



The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner

APR23'18 PM 1:05 DAS



April 17, 2018

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

REQUESTED ACTIONS

1. Authorize the Department of Environmental Services to amend a Clean Water State Revolving Fund (CWSRF) loan agreement with the City of Lebanon (VC # 177422 B002) to decrease the loan amount by \$8,804,128, from \$10,624,835 to \$1,820,707 for the CSO #11 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. The original loan agreement was approved by Governor & Council on July 16, 2014 as Item No. 64, Amendment No. 1 on September 21, 2016 as Item No. 49, and Amendment No. 2 on July 19, 2017 as Item No. 98. Funding is 100% CWSRF Repayment Funds.
2. 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 \$13,689,606 to finance the CSO #11 Phase 2 Construction 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
\$13,689,606

EXPLANATION

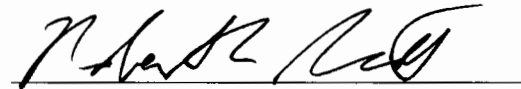
The purpose of the amendment is to decrease the City of Lebanon's existing CWSRF loan by \$8,804,128 in order to transfer this amount to a new loan (Requested Action 2, above) for completion of Phase 2 of the project. The City of Lebanon encountered unanticipated delays and cost increases during project implementation, and opted to issue a second construction contract for the Phase 2 work described in the following paragraph. This action will allow the city to begin repayments on the Phase 1 at the completion of the work.

The purpose of the Original Loan Agreement is to authorize the City of Lebanon to borrow up to \$13,689,606 from the CWSRF to finance the CSO #11 Phase 2 Construction Project. The project will include the separation of approximately 6,350 feet of additional combined sanitary and storm sewers in the West, Granite and Mechanic Street area. The removal of the combined sewer overflow will result in improved water quality in the Connecticut River.

The Supplemental (final) loan amount may be less than \$13,689,606. Under federal capitalization grant requirements, this loan includes principal forgiveness of up to \$1,368,960.

Attached is a tabulation of the CWSRF showing the effect of these actions 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:

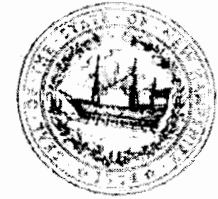
	CWSRF Repayment
Repayment Funds as of April 17, 2018	<u>\$81,079,862</u>
Loan Agreement(s) This Request:	
City of Lebanon (Amendment)	(\$8,804,128)
City of Lebanon (Original Loan Agreement)	\$13,689,606
Other Requested Action(s)	
None	\$0
Net Change	<u>\$4,885,478</u>
Balance Available after G & C Approval	<u>\$76,194,384</u>



The State of New Hampshire
Department of Environmental Services

Clark B. Freise, Assistant Commissioner

Dan Fienno



June 26, 2017

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

APPROVED G & C

DATE 7/19/17

ITEM # 98

REQUESTED ACTION

Authorize the Department of Environmental Services to amend a Clean Water State Revolving Fund (CWSRF) loan agreement (P.O. #9005125), with the City of Lebanon (VC #177422 B002) to increase funding by \$4,000,000, from \$6,624,835 to \$10,624,835, 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 July 16, 2014 as Item No. 64 and Amendment No. 1 was approved by Governor & Council on September 21, 2016 as Item No. 49. Funding is 100% CWSRF Repayment Account 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
\$4,000,000

EXPLANATION

The purpose of this Amendment is to increase the City of Lebanon's existing CWSRF Loan by \$4,000,000 to fund a second phase of construction of the CSO No. 11 project. The increase will allow Lebanon to complete the second and final phase of this project and meet the requirement of eliminating this combined sewer overflow.

The final loan amount will be based on the total CWSRF funds disbursed, and may be less than \$10,624,835. Under federal capitalization grant requirements this loan includes principal forgiveness in the amount of up to \$1,062,483. 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 3.3920%.

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

We respectfully request your approval.


