

### The State of New Hampshire

# **Department of Environmental Services**

Thomas S. Burack, Commissioner

Celebrating 25 Years of Protecting New Hampshire's Environment





# American Recovery and Reinvestment Act



March 29, 2013

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



### **REQUESTED ACTION**

Authorize the Department of Environmental Services to approve a Supplemental Loan Agreement with the Town of Newmarket (VC #177449), which finalizes the Original Loan Agreement in the amount of \$940,000.00, 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 August 19, 2009 as Item 109C. 50% CWSRF Repayment Funds, 50% Federal ARRA funds.

## **EXPLANATION**

The purpose of the Supplemental Loan Agreement with the Town of Newmarket 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 New Village Utility Improvements project.

This loan was issued under the Clean Water State Revolving Fund (CWSRF) program for the purpose of financing the replacement and upgrade of approximately 4,000 feet of sewer main and associated manholes. Under the terms of the Supplemental Loan Agreement, the Town of Newmarket will pay back the principal sum of \$940,000.00 with an interest rate of 3.1040% over a 20-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 \$470,000.00 will be applied to the principal balance upon receipt of the initial loan payment. The work will ultimately protect human health and maintain the quality of the Lamprey 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.

Thomas S. Burack, Commissioner

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# 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:

	CWSRF Cap Grant	CWSRF Repayment	ARRA
Repayment Funds as of March 29, 2013		\$92,638,468	
Federal Funds *	\$306,447,231	\$0	\$37,697,344
Plus 20% State Match	\$63,871,173	\$0	\$0
Total Funds Available	\$370,318,404	\$92,638,468	\$37,697,344
Less Loans Previously Approved	\$353,421,814	\$0	\$36,781,793
Funds Available for Loans	\$16,896,590	\$92,638,468	\$915,551
Loan Agreement(s) This Request:  Town of Newmarket  Original Loan Amount †  Supplemental Loan Amount †	\$0 \$0	(\$470,000) \$470,000	(\$470,000) \$470,000
Change, this Request †	\$0	\$0	\$0
Other Requested Action(s)			
Winnipesaukee River Basin		(\$915,551)	\$915,551
Net Change †	\$0	(\$915,551)	\$915,551
Balance Available after G & C Approval	\$16,896,590	\$93,554,019	\$0

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

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



# American Recoand Reinvestment Act Water Pollution Control Revolving Fund Program Town of Newmarket, New Hampshire MAR 4 2013 DES-WEB



# 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 Town of Newmarket, New
LO	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 New Village Utility
L2	Improvements Project (Project) which is now complete. The Project is described in Exhibit A.
13	This Agreement supplements or amends the Original Loan Agreement (OLA) dated August 19,
L 4	2009. The purpose of this Agreement is to set the terms, interest rate, and payment schedule for
15	the repayment of the monies borrowed under the OLA. All terms of the OLA that are not
16	amended by this Agreement remain in effect.
L 7	This Agreement modifies the Scheduled Completion date contained in the OLA to
18	October 1, 2011.
. 9	The Loan Recipient agrees to repay to the State, in accordance with the terms of this
20	Agreement, the principal sum of Nine Hundred Forty Thousand and 00/100 Dollars
21	(\$940,000.00) with interest thereon payable in annual installments as provided in this
22	Agreement. Pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA) and the
23	OLA, a total of \$470,000.00 of principal will be forgiven at the time of the initial loan repayment
24	as reflected in the payment schedule in Exhibit B, attached hereto.

The Loan shall be represented by a Promissory Note (Note) of the Loan Recipient issued

under and in accordance with the applicable provisions of RSA 33, the Municipal Finance Act,
as amended and supplemented, including the provision of RSA 486:14, III. The Note shall be in
the form of Exhibit B. The outstanding principal amount of the Loan made hereunder shall bear
interest which shall accrue from the date that Loan is made computed on the basis of 30-day
months and 360-day years using the following interest rate: 3.1040%.

Annual payments of principal and interest by the Loan Recipient shall commence on October 1, 2012, and shall be due on this anniversary date each year thereafter until the Note is paid in full.

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

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

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

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

No delay or omission on the part of the State of New Hampshire in exercising any right hereunder shall operate as a waiver of such right or of any other right under this note. A waiver

1 on any one occasion shall not be construed as a bar to or any right and/or remedy on any future 2 occasion. 3 The Loan Recipient will pay all costs of collection, legal expenses, and attorney's fees incurred or paid by the State of New Hampshire in collecting and/or enforcing this Agreement or 5 any Loan made hereunder on default. 6 The Loan Recipient reserves the right to prepay, without penalty, all or any part of the 7 principal of any Loan made hereunder. 8 The Loan Recipient agrees to comply with all State and Federal requirements as 9 contained in the Rules. 10 The effective date of this Agreement shall be the date of the Governor and Council 11 approval of this Agreement. 12 This Agreement may be amended, waived or discharged only by an instrument in writing 13 signed by the parties hereto and only after approval of such amendment, waiver or discharge by 14 the Governor and Council of the State of New Hampshire. 15 This Agreement shall be construed in accordance with the laws of the State of New 16 Hampshire, and is binding upon and inures to the benefit of the parties and their respective 17 successors. 18 The parties hereto do not intend to benefit any third parties and this Agreement shall not 19 be construed to confer any such benefit. 20 This Agreement, which may be executed in a number of counterparts, each of which shall 21 be deemed an original, and those provisions of the Original Loan Agreement not superseded by 22 this Supplemental Loan Agreement constitute the entire Agreement and understanding between 23 the parties, and supersedes all other prior agreements and understandings relating hereto. 24 25

