



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES

Robert R. Scott, Commissioner

JJB 1



Larry D. Goodhue
Chief Executive Officer
Pennichuck Water
25 Manchester Street
Merrimack, NH 03054

January 29, 2018

Subject: Drinking Water and Groundwater Trust Fund
Pennichuck Core Water Main Replacement Project
Loan Terms & Application Process

Dear Larry,

Congratulations on your loan from the Drinking Water and Groundwater Trust Fund (Trust Fund). The Trust Fund Advisory Commission authorized borrowing funds up to \$3,375,000 for the Pennichuck Core water main replacement project. The next step is to enter into a loan agreement and obtain Governor and Council approval. In order to enter into a loan agreement Pennichuck Water needs to submit a final application. The documents needed for the final application are listed on the enclosed checklist.

A final application needs to be submitted by June 30, 2018. We encourage you to move forward at this time to seek the authority to borrow. The terms of the loan are as follows:

| Loan Term | 5 Years | 10 Years | 15 Years | 20 Years | 30 Years |
|----------------|---------|----------|----------|----------|----------|
| Interest Rate* | 0.7575% | 1.515% | 2.2725% | 2.424% | 2.424% |

*These rates are subject to change if the loan is not in place prior to July 23, 2018.

- All loans will be subject to federal Davis Bacon and American Iron and Steel requirements.
- This project is not eligible for Principal Forgiveness.
- Any project related, non-construction work completed after the date of the Advisory Commission approval (11/2/17) is eligible for reimbursement.

We ask that you keep us informed of progress made toward seeking the authority to borrow. Should your project not move forward, please contact us as soon as possible. Once the required paperwork is returned, NHDES will prepare loan agreement documents. We look forward to working with you on your infrastructure project. Feel free to contact me at 271-7017 or johnna.mckenna@des.nh.gov if you have any questions.

Sincerely,

Johnna McKenna
Drinking Water and Groundwater Bureau

Attachments: Final Application Checklist & Forms

cc: Donald L. Ware, P.E., Chief Operating Officer, Pennichuck Corporation



CHARGE RATES

For

Drinking Water State Revolving Fund (DWSRF) Loans

| <i>Term of Loan</i> | <i>Charge Rate Effective 8/2/2018</i> |
|----------------------------|--|
| 5 Years | 0.845% |
| 10 Years | 1.69% |
| 15 Years | 2.535% |
| 20 Years | 2.7040% |
| 30 Years* | 2.7040% |

11-Bond GO Index for July 26, 2018 is 3.38

*Available to disadvantaged communities only

Source: NH Department of Environmental Services, July 2018
Per Env-Dw 1106.03(b)