Clark B. Freise, Assistant Commissioner

CBR ✓
LGTS ✓
DocTrack ✓
PF ✓
AccTeam ✓

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:

	CWSRF Repayment
Repayment Funds as of June 21, 2017	<u>\$59,964,799</u>
Loan Agreement(s) This Request:	
City of Lebanon	\$4,000,000
Other Requested Action(s)	
City of Rochester	\$60,000
Star Island Corporation	\$947,500
Net Change	<u>\$5,007,500</u>
Balance Available after G & C Approval	<u>\$54,957,299</u>

AMENDMENT No. 2

TO
STATE OF NEW HAMPSHIRE
WATER POLLUTION CONTROL REVOLVING FUND PROGRAM

CITY OF LEBANON, NEW HAMPSHIRE

ORIGINAL LOAN AGREEMENT
For Project CS-330092-10

RECEIVED
JUN 26 2017
DES-WEB

To increase the City of Lebanon's loan amount for the CSO No. 11 Project by \$4,000,000, from \$6,624,835 to \$10,624,835, in order to fund the construction of Phase II.

Now therefore, amend the ORIGINAL LOAN AGREEMENT, as approved by Governor and Council on July 16, 2014 as Item No. 64 and amended on September 21, 2016 as Item No. 49, in the following manner:

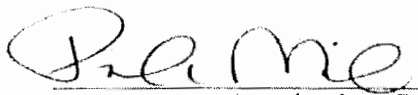
Change only Page 1 lines 16 through 18 of the ORIGINAL LOAN AGREEMENT to read as follows:

"...State, in accordance with the terms of this Agreement, the principal sum of **Ten Million, Six Hundred Twenty Four Thousand, Eight Hundred Thirty Five and 00/100 Dollars (\$10,624,835.00)** (Principal Sum) or such lesser amount as shall equal the aggregate of ...";

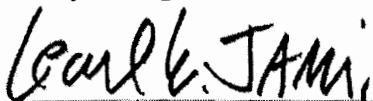
And, change only Page 1, lines 22 through 23 of the ORIGINAL LOAN AGREEMENT to read as follows:

"...principal sum, not to exceed **One Million, Sixty Two Thousand, Four Hundred Eighty Three and 00/100 Dollars (\$1,062,483)** or up to 10% of the total of Disbursements, whichever is less."

Accepted by
City of Lebanon, New Hampshire


City Manager (Interim)

6/23/17
Date


Finance Director

6-23-17
Date

Accepted by
State of New Hampshire


Clark B. Freise,
Assistant Commissioner

Department of Environmental Services

6/28/17
Date



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES

Thomas S. Burack, Commissioner

August 12, 2016

DAN FENNO



Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

APPROVED G & C

DATE 9/21/16
ITEM # 49

REQUESTED ACTION

Authorize the Department of Environmental Services to amend a Clean Water State Revolving Fund (CWSRF) loan agreement (P.O. #9005125), with the City of Lebanon (VC #177422 B002) to increase funding by \$6,224,835, from \$400,000 to \$6,624,835, 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 G&C on July 16, 2014 as Item #64. 100% CWSRF Repayment Account Funds.

Funding is available in the account as follows:

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

Dept. Environmental Services, CWSRF Loan Repayments, Loans

FY 2017
\$6,224,835

EXPLANATION

The purpose of this Amendment is to increase the City of Lebanon's existing CWSRF Loan by \$6,224,835 to \$6,624,835 in order to fund the construction portion of the CSO No. 11 project. The existing loan was limited to funding the design portion of the project, which is now complete. The project will include the separation of approximately 6,350 feet of combined sanitary and storm sewers in the West, Granite and Mechanic Street area. The removal of the combined sewer overflow will result in improved water quality in the Connecticut River.

The Supplemental (final) loan amount may be less than \$6,624,835. Under federal capitalization grant requirements this loan includes principal forgiveness in the amount of up to \$622,484. 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 3.3920%.

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

We respectfully request your approval.


Thomas S. Burack, Commissioner

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council

Page 2 of 2

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:

	CWSRF Repayment
Repayment Funds as of August 11, 2016	\$97,122,318
Federal Funds *	\$0
Plus 20% State Match*	\$0
Total Funds Available	\$97,122,318
Less Loans Previously Approved	NA
Funds Available for Loans	\$97,122,318
 Loan Agreement(s) This Request:	
City of Lebanon	\$6,224,835
 Other Requested Action(s)	
City of Dover	\$1,050,000
City of Dover	\$1,000,000
 Net Change [†]	\$8,274,835
Balance Available after G & C Approval	\$88,847,483

† Negative numbers in this row indicate funds returned to account

*Is net of the 4% reduction for CWSRF Program administration

† Negative numbers in this row indicate funds returned to account

RECEIVED
AUG 11 2016
DES-WEB

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-330092-10

To increase the amount of the City of Lebanon's loan for the CSO No. 11 Project, CWSRF Loan Number CS-330092-10 from \$400,000 to \$6,624,835 an increase of \$6,224,835 in order to fund the construction of the project. The original loan funded only the engineering design for the project.

