




The State of New Hampshire
Department of Environmental Services 12:46 DAS

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Robert R. Scott, Commissioner

April 27, 2020

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 award a loan to City of Manchester (VC# 177433-B004), Manchester, NH in the amount not to exceed \$1,000,000 to finance the Main Dam Improvements Project under provisions of RSA 485:F, effective upon Governor & Council approval through June 1, 2022. 100% Drinking Water and Groundwater Trust Fund.

Funding is available in the following account:


03-44-44-442010-3904-301-504059	FY 2020
Dept. Environmental Services, Drinking Water and Groundwater Trust, Loans	\$1,000,000

EXPLANATION

The Drinking Water and Ground Water Trust Fund was created in 2016, using \$276 million of MtBE trial judgement funds, as authorized by RSA 485-F. The purpose of the Trust Fund is to provide sustainable, long-term funding for the protection, preservation, and enhancement of the drinking water and groundwater resources of the state. The Drinking Water and Groundwater Advisory Commission was established to administer the Trust Fund and to provide guidance to the State on the use of the Trust Fund.

On December 9, 2019, the Advisory Commission voted to authorize \$1,000,000 as a loan to the City of Manchester for payment for capital improvements to the Massabesic Lake Dam, located on Massabesic Lake in Manchester. The City of Manchester will use the loan funds to correct deficiencies identified in a 2017 assessment of the Main Dam in order to protect their drinking water supply and comply with the Department of Environmental Services Dam Bureau regulations. The loan will be paid back over 20 years at an interest rate of 2.96%. This is 100% Drinking Water and Groundwater Trust Funds. In the event that these funds become no longer available, General Funds will not be requested to support this program.

We respectfully request your approval.



Robert R. Scott
Commissioner

1 and with the project application as approved by the N.H. Drinking Water and Groundwater
2 Advisory Commission. Such approval shall be within the sole discretion of the State but shall not
3 be unreasonably withheld. The total reimbursement shall not exceed the loan amount of
4 \$1,000,000. Interest on each Disbursement shall accrue on the outstanding principal balance from
5 the date of the Disbursement at the rate of 1% per annum computed on the basis of 30-day months
6 and 360-day years until the date of Substantial Completion of the Project or the date of Scheduled
7 Completion as noted in Paragraph VI, whichever is earlier. At the option of the Loan Recipient,
8 such interest may be paid (1) prior to the commencement of Loan repayment, (2) at the time of the
9 first Loan repayment, or (3) by adding the charges to the outstanding principal Loan balance so
10 long as the Loan Recipient's authority to borrow is not exceeded.

11

12 IV. The aggregate of the Disbursements shall be consolidated by a Promissory Note (Note) of the
13 Loan Recipient in a Supplemental Loan Agreement issued under and in accordance with the
14 applicable provisions of this Agreement and the Municipal Finance Act, RSA 33, as amended and
15 supplemented, including the provisions of RSA 485-F. The Note shall be substantially in the form
16 of Exhibit B.

17

18 V. The interest rate applicable to the Note will be 2.96%.

19

20 VI. The Loan Recipient hereby authorizes the State to compute the payments of principal and
21 interest on the Note. The principal shall be paid in full within **twenty (20)** years from the date of
22 the Note. Note payments shall commence within one year of the Substantial Completion date of
23 the Project or the Scheduled Completion date of the project, whichever is earlier. The Scheduled
24 Completion date is hereby determined to be **June 1, 2022**; however, should the project experience

1 an excusable delay, an extension may be granted by the Commissioner of the Department of
2 Environmental Services upon request in writing by the Loan Recipient.

3
4 VII. The Loan Recipient reserves the right to prepay, at any time and without penalty, all or any
5 part of the outstanding principal or interest of the Note.

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

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

16
17 X. The Loan Recipient agrees to comply, and to require all of its contractors to comply, with all
18 applicable state requirements contained in the Rules and applicable state and federal laws.

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

1 XII. The Loan Recipient agrees to permit an authorized representative of the State of New
2 Hampshire to have access to and the right to:

3
4 (i) Examine any of the Loan Recipient's, the contractor's or any subcontractor's
5 records that pertain to and involve transactions relating to this Agreement, the
6 Construction Contract, 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). into the Construction Contract and
11 require the Contractor to insert subparagraphs (i). and (ii). into all subcontracts thereunder.

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

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


22
23 XVI. This Agreement, which may be executed in a number of counterparts, each of which shall
24 be deemed an original, constitutes the entire agreement and understanding between the parties

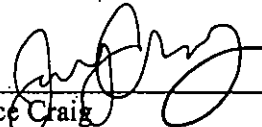
1 and supersedes all prior agreements and understandings relating thereto. Nothing herein shall be
2 construed as a waiver of sovereign immunity, such immunity being hereby specifically reserved.

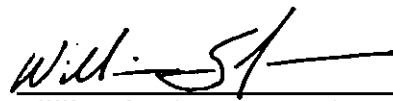
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5
6 STATE OF NEW HAMPSHIRE by:

CITY OF MANCHESTER,

7 NEW HAMPSHIRE by:

8  4-27-20
Robert R. Scott Date
9 Commissioner
10 Department of Environmental Services

 4/14/20
Joyce Craig Date
11 Mayor
12 City of Manchester

13  4/15/20
William Sanders Date
14 Finance Director
15 City of Manchester

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

EXHIBIT A

**STATE OF NEW HAMPSHIRE
DRINKING WATER AND GROUNDWATER TRUST FUND**

PROJECT DESCRIPTION

The CITY OF MANCHESTER has applied for a Loan to be used for capital improvements to the Massabesic Lake Dam (Main Dam) located on Massabesic Lake in Manchester, New Hampshire. The capital improvements were identified in a 2017 assessment and evaluation of the Main Dam.

1 EXHIBIT B

2 STATE OF NEW HAMPSHIRE
3 DRINKING WATER AND GROUNDWATER TRUST FUND

4 PROMISSORY NOTE AND REPAYMENT SCHEDULE

5
6 The CITY OF MANCHESTER, New Hampshire (Loan Recipient) promises to pay to
7 the Treasurer of the State of New Hampshire the principal sum of
8 _____ Dollars (_____) in installments on (Month, Day) in
9 each year as set forth below, with interest on the entire unpaid balance payable on the first principal
10 payment date and annually, thereafter, at the rate of ____% per annum, computed on the basis of
11 30-day months and 360-day years, in the respective years set forth below.

12
13 REPAYMENT SCHEDULE

14 Payment Date Principal Payment Interest Payment Total Payment

15 1
16 2
17 3
18 4
19 5
20 6
21 7
22 8
23 9
24 10
25 11

SAMPLE

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11 This Promissory Note (Note) is issued under and by virtue of the New Hampshire
12 Municipal Finance Act, an agreement duly entered into by the Loan Recipient and the Drinking
13 Water and Groundwater Trust Fund, and is issued for the purpose of financing the cost of the
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 **IN WITNESS** whereof the Loan Recipient has caused this Note to be signed by the City
2 **Mayor and City Finance Director, on the date below.**

3
4 **CITY OF MANCHESTER, NEW HAMPSHIRE by:**

5
6
7 _____
8 **Joyce Craig**
9 **Mayor**
10 **City of Manchester**

Date

11
12 _____
13 **William Sanders**
14 **Finance Director**
15 **City of Manchester**

Date