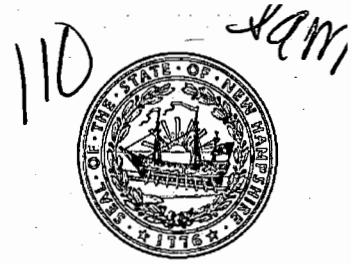




The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner



May 30, 2018

JUN05'18 PM 1:25 DAS

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Environmental Services to amend a Clean Water State Revolving Fund (CWSRF) loan agreement with the Town of Newport (VC #177450 B002) to increase the loan amount by \$1,341,529, from \$100,000 to \$1,441,529, under the provisions of RSA 486:14 and N.H. Code of Admin. Rules Env-Wq 500 et seq., effective upon Governor & Council approval. The original loan agreement was approved by Governor & Council on September 1, 2016 as Item No. 50. Funding is 83% Federal Funds, 17% Capital (Other) Funds.

Funding is available in the account as follows:

	<u>FY 2018</u>
03-44-44-441018-2003-301-500832 Dept. Environmental Services, CWSRF Loans, Loans	\$1,117,941
03-44-44-441030-5044-034-500161 Dept. Environmental Services, 13, 195:VI-C CWSRF Loan Program, Capital Project	\$223,588

EXPLANATION

The purpose of this Amendment is to increase the Town of Newport's existing CWSRF loan by \$1,341,529 to fund the construction of the upgrade of wastewater and stormwater sewers in the area of First, Second, Third, and Fourth Streets. The existing loan was used to complete the engineering design of the project. The increase will allow Newport to reduce infiltration and inflow and upgrade the wastewater and stormwater systems in the project area. This project will provide improved water quality protection to the Sugar River watershed.

The final loan amount will be based on the total CWSRF funds disbursed, and may be less than \$1,441,529. Under federal capitalization grant requirements, this loan includes principal forgiveness of up to \$144,152.90. The loan interest rate in the Original Loan Agreement is 2.0000%.

Attached is a tabulation of the CWSRF showing the effect of this action on the funds available for loans.

We respectfully request your approval.


Robert R. Scott, Commissioner

DEPARTMENT OF ENVIRONMENTAL SERVICES
 WATER DIVISION
 CLEAN WATER STATE REVOLVING FUND

Supplemental information to Governor and Council request for loan agreements under RSA 486:14 and N.H. Admin. Rules Env-Wq 500 for the municipality listed below:

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

	CWSRF
	Cap Grant
Federal Funds *	<u>\$409,322,815</u>
Plus 20% State Match*	<u>\$74,351,974</u>
Total Funds Available	\$483,674,789
Less Loans Previously Approved	<u>\$478,712,939</u>
 Funds Available for Loans	 \$4,961,851
 Loan Agreement(s) This Request:	
Town of Newport	\$1,341,529
Other Requested Action(s)	
Winnepesaukee River Basin Program	\$90,000
 Net Change[†]	 <u>\$1,431,529</u>
Balance Available after G & C Approval	\$3,530,322

*Is net of the 4% reduction for CWSRF Program administration

† 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

1989-2009 Capitalization Grants	\$309,138,766
Plus State Match	\$54,022,973
Less 4% Administration Fee	(\$14,426,470)
Total 1989-2009 Funds Available for Loans	<u>\$348,735,269</u>
2010 Capitalization Grant (08/10/2011)	\$20,361,000
Plus State Match	\$4,072,200
Less 4% Admin.	(\$977,328)
Total 2010 Funds Available for Loans	<u>\$23,455,872</u>
2011 Capitalization Grant (09/21/2011)	\$14,757,000
Plus State Match	\$2,951,400
Less 4% Admin.	(\$708,336)
Total 2011 Funds Available for Loans	<u>\$17,000,064</u>
2012 Capitalization Grant (06/05/2012)	\$14,123,000
Plus State Match	\$2,824,600
Less 4% Admin.	(\$677,904)
Total 2012 Funds Available for Loans	<u>\$16,269,696</u>
2013 Capitalization Grant (08/14/2013)	\$13,342,000
Plus State Match	\$2,668,400
Less 4% Admin.	(\$640,416)
Total 2013 Funds Available for Loans	<u>\$15,369,984</u>
2014 Capitalization Grant (08/11/2014)	\$14,011,000
Plus State Match	\$2,802,200
Less 4% Admin.	(\$672,528)
Total 2014 Funds Available for Loans	<u>\$16,140,672</u>
2015 Capitalization Grant (08/05/2015)	13,940,000
Plus State Match	2,788,000
Less 4% Admin.	(669,120)
Total 2015 Funds Available for Loans	<u>16,058,880</u>
2016 Capitalization Grant (07/28/2016)	13,352,000
Plus State Match	2,670,400
Less 4% Admin.	(640,896)
Total 2016 Funds Available for Loans	<u>\$15,381,504</u>
2017 Capitalization Grant (08/04/2017)	\$13,249,000
Plus State Match	\$2,649,800
Less 4% Admin.	(635,952)
Total 2017 Funds Available for Loans	<u>\$15,262,848</u>
Total Federal Grant \$ Available (including ARRA)	\$409,322,815
Total State Match Available	\$74,351,974
Total 1989 - 2017 Funds Available for Loans	<u>\$483,674,789</u>