1	STATE OF NEW HAMPSHIRE by:	TOWN OF NEWMARKET, NEW HAMPSHIRE by:
3	Thomas & Burack	Belinda Camue
4	Thomas S. Burack, Commissioner Environmental Services	Treasurer
5		Jack S. Vaun
6		Town Administrator
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1	EXHIBIT A
2	STATE OF NEW HAMPSHIRE
3	WATER POLLUTION CONTROL REVOLVING LOAN FUND PROGRAM
4	PROJECT DESCRIPTION
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6	The Town of Newmarket, New Hampshire has applied for a Loan for and has completed the
7	following project: New Village Utility Improvements Project. The project included the upgrade
8	or replacement of approximately 4,000 linear feet of sewer main and associated manholes.
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# EXHIBIT B

STATE OF NEW HAMPSHIRE

WATER POLLUTION CONTROL REVOLVING LOAN FUND PROGRAM

and

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

PROMISSORY NOTE AND REPAYMENT SCHEDULE

The Town of Newmarket, New Hampshire (Loan Recipient) promises to pay to the Treasurer of the State of New Hampshire the sum of Nine Hundred Forty Thousand and 00/100 Dollars (\$940,000.00) in installments on October 1 in each year as set forth below, with interest on the entire unpaid balance payable on the first principal payment date and annually, thereafter, at the rate of 3.1040% per annum, computed on the basis of 30-day months and 360-day years, in the respective years set forth below. A total of \$470,000.00 of principal will be forgiven at the time of the initial payment, as shown below.

17			REPAYN	MENT SCHEDULE	
18	Year	<u>Principal</u>	<u>Interest</u>	(Principal Forgiveness)	Payment Due
19	2012	\$23,500.00	\$5,584.62	\$470,000.00	\$29,084.62
20	2013	\$23,500.00	\$13,859.36	\$0.00	\$37,359.36
21	2014	\$23,500.00	\$13,129.92	\$0.00	\$36,629.92
22	2015	\$23,500.00	\$12,400.48	\$0.00	\$35,900.48
23	2016	\$23,500.00	\$11,671.04	\$0.00	\$35,171.04
24	2017	\$23,500.00	\$10,941.60	\$0.00	\$34,441.60
25	2018	\$23,500.00	\$10,212.16	\$0.00	\$33,712.16

1	2019	\$23,500.00	\$9,482.72	\$0.00	\$32,982.72
2	2020	\$23,500.00	\$8,753.28	\$0.00	\$32,253.28
3	2021	\$23,500.00	\$8,023.84	\$0.00	\$31,523.84
4	2022	\$23,500.00	\$7,294.40	\$0.00	\$30,794.40
5	2023	\$23,500.00	\$6,564.96	\$0.00	\$30,064.96
6	2024	\$23,500.00	\$5,835.52	\$0.00	\$29,335.52
7	2025	\$23,500.00	\$5,106.08	\$0.00	\$28,606.08
8	2026	\$23,500.00	\$4,376.64	\$0.00	\$27,876.64
9	2027	\$23,500.00	\$3,647.20	\$0.00	\$27,147.20
10	2028	\$23,500.00	\$2,917.76	\$0.00	\$26,417.76
11	2029	\$23,500.00	\$2,188.32	\$0.00	\$25,688.32
12	2030	\$23,500.00	\$1,458.88	\$0.00	\$24,958.88
13	2031	\$23,500.00	\$729.44	\$0.00	\$24,229.44

This Promissory Note (Note) is issued under and by virtue of the New Hampshire Municipal Finance Act, an agreement duly entered into by the Loan Recipient and the State of New Hampshire, Water Pollution Control Revolving Loan Fund Program, and is issued for the purpose of financing the cost of the New Village Utility Improvements Project as described in Exhibit A of the Supplemental Loan Agreement (Agreement).

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

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

It is hereby certified and recited that all acts, conditions, and things required to be done precedent to and in the issuing of this Note have been done, have happened, and have been

1	performed in regular and due form and, for the payment hereof when due, the full faith and credit
2	of the Loan Recipient are hereby irrevocably pledged.
3	IN WITNESS whereof the Loan Recipient has caused this Note to be signed by its
4	Treasurer and Town Administrator, and the seal of the Loan Recipient to be affixed hereto, as
5	of the 13 day of February, 2012.
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7	TOWN OF NEWMARKET, NEW HAMPSHIRE by:
8	$Q \cap Q \cap Q$
9	Treasure
10	Jack S. Jami
11/	Town Administrator
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13	(Seal)
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