Now therefore, amend the ORIGINAL LOAN AGREEMENT for Project CS-330092-10, as approved by Governor and Council on July 16, 2014 as Item No. 64 in the following manner:

Change Page 1 of the ORIGINAL LOAN AGREEMENT in its entirety to read as follows:

1 **STATE OF NEW HAMPSHIRE**

2 WATER POLLUTION CONTROL REVOLVING FUND PROGRAM

3 CITY OF LEBANON, NEW HAMPSHIRE

4 (Project No. CS-330092-10)

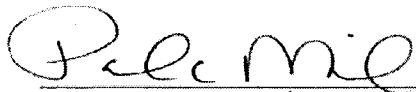
5 **ORIGINAL LOAN AGREEMENT**

6 I. This AGREEMENT is made this 16th day of July, 2014, between the State of New Hampshire
7 Water Pollution Control Revolving Loan Fund Program (State) and the City of Lebanon, New
8 Hampshire (Loan Recipient) in accordance with RSA 486:14 and New Hampshire Code of
9 Administrative Rules Env-Wq 500 (Rules) for the purpose of financing, to the extent of the
10 aggregate amount of funds transferred (Disbursements) to the Loan Recipient made hereunder,
11 the Design Engineering and Construction for CSO No. 11 Project (Project) now being
12 undertaken by the Loan Recipient. The Project is described in Exhibit A. The Loan Recipient
13 shall abide by all of the requirements of RSA 486:14 and the Rules.

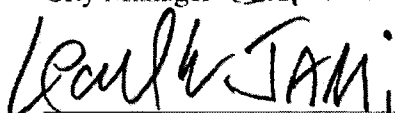
14

15 II. The State agrees to loan to the Loan Recipient, and the Loan Recipient agrees to repay to the
16 State, in accordance with the terms of this Agreement, the principal sum of **Six Million, Six**
17 **Hundred Twenty Four Thousand, Eight Hundred Thirty Five and 00/100 Dollars**
18 **(\$6,624,835.00)** (Principal Sum) or such lesser amount as shall equal the aggregate of
19 Disbursements made hereunder by the State to the Loan Recipient. Pursuant to federal
20 capitalization grant requirements, additional financial assistance in the form of principal
21 forgiveness will be applied to the loan upon the initial repayment as follows: A portion of the
22 principal sum, not to exceed **Six Hundred Twenty Two Thousand, Four Hundred Eighty**
23 **Four 00/100 Dollars (\$622,484) or up to 10%** of the total of Disbursements, whichever is less.
24 In addition to the principal sum, the Loan Recipient agrees to pay the applicable interest accrued
25 as described in Paragraphs III, V, and VI. Federal financial assistance provided through the State
26 Water Pollution Control Revolving Fund Program (CFDA #66.458) may comprise a portion of
27 the Principal Sum. Any Disbursement or other payment from the State to the Loan Recipient is
28 contingent upon the availability of funds.

Accepted by
City of Lebanon, New Hampshire

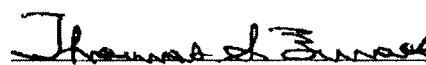

City Manager (Interim)

8/9/16
Date


Finance Director

8-9-16
Date

Accepted by
State of New Hampshire

 8/30/2016
Thomas S. Burack, Commissioner Date
Department of Environmental Services



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES

Thomas S. Burack, Commissioner

June 19, 2014



Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

APPROVED G & C

DATE 7/16/14

ITEM # 64

REQUESTED ACTION

Authorize the Department of Environmental Services to approve a Clean Water State Revolving Fund (CWSRF) Original Loan Agreement with the City of Lebanon (VC #177422) in an amount not to exceed \$400,000 to finance the Design Engineering for CSO No. 11 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 & Executive Council approval. 100% CWSRF Repayment Funds.

