



The State of New Hampshire JUN01 '21 PM 1:38 RCUD
Department of Environmental Services

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Robert R. Scott, Commissioner

May 26, 2021

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 approve a loan agreement with the Village District of Eastman, Grantham, NH (VC# 155471-B001), in the amount not to exceed \$3,600,000 to finance water system improvements under the provisions of RSA 486:14 and N.H. Code of Administrative Rules Env-Dw 1100 et seq. effective upon Governor & Council approval. 79% Federal Funds, 21% Capital (General) Funds.

Funding is available in the following accounts:

	<u>FY 2021</u>
03-44-44-441018-4789-301-500833 Dept Environmental Services, DWSRF Loans, Loans	\$2,844,000
03-44-44-441030-1271-034-500161 Dept Environmental Services, 17-228:1-VIII:B, Drinking Water SRF, Capital Projects	\$756,000

EXPLANATION

The purpose of this loan agreement is to authorize the Village District of Eastman to borrow up to \$3,600,000 from the Drinking Water State Revolving Loan Fund (DWSRF) to finance water system improvements. The improvements include construction of a new well field and associated access road and water main connections; reactivation of an existing production well; replacement of existing water main throughout the District; and construction of cross country interconnections. This project will improve water quantity and reliability.

The final loan amount will be based on the total DWSRF funds disbursed, and may be less than \$3,600,000. The loan interest rate may be adjusted downward if the DWSRF loan rate in effect upon project completion is less than the current rate of 1.296% for twenty years. The DWSRF is authorized by RSA 486:14 and N.H. Code of Administrative Rules Env-Dw 1100 et seq. There is currently a balance of \$12,217,514 in the DWSRF available for new loans. Attached is a tabulation of the DWSRF showing the effect of this loan on the funds available for loans.

We respectfully request your approval of this item.

Robert R. Scott, Commissioner

Her Excellency, Governor Christopher T. Sununu
and the Honorable Council

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DEPARTMENT OF ENVIRONMENTAL SERVICES
WATER DIVISION

DRINKING WATER STATE REVOLVING FUND

Supplemental information to Governor and Council request of 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>
Federal Funds	\$156,403,458
Plus 20% State Match	\$43,395,460
Total Funds Authorized/Available	<u>\$199,798,918</u>
Less Loans Previously Approved	<u>\$187,581,404</u>
Funds Available for Loans	\$12,217,514
 New Loan Being Requested	
Village District of Eastman (Project#: 0951010-01)	(3,600,000)
 Net Change to Loan(s)	<u>(\$3,600,000)</u>
 Balance Available After G & C Approval	<u><u>\$8,617,514</u></u>

NEW HAMPSHIRE DEPARTMENT OF ENVIRONMENTAL SERVICES
Drinking Water State Revolving Loan Program

<u>DWSRF Fund Available For Loans</u>	<u>Amount</u>
1997 - 2012 Capitalization Grants	\$141,227,500
Plus State Match	\$28,249,860
Less Setasides	<u>(\$37,006,002)</u>
Total 1997-2010 Funds Available for Loans	\$132,471,358
2013 Capitalization Grant	\$8,421,000
Plus State Match	\$1,684,200
Less Setasides	<u>(\$2,610,510)</u>
Total 2013 Funds Available for Loans	\$7,494,690
2014 Capitalization Grant	\$8,845,000
Plus State Match	\$1,769,000
Less Setasides	<u>(\$2,741,950)</u>
Total 2014 Funds Available for Loans	\$7,872,050
2015 Capitalization Grant	\$8,787,000
Plus State Match	\$1,757,400
Less Setasides	<u>(\$2,723,970)</u>
Total 2015 Funds Available for Loans	\$7,820,430
2016 Capitalization Grant	\$8,312,000
Plus State Match	\$1,662,400
Less Setasides	<u>(\$2,576,720)</u>
Total 2016 Funds Available for Loans	\$7,397,680
2017 Capitalization Grant	\$8,241,000
Plus State Match	\$1,648,200
Less Setasides	<u>(\$2,625,070)</u>
Total 2017 Funds Available for Loans	\$7,264,130
2018 Capitalization Grant	\$11,107,000
Plus State Match	\$2,221,400
Less Setasides	<u>(\$3,443,170)</u>
Total 2018 Funds Available for Loans	\$9,885,230
2019 Capitalization Grant	\$11,004,000
Plus State Match	\$2,200,800
Less Setasides	<u>(\$3,411,240)</u>
Total 2019 Funds Available for Loans	\$9,793,560
2020 Capitalization Grant	\$11,011,000
Plus State Match	\$2,202,200
Less Setasides	<u>(\$3,413,410)</u>
Total 2020 Funds Available for Loans	\$9,799,790
Total 1997-2020 Funds Available for Loans	\$199,798,918

