



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES

NOV 21 '13 11:17 AM



Thomas S. Burack, Commissioner

May 13, 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 amend an original loan agreement with the City of Franklin, NH (VC#177390) by increasing the loan amount by \$340,000 from \$3,030,000 to \$3,370,000 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 accounts as follows:

	<u>FY 2013</u>
03-44-44-441010-4789-301-500833	\$268,600
Dept Environmental Services, DWSRF Loans, Loans	
03-44-44-441030-1778-034-500161	\$71,400
Dept Environmental Services, 11-253:1:VI-B, DWSRF Match	

EXPLANATION

The purpose of this amendment is to authorize the City of Franklin to modify their original loan agreement approved by Governor and Council on March 28, 2012 as Item # 98 to borrow an additional \$340,000 to finance water system improvements. These improvements include additional water main replacement work to complete the ongoing water main project that will improve flows from the North Main Street Tank into West Franklin. These improvements will improve system reliability and fire flow availability in the Franklin Water Works water system.

The DWSRF is authorized by RSA 486:14 and N.H. Code of Administrative Rules Env-Dw 1100 et seq. The U. S. Environmental Protection Agency (EPA) has provided approximately \$104,221,498 to capitalize the DWSRF and the State has provided \$28,249,860 in required matching funds. There is currently a balance of \$8,422,217 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.

Thomas S. Burack
Thomas S. Burack, Commissioner

Attachments

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			\$104,221,498
Plus 20% State Match			\$28,249,860
Total Funds Authorized/Available			<u>\$132,471,358</u>
Less Loans Previously Approved			<u>\$124,049,141</u>
Funds Available for Loans			\$8,422,217
New Loan(s) Being Requested			
Merrimack Village District			(4,300,000)
Rye Water District			(3,400,000)
Amended Loan Agreement(s)	Initial Amount	Amended Amount	
Pennichuck East Utility (Locke Lake-02)	\$525,000	(\$400,000)	\$125,000
Franklin Water Works	\$3,030,000	(\$3,370,000)	(\$340,000)
Net Change to Loan(s)			<u>(\$7,915,000)</u>
Balance Available After G & C Approval			<u><u>\$507,217</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 - 2006 Capitalization Grants	\$84,740,500
Plus State Match	\$16,952,100
Less Setasides	<u>(\$18,990,542)</u>
Total 1997-2006 Funds Available for Loans	\$82,702,058
2007 Capitalization Grant	\$8,229,000
Plus State Match	\$1,646,160
Less Setasides	<u>(\$2,550,990)</u>
Total 2007 Funds Available for Loans	\$7,324,170
2008 Capitalization Grant	\$8,146,000
Plus State Match	\$1,629,200
Less Setasides	<u>(\$2,525,260)</u>
Total 2008 Funds Available for Loans	\$7,249,940
2009 Capitalization Grant	\$8,146,000
Plus State Match	\$1,629,200
Less Setasides	<u>(\$2,525,260)</u>
Total 2009 Funds Available for Loans	\$7,249,940
2010 Capitalization Grant	\$13,573,000
Plus State Match	\$2,714,600
Less Setasides	<u>(\$4,712,120)</u>
Total 2010 Funds Available for Loans	\$11,575,480
2011 Capitalization Grant	\$9,418,000
Plus State Match	\$1,883,600
Less Setasides	<u>(\$2,919,580)</u>
Total 2011 Funds Available for Loans	\$8,382,020
2012 Capitalization Grant	\$8,975,000
Plus State Match	\$1,795,000
Less Setasides	<u>(\$2,782,250)</u>
Total 2012 Funds Available for Loans	\$7,987,750
Total 1997-2012 Funds Available for Loans	\$132,471,358

AMENDMENT #1
TO
STATE OF NEW HAMPSHIRE
DRINKING WATER STATE REVOLVING FUND PROGRAM

City of Franklin
ORIGINAL LOAN AGREEMENT
For Project # 0851010-03

Whereas the **City of Franklin** wishes to increase the amount of their loan for **Project # 0851010-03** from **\$3,030,000** to **\$3,370,000**, an increase of **\$340,000** in order to finance additional water main replacement work under the project on Kimball Street and Lawndale Avenue.

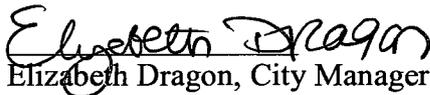
Now Therefore, amend the ORIGINAL LOAN AGREEMENT for Project 0851010-03 as approved by Governor and Council on March 28, 2012 as Item #98 in the following manner:

Change Page 1, Lines 15 through 22 of the ORIGINAL LOAN AGREEMENT to read:

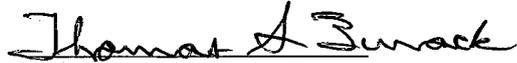
“II. The State agrees to loan to the Loan Recipient, and the Loan Recipient agrees to repay to the State, in accordance with the terms of this Agreement, the principal sum of **Three Million Three Hundred Seventy Thousand Dollars (\$3,370,000)** (“Principal Sum”) or such lesser amount as shall equal the aggregate of Disbursements made hereunder by the State to the Loan Recipient. Federal financial assistance provided through Capitalization Grants for Drinking Water State Revolving Funds (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.

Accepted By:
City of Franklin


Kenneth Mesfield, Mayor


Elizabeth Dragon, City Manager

Accepted By:
State of New Hampshire


Thomas S. Burack, Commissioner
Department of Environmental Services