



The State of New Hampshire  
**Department of Environmental Services**

**Robert R. Scott, Commissioner**



July 2, 2018

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

JUL11'18 AM 9:55 DAS

**REQUESTED ACTION**

Authorize the Department of Environmental Services to amend a Clean Water State Revolving Fund (CWSRF) loan agreement with the North Conway Water Precinct (VC #154445 B001) to adjust principal forgiveness included in the loan by \$75,000, from a maximum of \$503,750 to a maximum of \$578,750, 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 June 7, 2017 as Item No. 99.

**EXPLANATION**

The purpose of this Amendment is to adjust the amount of principal forgiveness included in North Conway Water Precinct's loan to support an upgrade to the septage receiving facility at the Wastewater Treatment Facility.

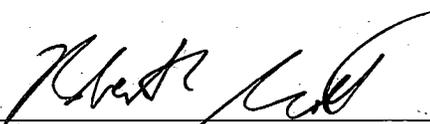
The increase is consistent with the 2017 CWSRF Intended Use Plan, which provides additional financial assistance to upgrade and construct septage receiving facilities throughout the state. CWSRF will award loan recipients 20% principal forgiveness, up to \$200,000, on disbursements for project components related to septage receiving facilities.

The Original Loan Agreement included a maximum principal forgiveness of \$503,750: 12.5% for disbursements up to \$3,550,000 (\$443,750) and an additional 100% for asset management disbursements up to \$60,000.

The amended loan agreement will include a maximum principal forgiveness of \$578,750: 20% for septage receiving disbursements up to \$1,000,000 (\$200,000); 12.5% for remaining disbursements up to \$2,550,000 (\$318,750) and an additional 100% for asset management disbursements up to \$60,000.

This amendment will not change the total amount of the loan. The Supplemental (final) loan amount will be based on the total CWSRF funds disbursed, and may be less than \$3,550,000. Under federal capitalization grant requirements, this loan includes principal forgiveness of up to \$578,750.

We respectfully request your approval.

  
Robert R. Scott, Commissioner

[www.des.nh.gov](http://www.des.nh.gov)

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(603) 271-3503 • TDD Access: Relay NH 1-800-735-2964

AMENDMENT No. 1  
TO  
STATE OF NEW HAMPSHIRE  
WATER POLLUTION CONTROL REVOLVING FUND PROGRAM  
NORTH CONWAY WATER PRECINCT  
ORIGINAL LOAN AGREEMENT  
For Project CS-330066-06

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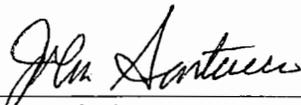
To increase the amount of principal forgiveness included in the North Conway Water Precinct's loan for the WWTF Dewatering and Septage Receiving Upgrades Project to support the construction of the septage receiving upgrade in accordance with the 2017 CWSRF Intended Use Plan.

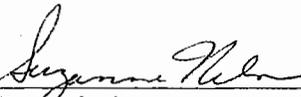
Now therefore, amend the ORIGINAL LOAN AGREEMENT, as approved by Governor and Council on June 7, 2017 as Item No. 99, in the following manner:

Change only Page 1 lines 21 through 23 of the ORIGINAL LOAN AGREEMENT to read as follows:

"...upon the initial repayment as follows: A portion of the principal sum, not to exceed **Two Hundred Thousand and 00/100 Dollars (\$200,000.00)** or 20% of up to One Million and 00/100 Dollars (\$1,000,000) of Disbursements relating to the approved septage receiving upgrade, whichever is less; and 12.5% of the remaining disbursements relating to the dewatering system and/or septage receiving upgrade. In..."