Funding is available in the account as follows:

FY 2015

03-44-441018-2001-301-500832

\$400,000

Dept. Environmental Services, CWSRF Loan Repayments, Loans

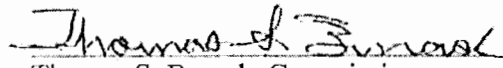
EXPLANATION

The purpose of the Original Loan Agreement is to authorize the City of Lebanon to borrow up to \$400,000 from the CWSRF to finance the Design Engineering for Combined Sewer Overflow (CSO) No. 11 project. This project will include design of separate sanitary and storm water sewers in the Dana Street/Crafts Avenue portion of West Lebanon and will ultimately result in the elimination of the Combined Sewer Overflow No. 24 outfall to the Connecticut River.

The final loan amount will be based on the total CWSRF funds disbursed and may be less than \$400,000. The loan interest rates may be adjusted downward if the CWSRF loan rate in effect upon project completion is less than the current rate of 3.392%. The projects will ultimately protect human health and improve the quality of the effluent discharged to the Connecticut River.

Attached is a tabulation of the CWSRF showing the effect of these actions on the funds available for loans.

We respectfully request your approval.


Thomas S. Burack, Commissioner

DES Web site: www.des.nh.gov

P.O. Box 95, 29 Hazen Drive, Concord, New Hampshire 03302-0095

Telephone: (603) 271-3503 • Fax: (603) 271-2982 • TDD Access: Relay NH 1-800-735-2964

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council

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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:

	CWSRF Cap Grant	CWSRF Repayment
Repayment Funds as of June 19, 2014		\$165,643,045
Federal Funds *	\$356,952,895	\$0
Plus 20% State Match*	\$63,877,990	\$0
Total Funds Available	\$420,830,885	\$165,643,045
Less Loans Previously Approved	\$418,172,068	\$0
Funds Available for Loans	\$2,658,817	\$165,643,045
Loan Agreement(s) This Request:		
City of Lebanon (CSO 11)		
Original Loan Amount †	\$0	\$400,000
Other Requested Action(s)		
None	\$0	\$0
Net Change †	\$0	\$400,000
Balance Available after G & C Approval	\$2,658,817	\$165,243,045

*Is net of the 4% reduction for CWSRF Program administration

† Negative numbers in this row indicate funds returned to account

RECEIVED

JUN 13 2014

DES-WEB

STATE OF NEW HAMPSHIRE
WATER POLLUTION CONTROL REVOLVING FUND PROGRAM

CITY OF LEBANON, NEW HAMPSHIRE
(Project No. CS-330092-10)

ORIGINAL LOAN AGREEMENT

I. This AGREEMENT is made this 16th day of July, 2014, 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 **Design Engineering for CSO No. 11 Project** (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 **Four Hundred Thousand and 00/100 Dollars (\$400,000.00)** (Principal Sum) or such lesser amount as shall equal the aggregate of Disbursements made hereunder by the State to the Loan Recipient. In addition to the principal sum, the Loan Recipient agrees to pay the applicable interest accrued as described in Paragraphs III, V, and VI. Federal financial assistance provided through the State Water Pollution Control Revolving Fund Program (CFDA #66.458) may comprise 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.

1 III. Disbursements shall be made on a periodic basis, as requested by the Loan Recipient, but not
2 more frequently than monthly, subject to the approval of the amount of each Disbursement by
3 the State. The State shall approve the amount requested if it determines that the costs covered by
4 the request are eligible under Env-Wq 505.02 through Env-Wq 505.05, as applicable. Interest on
5 any Disbursement shall accrue from the date of the Disbursement at the rate of 1% per annum
6 computed on the basis of 30-day months and 360-day years until the date of Substantial
7 Completion of the Project. At the option of the Loan Recipient, such interest may be paid (1)
8 semi-annually, prior to the commencement of Loan repayment, (2) prior to the commencement
9 of Loan repayment, (3) at the time of the first Loan repayment, or (4) added to the principal
10 outstanding Loan balance, so long as the Loan Recipient's authority to borrow is not exceeded.

11
12 IV. Upon Substantial Completion of the Project, the aggregate of the Disbursements shall be
13 consolidated by a Promissory Note (Note) of the Loan Recipient issued under and in accordance
14 with the applicable provisions of the Municipal Finance Act, RSA 33, as amended and
15 supplemented, including the provisions of RSA 486:14. The Note shall be substantially in the
16 form of Exhibit B.