Last Updated: 9/30/20

STATE OF NEW HAMPSHIRE

DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

VILLAGE DISTRICT OF EASTMAN, NEW HAMPSHIRE

(Project No. 0951010-01)

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ORIGINAL LOAN AGREEMENT

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I. This Agreement is between the State of New Hampshire Drinking Water State Revolving Loan Fund Program (State) and the Village District of Eastman, New Hampshire (Loan Recipient) in accordance with RSA 486:14 and New Hampshire Code of Administrative Rules Env-Dw 1100 (Rules) for the purpose of financing, to the extent of the aggregate amount of funds transferred (Disbursements) to the Loan Recipient made hereunder, the **Water Source Development and Water Main Replacement Project** (Project) now being undertaken by the Loan Recipient. The Project is described in Exhibit A. The Loan Recipient shall abide by all of the requirements of RSA 486:14 and the Rules.

II. The State agrees to loan to the Loan Recipient, and the Loan Recipient agrees to repay to the State, in accordance with the terms of this Agreement, the principal sum of **Three Million Six Hundred Thousand and 00/100 Dollars (\$3,600,000)** (Principal Sum) or such lesser amount as shall equal the aggregate of Disbursements made hereunder by the State to the Loan Recipient. In addition to the principal sum, the Loan Recipient agrees to pay the applicable interest accrued as described in Paragraphs III, V, and VII. Federal financial assistance provided through the Drinking Water State Revolving Loan Fund Program (CFDA #66.468) may comprise all or a portion of the Principal Sum. Any Disbursement or other payment from the State to the Loan Recipient is contingent upon the availability of funds.

III. Disbursements shall be made on a periodic basis, as requested by the Loan Recipient, but not more frequently than monthly, subject to the approval of the amount of each Disbursement by the State. The State shall approve the amount requested if it determines that the costs covered by the request are

1 eligible under Env-Dw 1104.01, as applicable. Interest on each Disbursement shall accrue on the
2 outstanding principal balance from the date of the Disbursement at the rate of 1% per annum computed
3 on the basis of 30-day months and 360-day years until the date of Substantial Completion of the Project
4 or the date of Scheduled Completion, whichever is earlier. At the option of the Loan Recipient, such
5 interest may be paid (1) prior to the commencement of Loan repayment, (2) at the time of the first Loan
6 repayment, or (3) by adding the charges to the outstanding principal Loan balance so long as the Loan
7 Recipient's authority to borrow is not exceeded.

8
9 IV. The aggregate of the Disbursements shall be consolidated by a Promissory Note (Note) of the Loan
10 Recipient in a Supplemental Loan Agreement issued under and in accordance with the applicable
11 provisions of this Agreement and the Municipal Finance Act, RSA 33, as amended and supplemented,
12 including the provisions of RSA 486:14. The Note shall be substantially in the form of Exhibit B.

13
14 V. The interest rate applicable to the Note will be **1.296%**, as determined in accordance with RSA 486:14
15 and Env-Dw 1100 et seq.

16
17 VI. The Loan Recipient hereby authorizes the State to compute the payments of principal and interest on
18 the Note. The principal shall be paid in full within **twenty (20)** years from the date of the Note. Note
19 payments shall commence within one year of the Substantial Completion date of the Project or the
20 Scheduled Completion date of the project, whichever is earlier. The Scheduled Completion date is hereby
21 determined to be **December 1, 2023**; however, should the project experience an excusable delay, an
22 extension may be granted by the Commissioner of the Department of Environmental Services upon
23 request in writing by the Loan Recipient. In no event shall Note payments commence later than ten years
24 from the effective date of this Agreement.