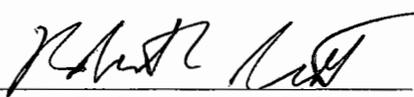
Accepted by  
North Conway Water Precinct

  
\_\_\_\_\_  
Commissioner                      6/13/18  
Date

  
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Commissioner                      6/13/18  
Date

  
\_\_\_\_\_  
Commissioner                      6-13-18  
Date

Accepted by  
State of New Hampshire

  
\_\_\_\_\_  
Robert R. Scott, Commissioner      7/13/18  
Date  
Department of Environmental Services



The State of New Hampshire  
**Department of Environmental Services**

*Don Fierano*



**Clark B. Freise, Assistant Commissioner**

May 11, 2017

APPROVED G & C

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

DATE 6/7/17  
ITEM # 99

**REQUESTED ACTION**

Authorize the Department of Environmental Services to approve a Clean Water State Revolving Fund (CWSRF) loan agreement with the North Conway Water Precinct (VC # 154445 B001) in an amount not to exceed \$3,550,000 to finance the WWTF Dewatering and Septage Receiving Upgrades 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	\$2,958,333
Dept. Environmental Services, CWSRF Loans, Loans	
03-44-44-441030-1297-034-500161	\$591,667
Dept. Environmental Services, 13, 195:VI-C CWSRF Loan Program, Capital Project	

**EXPLANATION**

The purpose of the Original Loan Agreement is to authorize the North Conway Water Precinct to borrow up to \$3,550,000 from the CWSRF to finance the WWTF Dewatering and Septage Receiving Upgrades Project. The project will include the replacement and upgrade of the sludge dewatering system to a slow rotating screw press system, an upgrade of the existing septage receiving facility to allow additional treatment and storage capability, and the design and installation of new odor control systems. The Precinct will also develop asset management plans for its WWTF and wastewater collection systems under this loan.

The Supplemental (final) loan amount may be less than \$3,550,000. Under federal capitalization grant requirements, this loan includes principal forgiveness of up to \$503,750.

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

We respectfully request your approval.

Clark B. Freise, Assistant Commissioner

*LGTS ✓  
Doc St ✓  
Acct Sum ✓  
CBR ✓*

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:

	<b>CWSRF Cap Grant</b>
Federal Funds *	\$396,603,775
Plus 20% State Match*	\$71,808,166
Total Funds Available	\$468,411,941
Less Loans Previously Approved	\$449,350,093
<b>Funds Available for Loans</b>	<b>\$19,061,849</b>
<b>Loan Agreement(s) This Request:</b>	
North Conway Water Precinct	\$3,550,000
<b>Other Requested Action(s)</b>	
City of Keene	\$2,939,309
City of Nashua	\$779,000
City of Nashua	\$3,900,000
<b>Net Change †</b>	<b>\$11,168,309</b>
<b>Balance Available after G &amp; C Approval</b>	<b>\$7,893,540</b>

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

† Negative numbers in this row indicate funds returned to account

**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	<u>(\$14,426,470)</u>
Total 1989-2009 Funds Available for Loans	\$348,735,269
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
2016 Capitalization Grant (07/28/2016)	13,352,000
Plus State Match	2,670,400
Less 4% Admin.	<u>(640,896)</u>
Total 2016 Funds Available for Loans	\$15,381,504
Total Federal Grant \$ Available (including ARRA)	\$396,603,775
Total State Match Available	<u>\$71,808,166</u>
<b>Total 1989 - 2016 Funds Available for Loans</b>	<b>\$468,411,941</b>

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1 STATE OF NEW HAMPSHIRE

2 WATER POLLUTION CONTROL REVOLVING LOAN FUND PROGRAM

3 NORTH CONWAY WATER PRECINCT

4 (Project No. CS-330066-06)

