



The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner

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JAN 28 2026

December 30, 2025

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Environmental Services to amend a loan agreement with the Sunray Shores Water District, Winnisquam, NH (VC# 306730-B001) by increasing the loan amount by \$1,622,415 from \$1,526,400 to \$3,148,815 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 (G&C) approval. The original loan agreement was approved by G&C on June 12, 2024, Item #84D. 87.34% Federal Funds and 12.66% General Funds.

Funding is available in the following account:

	<u>FY 2026</u>
03-44-44-441018-5563-301-500833	\$1,417,017
Dept Environmental Services, DWSRF BIL Loans, Loans	
03-44-44-441018-1407-301-500833	\$205,398
Department of Environmental Services, SRF State Match, Loans	

EXPLANATION

The purpose of this amendment is to authorize the Sunray Shores Water District to modify their original DWSRF loan agreement which was approved by Governor & Council on June 12, 2024. The District received a total of \$1,526,400 in DWSRF loan and \$381,600 in American Rescue Plan Act (ARPA) grant, totaling \$1,908,000 from NHDES for needed water system improvements. This amendment will add an additional \$1,622,415 DWSRF loan to the project bringing the DWSRF loan total to \$3,148,815, and a total of \$3,530,415 in NHDES funding for the project.

The District will use the funding to replace water mains and associated services, including valves and hydrants, along with replacement and/or relocation of atmospheric and pressure storage tanks, pump controls, source meters and pump station structure. Additional funds are needed to complete other phases of water main replacements within the District, including new raw water lines and communications for existing gravel wells within the community, as funds are available.

NHDES has sufficient funds to meet the District's request through the DWSRF program. To date, all of the \$381,600 ARPA grant has been spent and \$373,322 of the original \$1,526,400 DWSRF loan has been spent.

The final loan amount will be based upon the total DWSRF funds disbursed and may be less than \$3,148,815. This loan will be paid back over a period of 30 years at an interest rate of 2.8% upon project completion. The loan interest rate may be adjusted downward if the DWSRF loan rate in effect upon project completion is less than the current rate. Under federal capitalization grant requirements, this loan includes principal forgiveness of up to \$1,097,285 under the DWSRF Intended Use Plans. NHDES may adjust the percentage or amount of additional subsidy allocated to any project to meet capitalization grant requirements. Currently, there is a balance of \$40,808,727 in the DWSRF available for new loans.

We respectfully request your approval of this item.

A handwritten signature in black ink, appearing to read 'Robert R. Scott', written over a horizontal line.

Robert R. Scott
Commissioner

AMENDMENT #1
TO
STATE OF NEW HAMPSHIRE
DRINKING WATER STATE REVOLVING FUND PROGRAM

Sunray Shores Water District
ORIGINAL LOAN AGREEMENT
For Project # 0202020

Whereas the Sunray Shores Water District wishes to increase the amount of their loan for Project #0202020 from **\$1,526,400 to \$3,148,815**, an increase of **\$1,622,415**, in order to finance the Water System Improvements Project.

Now Therefore, amend the ORIGINAL LOAN AGREEMENT for Project #0202020 as approved by Governor and Council on June 12, 2024 as Item #84D, in the following manner:

Change Page 1, Line 14 through Page 2, Line 2 of the ORIGINAL LOAN AGREEMENT to read:

“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 **Three Million One Hundred Forty Eight Thousand Eight Hundred Fifteen and 00/100 Dollars (\$3,148,815)** (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 IV, VI, 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. The Loan Recipient is eligible for principal forgiveness as outlined in the 2022 and 2025 State of New Hampshire Drinking Water State Revolving Fund Intended Use Plans. The amount of principal forgiveness will be determined when the aggregate principal loan amount is established and the project is complete and will be applied to the loan upon the initial repayment.”

Change Page 2, Line 23 through Page 3, Line 5 of the ORIGINAL LOAN AGREEMENT to read:

“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 **thirty (30)** 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 **January 1, 2028**; 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.”

Change Page 6, Line 7 through Line 10 of the ORIGINAL LOAN AGREEMENT to read:

“The **Sunray Shores Water District** has applied for a Loan to be used for water system improvements including, but not limited to, the replacement of water main and associated services, valves and hydrants, along with replacement and/or relocation of atmospheric storage tanks, pump controls, source meters and pump station structure. The project will also include new raw water lines and communications for existing gravel wells, as funds are available and if permits allow.”

Change Page 10, Line 10 through Line 14 of the ORIGINAL LOAN AGREEMENT to read:

“**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 EPA’s Guidelines for Enhancing Public Awareness of SRF Assistance Agreements. 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.”

Change Page 14, Line 14 through Line 18 of the ORIGINAL LOAN AGREEMENT to read:

“**SUPER CROSS-CUTTERS:**

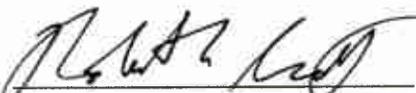
- Title VI of the Civil Rights Act
- Section 13 of the Federal Water Pollution Control Act Amendments of 1972
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Section 306 of the Clean Air Act
- Section 508 of the Clean Water Act
- Uniform Relocation and Real Property Acquisition Policies Act”

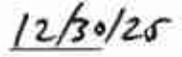
Accepted By:
Sunray Shores Water District


Norm Duval
Commissioner

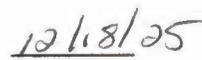

Date

Accepted By:
State of New Hampshire


Robert R. Scott, Commissioner
NH Department of Environmental Services


Date


Lisa Garnet
Treasurer


Date