AMENDMENT No. 1

TO
STATE OF NEW HAMPSHIRE
WATER POLLUTION CONTROL REVOLVING FUND PROGRAM

TOWN OF NEWPORT, NEW HAMPSHIRE

ORIGINAL LOAN AGREEMENT
For Project CS-330169-11

To increase the Town of Newport's loan amount for the **First, Second, Third, and Fourth Street Infrastructure Improvements** Project, CWSRF Loan Number CS-330169-11, from \$100,000 to \$1,441,529 to fund the construction of the project.

Now therefore, amend the ORIGINAL LOAN AGREEMENT, as approved by Governor and Council on September 21, 2016 as Item No. 50 in the following manner:

Change only Page 1 lines 16 through 17 of the ORIGINAL LOAN AGREEMENT to read as follows:

"...State, in accordance with the terms of this Agreement, the principal sum of **One Million, Four Hundred Forty-One Thousand, Five Hundred Twenty-Nine and 00/100 Dollars (\$1,441,529.00)** (Principal Sum) or such lesser amount as shall equal..."

And, change only Page 1, lines 21 through 22 of the ORIGINAL LOAN AGREEMENT to read as follows:

"...principal sum, not to exceed **One Hundred Forty-Four Thousand, One Hundred Fifty-Two and 90/100 Dollars (\$144,152.90)** or up to 10% of the total of Disbursements, whichever is less. In addition to the principal sum, the Loan Recipient agrees..."

Accepted by
Town of Newport, New Hampshire

Hunter J. Rumbay 5/25/18
Town Manager Date

Lisa Morse 5/30/18
Town Treasurer Date

Accepted by
State of New Hampshire

Robert R. Scott 6-4-18
Robert R. Scott, Commissioner Date
Department of Environmental Services

DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

August 12, 2016

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

APPROVED G & C

DATE 9/21/16
ITEM # 50

REQUESTED ACTION

Authorize the Department of Environmental Services to approve a Clean Water State Revolving Fund (CWSRF) loan agreement with the Town of Newport (VC #177450 B002) in an amount not to exceed \$100,000 to finance the wastewater and stormwater portions of Newport's First, Second, Third, and Fourth Street Infrastructure Improvements Project under the provisions of RSA 486:14 and N.H. Code of Admin. Rules Env-Wq 500 et seq., effective upon Governor & Council approval. Funding is 83% Federal Funds, 17% Capital (Other) Funds.

Funding is available in the account as follows:

	<u>FY 2017</u>
03-44-44-441018-2003-301-500832 Dept. Environmental Services, CWSRF Loans, Loans	\$83,333
03-44-44-441030-0955-034-500161 Dept. Environmental Services, 11,253:1, VI-A CWSRF Loan Program, Capital Project	\$16,667

EXPLANATION

The purpose of the Original Loan Agreement is to authorize the Town of Newport to borrow up to \$100,000 from the CWSRF to finance the wastewater and stormwater portions of Newport's First, Second, Third, and Fourth Street Infrastructure Improvements Project. The project will include the design for replacing the sewer, water, and drainage pipes in the area of First, Second, Third and Fourth Streets. This CWSRF loan will be used for only sewer and drainage portions of the project. The entire collection system including manholes will be re-designed and replaced and new cleanouts installed. The stormwater drainage system project will be replaced and extended in an effort to eliminate existing discharges onto private property.

The Supplemental (final) loan amount may be less than \$100,000. Under federal capitalization grant requirements this loan includes principal forgiveness in the amount of up to \$10,000. The loan interest rate may be adjusted downward if the CWSRF loan rate in effect upon project completion is less than the current rate of 2.0000%.

