

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

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**Thomas S. Burack, Commissioner**

*Celebrating 25 Years of Protecting  
New Hampshire's Environment*

September 17, 2012

His Excellency Governor John H. Lynch  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Environmental Services to approve a Supplemental Loan Agreement with the City of Claremont (VC #177373), which finalizes and lowers the Original Loan Agreement by \$689,249.43, from \$1,500,000 to \$810,750.57, under the provisions of RSA 486:14 and N.H. Code of Administrative Rules Env-Wq 500, et seq., effective upon Governor & Council approval. The Original Loan Agreement was approved by Governor & Council on June 9, 2010 as Item #73. 100% CWSRF Repayment Account funds.

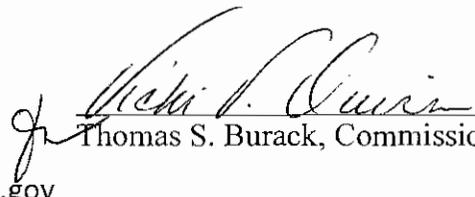
**EXPLANATION**

The purpose of this Supplemental Loan Agreement with the City of Claremont is to finalize the principal loan amount, interest rate, and the repayment schedule for the loan agreement. The original loan was used to fund the design and construction of the Maple Avenue Wastewater Collection System Project.

The loan was issued under the Clean Water State Revolving Fund (CWSRF) program for the purpose of financing the design and replacement of the deteriorated wastewater system in a portion of Maple Avenue. Under the terms of the Supplemental Loan Agreement, the City of Claremont will pay back the principal sum of \$810,750.57 with an interest rate of 1.9400% over a 10-year period, payable in installments as provided in the agreement. The work will ultimately protect human health and improve the quality of the Sugar River.

Attached are the Supplemental Loan Agreement, debt service schedule for this loan, and a tabulation of the CWSRF and ARRA accounts showing the effect of this loan on the available funds.

We respectfully request your approval.

  
Thomas S. Burack, Commissioner

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

DEPARTMENT OF ENVIRONMENTAL SERVICES  
WATER DIVISION

**Base Clean Water State Revolving Fund Loan Program (CWSRF)  
American Recovery and Reinvestment Act of 2009 (ARRA)**

Supplemental information to Governor and Council request for a loan agreement under RSA 486:14 and N.H. Code of Administrative Rules Env-Wq 500 et seq. for the municipality listed below:

This request will change the balance available for loans as follows:

	<b>CWSRF Cap Grant</b>	<b>CWSRF Repayment</b>	<b>ARRA</b>
Repayment Funds as of September 7, 2012		\$88,428,665	
Federal Funds *	\$306,447,231	\$0	\$37,697,344
Plus 20% State Match	\$63,871,173	\$0	\$0
Total Funds Available	\$370,318,404	\$88,428,665	\$37,697,344
Less Loans Previously Approved	\$342,281,936	\$0	\$36,781,793
<b>Funds Available for Loans</b>	<b>\$28,036,468</b>	<b>\$88,428,665</b>	<b>\$915,551</b>
<b>Loan Agreement(s) This Request:</b>			
City of Claremont			
Original Loan Amount †	\$0	(\$1,500,000)	\$0
Supplemental Loan Amount †	\$0	\$810,751	\$0
Change, this Request †	\$0	(\$689,249)	\$0
<b>Other Requested Action(s)</b>			
North Conway Water Precinct (OLA)	\$2,050,000	\$0	\$0
Town of Hinsdale (SLA)	\$0	(\$38,174)	\$0
City of Portsmouth (SLA)	\$0	\$0	\$0
Town of Hampton (OLA)	\$1,385,000	\$0	\$0
<b>Net Change †</b>	<b>\$3,435,000</b>	<b>(\$727,423)</b>	<b>\$0</b>
<b>Balance Available after G &amp; C Approval</b>	<b>\$24,601,468</b>	<b>\$89,156,088</b>	<b>\$915,551</b>

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

† Negative numbers in this row indicate funds returned to account

See SRF Loan Status Table for breakdown of Grants by year

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1 STATE OF NEW HAMPSHIRE

2 WATER POLLUTION CONTROL REVOLVING FUND PROGRAM

3 CITY OF CLAREMONT, NEW HAMPSHIRE

4 (Project No. CS-330114-15)

