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Burack

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



Thomas S. Burack, Commissioner



STATE OF NEW HAMPSHIRE  
**American Recovery  
 and Reinvestment Act**



November 13, 2012

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

ARRA  
 Funds

**REQUESTED ACTION**

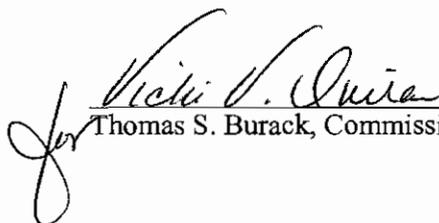
Authorize the Department of Environmental Services to approve a Supplemental Loan Agreement (SLA) with the Greenville Estates Village District in Greenville, NH (VC# 1610112) in the amount of \$2,500,000. This finalizes the loan amount used to finance the water system improvements project under the provisions of RSA 486:14 and N.H. Administrative Rules Env-Dw 1100 effective upon Governor & Council approval. 50% ARRA, 50% Drinking Water State Revolving Loan Fund (DWSRF) Repayment Funds.

**EXPLANATION**

The purpose of the SLA with the Greenville Estates Village District is to amend the Original Loan Agreement that was originally approved by Governor and Council on August 19, 2009, as Item 109D in the amount of \$2,500,000. The project is complete and \$2,500,000 was disbursed. This SLA finalizes the principal loan amount and establishes the long term principal and interest repayment schedule. The purpose of the project was to construct an interconnection with the Town of Greenville municipal water system, and to upgrade the distribution system within Greenville Estates Village District

Under the terms of the Supplemental Loan Agreement, Greenville Estates Village District will pay back the principal sum of \$1,250,000 with interest, over a twenty-year period, payable in installments as provided in the agreement. Under the American Recovery and Reinvestment Act of 2009, the project is eligible for 50% principal forgiveness. This represents the total amount borrowed of \$2,500,000 less principal forgiveness at the rate of 50% in the amount of \$1,250,000 for a total repayment balance of \$1,250,000. This loan is being issued under the Drinking Water State Revolving Loan Fund program for the purpose of financing the water system improvements mentioned above. Attached are the agreement and the debt service schedule for this loan.

We respectfully request your approval.

*for*   
 Thomas S. Burack, Commissioner

Attachments

His Excellency Governor John H. Lynch  
and the Honorable Council

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DEPARTMENT OF ENVIRONMENTAL SERVICES  
WATER DIVISION

DRINKING WATER STATE REVOLVING FUND

Supplemental information to Governor and Council request to finalize 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>	<u>ARRA</u>
Federal Funds	\$0	\$18,720,000
Repayment Account	\$21,404,594	\$0
Total Funds Authorized/Available	<u>\$21,404,594</u>	<u>\$18,720,000</u>
Less Loans Previously Approved	\$0	\$18,720,000
Funds Available for Loans	<u>\$21,404,594</u>	<u>\$0</u>
<b>Amended Loan Agreement(s)</b>		
	<u>Original Loan</u>	<u>Final Loan</u>
Town of Hillsborough (1141010-02 ARRA)	\$307,000	(\$214,258)
Greenville Estate Village Dist (0993020 ARRA)	\$2,500,000	(\$2,500,000)
<b>Net Change to Loan(s)</b>	<u>\$92,742</u>	<u>\$0</u>
<b>Balance Available After G &amp; C Approval</b>	<u><u>\$21,497,336</u></u>	<u><u>\$0</u></u>



# American Recovery and Reinvestment Act

**NHRECOVERY**  
putting new hampshire to work

## STATE OF NEW HAMPSHIRE

### DRINKING WATER STATE REVOLVING LOAN PROGRAM

GREENVILLE ESTATES VILLAGE DISTRICT  
(Project No. 0993020 ARRA)

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## S U P P L E M E N T A L   L O A N   A G R E E M E N T