25

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

3
4 VIII. In the event of a default in the full and timely remittance of any Note payment, any State Aid Grant
5 funds payable to the Loan Recipient under RSA 486:A may be offset against and applied to the payment
6 of any obligations that are due hereunder. The Loan Recipient agrees to be liable for all costs of collection,
7 legal expenses, and attorney's fees incurred or paid by the State in enforcing this Agreement or in
8 collecting any delinquent payments due hereunder.

9
10 IX. No delay or omission on the part of the State in exercising any right hereunder shall operate as a
11 waiver of such right or of any other right under this Agreement. A waiver on any one occasion shall not
12 be construed as bar to any right and/or remedy on any future occasion.

13
14 X. The Loan Recipient agrees to comply, and to require all of its contractors to comply, with all
15 applicable state and federal requirements contained in the Rules and applicable state and federal laws,
16 including those specific requirements outlined in Exhibit C.

17
18 XI. The Loan Recipient is required to develop an asset maintenance and renewal plan for the asset(s)
19 being funded under the loan or incorporate the funded asset(s) into an existing asset management plan.
20 At a minimum the plan must include a commitment to asset management, financing and
21 implementation strategy and an inventory of the funded asset(s).

22
23 XII. The Loan Recipient agrees to permit the Comptroller General of the United States, an appropriate
24 Inspector General appointed under section 3 or 8G of the Inspector General Act of 1978 (5 U.S.C. App.),

1 or an authorized representative of either of the foregoing officials, or of the State of New Hampshire to
2 have access to and the right to:

3
4 (i) Examine any of the Loan Recipient's, the contractor's or any subcontractor's records
5 that pertain to and involve transactions relating to this Agreement, the Construction Contract,
6 the Engineering Contract or a subcontract thereunder; and

7
8 (ii) Interview any officer or employee regarding such transactions.
9

10 The Loan Recipient shall insert subparagraphs (i). and (ii). in the Construction Contract and require the
11 Contractor to insert subparagraphs (i). and (ii). in all subcontracts thereunder.
12

13 XIII. The effective date of this Agreement shall be the date of its approval by the Governor and Executive
14 Council. This Agreement may be amended, waived, or discharged only by a written instrument signed by
15 the parties hereto and only after approval of such amendment, waiver, or discharge by the Governor and
16 Executive Council.
17


18 XIV. This Agreement shall be construed in accordance with the laws of the State of New Hampshire and
19 is binding upon and inures to the benefit of the parties and their respective successors. The parties
20 hereto do not intend to benefit any third parties and, consequently, the Agreement shall not be
21 construed to confer any such benefit.
22

23 XV. The Loan Recipient acknowledges that by accepting the Loan it will be a sub-recipient of federal
24 financial assistance and, as such, subject to requirements of the federal Single Audit Act and subsequent
25 amendments (SAA). The Loan Recipient further acknowledges that, if the Loan Recipient expends more

1 than the required threshold in federal financial assistance from all sources in any fiscal year, it must
2 perform an SAA audit in accordance with the requirements of Office of Management and Budget
3 Circular A-133. In that event, the Loan Recipient shall provide the State with a copy of the SAA audit
4 report within nine months of the end of the audit period.

5
6 XVI. This Agreement, which may be executed in a number of counterparts, each of which shall be
7 deemed an original, constitutes the entire agreement and understanding between the parties and
8 supersedes all prior agreements and understandings relating thereto. Nothing herein shall be construed
9 as a waiver of sovereign immunity, such immunity being hereby specifically reserved.