Attached is a tabulation of the CWSRF showing the effect of this action on the funds available for loans.

We respectfully request your approval.


Thomas S. Burack, Commissioner

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council

Page 2 of 2

DEPARTMENT OF ENVIRONMENTAL SERVICES
WATER DIVISION
CLEAN WATER STATE REVOLVING FUND

Supplemental information to Governor and Council request for loan agreements under RSA 486:14 and N.H. Admin. Rules Env-Wq 500 for the municipality listed below:

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

	<u>CWSRF Cap Grant</u>
Repayment Funds as of August 11, 2016	
Federal Funds *	\$383,785,855
Plus 20% State Match*	<u>\$69,244,582</u>
Total Funds Available	\$453,030,437
Less Loans Previously Approved	<u>\$447,829,653</u>
Funds Available for Loans	<u>\$5,200,784</u>
Loan Agreement(s) This Request:	
Town of Newport	\$100,000
Other Requested Action(s)	
None	
Net Change †	<u>\$100,000</u>
Balance Available after G & C Approval	<u>\$5,100,784</u>

† Negative numbers in this row indicate funds returned to account

*Is net of the 4% reduction for CWSRF Program administration

† 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

1989-2009 Capitalization Grants	\$263,205,866
Plus State Match	\$52,669,173
Less 4% Administration Fee	<u>(\$12,635,002)</u>
Total 1989-2008 Funds Available for Loans	\$303,240,037
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.	<u>(\$1,791,468)</u>
Total 2009 Funds Available for Loans	\$45,495,232
2010 Capitalization Grant (08/10/2011)	\$20,361,000
Plus State Match	\$4,072,200
Less 4% Admin.	<u>(\$977,328)</u>
Total 2010 Funds Available for Loans	\$23,455,872
2011 Capitalization Grant (09/21/2011)	\$14,757,000
Plus State Match	\$2,951,400
Less 4% Admin.	<u>(\$708,336)</u>
Total 2011 Funds Available for Loans	\$17,000,064
2012 Capitalization Grant (06/05/2012)	\$14,123,000
Plus State Match	\$2,824,600
Less 4% Admin.	<u>(\$677,904)</u>
Total 2012 Funds Available for Loans	\$16,269,696
2013 Capitalization Grant (08/14/2013)	\$13,342,000
Plus State Match	\$2,668,400
Less 4% Admin.	<u>(\$640,416)</u>
Total 2013 Funds Available for Loans	\$15,369,984
2014 Capitalization Grant (08/11/2014)	\$14,011,000
Plus State Match	\$2,802,200
Less 4% Admin.	<u>(\$672,528)</u>
Total 2014 Funds Available for Loans	\$16,140,672
2015 Capitalization Grant (08/05/2015)	13,940,000
Plus State Match	2,788,000
Less 4% Admin.	<u>(669,120)</u>
Total 2015 Funds Available for Loans	16,058,880
Total Federal Grant \$ Available (including ARRA)	\$383,785,855
Total Federal Grant \$ Available (excluding ARRA)	\$346,088,511
Total State Match Available	<u>\$69,244,582</u>
Total 1989 - 2015 Funds Available for Loans	\$453,030,437

1 STATE OF NEW HAMPSHIRE

2 WATER POLLUTION CONTROL REVOLVING FUND PROGRAM

3 TOWN OF NEWPORT, NEW HAMPSHIRE

4 (Project No. CS-330169-11)

RECEIVED
AUG 10 2016
DES-WEB

5 ORIGINAL LOAN AGREEMENT

6 I. This AGREEMENT is made this 22nd day of August, 2016, between the State of
7 New Hampshire Water Pollution Control Revolving Loan Fund Program (State) and the **Town**
8 **of Newport, New Hampshire** (Loan Recipient) in accordance with RSA 486:14 and New
9 Hampshire Code of Administrative Rules Env-Wq 500 (Rules) for the purpose of financing, to
10 the extent of the aggregate amount of funds transferred (Disbursements) to the Loan Recipient
11 made hereunder, the **First, Second, Third, and Fourth Street Infrastructure Improvements**
12 (Project) now being undertaken by the Loan Recipient. The Project is described in Exhibit A.
13 The Loan Recipient shall abide by all of the requirements of RSA 486:14 and the Rules.

