

The State of New Hampshire  
**Department of Environmental Services**

**Thomas S. Burack, Commissioner**

*Celebrating 25 Years of Protecting  
New Hampshire's Environment*



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53*



STATE OF NEW HAMPSHIRE  
**American Recovery  
and Reinvestment Act**



December 27, 2012

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

*ARRA  
Project*

**REQUESTED ACTION**

Authorize the Department of Environmental Services to approve a Supplemental Loan Agreement with the City of Dover (VC #177380), which finalizes the Original Loan Agreement in the amount of \$558,314.00, under the provisions of RSA 486:14 and N.H. Code of Administrative Rules Env-Wq 500, et seq., effective upon Governor & Council approval. The Original Loan Agreement was approved by Governor & Council on July 15, 2009 as Item No. 53. 41.5% Clean Water State Revolving Fund, 8.5% Capital (General) funds, 50% Federal ARRA funds.

**EXPLANATION**

The purpose of the Supplemental Loan Agreement with the City of Dover is to finalize the principal loan amount, interest rate, and the repayment schedule for the loan agreement. The original loan was used to fund the design and construction of the Wastewater Treatment Plant Aeration Blowers Upgrade project.

This loan was issued under the Clean Water State Revolving Fund (CWSRF) program for the purpose of financing the design and construction of an upgrade to Dover's Wastewater Treatment Plant consisting of the replacement of existing aeration blowers with high efficiency blowers which will use approximately one third of the power compared to the existing blowers. Under the terms of the Supplemental Loan Agreement, the City of Dover will pay back the principal sum of \$558,314.00 with an interest rate of 1.700% over a 10-year period, payable in installments as provided in the agreement. In addition, principal forgiveness through the American Recovery and Reinvestment Act of 2009 (ARRA) in the amount of \$279,157.00 will

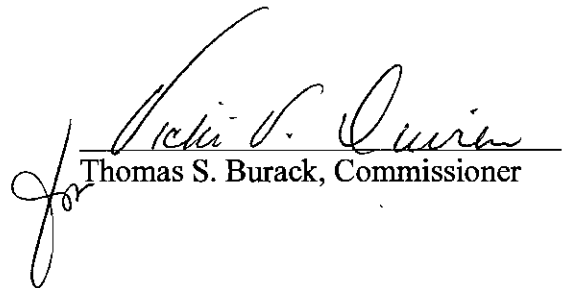
Her Excellency, Governor Margaret Wood Hassan  
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be applied to the principal balance upon receipt of the initial loan payment. The work will ultimately save energy costs, protect human health and maintain the quality of the Cochecho River.

Attached are the Supplemental Loan Agreement, debt service schedule for this loan, and a tabulation of the CWSRF and ARRA accounts showing the effect of this loan on the available funds.

We respectfully request your approval.

  
for Thomas S. Burack, Commissioner

DEPARTMENT OF ENVIRONMENTAL SERVICES  
WATER DIVISION

**Base Clean Water State Revolving Fund Loan Program (CWSRF)  
American Recovery and Reinvestment Act of 2009 (ARRA)**

Supplemental information to Governor and Council request for a loan agreement under RSA 486:14 and N.H. Code of Administrative Rules Env-Wq 500 et seq. for the municipality listed below:

This request will change the balance available for loans as follows:

	<u>CWSRF Cap Grant</u>	<u>CWSRF Repayment</u>	<u>ARRA</u>
Repayment Funds as of December 8, 2012		\$84,858,325	
Federal Funds *	\$306,447,231	\$0	\$37,697,344
Plus 20% State Match	\$63,871,173	\$0	\$0
Total Funds Available	\$370,318,404	\$84,858,325	\$37,697,344
Less Loans Previously Approved	\$350,554,635	\$0	\$36,781,793
<b>Funds Available for Loans</b>	<b>\$19,763,769</b>	<b>\$84,858,325</b>	<b>\$915,551</b>
<b>Loan Agreement(s) This Request:</b>			
City of Dover			
Original Loan Amount <sup>†</sup>	(\$279,157)	\$0	(\$279,157)
Supplemental Loan Amount <sup>†</sup>	\$279,157	\$0	\$279,157
Change, this Request <sup>†</sup>	\$0	\$0	\$0
<b>Other Requested Action(s)</b>			
City of Manchester	\$0	(\$1,646,884)	\$0
City of Lebanon	\$3,450,000	\$0	\$0
<b>Net Change<sup>†</sup></b>	<b>\$3,450,000</b>	<b>(\$1,646,884)</b>	<b>\$0</b>
<b>Balance Available after G &amp; C Approval</b>	<b>\$16,313,769</b>	<b>\$86,505,209</b>	<b>\$915,551</b>

