The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner

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May 30, 2024

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

REQUESTED ACTION

Authorize the Department of Environmental Services to approve a Drinking Water State Revolving Fund (DWSRF) loan agreement with the Town of Exeter, NH (VC#177386-B001) in the amount not to exceed $500,000 to finance water system improvements under the provisions of RSA 486:14 and N.H. Code of Administrative Rules Env-Dw 1100 et seq. effective upon Governor & Council approval. 100% Drinking Water State Revolving Loan Fund (DWSRF) Repayment Funds.

Funding is available in the following account:

	FY 2024
03-44-44-441018-4791-301-500833 Dept Environmental Services, DWSRF Loan Repayments, Loans	$500,000

EXPLANATION

The purpose of this loan agreement is to authorize the Town of Exeter to borrow up to $500,000 from the DWSRF to finance the preliminary engineering and design of a new surface water treatment plant. The project will improve water quality and reliability.

The final loan amount will be based on the total DWSRF funds disbursed and may be less than $500,000. The loan interest rate may be adjusted downward if the DWSRF loan rate in effect upon project completion is less than the current rate of 1.75% for 10 years.

The DWSRF is authorized by RSA 486:14 and N.H. Code of Administrative Rules Env-Dw 1100 et seq. There is currently a balance of $68,091,529 in the DWSRF available for new loans.

We respectfully request your approval of this item.

Robert R. Scott
Commissioner

STATE OF NEW HAMPSHIRE

DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

TOWN OF EXETER, NEW HAMPSHIRE
(Project No. **0801010-06**)

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ORIGINAL LOAN AGREEMENT

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I. This Agreement is between the State of New Hampshire Drinking Water State Revolving Loan Fund Program (State) and the **Town of Exeter, New Hampshire** (Loan Recipient) in accordance with RSA 486:14 and New Hampshire Code of Administrative Rules Env-Dw 1100 (Rules) for the purpose of financing, to the extent of the aggregate amount of funds transferred (Disbursements) to the Loan Recipient made hereunder, the **Surface Water Treatment Plant Design/Engineering 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 **Five Hundred Thousand and 00/100 Dollars ($500,000)** (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 VII. Federal financial assistance provided through the Drinking Water State Revolving Loan Fund Program (CFDA #66.468) may comprise all or 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.

III. Disbursements shall be made on a periodic basis, as requested by the Loan Recipient, but not more frequently than monthly, subject to the approval of the amount of each Disbursement by the State. The State shall approve the amount requested if it determines that the costs covered by the request are

eligible under Env-Dw 1104.01, as applicable. Interest on each Disbursement shall accrue on the outstanding principal balance from the date of the Disbursement at the rate of 1% per annum computed on the basis of 30-day months and 360-day years until the date of Substantial Completion of the Project or the date of Scheduled Completion, whichever is earlier. At the option of the Loan Recipient, such interest may be paid (1) prior to the commencement of Loan repayment, (2) at the time of the first Loan repayment, or (3) by adding the charges to the outstanding principal Loan balance so long as the Loan Recipient's authority to borrow is not exceeded.

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

V. The interest rate applicable to the Note will be **1.75%,** as determined in accordance with RSA 486:14 and Env-Dw 1100 et seq.

VI. The Loan Recipient hereby authorizes the State to compute the payments of principal and interest on the Note. The principal shall be paid in full within **ten (10)** years from the date of the Note. Note payments shall commence within one year of the Substantial Completion date of the Project or the Scheduled Completion date of the project, whichever is earlier. The Scheduled Completion date is hereby determined to be **December 1, 2026;** however, should the project experience an excusable delay, an extension may be granted by the Commissioner of the Department of Environmental Services upon request in writing by the Loan Recipient. In no event shall Note payments commence later than ten years from the effective date of this Agreement.

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

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

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

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

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

XII. The Loan Recipient agrees to permit the Comptroller General of the United States, an appropriate Inspector General appointed under section 3 or 8G of the Inspector General Act of 1978 (5 U.S.C. App.),

or an authorized representative of either of the foregoing officials, or of the State of New Hampshire to have access to and the right to:

(i) Examine any of the Loan Recipient's, the contractor's or any subcontractor's records that pertain to and involve transactions relating to this Agreement, the Construction Contract, the Engineering Contract or a subcontract thereunder; and

(ii) Interview any officer or employee regarding such transactions.