5 ORIGINAL LOAN AGREEMENT

6 I. This Agreement is between the State of New Hampshire Water Pollution Control Revolving  
7 Loan Fund Program (State) and the **North Conway Water Precinct, New Hampshire** (Loan  
8 Recipient) in accordance with RSA 486:14 and New Hampshire Code of Administrative Rules  
9 Env-Wq 500 (Rules) for the purpose of financing, to the extent of the aggregate amount of funds  
10 transferred (Disbursements) to the Loan Recipient made hereunder, the **WWTF Dewatering  
11 and Septage Receiving Upgrades** (Project) now being undertaken by the Loan Recipient. The  
12 Project is described in Exhibit A. The Loan Recipient shall abide by all of the requirements of  
13 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 **Three Million, Five  
17 Hundred Fifty Thousand and 00/100 Dollars (\$3,550,000)** (Principal Sum) or such lesser  
18 amount as shall equal the aggregate of Disbursements made hereunder by the State to the Loan  
19 Recipient. Pursuant to federal capitalization grant requirements and/or other allowances,  
20 additional financial assistance in the form of principal forgiveness will be applied to the loan  
21 upon the initial repayment as follows: A portion of the principal sum, not to exceed **Four  
22 Hundred Forty Three Thousand, Seven Hundred Fifty and 00/100 Dollars (\$443,750.00)** or  
23 up to **12.5%** of the total of Disbursements for **wastewater** related portions, whichever is less. In  
24 addition, up to **Sixty Thousand and 00/100 Dollars (\$60,000)** in principal forgiveness or 100%  
25 of the cost of developing an asset management plan, whichever is less, will be applied to the loan

D-

1 upon the initial repayment if the Loan Recipient has in place an asset management plan for both  
2 the **wastewater treatment facility and collection system** that meets the State's guidelines for  
3 asset management plans as determined by the State at the completion of the project. In addition  
4 to the principal sum, the Loan Recipient agrees to pay the applicable interest accrued as  
5 described in Paragraphs III, V, and VII. Federal financial assistance provided through the Water  
6 Pollution Control Revolving Loan Fund Program (CFDA #66.458) may comprise all or a portion  
7 of the Principal Sum. Any Disbursement or other payment from the State to the Loan Recipient  
8 is contingent upon the availability of funds.

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

21  
22 IV. The aggregate of the Disbursements shall be consolidated by a Promissory Note (Note) of  
23 the Loan Recipient in a Supplemental Loan Agreement issued under and in accordance with the  
24 applicable provisions of this Agreement and the Municipal Finance Act, RSA 33, as amended

1 and supplemented, including the provisions of RSA 486:14. The Note shall be substantially in  
2 the form of Exhibit B.

3  
4 V. The interest rate applicable to the Note will be **2.0000%**, as determined in accordance with  
5 RSA 486:14 and Env-Wq 500 et seq.

6  
7 VI. The Loan Recipient hereby authorizes the State to compute the payments of principal and  
8 interest on the Note. The principal shall be paid in full within **20 years** from the date of the  
9 Note. Note payments shall commence within one year of the Substantial Completion date of the  
10 Project or the Scheduled Completion date of the project, whichever is earlier. The Scheduled  
11 Completion date is hereby determined to be **April 2, 2018**; however, should the project  
12 experience an excusable delay, an extension may be granted by the Commissioner of the  
13 Department of Environmental Services upon request in writing by the Loan Recipient. In no  
14 event shall Note payments commence later than ten years from the effective date of this  
15 Agreement.

16  
17 VII. The Loan Recipient reserves the right to prepay, at any time and without penalty, all or any  
18 part of the outstanding principal or interest of the Note.

19  
20 VIII. In the event of a default in the full and timely remittance of any Note payment, any State  
21 Aid Grant funds payable to the Loan Recipient under RSA 486:1 may be offset against and  
22 ~~applied to the payment of any obligations that are due hereunder.~~ The Loan Recipient agrees to  
23 be liable for all costs of collection, legal expenses, and attorney's fees incurred or paid by the  
24 State in enforcing this Agreement or in collecting any delinquent payments due hereunder.

