge that the MSR may not open certain areas and facilities or implement certain programs for the general public in response to health and safety reasons, compliance with government order, or for circumstances outside of MSR's control, such as weather.
- 2) The DNCR acknowledges that the MSR's summer and skier visitation data are a part of its accounting and financial reporting that is provided to and audited by the DNCR each year. In accordance with RSA 91-A:5, such confidential, commercial, and financial information is exempt from public release.
- 3) As required under the Lease, MSR will comply with LWCF requirements, as it pertains to Item 4, Resort Real Estate Sales of the AOP (p. 22).
- 4) The DNCR recognizes MSR's commitment to maintain water quality by complying with all permit conditions and reporting; and by utilizing the guidelines provided in the NH Stormwater Manuals, DOT Best Management Practices, and DES Best Management Practices (AOP, pp. 24-25 and pp. 31-33).
- 5) In its third year of operation, the DNCR commends MSR's efforts to reduce its solid waste by expanding its waste sorting to two new locations and achieving an additional 20% reduction of waste to landfill year-over-year (AOP, p. 25).
- 6) The DNCR acknowledges MSR's responsive and collaborative action with local and state agencies to address the vehicle traffic challenges that occurred during the 2021-2022 winter season. DNCR supports MSR's traffic congestion mitigation strategies outlined in the AOP on pp. 25-27 and pp. 42-45.
 - a) During the design and permitting process for the Parking Lot #4 project, MSR further refined its design of Lot #4 and proposed the expansion of Parking Lot #2. MSR was granted a Major Wetlands Impact Permit on May 10, 2024. The Alteration of Terrain (AOT) permit is in the review process.
 - b) Outlined below, DNCR is refining its conditional approval of the Parking Lot #4 project, based upon the project's redesign and the proposal to expand Parking Lot #2.
- 7) DNCR recognizes MSR's ongoing coordination with the NHB on a mowing schedule to protect the greater fringed-gentian population, the Loesel's wide-lipped orchid population, and the northern tubercled bog-orchid population (AOP, pp. 28-29).
- 8) The DNCR appreciates MSR's commitment to protect the Lake Sunapee watershed through collaboration and partnerships with state agencies and community organizations, including:
 - a) Working with DES Watershed Assistance Section staff on developing a sub-watershed management plan for Beck Brook (AOP, p. 30); and

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- b) Collaborating with the Lake Sunapee Protective Association (LSPA) in the overall management of the Lake Sunapee Watershed. Following the Beck Brook project in 2022, MSR and LSPA agreed to plan for additional work over the next 3-5 years on culverts and headers located downstream from Spruce Lodge. The parties will continue to collaborate and pursue projects that contributes toward the Lake Sunapee Watershed Management Plan (AOP, pp. 30-31).
- 9) MSR received a Groundwater Discharge Permit from DES for its wastewater lagoon and sprayfield system on Feb 1, 2024 (AOP, p. 18&36). The Permit contained several conditions that MSR is obligated to fulfill, including Item #18, which states: “Within one year of the date of this permit, the permittee shall provide the [DES] the following, related to the operations and maintenance the wastewater facility:
- “1. An Operations and Maintenance Plan for the facility in accordance with Env-Wq 718.05(b). This guidance document has more information on this requirement.
 - “2. A plan to replace and/or upgrade infrastructure as identified in item 10 of Hoyle Tanner’s July 20, 2023 letter entitled “Review of Mount Sunapee Resort Wastewater Treatment System” that was included as part of the groundwater discharge permit renewal application. The improvement plan shall include a timeline to replace the site’s infrastructure that is beyond its service life, including but not limited to, the lagoon cast-in place concrete flow control structures, elevated bridge deck, and spray irrigation pump building.
 - “3. An assessment of the approximate sludge volume (in cubic feet or tons) currently in the lagoons and, if needed, a plan to remove the sludge.”
- a) MSR will provide copies of the aforementioned plans, timelines, and assessments to DNCR for departmental review. DNCR will facilitate information sharing of the plans, timelines and assessments, including, but not limited to, calling a meeting of the MSAC.
 - b) MSR will provide details of its Groundwater Discharge Program in future Annual Operating Plans that shall include the details of and updates on these permit obligations and reporting.
 - c) MSR’s Groundwater Discharge Program plans will be reflected in MSR’s Master Development Plan & Environmental Management Plan 2026-2030.
- 10) The maintenance and improvement projects planned under the AOP 2024-2025 timeframe (AOP, pp. 37-38) meet the Lease requirements that the “Operator shall maintain the Leased Premises in first class condition... shall undertake all maintenance of the facilities, lifts, trails, slopes, ponds, water courses, buildings, structures, roadways and other appurtenances, and housekeeping in all areas of the Leased Premises” (see 1998 Lease, Part 16 Maintenance, p. 8).
- a) The construction of Parking Lot #4 was proposed in MSR’s 2000-2004 MDP and approved by Commissioner George Bald on September 19, 2000. The MSR brought forward its Parking Lot #4 project in its AOP 2022-2023, which DNCR conditionally approved on June 30, 2022. This letter refines my conditions for Parking Lot #4 and Parking Lot #2 projects.
 - i) As requested by DNCR in 2022, the MSR evaluated and documented its primary goals for establishing Parking Lot #4 as part of its Traffic Congestion Mitigation plan, see AOP pp. 25-27.