5 **SUPPLEMENTAL LOAN AGREEMENT**

6

7 This SUPPLEMENTAL LOAN AGREEMENT (Agreement) is entered into as of the

8 \_\_\_\_\_ day of \_\_\_\_\_, 2012, between the State of New Hampshire

9 Water Pollution Control Revolving Fund Program (State) and the City of Claremont, New

10 Hampshire (Loan Recipient) in accordance with RSA 486:14 and New Hampshire Code of

11 Administrative Rules Chapter Env-Wq 500 (Rules) in order to finance the **Maple Avenue**

12 **Wastewater Collection System Project** (Project) which is now complete. The Project is

13 described in Exhibit A. This Agreement supplements or amends the Original Loan Agreement

14 (OLA) dated June 9, 2010. The purpose of this Agreement is to set the terms, interest rate, and

15 payment schedule for the repayment of the monies borrowed under the OLA. All terms of the

16 OLA that are not amended by this Agreement remain in effect.

17 The Loan Recipient agrees to repay to the State, in accordance with the terms of this

18 Agreement, the principal sum of **Eight Hundred Ten Thousand, Seven Hundred Fifty and**

19 **57/100 Dollars (\$810,750.57)** with interest thereon payable in annual installments as provided in

20 this Agreement.

21 The Loan shall be represented by a Promissory Note (Note) of the Loan Recipient issued

22 under and in accordance with the applicable provisions of RSA 33, the Municipal Finance Act,

23 as amended and supplemented, including the provision of RSA 486:14, III. The Note shall be in

24 the form of Exhibit B, attached hereto. The outstanding principal amount of the Loan made

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1 hereunder shall bear interest which shall accrue from the date that the Loan is made computed on  
2 the basis of 30-day months and 360-day years using the following interest rate: **1.9400%**.

3 Annual payments by the Loan Recipient of the principal and interest shall commence on  
4 **November 1, 2012**, and shall be due on this anniversary date each year thereafter until paid in  
5 full.

6 The Loan Recipient hereby authorizes the State to compute the annual debt service  
7 installments and to make the appropriate notations on the Note, provided that failure to make  
8 such a notation or any error made in such a notation with respect to any Loan shall not limit the  
9 Loan Recipient's payment obligations under this Agreement and any Note.

10 Upon default in the prompt and full payment of any installment of principal or interest on  
11 this Loan Agreement, the entire unpaid principal hereof and interest thereon to the date of  
12 payment shall immediately become due and payable upon the demand of the State of New  
13 Hampshire.

14 At any time, any State grant funds payable to the Loan Recipient may be set off against  
15 and applied in payment of any obligations that are due hereunder. In the event of a default in the  
16 prompt and full payment when due of any installment of principal or of interest on a Note issued  
17 under this Agreement, any State grant funds payable to the Loan Recipient may be held and  
18 treated as collateral security for the payment of the obligations hereunder.

19 In the event of set off, the State shall notify the Loan Recipient of said set off and said  
20 funds will be applied to the annual payment due.

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

1           The Loan Recipient will pay all costs of collection, legal expenses, and attorney's fees  
2 incurred or paid by the State of New Hampshire in collecting and/or enforcing this Agreement or  
3 any Loan made hereunder on default.

4           The Loan Recipient reserves the right to prepay, without penalty, all or any part of the  
5 principal of any Loan made hereunder.

6           The Loan Recipient agrees to comply with all State and Federal requirements as  
7 contained in the Rules.

8           The effective date of this Agreement shall be the date of the Governor and Council  
9 approval of this Agreement.

10          This Agreement may be amended, waived or discharged only by an instrument in writing  
11 signed by the parties hereto and only after approval of such amendment, waiver or discharge by  
12 the Governor and Council of the State of New Hampshire.

13          This Agreement shall be construed in accordance with the laws of the State of New  
14 Hampshire, and is binding upon and inures to the benefit of the parties and their respective  
15 successors.

16          The parties hereto do not intend to benefit any third parties and this Agreement shall not  
17 be construed to confer any such benefit.

