



The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner



July 9, 2018

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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 amend a Clean Water State Revolving Fund (CWSRF) loan agreement (P.O. #9005429) with the City of Lebanon (VC #177422 B002) to increase funding by \$3,345,000, from \$337,750 to \$3,682,750, 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 May 16, 2018 as Item No. 44. Funding is 100% CWSRF Repayment Funds.

Funding is available in the account as follows:

	<u>FY 2019</u>
03-44-44-441018-2001-301-500832	\$3,345,000
Dept. Environmental Services, CWSRF Loan Repayments, Loans	

EXPLANATION

The purpose of this Amendment is to increase the City of Lebanon's existing CWSRF Loan by \$3,345,000 to fund construction of and adjust the scheduled completion date for the CSO #12 Sewer Separation project.

The final loan amount will be based on the total CWSRF funds disbursed, and may be less than \$3,682,750. Under federal capitalization grant requirements this loan includes principal forgiveness in the amount of up to \$368,275. The loan interest rate may be adjusted downward if the CWSRF loan rate in effect upon project completion is less than the current rate of 2.4240%.

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

We respectfully request your approval.


Robert R. Scott, Commissioner

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:

	<u>CWSRF Repayment</u>
Repayment Funds as of June 30, 2018	\$79,565,303
 Loan Agreement(s) This Request:	
City of Lebanon	\$3,345,000
 Other Requested Action(s)	
Town of Hooksett	\$4,390,000
 Net Change †	 <u>\$7,735,000</u>
Balance Available after G & C Approval	\$71,830,303

† Negative numbers in this row indicate funds returned to account

AMENDMENT No. 1

TO
STATE OF NEW HAMPSHIRE
WATER POLLUTION CONTROL REVOLVING FUND PROGRAM
CITY OF LEBANON, NEW HAMPSHIRE
ORIGINAL LOAN AGREEMENT
For Project CS-330092-12

RECEIVED
JUN 27 2018
DES-WEB

To increase the City of Lebanon's loan amount for the CSO #12 Sewer Separation Project, CWSRF Loan Number CS-330092-12 from \$337,750 to \$3,682,750.

Now therefore, amend the ORIGINAL LOAN AGREEMENT, as approved by Governor and Council on May 16, 2018 as Item No. 44 in the following manner:

Change only Page 1 lines 15 through 16 of the ORIGINAL LOAN AGREEMENT to read as follows:

"...State, in accordance with the terms of this Agreement, the principal sum of **Three Million Six Hundred Eighty-Two Thousand, Seven Hundred Fifty and 00/100 Dollars (\$3,682,750.00)** (Principal...";

Change only Page 1, lines 21 through 22 of the ORIGINAL LOAN AGREEMENT to read as follows:

"...exceed **Three Hundred Sixty-Eight Thousand, Two Hundred Seventy-Five and 00/100 Dollars (\$368,275.00)** or up to 10% of the total of Disbursements, whichever is less. In addition to the..."; and

Change Page 3, Line 5 to read:

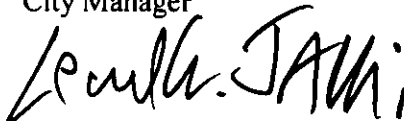
"... Completion date is hereby determined to be **December 2, 2019**; however, should the project ..."

Accepted by
City of Lebanon, New Hampshire



City Manager

6/15/18
Date



Finance Director

Date

Accepted by
State of New Hampshire



Robert R. Scott,
Commissioner

Department of Environmental Services

7-12-18
Date



The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner



April 18, 2018

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

APPROVED G & C

DATE 5/16/18

ITEM # 44

REQUESTED ACTION

Authorize the Department of Environmental Services to approve a Clean Water State Revolving Fund (CWSRF) loan agreement with the City of Lebanon (VC # 177422 B002) in an amount not to exceed \$337,750 to finance the CSO #12 Sewer Separation 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 100% CWSRF Repayment Funds.

Funding is available in the account as follows:

03-44-44-441018-2001-301-500832

Dept. Environmental Services, CWSRF Loan Repayments, Loans

FY 2018
\$337,750

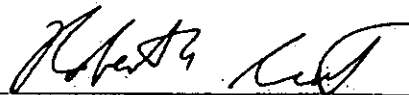
EXPLANATION

The purpose of the Original Loan Agreement is to authorize the City of Lebanon to borrow up to \$337,750 from the CWSRF to finance the design phase of the CSO #12 Sewer Separation Project. The project will include the design of the replacement of approximately 4,100 linear feet of combined sewers in the Mascoma Street area and will result in the elimination of Combined Sewer Overflow #23 into the Lower Mascoma River. The project will result in improved water quality and protection of the environment and public health.

The Supplemental (final) loan amount may be less than \$337,750. Under federal capitalization grant requirements, this loan includes principal forgiveness of up to \$33,775.

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

We respectfully request your approval.


