



The State of New Hampshire  
**DEPARTMENT OF ENVIRONMENTAL SERVICES**



**Thomas S. Burack, Commissioner**

January 30, 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 City of Rochester (VC #177467), which finalizes and lowers the Original Loan Agreement by \$201,651.74, from \$1,600,000.00 to \$1,398,348.26, 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 May 25, 2011 as Item No. 62. 100% CWSRF Repayment Account funds.

**EXPLANATION**

The purpose of the Supplemental Loan Agreement with the City of Rochester 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 Headworks Project. Under the terms of the Supplemental Loan Agreement, the City of Rochester will pay back the principal sum of \$1,398,348.26 with an interest rate of 2.7200% over a 20-year period, payable in installments as provided in the agreement.

This loan was issued under the Clean Water State Revolving Fund (CWSRF) program for the purpose of financing the Wastewater Treatment Plant Headworks Project including replacement and upgrade of the screening and solids handling equipment, replacement of failed ventilation equipment, integration of electronic controls for the new equipment and general repairs. This project will ultimately protect human health and improve the water 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.

  
Thomas S. Burack, Commissioner

DEPARTMENT OF ENVIRONMENTAL SERVICES  
WATER DIVISION

**Base Clean Water State Revolving Fund Loan Program (CWSRF)**

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 January 26, 2013		\$89,293,721	
Federal Funds *	\$306,447,231	\$0	\$37,697,344
Plus 20% State Match	\$63,871,173	\$0	\$0
Total Funds Available	\$370,318,404	\$89,293,721	\$37,697,344
Less Loans Previously Approved	\$354,004,635	\$0	\$36,781,793
<b>Funds Available for Loans</b>	<b>\$16,313,769</b>	<b>\$89,293,721</b>	<b>\$915,551</b>
<b>Loan Agreement(s) This Request:</b>			
City of Rochester			
Original Loan Amount †	\$0	(\$1,600,000)	\$0
Supplemental Loan Amount †	\$0	\$1,398,348	\$0
Change, this Request †	\$0	(\$201,652)	\$0
<b>Other Requested Action(s)</b>			
Town of Merrimack	\$0	(\$189,316)	\$0
<b>Net Change †</b>	<b>\$0</b>	<b>(\$390,968)</b>	<b>\$0</b>
<b>Balance Available after G &amp; C Approval</b>	<b>\$16,313,769</b>	<b>\$89,684,689</b>	<b>\$915,551</b>

\* Is net of the 4% reduction in Federal dollars 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

1 STATE OF NEW HAMPSHIRE  
2 WATER POLLUTION CONTROL REVOLVING FUND PROGRAM  
3 CITY OF ROCHESTER, NEW HAMPSHIRE  
4 (Project No. CS-330122-11)

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5 SUPPLEMENTAL LOAN AGREEMENT

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6 This SUPPLEMENTAL LOAN AGREEMENT (Agreement) is entered into as of the  
7 \_\_\_\_\_ day of \_\_\_\_\_, 2013, between the State of New Hampshire  
8 Water Pollution Control Revolving Fund Program (State) and the **City of Rochester, New**  
9 **Hampshire** (Loan Recipient) in accordance with RSA 486:14 and New Hampshire Code of  
10 Administrative Rules Chapter Env-Wq 500 (Rules) in order to finance the **Wastewater**  
11 **Treatment Plant Headworks Project** (Project) which is now complete. The Project is  
12 described in Exhibit A. This Agreement supplements or amends the Original Loan Agreement  
13 (OLA) dated **May 25, 2011**. The purpose of this Agreement is to set the terms, interest rate, and  
14 payment schedule for the repayment of the monies borrowed under the OLA. All terms of the  
15 OLA that are not amended by this Agreement remain in effect.

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

18 The Loan Recipient agrees to repay to the State, in accordance with the terms of this  
19 Agreement, the principal sum of **One Million, Three Hundred Ninety Eight Thousand, Three**  
20 **Hundred Forty Eight and 26/100 Dollars (\$1,398,348.26)** with interest thereon payable in  
21 annual installments as provided in this Agreement.

22 The Loan shall be represented by a Promissory Note (Note) of the Loan Recipient issued  
23 under and in accordance with the applicable provisions of RSA 33, the Municipal Finance Act,  
24 as amended and supplemented, including the provision of RSA 486:14, III. The Note shall be in  
25 the form of Exhibit B, attached hereto. The outstanding principal amount of the Loan made

1 hereunder shall bear interest which shall accrue from the date that the Loan is made computed on  
2 the basis of 30-day months and 360-day years using the following interest rate: **2.7200%**.