\* Is net of the 4% reduction in Federal dollars for CWSRF Program administration

<sup>†</sup> Negative numbers in this row indicate funds returned to account

See SRF Loan Status Table for breakdown of Grants by year

**NEW HAMPSHIRE DEPARTMENT OF ENVIRONMENTAL SERVICES  
CLEAN WATER STATE REVOLVING LOAN PROGRAM**

**SRF Funds Available for Loans**

1989-2005 Capitalization Grants	\$213,967,292
Plus Amendments	\$23,034,312
Plus State Match	\$47,408,321
Less 4% Administration Fee	(\$9,480,065)
Total 1989-2005 Funds Available for Loans	<u>\$274,929,860</u>
2006 Capitalization Grant (08/08/07)	\$8,739,500
Plus State Match	\$1,767,900
Less 4% Admin.	(\$349,580)
Total 2006 Funds Available for Loans	<u>\$10,157,820</u>
2007 Capitalization Grant (09/11/08)	\$10,695,762
Plus State Match	\$2,139,152
Less 4% Admin.	(\$427,830)
Total 2007 Funds Available for Loans	<u>\$12,407,084</u>
2008 Capitalization Grant (02/04/09)	\$6,769,000
Plus State Match	\$1,353,800
Less 4% Admin.	(\$270,760)
Total 2008 Funds Available for Loans	<u>\$7,852,040</u>
2009 Capitalization Grant (07/22/09)	\$6,769,000
Plus State Match	\$1,353,800
2009 Supplemental (ARRA) Capitalization Grant	\$39,163,900
Less 4% Admin.	(\$1,837,316)
Transfer of ARRA Admin. to Loans	\$100,000
Total 2009 Funds Available for Loans	<u>\$45,549,384</u>
2010 Capitalization Grant (08/10/2011)	\$20,361,000
Plus State Match	\$4,072,200
Less 4% Admin.	(\$814,440)
Total 2010 Funds Available for Loans	<u>\$23,618,760</u>
2011 Capitalization Grant (09/21/2011)	\$14,757,000
Plus State Match	\$2,951,400
Less 4% Admin.	(\$590,280)
Total 2011 Funds Available for Loans	<u>\$17,118,120</u>
2012 Capitalization Grant (06/05/2012)	\$14,123,000
Plus State Match	\$2,824,600
Less 4% Admin.	(\$564,920)
Total 2012 Funds Available for Loans	<u>\$16,382,680</u>
Total Federal Grant \$ Available (including ARRA)	\$344,144,575
Total Federal Grant \$ Available (excluding ARRA)	\$306,447,231
Total State Match	\$63,871,173
<b>Total 1989 - 2012 Funds Available for Loans (including ARRA)</b>	<b><u>\$408,015,748</u></b>
<b>Total 1989 - 2012 Funds Available for Loans (excluding ARRA)</b>	<b><u>\$370,318,404</u></b>



STATE OF NEW HAMPSHIRE  
**American Recovery  
and Reinvestment Act**



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1  
2 WATER POLLUTION CONTROL REVOLVING FUND PROGRAM

3 CITY OF DOVER, NEW HAMPSHIRE  
4 (Project No. CS-333200-07)

5  
6 **SUPPLEMENTAL LOAN AGREEMENT**

7 This SUPPLEMENTAL LOAN AGREEMENT (Agreement) is entered into as of the  
8 \_\_\_\_\_ day of \_\_\_\_\_, 2013, between the State of New Hampshire  
9 Water Pollution Control Revolving Fund Program (State) and the **City of Dover, New**  
10 **Hampshire** (Loan Recipient) in accordance with RSA 486:14 and New Hampshire Code of  
11 Administrative Rules Chapter Env-Wq 500 (Rules) in order to finance the **Wastewater**  
12 **Treatment Plant Aeration Blower Upgrade** (Project) which is now complete. The Project is  
13 described in Exhibit A. This Agreement supplements or amends the Original Loan Agreement  
14 (OLA) dated **July 15, 2009**. The purpose of this Agreement is to set the terms, interest rate, and  
15 payment schedule for the repayment of the monies borrowed under the OLA. All terms of the  
16 OLA that are not amended by this Agreement remain in effect.