- ii) On May 10, 2024, MSR obtained from DES conditional approval of the Standard Dredge and Fill Wetlands Permit Application with Mitigation (NHDES File No. 2023-00719), for which approval shall not be effective until compensatory mitigation actions are completed.
 - iii) MSR will continue to fulfill its obligations for project implementation, including all required federal, state, and local permitting and approvals; including, but not limited to, DES review of the AOT permit application and federal review by the U.S. Army Corps of Engineers, pursuant to Sec. 404 of the Clean Water Act. As the landowner, DNCR will review all required permits.
 - iv) MSR will provide any updated site plans for Parking Lot #2 and Parking Lot #4 to DNCR for review and approval, including compliance with the LWCF program.
 - v) MSR was granted a Special Use Permit for parking use of the State Beach parking lot in winter for the purpose of staff parking and overflow parking. Should MSR obtain all required permits and approvals for Parking Lot #4 and Parking Lot #2, and upon completion of said projects, MSR will use the State Beach parking lot in winter for staff parking only and not for overflow parking.
 - vi) MSR will continue its commitment to maintain water quality during any approved construction activities and in the maintenance and operation of the parking lots, including but not limited to snowplowing and salt use, drainage and erosion control, and stormwater management.
 - vii) MSR will provide details of its parking lot projects, including the details of and updates on its permit obligations and reporting in future Annual Operating Plans.
 - viii) MSR's Traffic Congestion Mitigation program, including the parking lot projects will be reflected in MSR's Master Development Plan & Environmental Management Plan 2026-2030.
- 11) The MSR will obtain any and all required federal, state and local permitting and approvals as may be required for its projects.
- 12) The DNCR acknowledges that projects that were approved by the DNCR in previous AOP's and listed on page 40, will not be undertaken by the MSR in the 2024-2025 AOP timeframe.
- 13) The conditions for approval of projects proposed in previous AOPs, MDPs and EMPs shall remain in effect.
- 14) The approval of this AOP does not supersede any conditions of the 1998 Lease, the Lease Amendments (approved by Governor and Executive Council on December 19, 2018, Items #A, #B, and #C), and/or the MDP, all of which shall prevail.

As required under the 1998 Lease, the DNCR will conduct its annual inspection of the leased premises (Lease 1998, Part 16, Maintenance, p. 8).

As of December 2023, the State has received \$5,081,254 in cumulative base fee payments and \$8,824,704 in cumulative commission payments in accordance with the 1998 Lease, Part 3, Rent, p. 3. The 2023 base fee payment was \$278,169.04, based upon the prior years' Base Lease payment and adding the 8.52% CPI inflation rate on June 30, 2023. The 3% commission payment for Fiscal Year 2023 was \$617,377 and is

based on annual gross revenue. As provided in the 1998 Lease, Part 19, Inspection of Operator's Records, p. 9, the State requested and audited the accounting records of Mount Sunapee Resort in 2012, 2014, 2017, 2019, and annually thereafter. The records and figures for Vail's allocation of revenue from its Epic Pass sales was also inspected by the auditor. DNCR has determined that MSR is in compliance with the payment terms and conditions of the Lease agreement.

On behalf of the State of New Hampshire, I wish to thank Peter Disch and the Mount Sunapee Resort staff for the time and attention they have given to the AOP 2024-2025, their commitment to the operation of ski area, and their involvement in the community. As was reported at the MSAC meeting, MSR hosted the 90th League of NH Craftsmen's Fair, provided 181 volunteer hours to community trail projects, and raised over \$500K for community-based programs, such as the NH Boys & Girls Club and New London Hospital. This past winter, MSR celebrated the ski area's 75th anniversary, with a variety of events and activities. They hosted the Boston Ski Party event that promotes urban youth access to skiing and is the host site for the New England Healing Sports Association's adaptive ski programs.

I wish to also thank my colleagues at the Department of Environmental Services for their role in assessing, testing, and providing meaningful input throughout their permitting process. Attached I have included a letter from the DES Wetlands Bureau that lays out the conditions and compensatory mitigation requirements. This letter also lays out the permitting process and findings that address all concerns raised by the Newbury Conservation Commission. I also have attached the Groundwater Discharge Permit approval from DES. Since the June 11th MSAC meeting, and with the feedback I have received from the public, I have followed up directly with the DES staff and trust their assessments and analysis.

The partnership between the State of New Hampshire and Mount Sunapee Resort has contributed to the success of Mount Sunapee State Park as a premier year-round recreational venue to the citizens and visitors of New Hampshire. I look forward to our continued collaboration.

Sincerely,



Sarah L. Stewart
Commissioner

cc: Mount Sunapee Advisory Commission