Robert R. Scott, Commissioner

LATS ✓
CBR ✓
Track ✓
Acct Sum ✓
FFATA - NA



The State of New Hampshire
Department of Environmental Services



Robert R. Scott, Commissioner

May 24 2018

Mr. Leonard Jarvi, Finance Director
City of Lebanon Finance Department
51 North Park St.
Lebanon, New Hampshire 03766-1381

Re: Executed Amendment No. 3 to Original Loan Agreement: CSO No. 11 Project,
Executed Original Loan Agreement: CSO No. 11, Phase 2 Construction Project, and
Executed Original Loan Agreement: CSO No. 12 Project

Dear Mr. Jarvi:

Enclosed are executed copies of the three above referenced CWSRF document for your records.
They were approved by Governor & Council on May 16, 2018 as Item Nos. 43 and 44.

Please contact me at 271-3448 if you have any questions.

Sincerely,

Daniel P. Fenno, P.G.
CWSRF Program Manager

cc: File

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:

	<u>CWSRF Repayment</u>
Repayment Funds as of April 17, 2018	\$81,079,862
Loan Agreement(s) This Request:	
City of Lebanon (CSO #12)	\$337,750
Other Requested Action(s)	
City of Lebanon (Amendment)	(\$8,804,128)
City of Lebanon (OLA)	\$13,689,606
Net Change	<u>\$5,223,228</u>
Balance Available after G & C Approval	\$75,856,634

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STATE OF NEW HAMPSHIRE
WATER POLLUTION CONTROL REVOLVING LOAN FUND PROGRAM
CITY OF LEBANON, NEW HAMPSHIRE
(Project No. CS-330092-12)

ORIGINAL LOAN AGREEMENT

I. This Agreement is between the State of New Hampshire Water Pollution Control Revolving Loan Fund Program (State) and the **City of Lebanon, New Hampshire** (Loan Recipient) in accordance with RSA 486:14 and New Hampshire Code of Administrative Rules Env-Wq 500 (Rules) for the purpose of financing, to the extent of the aggregate amount of funds transferred (Disbursements) to the Loan Recipient made hereunder, the **CSO #12 Sewer Separation** (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 Hundred Thirty-Seven Thousand, Seven Hundred Fifty and 00/100 Dollars (\$337,750.00)** (Principal Sum) or such lesser amount as shall equal the aggregate of Disbursements made hereunder by the State to the Loan Recipient. Pursuant to federal capitalization grant requirements and/or other allowances, additional financial assistance in the form of principal forgiveness will be applied to the loan upon the initial repayment as follows: A portion of the principal sum, not to exceed **Thirty-Three Thousand, Seven Hundred and Seventy-Five and 00/100 Dollars (\$33,775.00)** or up to 10% of the total of Disbursements, whichever is less. 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 Water Pollution Control Revolving Loan Fund Program (CFDA #66.458) may comprise all or a portion of the

1 Principal Sum. Any Disbursement or other payment from the State to the Loan Recipient is
2 contingent upon the availability of funds.

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

15
16 IV. The aggregate of the Disbursements shall be consolidated by a Promissory Note (Note) of
17 the Loan Recipient in a Supplemental Loan Agreement issued under and in accordance with the
18 applicable provisions of this Agreement and the Municipal Finance Act, RSA 33, as amended
19 and supplemented, including the provisions of RSA 486:14. The Note shall be substantially in
20 the form of Exhibit B.

21
22 V. The interest rate applicable to the Note will be **2.4240%**, as determined in accordance with
23 RSA 486:14 and Env-Wq 500 et seq.

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

10

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

13

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

19

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

23

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

4
5 XI. The effective date of this Agreement shall be the date of its approval by the Governor and
6 Executive Council. This Agreement may be amended, waived, or discharged only by a written
7 instrument signed by the parties hereto and only after approval of such amendment, waiver, or
8 discharge by the Governor and Executive Council.

9
10 XII. This Agreement shall be construed in accordance with the laws of the State of New
11 Hampshire and is binding upon and inures to the benefit of the parties and their respective
12 successors. The parties hereto do not intend to benefit any third parties and, consequently, the
13 Agreement shall not be construed to confer any such benefit.

14
15 XIII. The Loan Recipient acknowledges that by accepting the Loan it will be a sub-recipient of
16 federal financial assistance and, as such, subject to requirements of the federal Single Audit Act
17 and subsequent amendments (SAA). The Loan Recipient further acknowledges that, if the Loan
18 Recipient expends more than the required threshold in federal financial assistance from all
19 sources in any fiscal year, it must perform an SAA audit in accordance with the requirements of
20 Office of Management and Budget Circular A-133. In that event, the Loan Recipient shall
21 provide the State with a copy of the SAA audit report within nine months of the end of the audit
22 period.

23
24 XIV. This Agreement, which may be executed in a number of counterparts, each of which shall
25 be deemed an original, constitutes the entire agreement and understanding between the parties


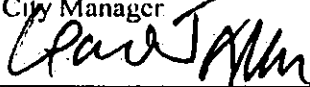
1 and supersedes all prior agreements and understandings relating thereto. Nothing herein shall be
2 construed as a waiver of sovereign immunity, such immunity being hereby specifically reserved.

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STATE OF NEW HAMPSHIRE

CITY OF LEBANON, NEW HAMPSHIRE

By:  4-19-18
Robert R. Scott, Commissioner Date
Department of Environmental Services

By:  4/12/18
City Manager Date
 4-12-18
Finance Director Date

This Agreement was approved by Governor and Executive Council on
May 16, 2018 as Item No. 44