1 IX. No delay or omission on the part of the State in exercising any right hereunder shall operate  
2 as a waiver of such right or of any other right under this Agreement. A waiver on any one  
3 occasion shall not be construed as bar to any right and/or remedy on any future occasion.  
4

5 X. The Loan Recipient agrees to comply, and to require all of its contractors to comply, with all  
6 applicable state and federal requirements contained in the Rules and applicable state and federal  
7 laws, including those specific requirements outlined in Exhibit C.  
8

9 XI. The effective date of this Agreement shall be the date of its approval by the Governor and  
10 Executive Council. This Agreement may be amended, waived, or discharged only by a written  
11 instrument signed by the parties hereto and only after approval of such amendment, waiver, or  
12 discharge by the Governor and Executive Council.  
13

14 XII. This Agreement shall be construed in accordance with the laws of the State of New  
15 Hampshire and is binding upon and inures to the benefit of the parties and their respective  
16 successors. The parties hereto do not intend to benefit any third parties and, consequently, the  
17 Agreement shall not be construed to confer any such benefit.  
18

19 XIII. The Loan Recipient acknowledges that by accepting the Loan it will be a sub-recipient of  
20 federal financial assistance and, as such, subject to requirements of the federal Single Audit Act  
21 and subsequent amendments (SAA). The Loan Recipient further acknowledges that, if the Loan

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22 Recipient expends more than the required threshold in federal financial assistance from all  
23 sources in any fiscal year, it must perform an SAA audit in accordance with the requirements of  
24 Office of Management and Budget Circular A-133. In that event, the Loan Recipient shall

1 provide the State with a copy of the SAA audit report within nine months of the end of the audit  
2 period.

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

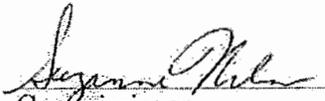
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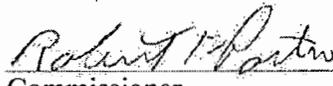
10 STATE OF NEW HAMPSHIRE

NORTH CONWAY WATER PRECINCT

11 By:  5/14/17  
12 Clark B. Freise Date  
13 Assistant Commissioner,  
14 Department of Environmental Services

By:  5/10/2017  
Commissioner Date

 5/10/17  
Commissioner Date

 5-10-17  
Commissioner Date

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19 This Agreement was approved by Governor and Executive Council on

20 June 7, 2017 as Item No. 99.

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**EXHIBIT A**  
**STATE OF NEW HAMPSHIRE**  
**WATER POLLUTION CONTROL REVOLVING LOAN FUND PROGRAM**  
**PROJECT DESCRIPTION**

The North Conway Water Precinct has applied for a Loan to be used for the WWTF Dewatering and Septage Receiving Upgrades. The project includes the replacement and upgrade of the sludge dewatering system to a slow rotating screw press system, an upgrade of the existing septage receiving facility to allow additional treatment and storage capability, and the design and installation of new odor control systems. The asset management plan will include taking inventory of and prioritizing the existing wastewater infrastructure in order to preserve the life of the system and to improve the system's operating efficiency.

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**EXHIBIT B**  
**STATE OF NEW HAMPSHIRE**  
**WATER POLLUTION CONTROL REVOLVING LOAN FUND PROGRAM**  
**PROMISSORY NOTE AND REPAYMENT SCHEDULE**

The North Conway Water Precinct (Loan Recipient) promises to pay to the Treasurer of the State of New Hampshire the principal sum of **Three Million, Five Hundred Fifty Thousand and 00/100 Dollars (\$3,550,000)** 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 **2.0000%** per annum, computed on the basis of 30-day months and 360-day years, in the respective years set forth below: A total of **Four Hundred Forty Three Thousand, Seven Hundred Fifty and 00/100 Dollars (\$443,750.00)** of principal will be forgiven and will be granted as reflected in the repayment schedule shown below.

REPAYMENT SCHEDULE

<u>Payment Date</u>	<u>Principal Payment</u>	<u>Principal Forgiveness</u>	<u>Interest Payment</u>	<u>Total Payment</u>
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				

- 1 2028
- 2 2029
- 3 2030
- 4 2031
- 5 2032
- 6 2033
- 7 2034
- 8 2034
- 9 2036

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

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

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

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

1

2 IN WITNESS whereof the Loan Recipient has caused this Note to be signed by its

3 \_\_\_\_\_, on the date(s) below.

4

5 **North Conway Water Precinct by:**

6 Name/Title \_\_\_\_\_

7 Authorized Representative \_\_\_\_\_ Date

8 (Town Seal)