3 Annual payments by the Loan Recipient of the principal and interest shall commence on  
4 **February 1, 2013**, and shall be due on this anniversary date each year thereafter until paid in  
5 full.

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

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

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

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

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

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

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

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

8           The effective date of this Agreement shall be the date of the Governor and Council  
9 approval of this Agreement.

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

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

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

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

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**STATE OF NEW HAMPSHIRE**  
by:

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

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

D. W. Fritzsche  
City Manager

Blair Co 2013-01-25  
Finance Director



1 **EXHIBIT B**

2 STATE OF NEW HAMPSHIRE

3 WATER POLLUTION CONTROL REVOLVING FUND PROGRAM

4 PROMISSORY NOTE AND REPAYMENT SCHEDULE

5  
6 The **City of Rochester, New Hampshire** (Loan Recipient) promises to pay to the  
7 Treasurer of the State of New Hampshire the sum of **One Million, Three Hundred Ninety**  
8 **Eight Thousand, Three Hundred Forty Eight and 26/100 Dollars (\$1,398,348.26)** in  
9 installments on **February 1** in each year as set forth below, with interest on the entire unpaid  
10 balance payable on the first principal payment date and annually, thereafter, at the rate of  
11 **2.7200%** per annum, computed on the basis of 30-day months and 360-day years, in the  
12 respective years set forth below:

13 **REPAYMENT SCHEDULE**

14 <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment Due</u>
15 2013	\$69,917.41	\$9,314.36	\$105,104.99
16 2014	\$69,917.41	\$9,564.70	\$106,050.73
17 2015	\$69,917.41	\$9,061.30	\$104,148.98
18 2016	\$69,917.41	\$8,557.89	\$102,247.22
19 2017	\$69,917.41	\$8,054.49	\$100,345.47
20 2018	\$69,917.41	\$7,551.08	\$98,443.71
21 2019	\$69,917.41	\$7,047.68	\$96,541.97
22 2020	\$69,917.41	\$6,544.27	\$94,640.21
23 2021	\$69,917.41	\$6,040.86	\$92,738.45
24 2022	\$69,917.41	\$5,537.46	\$90,836.70
25 2023	\$69,917.41	\$5,034.05	\$88,934.94

1	2024	\$69,917.41	\$4,530.65	\$87,033.20
2	2025	\$69,917.41	\$4,027.24	\$85,131.44
3	2026	\$69,917.41	\$3,523.84	\$83,229.69
4	2027	\$69,917.41	\$3,020.43	\$81,327.93
5	2028	\$69,917.41	\$2,517.03	\$79,426.18
6	2029	\$69,917.41	\$2,013.62	\$77,524.42
7	2030	\$69,917.41	\$1,510.22	\$75,622.68
8	2031	\$69,917.41	\$1,006.81	\$73,720.92
9	2032	\$69,917.47	\$503.41	\$71,819.23

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11           This Promissory Note (Note) is issued under and by virtue of the New Hampshire  
12 Municipal Finance Act, an agreement duly entered into by the Loan Recipient with the State of  
13 New Hampshire Water Pollution Control Revolving Fund Program and is issued for the purpose  
14 of financing the cost of the **Wastewater Treatment Plant Headworks Project** as described in  
15 Exhibit A of the Supplemental Loan Agreement (Agreement).

16           The Loan Recipient reserves the right to prepay, without penalty, all or any part of the  
17 principal hereof at any time.

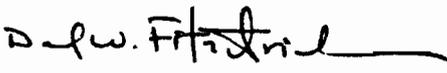
18           The terms and provisions of the Agreement are hereby incorporated in and made a part of  
19 this Note to the same extent as if said terms and provisions were set forth in full herein.

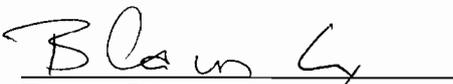
20           It is hereby certified and recited that all acts, conditions and things required to be done  
21 precedent to and in the issuing of this Note have been done, have happened, and have been  
22 performed in regular and due form, and for the payment hereof, when due, the full faith and  
23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

24

1           IN WITNESS WHEREOF, the Loan Recipient has caused this Note to be signed by its  
2   **City Manager and Finance Director**, and the Seal of the Loan Recipient to be affixed hereto,  
3   as of the 25<sup>th</sup> day of January, 2013.

4  
5   **CITY OF ROCHESTER, NEW HAMPSHIRE** by:

6  
7     
8   City Manager

9     
10   Finance Director

11  
12   (Seal)