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This SUPPLEMENTAL LOAN AGREEMENT (Agreement) is entered into as of the 5th day of December, 2012, between the State of New Hampshire, Drinking Water State Revolving Loan Fund Program (State) and the **Greenville Estates Village District** (the "Loan Recipient") in accordance with RSA 486:14 and New Hampshire Code of Administrative Rules Chapter Env-Dw 1100 (Rules) in order to finance **interconnection with the Town of Greenville municipal water system and upgrading water distribution piping** (Project) which is now complete. The Project is described in Exhibit A. This Agreement supplements or amends the Original Loan Agreement (OLA) dated August 19, 2009. The purpose of this Agreement is to set the terms, interest rate, and payment schedule for the repayment of the monies borrowed under the OLA. All terms of the OLA that are not amended by this Agreement remain in effect.

This Agreement modifies the Scheduled Completion date contained in the OLA to October 1, 2010.

The Loan Recipient agrees to repay to the State, in accordance with the terms of this Agreement, the principal sum of **Two Million Five Hundred Thousand Dollars (\$2,500,000)** with interest thereon payable in annual installments as provided in this Agreement. Pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA) and the OLA, a total of Fifty (50) % or **\$1,250,000** of principal will be forgiven at the time of the initial loan repayment as reflected in the payment schedule in Exhibit B, attached hereto.

1           The Loan shall be represented by a Promissory Note (Note) of the Loan Recipient issued  
2 under and in accordance with the applicable provisions of RSA 33, the Municipal Finance Act,  
3 as amended and supplemented, including the provision of RSA 486:14, III. The Note shall be in  
4 the form of Exhibit B. The outstanding principal amount of the Loan made hereunder shall bear  
5 interest which shall accrue from the date that Loan is made computed on the basis of 30-day  
6 months and 360-day years using the following interest rate: **2.864%**.

7           Annual payments of principal and interest by the Loan Recipient shall commence on  
8 October 1, 2011, and shall be due on this anniversary date each year thereafter until the Note is  
9 paid in full.

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

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

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

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

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

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

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

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

12 The effective date of this Agreement shall be the date of the Governor and Council  
13 approval of this Agreement.

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

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

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

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

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**STATE OF NEW HAMPSHIRE**

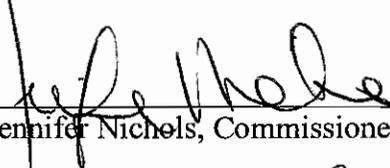
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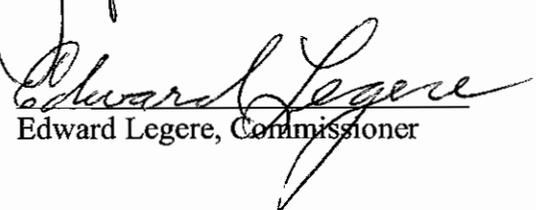
  
\_\_\_\_\_  
Thomas S. Burack, Commissioner  
Environmental Services

**GREENVILLE ESTATES VILLAGE  
DISTRICT**

by:

  
\_\_\_\_\_  
Thomas Barrett, Commissioner

  
\_\_\_\_\_  
Jennifer Nichols, Commissioner

  
\_\_\_\_\_  
Edward Legere, Commissioner



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**EXHIBIT B**  
STATE OF NEW HAMPSHIRE  
DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM  
and  
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009  
PROMISSORY NOTE AND REPAYMENT SCHEDULE

The Greenville Estates Village District, New Hampshire (Loan Recipient) promises to pay to the Treasurer of the State of New Hampshire the sum of **Two Million Five Hundred Thousand Dollars (\$2,500,000)** in installments on October 1 in each year as set forth below, with interest on the entire unpaid balance payable on the first principal payment date and annually, thereafter, at the rate of **2.864%** per annum, computed on the basis of 30-day months and 360-day years, in the respective years set forth below. A total of **\$1,250,000** of principal will be forgiven at the time of the initial payment, as shown below.