The Loan Recipient shall insert subparagraphs (i). and (ii). in the Construction Contract and require the Contractor to insert subparagraphs (i). and (ii). in all subcontracts thereunder.

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

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

XV. The Loan Recipient acknowledges that by accepting the Loan it will be a sub-recipient of federal financial assistance and, as such, subject to requirements of the federal Single Audit Act and subsequent amendments (SAA). The Loan Recipient further acknowledges that, if the Loan Recipient expends more

than the required threshold in federal financial assistance from all sources in any fiscal year, it must perform an SAA audit in accordance with the requirements of Office of Management and Budget Circular A-133. In that event, the Loan Recipient shall provide the State with a copy of the SAA audit report within nine months of the end of the audit period.

XVI. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties and supersedes all prior agreements and understandings relating thereto. Nothing herein shall be construed as a waiver of sovereign immunity, such immunity being hereby specifically reserved.

STATE OF NEW HAMPSHIRE by:		TOWN OF EXETER, NH by:	
_____	6/3/24	_____	5/17/24
Robert R. Scott	Date	Russell Dean	Date
Commissioner		Town Manager	
Department of Environmental Services		Town of Exeter	

This Agreement was approved by Governor and Executive Council on _____ _____as Item No._____

E X H I B I T A

STATE OF NEW HAMPSHIRE
DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

PROJECT DESCRIPTION

The **Town of Exeter** has applied for a Loan to complete preliminary engineering and design of a new surface water treatment plant.

EXHIBIT B

STATE OF NEW HAMPSHIRE
DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

PROMISSORY NOTE AND REPAYMENT SCHEDULE

The **Town of Exeter, New Hampshire** (Loan Recipient) promises to pay to the Treasurer of the State of New Hampshire the principal sum of _____ Dollars (_____) in installments on **(Month, Day)** 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 ____% per annum, computed on the basis of 30-day months and 360-day years, in the respective years set forth below.

REPAYMENT SCHEDULE

Payment Date	Principal Payment	Interest Payment	Total Payment
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

This Promissory Note (Note) is issued under and by virtue of the New Hampshire Municipal Finance Act, an agreement duly entered into by the Loan Recipient and the Drinking Water State Revolving

SAMPLE

Loan Fund Program, and is issued for the purpose of financing the cost of the Project as described in Exhibit A of the Supplemental Loan Agreement (Agreement).

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

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

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

IN WITNESS whereof the Loan Recipient has caused this Note to be signed by its Town Manager, on the date below.

TOWN OF EXETER, NEW HAMPSHIRE by:

_____	_____
Russell Dean Town Manager Town of Exeter	Date (Seal)

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EXHIBIT C

STATE OF NEW HAMPSHIRE
DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

FEDERAL REQUIREMENTS

UNIQUE ENTITY IDENTIFIER (UEI): The Loan Recipient must obtain a Unique Entity Identifier (Unique Entity ID). The federal government has adopted the use of a Unique Entity ID to track how federal grant money is allocated. The Unique Entity ID identifies your organization. A Unique Entity ID may be obtained by visiting http://sam.gov.

SIGNAGE REQUIREMENT: The Loan Recipient must communicate to the public that EPA funds are contributing to the project by constructing a sign in accordance with the Bipartisan Infrastructure Law Signage requirements. The type and location of the sign shall be mutually agreed upon between the Loan Recipient and NHDES. The Loan Recipient shall maintain the sign throughout the duration of the project.

WAGE RATE REQUIREMENTS (DAVIS-BACON): Davis-Bacon (DB) prevailing wage requirements apply to the Project in accordance with the federal fiscal year (FY) 2014 Consolidated Appropriations Act (P.L. 113-76). The Loan Recipient shall insert in full in any contract in excess of $2,000 which is entered into for Project construction the standard Davis-Bacon contract clause as specified by 29 CFR §5.5(a). The Loan Recipient 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.

AMERICAN IRON AND STEEL (AIS): The Loan Recipient agrees to comply with Section 436 of the Consolidated Appropriations Act, 2014 (P.L. 113-76), which requires that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Loan Recipient has requested and obtained a waiver from the Environmental Protection Agency pertaining to the Project or (ii) the State has otherwise advised the Participant in writing that the American Iron and Steel Requirement is not applicable to the Project. The Loan Recipient further agrees to maintain records documenting compliance with the American Iron and Steel Requirement, and to provide records and certifications to the State upon request.