17
18 V. The interest rate applicable to the Note will be determined in accordance with RSA 486:14
19 and Env-Wq 500 et seq. Such interest rate will be the lesser of 3.3920% and the adjusted market
20 rate as determined by the 11-GO Bond Buyer Index in effect on the date of the Note.

21
22 VI. The Loan Recipient hereby authorizes the State to compute the payments of principal and
23 interest on the Note. The principal shall be paid in full within **20 years** from the date of the
24 Note. Note payments shall commence on the first day of the month following the first
25 anniversary of the Substantial Completion date of the Project or the first anniversary of the

AMENDMENT No. 3
TO
STATE OF NEW HAMPSHIRE
WATER POLLUTION CONTROL REVOLVING FUND PROGRAM
CITY OF LEBANON, NEW HAMPSHIRE

ORIGINAL LOAN AGREEMENT
For Project CS-330092-10

RECEIVED
APR 16 2018
DES-WEB

To decrease the City of Lebanon's loan amount for the CSO No. 11 Project from \$10,624,835 to \$1,820,707.

Now therefore, amend the ORIGINAL LOAN AGREEMENT, as approved by Governor and Council on July 16, 2014 as Item No. 64 and amended on September 21, 2016 as Item No. 49 and on July 19, 2017 as Item No. 98, in the following manner:

Change only Page 1 lines 16 through 18 of the ORIGINAL LOAN AGREEMENT to read as follows:

"...State, in accordance with the terms of this Agreement, the principal sum of **One Million, Eight Hundred Twenty Thousand, Seven Hundred Seven and 00/100 Dollars (\$1,820,707.00)** (Principal Sum) or such lesser amount as shall equal the aggregate of ...";

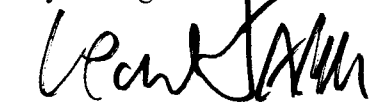
And, change only Page 1, lines 22 through 23 of the ORIGINAL LOAN AGREEMENT to read as follows:

"...principal sum, not to exceed **One Hundred, Eighty-Two Thousand, Seventy and 70/100 Dollars (\$182,070.70)** or up to 10% of the total of Disbursements, whichever is less."

Accepted by
City of Lebanon, New Hampshire



City Manager



Finance Director

4/12/18

Date

4-12-18

Date

Accepted by
State of New Hampshire



Robert R. Scott, Commissioner
Department of Environmental Services

4-19-18

Date

STATE OF NEW HAMPSHIRE
WATER POLLUTION CONTROL REVOLVING LOAN FUND PROGRAM
CITY OF LEBANON, NEW HAMPSHIRE
(Project No. CS-330092-11)

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 #11 Phase 2 Construction Project** (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 **Thirteen Million Six Hundred Eighty-Nine Thousand Six Hundred Six and 00/100 Dollars (\$13,689,606.00)** (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 **One Million Three Hundred Sixty-Eight Thousand Nine Hundred Sixty and 60/100 Dollars (\$1,368,960.60) 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

1 assistance provided through the Water Pollution Control Revolving Loan Fund Program (CFDA
2 #66.458) may comprise all or a portion of the Principal Sum. Any Disbursement or other
3 payment from the State to the Loan Recipient is contingent upon the availability of funds.

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

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

22
23 V. The interest rate applicable to the Note will be **2.4240%**, as determined in accordance with
24 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 **July 2, 2020**; 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.

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.

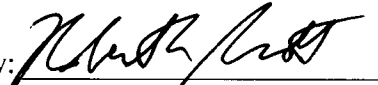
14
15 XIII. The Loan Recipient acknowledges that by accepting the Loan it will be a sub-recipient of
16 federal financial assistance and, as such, subject to requirements of the federal Single Audit Act
17 and subsequent amendments (SAA). The Loan Recipient further acknowledges that, if the Loan
18 Recipient 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.
3
4

5 **STATE OF NEW HAMPSHIRE**

CITY OF LEBANON, NEW HAMPSHIRE

6 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

10 This Agreement was approved by Governor and Executive Council on

11 _____, 2018 as Item No. ____.