10
11 STATE OF NEW HAMPSHIRE by:

12  5/27/21
13 Robert R. Scott Date
14 Commissioner
15 NH Department of Environmental Services

VILLAGE DISTRICT OF EASTMAN, NEW HAMPSHIRE by:

12  5/19/21
13 Karla H. Karash Date
14 Commissioner, Chair

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16 This Agreement was approved by Governor and Executive Council on _____
17 _____ as Item No. _____

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EXHIBIT A

**STATE OF NEW HAMPSHIRE
DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM**

PROJECT DESCRIPTION

The Village District of Eastman has applied for a Loan to be used for water system improvements including construction of a new well field and associated access road and water main connections; reactivation of an existing production well; replacement of existing water main throughout the District; and construction of cross country interconnections including but not limited to Glenwood Road, Crestbrook Drive, Windingwood Road, and Whitetail Ridge.

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EXHIBIT B

**STATE OF NEW HAMPSHIRE
DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM**

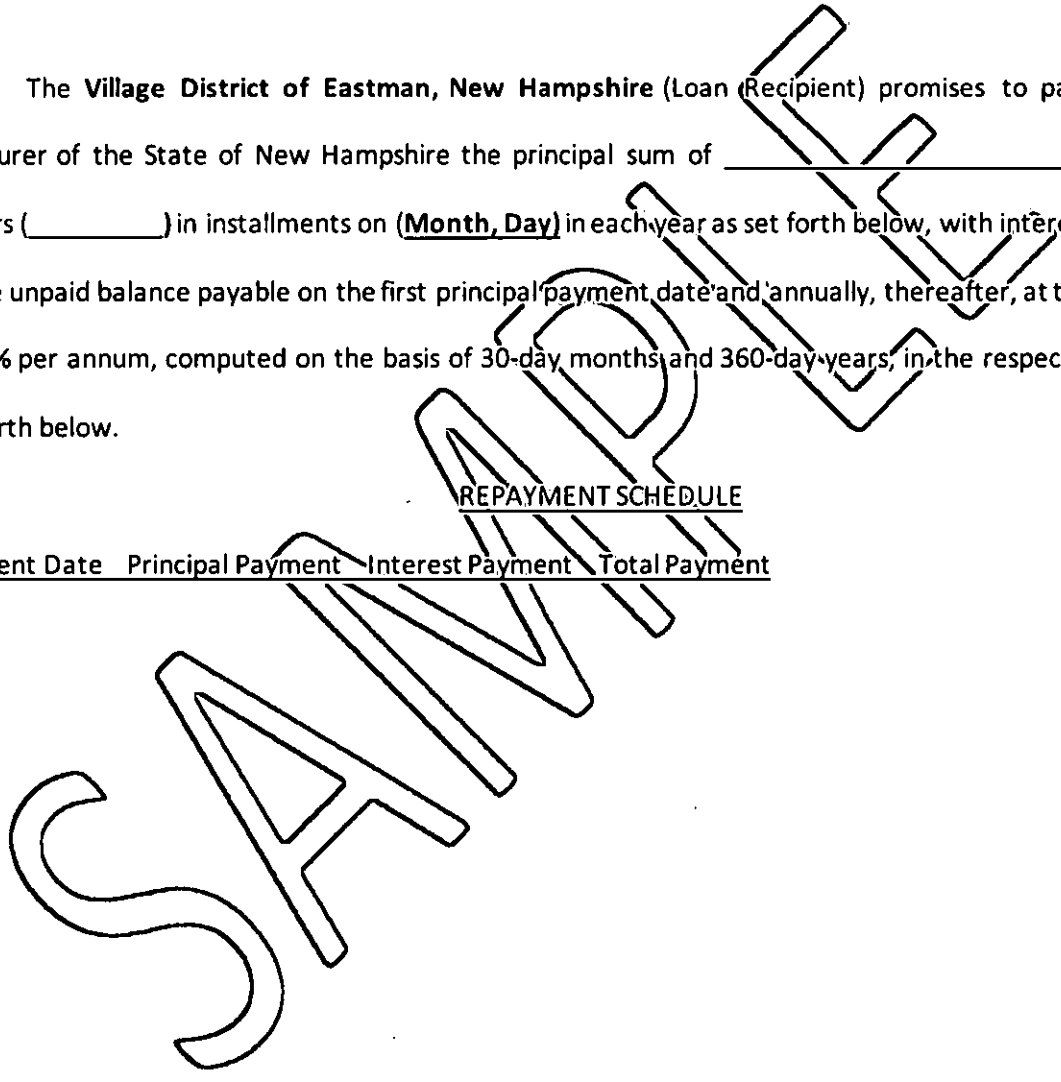
PROMISSORY NOTE AND REPAYMENT SCHEDULE

The Village District of Eastman, New Hampshire (Loan Recipient) promises to pay to the Treasurer of the State of New Hampshire the principal sum of _____ Dollars (_____) in installments on (Month, Day) 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 ____% per annum, computed on the basis of 30-day months and 360-day years, in the respective years set forth below.