14
15 II. The State agrees to loan to the Loan Recipient, and the Loan Recipient agrees to repay to the
16 State, in accordance with the terms of this Agreement, the principal sum of **One Hundred**
17 **Thousand and 00/100 Dollars (\$100,000)** (Principal Sum) or such lesser amount as shall equal
18 the aggregate of Disbursements made hereunder by the State to the Loan Recipient. Pursuant to
19 federal capitalization grant requirements, additional financial assistance in the form of principal
20 forgiveness will be applied to the loan upon the initial repayment as follows: A portion of the
21 principal sum, not to exceed **Ten Thousand 00/100 Dollars (\$10,000)** or up to **10%** of the total
22 of Disbursements, whichever is less. In addition to the principal sum, the Loan Recipient agrees
23 to pay the applicable interest accrued as described in Paragraphs III, V, and VII. Federal
24 financial assistance provided through the State Water Pollution Control Revolving Fund Program

1 (CFDA #66.458) may comprise a portion of the Principal Sum. Any Disbursement or other
2 payment from the State to the Loan Recipient is contingent upon the availability of funds.

3
4 III. Disbursements shall be made on a periodic basis, as requested by the Loan Recipient, but not
5 more frequently than monthly, subject to the approval of the amount of each Disbursement by
6 the State. The State shall approve the amount requested if it determines that the costs covered by
7 the request are eligible under Env-Wq 504.02 through Env-Wq 504.04, as applicable. Interest on
8 any Disbursement shall accrue from the date of the Disbursement at the rate of 1% per annum
9 computed on the basis of 30-day months and 360-day years until the date of Substantial
10 Completion of the Project or Scheduled Completion, whichever is earlier. At the option of the
11 Loan Recipient, such interest may be paid (1) semi-annually, prior to the commencement of
12 Loan repayment, (2) prior to the commencement of Loan repayment, (3) at the time of the first
13 Loan repayment, or (4) added to the principal outstanding Loan balance, so long as the Loan
14 Recipient's authority to borrow is not exceeded.

15
16 IV. The aggregate of the Disbursements shall be consolidated by a Promissory Note (Note) of
17 the Loan Recipient in a Supplemental Loan Agreement issued under and in accordance with the
18 applicable provisions of this Agreement and the Municipal Finance Act, RSA 33, as amended
19 and supplemented, including the provisions of RSA 486:14. The Note shall be substantially in
20 the form of Exhibit B.

21
22 V. The interest rate applicable to the Note will be determined in accordance with RSA 486:14
23 and Env-Wq 500 et seq. Such interest rate will be the lesser of **2.0000%** and the adjusted market
24 rate at the time of loan closure as determined by the Rules.

1 VI. The Loan Recipient hereby authorizes the State to compute the payments of principal and
2 interest on the Note. The principal shall be paid in full within **5 years** from the date of the Note.
3 Note payments shall commence within one year of the Substantial Completion date of the Project
4 or the Scheduled Completion date of the project, whichever is earlier. The Scheduled
5 Completion date is hereby determined to be **January 2, 2018**; however, should the project
6 experience an excusable delay beyond this date, an extension may be granted by the
7 Commissioner upon request in writing by the Loan Recipient. In no event shall Note payments
8 commence later than ten years from the effective date of this Agreement.

9

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

12

13 VIII. In the event of a default in the full and timely remittance of any Note payment, any State
14 Aid Grant funds payable to the Loan Recipient under RSA 486:1 may be offset against and
15 applied to the payment of any obligations that are due hereunder. The Loan Recipient agrees to
16 be liable for all costs of collection, legal expenses, and attorney fees incurred or paid by the State
17 in enforcing this Agreement or in collecting any delinquent payments due hereunder.

18

19 IX. No delay or omission on the part of the State in exercising any right hereunder shall operate
20 as a waiver of such right or of any other right under this Agreement. A waiver on any one
21 occasion shall not be construed as bar to any right and/or remedy on any future occasion.

22

23 X. The Loan Recipient agrees to comply, and to require all of its contractors to comply, with all
24 applicable state and federal requirements contained in the Rules and applicable federal law.
25 Exhibit C contains specific federal requirements applicable to this Agreement for the loan

1 recipient including obtaining a Data Universal Numbering System (DUNS) number, adhering to
2 the provisions of the Davis-Bacon Act and American Iron and Steel Requirements, certifying
3 that a Fiscal Sustainability Plan has been developed and implemented and that the project design
4 included consideration of Cost and Effectiveness.