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1 EXHIBIT B

2 STATE OF NEW HAMPSHIRE

3 WATER POLLUTION CONTROL REVOLVING LOAN FUND PROGRAM

4 PROMISSORY NOTE AND REPAYMENT SCHEDULE

5 The City of Lebanon, New Hampshire (Loan Recipient) promises to pay to the
6 Treasurer of the State of New Hampshire the principal sum of **Thirteen Million Six Hundred**
7 **Eighty-Nine Thousand Six Hundred Six and 00/100 Dollars (\$13,689,606)** in installments on
8 **July 1** in each year as set forth below, with interest on the entire unpaid balance payable on the
9 first principal payment date and annually, thereafter, at the rate of 2.4240% per annum,
10 computed on the basis of 30-day months and 360-day years, in the respective years set forth
11 below. A total of **One Million Three Hundred Sixty-Eight Thousand Nine Hundred Sixty**
12 **and 60/100 Dollars (\$1,368,960.60)** or up to 10% of principal will be forgiven and will be
13 granted as reflected in the repayment schedule shown below.

14
15 REPAYMENT SCHEDULE

<u>Payment Date</u>	<u>Principal Payment</u>	<u>Principal Forgiveness</u>	<u>Interest Payment</u>	<u>Total Payment</u>
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				

1 2029

2 2030

3 2031

4 2032

5 2033

6 2034

7 2035

8 2036

9 2037

10 2038

11 2039

12 2040

13
14 This Promissory Note (Note) is issued under and by virtue of the New Hampshire
15 Municipal Finance Act, an agreement duly entered into by the Loan Recipient and the State of
16 New Hampshire Water Pollution Control Revolving Loan Fund Program, and is issued for the
17 purpose of financing the cost of the **CSO #11 Phase 2 Construction Project** as described in
18 Exhibit A of the Supplemental Loan Agreement (Agreement).

19
20 The Loan Recipient reserves the right to prepay, at any time and without penalty, all or
21 any part of the outstanding principal or interest on this Note.

22
23 The terms and provisions of the Agreement are hereby incorporated in and made a part of
24 this Note to the same extent as if said terms and provisions were set forth in full herein.

EXHIBIT C
STATE OF NEW HAMPSHIRE
WATER POLLUTION CONTROL REVOLVING LOAN FUND
PROGRAM
CERTAIN FEDERAL REQUIREMENTS

DUNS NUMBER

The Loan Recipient must obtain a Data Universal Numbering System (DUNS) number. The federal government has adopted the use of DUNS numbers to track how federal grant money is allocated. DUNS numbers identify your organization. A DUNS number may be obtained by visiting <http://fedgov.dnb.com/webform/>.

WAGE RATE REQUIREMENTS (DAVIS-BACON)

The recipient agrees to include in all agreements to provide assistance for the construction of treatment works carried out in whole or in part with such assistance made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.), or with such assistance made available under section 205(m) of that Act (33 U.S.C. 1285(m)), or both, a term and condition requiring compliance with the requirements of section 513 of that Act (33 U.S.C. 1372) in all procurement contracts and sub-grants, and require that Loan Recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for the construction of treatment works carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of \$2,000 the contract clauses as attached hereto entitled "Wage Rate Requirements Under The Clean Water Act, Section 513 and the Safe Drinking Water Act, Section 1450(e)." This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.

Under the Water Resources Reform and Development Act of 2104 (WRRDA), DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a Loan Recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the Loan Recipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations.

- (a) Loan Recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.
 - (1) While the solicitation remains open, the Loan Recipient shall monitor www.wdol.gov weekly to ensure that the wage determination contained in the solicitation remains current. The Loan Recipients shall amend the solicitation if the Department of Labor (DOL) issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the Loan Recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the Loan Recipient.
 - (2) If the Loan Recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the Loan Recipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c) (3) (iv). The Loan Recipient shall monitor www.wdol.gov on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.
- (b) If the Loan Recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the Loan Recipient shall insert the appropriate DOL wage determination from www.wdol.gov into the ordering instrument.
- (c) Loan Recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.
- (d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a Loan Recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the Loan Recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the Loan Recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The Loan Recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract provisions required under 29 CFR Subpart A, Section 5.5 as outlined below:

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the Clean Water State Revolving Fund (CWSRF) or a construction project under the Drinking Water State Revolving Fund (DWSRF) financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the FY 2014 Consolidated Appropriations Act, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bonafide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers. Sub recipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award

official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
 - (2) The classification is utilized in the area by the construction industry; and
 - (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- (ii)(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the subrecipient (s) to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.
- (ii)(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- (ii)(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
- (iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof. (iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary

of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding.