17 This Agreement modifies the Scheduled Completion date contained in the OLA to  
18 **February 1, 2012**.

19 The Loan Recipient agrees to repay to the State, in accordance with the terms of this  
20 Agreement, the principal sum of **Five Hundred Fifty Eight Thousand, Three Hundred**  
21 **Fourteen and 00/100 Dollars (\$558,314.00)** with interest thereon payable in annual installments  
22 as provided in this Agreement. Pursuant to the American Recovery and Reinvestment Act of  
23 2009 (ARRA) and the OLA, a total of **\$279,157.00** of principal will be forgiven at the time of  
24 the initial loan repayment as reflected in the payment schedule in Exhibit B, attached hereto.  
25

1           The Loan shall be represented by a Promissory Note (Note) of the Loan Recipient issued  
2 under and in accordance with the applicable provisions of RSA 33, the Municipal Finance Act,  
3 as amended and supplemented, including the provision of RSA 486:14, III. The Note shall be in  
4 the form of Exhibit B. The outstanding principal amount of the Loan made hereunder shall bear  
5 interest which shall accrue from the date that Loan is made computed on the basis of 30-day  
6 months and 360-day years using the following interest rate: **1.7000%**.

7           Annual payments of principal and interest by the Loan Recipient shall commence on  
8 **February 1, 2013**, and shall be due on this anniversary date each year thereafter until the Note is  
9 paid in full.

10           The Loan Recipient hereby authorizes the State to compute the annual debt service  
11 installments and to make the appropriate notations on the Note, provided that failure to make  
12 such a notation or any error made in such a notation with respect to any Loan shall not limit the  
13 Loan Recipient's payment obligations under this Agreement and any Note.

14           Upon default in the prompt and full payment of any installment of principal or interest on  
15 this Loan Agreement, the entire unpaid principal hereof and interest thereon to the date of  
16 payment shall immediately become due and payable upon the demand of the State of New  
17 Hampshire.

18           At any time, any state grant funds payable to the Loan Recipient may be set off against  
19 and applied in payment of any obligations that are due hereunder. In the event of a default in the  
20 prompt and full payment when due of any installment of principal or of interest on a Note issued  
21 under this Agreement, any State grant funds payable to the Loan Recipient may be held and  
22 treated as collateral security for the payment of the obligations hereunder.

23           In the event of set off, the State shall notify the Loan Recipient of said set off and said  
24 funds will be applied to the annual payment due.

1 No delay or omission on the part of the State of New Hampshire in exercising any right  
2 hereunder shall operate as a waiver of such right or of any other right under this note. A waiver  
3 on any one occasion shall not be construed as a bar to or any right and/or remedy on any future  
4 occasion.

5 The Loan Recipient will pay all costs of collection, legal expenses, and attorney's fees  
6 incurred or paid by the State of New Hampshire in collecting and/or enforcing this Agreement or  
7 any Loan made hereunder on default.

8 The Loan Recipient reserves the right to prepay, without penalty, all or any part of the  
9 principal of any Loan made hereunder.

10 The Loan Recipient agrees to comply with all State and Federal requirements as  
11 contained in the Rules.

12 The effective date of this Agreement shall be the date of the Governor and Council  
13 approval of this Agreement.

14 This Agreement may be amended, waived or discharged only by an instrument in writing  
15 signed by the parties hereto and only after approval of such amendment, waiver or discharge by  
16 the Governor and Council of the State of New Hampshire.

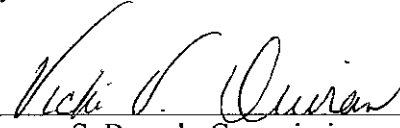
17 This Agreement shall be construed in accordance with the laws of the State of New  
18 Hampshire, and is binding upon and inures to the benefit of the parties and their respective  
19 successors.

20 The parties hereto do not intend to benefit any third parties and this Agreement shall not  
21 be construed to confer any such benefit.

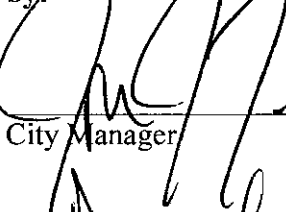
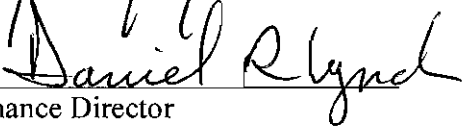
22 This Agreement, which may be executed in a number of counterparts, each of which shall  
23 be deemed an original, and those provisions of the Original Loan Agreement not superseded by  
24 this Supplemental Loan Agreement constitute the entire Agreement and understanding between  
25 the parties, and supersedes all other prior agreements and understandings relating hereto.

