



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



**Thomas S. Burack, Commissioner**

May 16, 2016

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 a loan agreement with the City of Dover (VC#177380), Dover, NH by increasing the loan amount by \$2,000,000 from \$6,500,000 to \$8,500,000 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. The original loan agreement was approved by G&C on May 27, 2015, Item #110. 100% Drinking Water State Revolving Loan Fund (DWSRF) Repayment Funds.

Funds are available in the following:

	<u>FY 2016</u>
03-44-44-441018-4791-301-500833	\$2,000,000
Dept Environmental Services, DWSRF Loan Repayments, Loans	

**EXPLANATION**

The purpose of this amendment is to authorize the City of Dover to modify their original loan agreement approved by Governor and Council on May 27, 2015 as Item #110. The City of Dover had originally requested \$6,500,000 from the Drinking Water State Revolving Fund Program (DWSRF) to finance a project which includes health and safety upgrades to all facilities, building and process upgrades to facilities in the Hoppers and Willand Pond Aquifers, and improvements to storage tank facilities. The additional funds are necessary because the scope and cost to reconstruct the Lowell Avenue Water Treatment Plant have increased. NHDES has sufficient funds at this time to meet the City's request. This project will improve worker safety, process efficiency and water service reliability.

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 \$35,389,213 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, Commissioner

Her Excellency, Governor Margaret Wood Hassan  
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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>REPAYMENT</u>
Repayment Account (Balance as of 5/6/16)	<u>\$37,053,213</u>
Less Loans Previously Approved	<u>\$1,664,000</u>
Funds Available for Loans	\$35,389,213
 <b>Amendment Being Requested</b>	
City of Dover (Project #: 0651010-02)	(2,000,000)
 Net Change to Loan(s)	<u>(2,000,000)</u>
 <b>Balance Available After G &amp; C Approval</b>	<u><u>\$33,389,213</u></u>

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

City of Dover  
**ORIGINAL LOAN AGREEMENT**  
For Project # 0651010-02

**Whereas** the **City of Dover** wishes to increase the amount of their loan for **Project #0651010-02** from **\$6,500,000** to **\$8,500,000**, an increase of **\$2,000,000** in order to finance the reconstruction of the Lowell Avenue Water Treatment Plant.

**Now Therefore**, amend the ORIGINAL LOAN AGREEMENT for Project 0651010-02 as approved by Governor and Council on May 27, 2015 as Item #110 in the following manner:

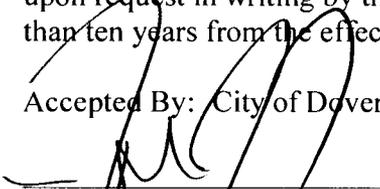
Change Page 1, Lines 15 through 23 of the ORIGINAL LOAN AGREEMENT to read:

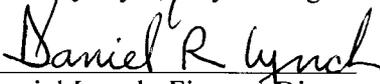
“II. The State agrees to loan to the Loan Recipient, and the Loan Recipient agrees to repay to the State, in accordance with the terms of this Agreement, the principal sum of **Eight Million Five Hundred Thousand Dollars (\$8,500,000)** (“Principal Sum”) or such lesser amount as shall equal the aggregate 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.

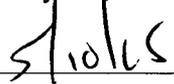
Change Page 3, Lines 5 through 13 of the ORIGINAL LOAN AGREEMENT to read:

“ VI. The Loan Recipient hereby authorizes the State to compute the payments of principal and interest on the Note. The principal shall be paid in full within twenty (20) years from the date of the Note. Note payments shall commence on the first day of the month following the first anniversary of the Substantial Completion date of the Project or the first anniversary of the Scheduled Completion date of the project, whichever is earlier. The Scheduled Completion date is hereby determined to be **July 1, 2018**; however, should the project experience excusable delay beyond this date, an extension may be granted by the Commissioner upon request in writing by the Loan Recipient. In no event shall Note payments commence later than ten years from the effective date of this agreement.

Accepted By: City of Dover

  
\_\_\_\_\_  
Michael Joyal, City Manager

  
\_\_\_\_\_  
Daniel Lynch, Finance Director

  
\_\_\_\_\_  
Date

Accepted By: State of New Hampshire

  
\_\_\_\_\_  
Thomas S. Burack, Commissioner  
Department of Environmental Services

5/17/2016  
\_\_\_\_\_  
Date