REPAYMENT SCHEDULE

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total P&amp;I</u>	<u>(Prineipal Forgiveness)</u>	<u>Payment Due</u>
2011	12,310.76	70,655.98	82,966.74	1,250,000.00	82,966.74
2012	49,923.55	35,447.42	85,370.97	0.00	85,370.97
2013	51,353.36	34,017.61	85,370.97	0.00	85,370.97
2014	52,824.12	32,546.85	85,370.97	0.00	85,370.97

1	2015	54,337.01	31,033.96	85,370.97	0.00	85,370.97
2	2016	55,893.22	29,477.75	85,370.97	0.00	85,370.97
3	2017	57,494.00	27,876.97	85,370.97	0.00	85,370.97
4	2018	59,140.63	26,230.34	85,370.97	0.00	85,370.97
5	2019	60,834.41	24,536.56	85,370.97	0.00	85,370.97
6	2020	62,576.71	22,794.26	85,370.97	0.00	85,370.97
7	2021	64,368.91	21,002.06	85,370.97	0.00	85,370.97
8	2022	66,212.42	19,158.54	85,370.96	0.00	85,370.96
9	2023	68,108.76	17,262.21	85,370.97	0.00	85,370.97
10	2024	70,059.38	15,311.58	85,370.96	0.00	85,370.96
11	2025	72,065.89	13,305.08	85,370.97	0.00	85,370.97
12	2026	74,129.85	11,241.11	85,370.96	0.00	85,370.96
13	2027	76,252.94	9,118.03	85,370.97	0.00	85,370.97
14	2028	78,436.81	6,934.15	85,370.96	0.00	85,370.96
15	2029	80,683.25	4,687.72	85,370.97	0.00	85,370.97
16	2030	82,994.02	2,376.95	85,370.97	0.00	85,370.97

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18           This Promissory Note (Note) is issued under and by virtue of the New Hampshire  
19 Municipal Finance Act, an agreement duly entered into by the Loan Recipient and the Drinking  
20 Water State Revolving Loan Fund Program, and is issued for the purpose of financing the cost of  
21 the water system interconnection, and distribution system improvements as described in Exhibit  
22 A of the Supplemental Loan Agreement (Agreement).

23           The Loan Recipient reserves the right to prepay, at any time and without penalty, all or  
24 any part of the outstanding principal on this Note.

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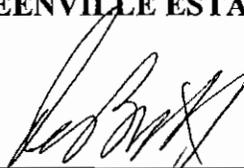
1 The terms and provisions of the Agreement are hereby incorporated in and made a part of  
2 this Note to the same extent as if said terms and provisions were set forth in full herein.

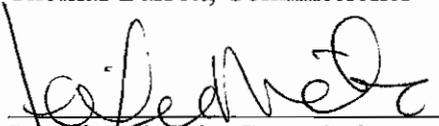
3 It is hereby certified and recited that all acts, conditions, and things required to be done  
4 precedent to and in the issuing of this Note have been done, have happened, and have been  
5 performed in regular and due form and, for the payment hereof when due, the full faith and credit  
6 of the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

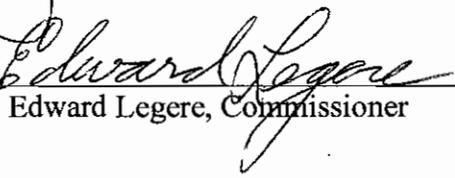
7 IN WITNESS whereof the Loan Recipient has caused this Note to be signed by its  
8 Commissioners, and the seal of the Loan Recipient to be affixed hereto, as of the 18<sup>th</sup> day of  
9 October, 2012.

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11 **GREENVILLE ESTATES VILLAGE DISTRICT**

12 by:

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14 \_\_\_\_\_  
15 Thomas Barrett, Commissioner

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17 \_\_\_\_\_  
18 Jennifer Nichols, Commissioner

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20 \_\_\_\_\_  
21 Edward Legere, Commissioner

22 (Seal)  
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