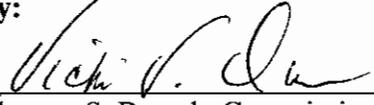
18          This Agreement, which may be executed in a number of counterparts, each of which shall  
19 be deemed an original, and those provisions of the Original Loan Agreement not superseded by  
20 this Supplemental Loan Agreement constitute the entire Agreement and understanding between  
21 the parties, and supersedes all other prior agreements and understandings relating hereto.

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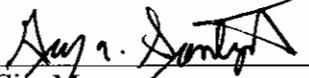
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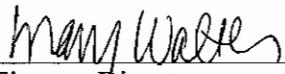
**STATE OF NEW HAMPSHIRE**

by:

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

**CITY OF CLAREMONT, NEW HAMPSHIRE** by:

  
\_\_\_\_\_  
City Manager

  
\_\_\_\_\_  
Finance Director

1 **EXHIBIT A**

2 **STATE OF NEW HAMPSHIRE**

3 **WATER POLLUTION CONTROL REVOLVING LOAN FUND PROGRAM**

4 **PROJECT DESCRIPTION**

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6 The City of Claremont, New Hampshire has applied for a Loan for and has completed the

7 following project: Maple Avenue Wastewater Collection System. The project included the

8 replacement of deteriorated metal sewer lines in danger of failure in the Maple Avenue area.

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2 **EXHIBIT B**

3 STATE OF NEW HAMPSHIRE

4 WATER POLLUTION CONTROL REVOLVING FUND PROGRAM

5 PROMISSORY NOTE AND REPAYMENT SCHEDULE  
6

7 The **City of Claremont, New Hampshire** (Loan Recipient) promises to pay to the  
8 Treasurer of the State of New Hampshire the sum of **Eight Hundred Ten Thousand, Seven**  
9 **Hundred Fifty and 57/100 Dollars (\$810,750.57)** in installments on **November 1** in each year  
10 as set forth below, with interest on the entire unpaid balance payable on the first principal  
11 payment date and annually, thereafter, at the rate of **1.9400%** per annum, computed on the basis  
12 of 30-day months and 360-day years, in the respective years set forth below:

13 **REPAYMENT SCHEDULE**

14 <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment Due</u>
15 2012	\$74,910.23	\$15,064.71	\$89,974.94
16 2013	\$75,699.64	\$14,275.30	\$89,974.94
17 2014	\$77,168.21	\$12,806.73	\$89,974.94
18 2015	\$78,665.27	\$11,309.67	\$89,974.94
19 2016	\$80,191.38	\$9,783.56	\$89,974.94
20 2017	\$81,747.09	\$8,227.85	\$89,974.94
21 2018	\$83,332.99	\$6,641.95	\$89,974.94
22 2019	\$84,949.65	\$5,025.29	\$89,974.94
23 2020	\$86,597.67	\$3,377.27	\$89,974.94
24 2021	\$87,488.44	\$1,697.28	\$89,185.72

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1 This Promissory Note (Note) is issued under and by virtue of the New Hampshire  
2 Municipal Finance Act, an agreement duly entered into by the Loan Recipient with the State of  
3 New Hampshire Water Pollution Control Revolving Fund Program and is issued for the purpose  
4 of financing the cost of the **Maple Avenue Wastewater Collection System** Project as described  
5 in Exhibit A of the Supplemental Loan Agreement (Agreement).

6 The Loan Recipient reserves the right to prepay, without penalty, all or any part of the  
7 principal hereof at any time.

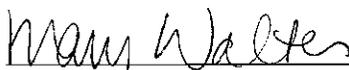
8 The terms and provisions of the Agreement are hereby incorporated in and made a part of  
9 this Note to the same extent as if said terms and provisions were set forth in full herein.

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

14  
15 IN WITNESS WHEREOF, the Loan Recipient has caused this Note to be signed by its  
16 City Manager and Finance Director, and the Seal of the Loan Recipient to be affixed hereto, as  
17 of the 10<sup>th</sup> day of September, 2012.

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19 **CITY OF CLAREMONT, NEW HAMPSHIRE** by:

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21 \_\_\_\_\_  
City Manager

22   
23 \_\_\_\_\_  
Finance Director

24  
25 (Seal)