BUILD AMERICA, BUY AMERICA (BABA) ACT: Comply with all federal requirements applicable to the assistance received (including those imposed by the Infrastructure Investment and Jobs Act ("IIJA"), Public Law No. 117-58) which the Participant understands includes, but is not limited to, the following requirements: that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States ("Build America, Buy America Requirements") unless (i) the Participant has requested and obtained a waiver from the cognizant Agency pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) all of the contributing Agencies have otherwise advised the Participant in writing that the Build America, Buy America Requirements are not applicable to the Project.

Comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or a state), such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the applicable legal requirements and this Agreement may result in a default hereunder that results in a repayment of the assistance

agreement in advance of the maturity of the Bonds, termination and/or repayment of grants, cooperative agreements, direct assistance or other types of financial assistance, and/or other remedial actions.

GENERALLY ACCEPTED ACCOUNTING PROCEDURES: The Loan Recipient shall maintain project accounts in accordance with the Generally Accepted Accounting Principles (GAAP), including standards relating to the reporting of infrastructure assets as issued by the Governmental Accounting Standards Board (GASB). The full text of Governmental Accounting Reporting Standards is available through the GASB website at: http://www.gasb.org

DISADVANTAGED BUSINESS ENTERPRISE (DBE): Pursuant to 40 CFR, Section 33.301, the Loan Recipient shall make good faith efforts to utilize small, minority and women's business enterprises whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and shall require that prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained.

SUSPENSION AND DEBARMENT: The Loan Recipient shall fully comply with Subpart C of 2 C.F.R. Part 180 entitled, "Responsibilities of Participants Regarding Transactions Doing Business With Other Persons," as implemented and supplemented by 2 C.F.R. Part 1532. Recipient is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 C.F.R. Part 180, entitled "Covered Transactions," and 2 C.F.R. § 1532.220, includes a term or condition requiring compliance with 2 C.F.R. Part 180, Subpart C. Recipient is responsible for further requiring the inclusion of a similar term and condition in any subsequent lower tier covered transactions. Recipient acknowledges that failing to disclose the information required under 2 C.F.R. § 180.335 to the EPA office that is entering into the transaction with the recipient may result in the delay or negation of this assistance agreement, or pursuance of administrative remedies, including suspension and debarment. Recipients may access the

System for Award Management (SAM) exclusion list at https://sam.gov/SAM/ to determine whether an entity or individual is presently excluded or disqualified.

By entering into this agreement, the Loan Recipient certifies that the Loan Recipient is not debarred or suspended. Furthermore, the Loan Recipient certifies that no part of this contract will be subcontracted to a debarred or suspended person or firm.

PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT

This term and condition implements 2 CFR 200.216 and is effective for obligations and expenditures of EPA financial assistance funding on or after 8/13/2020. As required by 2 CFR 200.216, EPA recipients and subrecipients, including borrowers under EPA funded revolving loan fund programs, are prohibited from obligating or expending loan or grant funds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). Recipients, subrecipients, and borrowers also may not use EPA funds to purchase: a. For the purpose of public safety, security of government facilities, physical security surveillance of critical Page 4 of 29 infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities). b. Telecommunications or video surveillance services provided by such entities or using such equipment. c. Telecommunications or video surveillance equipment or services produced or provided by

an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country. Consistent with 2 CFR 200.471, costs incurred for telecommunications and video surveillance services or equipment such as phones, internet, video surveillance, and cloud servers are allowable except for the following circumstances: a. Obligating or expending EPA funds for covered telecommunications and video surveillance services or equipment or services as described in 2 CFR 200.216 to: (1) Procure or obtain, extend or renew a contract to procure or obtain; (2) Enter into a contract (or extend or renew a contract) to procure; or (3) Obtain the equipment, services, or systems. Certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the System for Award Management exclusion list.

SUPER CROSS-CUTTERS:

-Title VI of the Civil Rights Act

-Section 13 of the Federal Water Pollution Control Act Amendments of 1972

-Section 504 of the Rehabilitation Act of 1973

-The Age Discrimination Act of 1975

-Equal Employment Opportunity requirements (Executive Order 11246)