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**STATE OF NEW HAMPSHIRE**  
by:

  
\_\_\_\_\_  
Thomas S. Burack, Commissioner  
Environmental Services

**CITY OF DOVER, NEW HAMPSHIRE**  
by:

  
\_\_\_\_\_  
City Manager  
  
\_\_\_\_\_  
Finance Director





1 **EXHIBIT B**

2 STATE OF NEW HAMPSHIRE

3 WATER POLLUTION CONTROL REVOLVING LOAN FUND PROGRAM

4 and

5 AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

6 PROMISSORY NOTE AND REPAYMENT SCHEDULE

7

8 The **City of Dover, New Hampshire** (Loan Recipient) promises to pay to the Treasurer  
9 of the State of New Hampshire the sum of **Five Hundred Fifty Eight Thousand, Three**  
10 **Hundred Fourteen and 00/100 Dollars (\$558,314.00)** in installments on **February 1** in each  
11 year as set forth below, with interest on the entire unpaid balance payable on the first principal  
12 payment date and annually, thereafter, at the rate of **1.7000%** per annum, computed on the basis  
13 of 30-day months and 360-day years, in the respective years set forth below. A total of  
14 **\$279,157.00** of principal will be forgiven at the time of the initial payment, as shown below.

15

16 REPAYMENT SCHEDULE

17

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>(Principal Forgiveness)</u>	<u>Payment Due</u>
18 2013	\$27,915.70	\$5,101.58	\$279,157.00	\$33,017.28
19 2014	\$27,915.70	\$4,271.10	\$0.00	\$32,186.80
20 2015	\$27,915.70	\$3,796.54	\$0.00	\$31,712.24
21 2016	\$27,915.70	\$3,321.97	\$0.00	\$31,237.67
22 2017	\$27,915.70	\$2,847.40	\$0.00	\$30,763.10
23 2018	\$27,915.70	\$2,372.83	\$0.00	\$30,288.53
24 2019	\$27,915.70	\$1,898.27	\$0.00	\$29,813.97
25 2020	\$27,915.70	\$1,423.70	\$0.00	\$29,339.40

1	2021	\$27,915.70	\$949.13	\$0.00	\$28,864.83
2	2022	\$27,915.70	\$474.57	\$0.00	\$28,390.27

3

4 This Promissory Note (Note) is issued under and by virtue of the New Hampshire  
5 Municipal Finance Act, an agreement duly entered into by the Loan Recipient and the State of  
6 New Hampshire Water Pollution Control Revolving Loan Fund Program, and is issued for the  
7 purpose of financing the cost of the **Wastewater Treatment Plant Aeration Blower Upgrade**  
8 as described in Exhibit A of the Supplemental Loan Agreement (Agreement).

9 The Loan Recipient reserves the right to prepay, at any time and without penalty, all or  
10 any part of the outstanding principal on this Note.

11 The terms and provisions of the Agreement are hereby incorporated in and made a part of  
12 this Note to the same extent as if said terms and provisions were set forth in full herein.

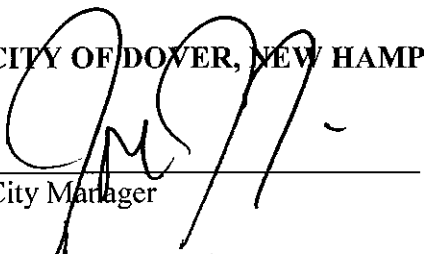
13 It is hereby certified and recited that all acts, conditions, and things required to be done  
14 precedent to and in the issuing of this Note have been done, have happened, and have been  
15 performed in regular and due form and, for the payment hereof when due, the full faith and credit  
16 of the Loan Recipient are hereby irrevocably pledged.

17 IN WITNESS whereof the Loan Recipient has caused this Note to be signed by its **City**  
18 **Manager and Finance Director**, and the seal of the Loan Recipient to be affixed hereto, as of  
19 the 18<sup>th</sup> day of December, 2012

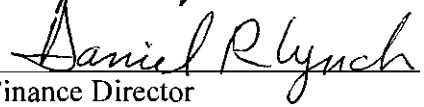
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21 CITY OF DOVER, NEW HAMPSHIRE by:

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23   
City Manager

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25   
Finance Director

(Seal)