



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

February 21, 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 (SLA) with the City of Dover (Vendor No. 177380) in the amount of \$4,000,000. This finalizes the loan amount used to finance the water system improvements project under the provisions of RSA 486:14 and N.H. Administrative Rules Env-Dw 1100 effective upon Governor & Council approval. 79% Federal Funds, 21% Capital (General) Funds.

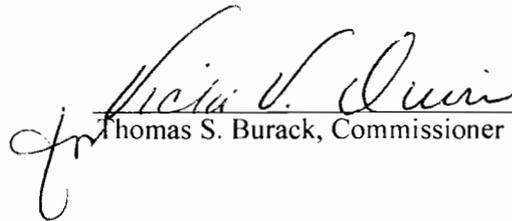
EXPLANATION

The purpose of the SLA for the City of Dover is to amend the Original Loan Agreement that was originally approved by Governor and Council on March 30, 2011 in the amount of \$4,000,000, as item #64. The project is complete and the full amount was disbursed. This SLA finalizes the principal loan amount and establishes the long term principal and interest repayment schedule. The purpose of the project was to increase water pressure in the north end pressure zone and provide additional fire protection for the City.

Under the terms of the Supplemental Loan Agreement, the City of Dover will pay back the principal sum of \$3,400,000 with interest, over a twenty-year period, payable in installments as provided in the agreement. This represents the total amount borrowed of \$4,000,000 less principal forgiveness at the rate of 15%, for a total repayment balance of \$3,400,000. This loan is being issued under the Drinking Water State Revolving Loan Fund program for the purpose of financing the water system improvements mentioned above. Attached are the agreement and the debt service schedule for this loan.

We respectfully request your approval.

Attachments



Thomas S. Burack, Commissioner

DEPARTMENT OF ENVIRONMENTAL SERVICES
WATER DIVISION

DRINKING WATER STATE REVOLVING FUND

Supplemental information to Governor and Council request to finalize the loan agreement(s) under RSA 486:14 and N.H. Code of Administrative Rules Env-Dw 1100 et seq. for the public water system(s) listed below. This request will affect the balance of the loan funds as follows.

	<u>DWSRF</u>	<u>REPAYMENT</u>	<u>ARRA</u>
Federal Funds	\$104,221,498	\$0	\$18,720,000
Plus 20% State Match	\$28,249,860	\$0	\$0
Repayment Account	\$0	\$23,578,939	\$0
Total Funds Authorized/Available	<u>\$132,471,358</u>	<u>\$23,578,939</u>	<u>\$18,720,000</u>
Less Loans Previously Approved	<u>\$120,885,072</u>	<u>\$0</u>	<u>\$18,720,000</u>
Funds Available for Loans	\$11,586,286	\$23,578,939	\$0
New Loan Agreement(s)			
Northern View Apartments	(\$195,000)		
Well Hill Cooperative, Inc.	(\$268,000)		
Rolling Acres MHP	(\$220,000)		
Amended Loan Agreement(s)			
	<u>Original Loan</u>	<u>Final Loan</u>	
Swains Lake Village District	\$250,000	(\$160,406)	\$89,594
North Conway Water Precinct	\$2,060,000	(\$2,011,099)	\$48,901
City of Portsmouth	\$5,000,000	(\$5,000,000)	\$0
Hampshire Court Condo Assoc	\$61,000	(\$61,000)	\$0
Lawrence Olson & Jean Hill	\$80,000	(\$80,000)	\$0
Francestown Village Water Co	\$207,000	(\$62,964)	\$144,036
Peter Knox - Castle Trust (Blueberry Hill)	\$250,000	(\$250,000)	\$0
City of Dover	\$4,000,000	(\$4,000,000)	\$0
Net Change to Loan(s)		<u>(\$400,469)</u>	<u>\$0</u>
		<u>\$0</u>	<u>\$0</u>
Balance Available After G & C Approval	<u><u>\$11,185,817</u></u>	<u><u>\$23,578,939</u></u>	<u><u>\$0</u></u>

1 as amended and supplemented, including the provision of RSA 486:14, III. The Note shall be in
2 the form of Exhibit B. The outstanding principal amount of the Loan made hereunder shall bear
3 interest which shall accrue from the date that Loan is made computed on the basis of 30-day
4 months and 360-day years using the following interest rate: 2.72%.

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

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

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

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

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

23 No delay or omission on the part of the State of New Hampshire in exercising any right
24 hereunder shall operate as a waiver of such right or of any other right under this note. A waiver
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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
4 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.

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STATE OF NEW HAMPSHIRE

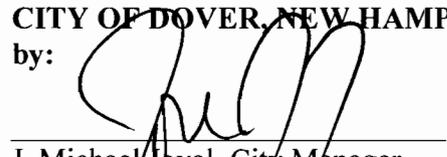
by:



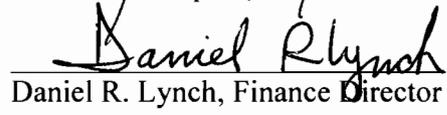
Thomas S. Burack, Commissioner
Environmental Services

CITY OF DOVER, NEW HAMPSHIRE

by:



J. Michael Loyal, City Manager
Authorized Representative


Daniel R. Lynch, Finance Director

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1 **EXHIBIT A**

2 STATE OF NEW HAMPSHIRE

3 DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

4 PROJECT DESCRIPTION

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6 The CITY OF DOVER, NEW HAMPSHIRE has applied for a Loan for and has completed the
7 following project: **North End Pressure Zone Project**

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1	2021	175,993.14	66,866.79	31,578.95	242,859.93
2	2022	178,278.84	61,220.83	31,578.95	239,499.67
3	2023	180,337.66	55,512.70	31,578.95	235,850.36
4	2024	182,098.77	49,748.57	31,578.95	231,847.34
5	2025	183,465.16	43,936.53	31,578.95	227,401.69
6	2026	184,299.09	38,087.33	31,578.95	222,386.42
7	2027	184,395.56	32,215.45	31,578.95	216,611.01
8	2028	183,429.70	26,340.94	31,578.95	209,770.64
9	2029	180,839.15	20,492.71	31,578.95	201,331.86
10	2030	175,512.84	14,714.94	31,578.95	190,227.78
11	2031	164,709.18	9,082.04	31,578.89	173,791.22
12	2032	137,610.39	3,743.00	0	141,353.39

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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 Drinking Water State Revolving Loan Fund Program, and is issued for the purpose of financing the cost of the **Project** as described in Exhibit A of the Supplemental Loan Agreement (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 on this Note.

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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.

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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.

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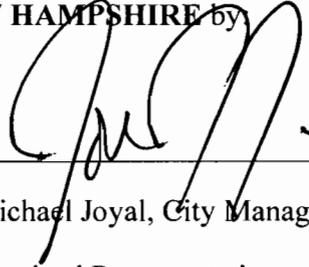
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1 IN WITNESS whereof the Loan Recipient has caused this Note to be signed by its
2 CITY MANAGER, and the seal of the Loan Recipient to be affixed hereto, as of the
3 16th day of January, 2013.

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

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7 Signature



8 J. Michael Joyal, City Manager

9 Authorized Representative

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11 Signature



12 Daniel R. Lynch, Finance Director

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14 (Seal)

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