5
6 XI. The effective date of this Agreement shall be the date of its approval by the Governor and
7 Executive Council. This Agreement may be amended, waived, or discharged only by a written
8 instrument signed by the parties hereto and only after approval of such amendment, waiver, or
9 discharge by the Governor and Executive Council.

10
11 XII. This Agreement shall be construed in accordance with the laws of the State of New
12 Hampshire and is binding upon and inures to the benefit of the parties and their respective
13 successors. The parties hereto do not intend to benefit any third parties and, consequently, the
14 Agreement shall not be construed to confer any such benefit.

15
16 XIII. The Loan Recipient acknowledges that by accepting the Loan it will be a sub-recipient of
17 federal financial assistance and, as such, subject to requirements of the federal Single Audit Act
18 of 1984, as amended by the Single Audit Act Amendments of 1996 (the "SAA"). The Loan
19 Recipient further acknowledges that, if the Loan Recipient expends more than \$750,000 in
20 federal financial assistance from all sources in any fiscal year, it must perform an SAA audit in
21 accordance with the requirements of Office of Management and Budget Circular A-133. In that
22 event, the Loan Recipient shall provide the State with a copy of the SAA audit report within nine
23 months of the end of the audit period.

1 XIV. This Agreement, which may be executed in a number of counterparts, each of which shall
2 be deemed an original, constitutes the entire Agreement and understanding between the parties
3 and supersedes all prior agreements and understandings relating thereto. Nothing herein shall be
4 construed as a waiver of sovereign immunity, such immunity being hereby specifically reserved.

5

6

7 STATE OF NEW HAMPSHIRE

TOWN OF NEWPORT NEW HAMPSHIRE

8

By: Thomas S. Burack 8/22/2016
Thomas S. Burack Date
Commissioner,
Department of Environmental Services

By: Shane O'Keefe 8/8/2016
Town Manager Date

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Risa Morse 8-8-16
Town Treasurer Date

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1 EXHIBIT A

2 STATE OF NEW HAMPSHIRE

3 WATER POLLUTION CONTROL REVOLVING LOAN FUND PROGRAM

4 PROJECT DESCRIPTION

5 The **Town of Newport** has applied for a Loan to be used for the **First, Second, Third, and**
6 **Fourth Street Infrastructure Improvements**. The project currently includes the design for
7 replacing the sewer, water, and drainage pipes in the area of First, Second, Third and Fourth
8 Streets. This CWSRF loan will be used for only sewer and drainage portions of the project. The
9 entire collection system including manholes will be re-designed and replaced and new cleanouts
10 installed. The drainage portion of the project will be replaced and extended in an effort to
11 eliminate existing discharges onto private property.

1 EXHIBIT B

2 STATE OF NEW HAMPSHIRE

3 WATER POLLUTION CONTROL REVOLVING LOAN FUND PROGRAM

4 PROMISSORY NOTE AND REPAYMENT SCHEDULE

5 The Town of Newport ("Loan Recipient") promises to pay to the Treasurer of the State
6 of New Hampshire the principal sum of **One Hundred Thousand and 00/100 Dollars**
7 **(\$100,000)** in installments on **January 1** in each year as set forth below, commencing on the first
8 principal payment date and annually thereafter on each principal payment date, including interest
9 at the rate of _____% per annum, computed on the basis of 30-day months and 360-day
10 years, in the respective years set forth below.

11
12 REPAYMENT SCHEDULE

13 Year Principal Interest Principal Forgiveness Payment Due

14 1
15 2
16 3
17 4
18 5
19

20 This Note is issued under and by virtue of the New Hampshire Municipal Finance Act, an
21 Agreement duly entered into by the Loan Recipient and the Water Pollution Control Revolving
22 Loan Fund Program, a vote of the Loan Recipient at its Town Meeting on May 10, 2016, and a
23 duly-adopted resolution of the Governing Body of the Loan Recipient and is issued for the
24 purpose of financing the cost of the Project as described in said Resolution and Agreement.

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The Loan Recipient reserves the right to prepay, at any time and without penalty, all or any part of the outstanding principal or interest 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 performed in regular and due form and, for the payment hereof when due, the full faith and credit of the Loan Recipient are hereby irrevocably pledged.

IN WITNESS whereof the Loan Recipient has caused this Note to be signed by its _____, and the seal of the Loan Recipient to be affixed hereto, as of the _____ day of _____, 20__.

TOWN OF NEWPORT, NEW HAMPSHIRE by:

Name/Title _____

Authorized Representative _____ (Town Seal)