The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b) (2) (B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out

accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

- (ii)(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following: (1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a) (3) (ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a) (3) (i) of Regulations, 29 CFR part 5, and that such information is correct and complete; (2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3; (3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
- (ii)(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.
- (ii)(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.
- (iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the

required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees

- (i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or sub-contractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize

apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

- (ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved. (iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.
- (5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.
- (6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.
- (7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

- (8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.
- (9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and sub recipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.
- (10) Certification of eligibility.
 - (i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
 - (ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
 - (iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

4. Contract Provision for Contracts in Excess of \$100,000.

- (a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.
 - (1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
 - (2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a) (1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a) (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours

without payment of the overtime wages required by the clause set forth in paragraph (a) (1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a) (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the NH Department of Environmental Services and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a) (6), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews

in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

- (c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub-recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.
- (d) The sub recipient shall periodically review contractors and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.
- (e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/whd/america2.htm>.

AMERICAN IRON AND STEEL (AIS)

P.L. 113-76, Consolidated Appropriations Act, 2014 (Act), includes an “American Iron and Steel (AIS) requirement in section 436 that Clean Water State Revolving Loan Fund (CWSRF) Loan Recipients to use iron and steel products that are produced in the United States for projects for construction, alteration, maintenance or repair of a public water system or treatment works if the project is funded through an assistance agreement executed beginning January 17, 2014 (enactment of the Act).

On June 10, 2014, the Water Resources Reform and Development Act amended the Clean Water Act to include permanent requirements for the use of AIS products in CWSRF assistance agreements. Section 608 of the CWA now contains requirements for AIS that repeat those of the Consolidated Appropriations Act, 2014. All CWSRF assistance agreements must comply with Section 608 of the CWA for implementation of the permanent AIS requirement.

GENERALLY ACCEPTED ACCOUNTING PROCEDURES

The Loan Recipient shall maintain project accounts in accordance with the most recent Generally Accepted Accounting Principles (GAAP), including standards relating to the reporting of infrastructure assets as issued by the Governmental Accounting Standards Board (GASB).

FISCAL SUSTAINABILITY PLAN

On June 10, 2014, the Water Resources Reform and Development Act of 2014 amended the Clean Water Act to include permanent requirements for Loan Recipients to develop and implement a fiscal sustainability plan for the repair, replacement, or expansion of treatment works, or certify that such a plan has been developed and implemented. The fiscal sustainability plan shall include:

- An inventory of the critical assets that are part of the treatment works,
- An evaluation of the conditions and performance of inventoried assets or asset groupings,
- A certification that the Loan Recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan, and
- A plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities.

As part of the CWSRF Application Process, the Loan Recipient has certified that they have or will have a Fiscal Sustainability Plan prior to the date of Scheduled Completion.

COST AND EFFECTIVENESS

On June 10, 2014, the Water Resources Reform and Development Act of 2014 amended the Clean Water Act to include permanent requirements for Loan Recipients to conduct a cost and effectiveness analysis for the funded asset that includes at a minimum:

- The study and evaluation of the cost and effectiveness of the processes, materials techniques and technologies for carrying out the proposed project or activity.
- The selection, to the maximum extent practicable, of a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation and energy conservation taking into account:
 - The cost of constructing the project or activity,
 - The cost of operation and maintaining the project or activity over the life of the project or activity, and
 - The cost of replacing the project or activity.

NH Code of Administrative Rules Env-Wq 700, Standards of Design and Construction for Sewerage and Wastewater Treatment Facilities, include minimum technical standards and requirements for the planning, design, and construction of sewerage and wastewater treatment facilities that meet the requirements listed above.

The Loan Recipient must certify that it has completed the required cost and effectiveness analysis and that it has selected, to the maximum extent practicable, a project or activity that maximizes the potential for water and energy conservation, as appropriate. This certification should be included with, and will be processed as part of, the design submittal.