REPAYMENT SCHEDULE

Payment Date Principal Payment Interest Payment Total Payment

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

13
14 The Loan Recipient reserves the right to prepay, at any time and without penalty, all or any part
15 of the outstanding principal or interest on this Note.

16
17 The terms and provisions of the Agreement are hereby incorporated in and made a part of this
18 Note to the same extent as if said terms and provisions were set forth in full herein.

19
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 performed
22 in regular and due form and, for the payment hereof when due, the full faith and credit of the Loan
23 Recipient are hereby irrevocably pledged.

24

1 IN WITNESS whereof the Loan Recipient has caused this Note to be signed by its Commissioner,
2 on the date below.

3

4 VILLAGE DISTRICT OF EASTMAN, NEW HAMPSHIRE by:

5 _____
6 Karla H. Karash
Commissioner, Chair

_____ Date

(Seal)

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SAMPLE

1 EXHIBIT C

2 STATE OF NEW HAMPSHIRE
3 DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

4 FEDERAL REQUIREMENTS

5 **DUNS NUMBER:** The Loan Recipient must obtain a Data Universal Numbering System (DUNS) number.

6 The federal government has adopted the use of DUNS numbers to track how federal grant money is
7 allocated. DUNS numbers identify your organization. A DUNS number may be obtained by visiting
8 <http://fedgov.dnb.com/webform/>.

9
10 **SIGNAGE REQUIREMENT:** The Loan Recipient must communicate to the public that EPA funds are
11 contributing to the project by constructing a sign in accordance with EPA Memo SRF 15-02. The type and
12 location of the sign shall be mutually agreed upon between the Loan Recipient and NHDES. The Loan
13 Recipient shall maintain the sign throughout the duration of the project.

14
15 **WAGE RATE REQUIREMENTS (DAVIS-BACON):** Davis-Bacon (DB) prevailing wage requirements apply to
16 the Project in accordance with the federal fiscal year (FY) 2014 Consolidated Appropriations Act (P.L.
17 113-76). The Loan Recipient shall insert in full in any contract in excess of \$2,000 which is entered into
18 for Project construction the standard Davis-Bacon contract clause as specified by 29 CFR §5.5(a). The
19 Loan Recipient shall obtain the wage determination for the locality in which a covered activity subject to
20 DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting
21 contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into
22 solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that
23 subcontractors follow the wage determination incorporated into the prime contract.

1 **AMERICAN IRON AND STEEL (AIS):** The Loan Recipient agrees to comply with Section 436 of the
2 Consolidated Appropriations Act, 2014 (P.L. 113-76), which requires that all of the iron and steel
3 products used in the Project are to be produced in the United States (“American Iron and Steel
4 Requirement”) unless (i) the Loan Recipient has requested and obtained a waiver from the
5 Environmental Protection Agency pertaining to the Project or (ii) the State has otherwise advised the
6 Participant in writing that the American Iron and Steel Requirement is not applicable to the Project. The
7 Loan Recipient further agrees to maintain records documenting compliance with the American Iron and
8 Steel Requirement, and to provide records and certifications to the State upon request.

9
10 **GENERALLY ACCEPTED ACCOUNTING PROCEDURES:** The Loan Recipient shall maintain project accounts
11 in accordance with the Generally Accepted Accounting Principles (GAAP), including standards relating to
12 the reporting of infrastructure assets as issued by the Governmental Accounting Standards Board
13 (GASB). The full text of Governmental Accounting Reporting Standards is available through the GASB
14 website at: <http://www.gasb.org>

15
16 **DISADVANTAGED BUSINESS ENTERPRISE (DBE):** Pursuant to 40 CFR, Section 33.301, the Loan Recipient
17 shall make good faith efforts to utilize small, minority and women’s business enterprises whenever
18 procuring construction, equipment, services and supplies under an EPA financial assistance agreement,
19 and shall require that prime contractors also comply. Records documenting compliance with the six
20 good faith efforts shall be retained.

