



The State of New Hampshire
Department of Environmental Services

67 - 9/16/26



Robert R. Scott, Commissioner

August 18, 2026

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 Town of Exeter, NH (VC# 177386-B001) by increasing the loan amount by \$2,000,000 from \$500,000 to \$2,500,000 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 (G&C) approval. The original loan agreement was approved by G&C on June 26, 2024, Item #143. 87.34% Federal Funds, 12.66% General Funds.

Funding is available in the following accounts:

03-44-44-441018-5563-301-500833

Dept Environmental Services, DWSRF BIL Loans, Loans

FY 2027

\$1,746,800

03-44-44-441018-1407-301-500833

Department of Environmental Services, SRF State Match, Loans

\$253,200

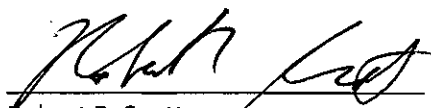
EXPLANATION

The purpose of this amendment is to authorize the Town of Exeter to modify their original loan agreement which was originally approved by Governor & Council on June 26, 2024, Item #143. The Town currently has a \$500,000 DWSRF loan for needed water system improvements. This amendment will add an additional \$2,000,000 DWSRF loan to the project bringing the total to \$2,500,000.

The Town of Exeter originally requested \$2,500,000 of DWSRF funding for design and engineering of a surface water treatment plant and was offered \$500,000. The additional \$2,000,000 will fund the project through final design. The Town is requesting an extension to the completion date to allow additional time to complete the agreed upon scope of services. NHDES has sufficient funds to meet the Town's request through the DWSRF program. To date, \$89,203 of the original \$500,000 DWSRF loan has been spent.

The final loan amount will be based on the total DWSRF funds and may be less than \$2,500,000. 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 Town is eligible for principal forgiveness under the 2023 DWSRF Intended Use Plan. The final amount of principal forgiveness will be determined when the aggregate principal amount is established, and the project is completed. There is currently a balance of \$50,723,222 in the DWSRF available for new loans.

We respectfully request your approval.


Robert R. Scott
Commissioner

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

Town of Exeter
ORIGINAL LOAN AGREEMENT
For Project # 0801010-06

Whereas the Town of Exeter wishes to increase the amount of their loan for Project #0801010-06 from **\$500,000 to \$2,500,000**, an increase of **\$2,000,000**, in order to finance the Surface Water Treatment Plant Design/Engineering Project.

Now Therefore, amend the ORIGINAL LOAN AGREEMENT for Project #0801010-06 as approved by Governor and Council on June 26, 2024 as Item #143 in the following manner:

Change Page 1, Line 14 through Line 21 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 **Two Million Five Hundred Thousand and 00/100 Dollars (\$2,500,000)** (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. The Loan Recipient is eligible for principal forgiveness as outlined in the 2023 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 Lines 17 through 24 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 **ten (10)** years from the date of the Note. Note payments shall commence on the first day of the month following the first anniversary of the Substantial Completion date of the Project or the first anniversary of the Scheduled Completion date of the project, whichever is earlier. The Scheduled Completion date is hereby determined to be **January 1, 2029**; however, should the project experience excusable delay, an extension may be granted by the Commissioner 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 5 through Line 6 of the ORIGINAL LOAN AGREEMENT to read:

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

Change Page 9, 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."

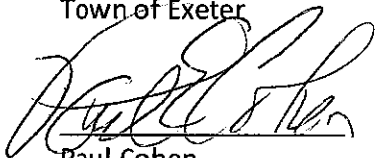
Change Page 13, Line 13 through Line 18 of the ORIGINAL LOAN AGREEMENT to read:

"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"

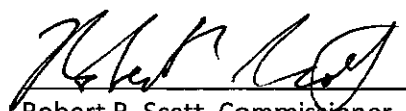
Please note that interest on disbursements made after the earlier of the date of substantial completion or January 1, 2029 will be at the rate selected for the Supplemental Loan Agreement. The initial payment will be due within one year after the date of Substantial Completion or Scheduled Completion, whichever is earlier. If the modification is satisfactory, please sign and return to this office.

Accepted By:
Town of Exeter


Paul Cohen,
Town Manager

7-28-26
Date

Accepted By:
State of New Hampshire


Robert R. Scott, Commissioner
NH Department of Environmental Services

8-20-26
Date