21
22 **SUSPENSION AND DEBARMENT:** The Loan Recipient shall fully comply with Subpart C of 2 C.F.R. Part
23 180 entitled, “Responsibilities of Participants Regarding Transactions Doing Business With Other
24 Persons,” as implemented and supplemented by 2 C.F.R. Part 1532. Recipient is responsible for ensuring
25 that any lower tier covered transaction, as described in Subpart B of 2 C.F.R. Part 180, entitled “Covered

1 Transactions,” and 2 C.F.R. § 1532.220, includes a term or condition requiring compliance with 2 C.F.R.
2 Part 180, Subpart C. Recipient is responsible for further requiring the inclusion of a similar term and
3 condition in any subsequent lower tier covered transactions. Recipient acknowledges that failing to
4 disclose the information required under 2 C.F.R. § 180.335 to the EPA office that is entering into the
5 transaction with the recipient may result in the delay or negation of this assistance agreement, or
6 pursuance of administrative remedies, including suspension and debarment. Recipients may access the
7 System for Award Management (SAM) exclusion list at <https://sam.gov/SAM/> to determine whether an
8 entity or individual is presently excluded or disqualified.

9
10 By entering into this agreement, the Loan Recipient certifies that the Loan Recipient is not debarred or
11 suspended. Furthermore, the Loan Recipient certifies that no part of this contract will be subcontracted
12 to a debarred or suspended person or firm.

13

14 **PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR**
15 **EQUIPMENT**

16 This term and condition implements 2 CFR 200.216 and is effective for obligations and expenditures of
17 EPA financial assistance funding on or after 8/13/2020. As required by 2 CFR 200.216, EPA recipients and
18 subrecipients, including borrowers under EPA funded revolving loan fund programs, are prohibited from
19 obligating or expending loan or grant funds to procure or obtain; extend or renew a contract to procure
20 or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment,
21 services, or systems that use covered telecommunications equipment or services as a substantial or
22 essential component of any system, or as critical technology as part of any system. As described in
23 Public Law 115-232, section 889, covered telecommunications equipment is telecommunications
24 equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate
25 of such entities). Recipients, subrecipients, and borrowers also may not use EPA funds to purchase: a.

1 For the purpose of public safety, security of government facilities, physical security surveillance of
2 critical Page 4 of 29 infrastructure, and other national security purposes, video surveillance and
3 telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision
4 Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such
5 entities). b. Telecommunications or video surveillance services provided by such entities or using such
6 equipment. c. Telecommunications or video surveillance equipment or services produced or provided by
7 an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or
8 the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or
9 controlled by, or otherwise connected to, the government of a covered foreign country. Consistent with
10 2 CFR 200.471, costs incurred for telecommunications and video surveillance services or equipment such
11 as phones, internet, video surveillance, and cloud servers are allowable except for the following
12 circumstances: a. Obligating or expending EPA funds for covered telecommunications and video
13 surveillance services or equipment or services as described in 2 CFR 200.216 to: (1) Procure or obtain,
14 extend or renew a contract to procure or obtain; (2) Enter into a contract (or extend or renew a
15 contract) to procure; or (3) Obtain the equipment, services, or systems. Certain prohibited equipment,
16 systems, or services, including equipment, systems, or services produced or provided by entities
17 identified in section 889, are recorded in the System for Award Management exclusion list.

18

19 **SUPER CROSS-CUTTERS:**

20

-Title VI of the Civil Rights Act

21

-Section 13 of the Federal Water Pollution Control Act Amendments of 1972

22

-Section 504 of the Rehabilitation Act of 1973

23

-The Age Discrimination Act of 1975

24

-Equal Employment Opportunity requirements (Executive Order 11246)

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