AGENCY OF NATURAL RESOURCES
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
FACILITIES ENGINEERING DIVISION
490-6222

11-06-15A10:05 RCVD

MEMORANDUM

To: Robert W. Giroux, Exec. Dir. Vt. Municipal Bond Bank

From: Sheila I. Remick Lilley, Financial Administrator II

Date: November 5, 2015

Subject: **VT/EPA** DWSRF Loan **RF3-325** ***Approval of Final Design and Construction Loan Application*** for the Town of Hinesburg

Bob,

Attached are the first **TAXABLE Drinking Water SRF Loan documents** to fund improvements to the Town of Hinesburg' s municipal water supply facilities located within the Town of Hinesburg, Vermont. The project is described as well source exploration and connection of new wells to meet current and future water demands given declining yields with at least one of the two existing well sources; also includes site work, foundation, and installation of a new building to house among other things a nanofiltration unit to treat hardness, chlorine treatment, a wastewater pump station, and emergency generator.

- ***Approval of Final Design and Construction Loan Application.*** Please ***date the first page, sign*** and ***return a scanned copy*** Send Copies to FED & Town of Hinesburg.

Contact information:
Trevor Lashua, Authorized Representative
Town of Hinesburg
10632 Route 116
Hinesburg, VT 05461
tlashua@hinesburg.org
Phone: (802) 482-2281

Please ***sign*** the ***Loan Agreement*** and forward the documents below to Town of Hinesburg. At the next regular meeting of the Selectboard for Town of Hinesburg, the documents should be considered, approved and executed as follows:

- ***Resolution and Certificate.*** All or a majority of the Selectboard, as well as the Town Clerk and the Town Treasurer, should sign where indicated on the last page. If available, affix the Town Seal over the Clerk's signature. Also, the name of the Town of Hinesburg's depository bank and account number should be written in where indicated & returned to Bond Bank.

- ***Loan Agreement.*** The Chair of the Selectboard, the Town Clerk and the Town Treasurer are to sign where indicated on the fourth page. The Town Seal should be affixed over the Clerk's signature & returned to Bond Bank.

- ***General Obligation Bond.*** The Bond requires the signature of all or a majority of the Selectboard, and the Town Treasurer. Again, the Town Seal should be affixed & returned to Bond Bank.

- ***Certificate of Registration.*** All that is required here is the Town Treasurer's signature & to be returned to Bond Bank.

NOTE: Once this office receives a copy of the fully executed documents this office will send **Reimbursement Request** (Payment Request) forms and ***Payment Request Instructions*** to Town of Hinesburg informing them now that this office has received a copy of the executed loan documents, they may start sending in monthly requests for reimbursement of project costs.

VMBB will send copies of the fully executed documents to FED and the People's United Bank

IMPORTANT: The Town of Hinesburg should be made aware that the Environmental Protection Agency (EPA) has enacted **P.L. 113-76 Consolidated Appropriations Act, 2014 (Act)** for the Vermont State Revolving Fund Program. The Consolidated Appropriations Act, 2014, includes an "**American Iron and Steel (AIS)**" requirement in section 436 that requires recipients to use iron and steel products that are produced in the United States for project for the construction, alteration, maintenance or repair of a public water system of treatment works. The **AIS requirement applies** to this loan as final design and plans for the project were not approved by the Department of Environment Conservation prior to January 17, 2014.

This loan is to be issued in the amount of $1,500,000.00 with repayment of that sum within a twenty-year period with an interest rate of one percent (1%) and an administrative fee of two percent (2%), in accord with the provisions of 24 V.S.A. Chapter 120, §4755(a)(3) and §4755(a)(5).

Please contact me directly as I am the author of the attached document if there are questions.

Sheila

LOAN AGREEMENT

Vermont State Revolving Fund

Loan RF3-325

Town of Hinesburg, Vermont

This Agreement, dated as this 1st day of December, 2015 between the VERMONT MUNICIPAL BOND BANK, a body corporate and politic constituted as an instrumentality of the State of Vermont exercising public and essential governmental function (hereinafter referred to as the "Bank"), created pursuant to the provision of 24 V.S.A., Chapter 119, as amended, (hereinafter referred to as the "Act"), having its principal place of business at Winooski, Vermont, and the TOWN OF HINESBURG, Vermont (hereinafter referred to as the "Municipality"):

WITNESSETH

WHEREAS, pursuant to the Act, and the provisions of 10 V.S.A. §§1591-1627 and 24 V.S.A. §4751-4762, the Bank is authorized to make loans of money (hereinafter referred to as "Loan" or "Loans") to a municipality on behalf of the state; and

WHEREAS, the Municipality is a municipality as defined in the Act and pursuant to the Act is authorized to accept a Loan from the Bank on behalf of the state, to be evidenced by its Municipal Bond purchased by the Bank; and

WHEREAS, the Municipality is desirous of borrowing money from the EPA-Vermont Drinking Water State Revolving Fund (the "Fund") and has applied to and has requested of the Bank a Loan and has duly authorized the issuance of general obligation bonds in the principal amount of $1,500,000.00, a Municipal Bond in the amount of $1,500,000.00, is evidence of the Loan in accordance with this Agreement, and shall be in substantially the form appended hereto by the Municipality as Exhibit C;

NOW, THEREFORE, the parties agree that upon receipt of at least $1,500,000.00 in the Fund:

1. The Bank makes the Loan and the Municipality accepts the Loan in the amount of $1,500,000.00 from the Fund, to be used for costs of the project described on Approval of Final Design and Construction Loan Application issued by the Department of Environmental Conservation, and the Vermont Municipal Bond Bank, the terms of which are incorporated herein, and is appended hereto as Exhibit A. As evidence of the Loan made to the Municipality and such money borrowed from the Fund by the Municipality, the Municipality hereby issues to the Bank on behalf of the state the Municipal Bond in the principal amount of $1,500,000.00, which Municipal Bond replaces, refunds and consolidates all sums due under the Loan Agreement dated as of December 1, 2015 by and between the Municipality and the Bank. The Municipal Bond shall bear interest at the rate of one percent (1%) and an administrative fee of

two percent (2%) per annum and shall be payable as provided in 24 V.S.A., Chapter 120, §4755(a)(3) and (4) and/or 10 V.S.A.,

Chapter 56, Section 1624(b)(2) and as established by the State Treasurer and/or the Secretary of the Agency of Administration.

2. The Municipality has duly adopted or will adopt all necessary resolutions and has taken or will take all proceedings required by law to enable it to enter into this Loan Agreement and issue its Municipal Bond to the Bank. The Municipality has or will expeditiously commence, continue and complete construction and audit of the project covered by the Loan and any amendments thereto.

3. Pursuant to the provision of 24 V.S.A. §4756, the Municipality hereby certifies to the Bank that:

(a) It has secured all state and federal permits, licenses and approvals necessary to construct and operate the improvements to be financed by the Loan (the "Project");

(b) It has established, or covenants with the Bank to establish, by ordinance, rule or regulation, a rate charge or assessment schedule which will generate annually sufficient revenue to pay:

(i) Principal of the Municipal Bond, as the same becomes due; and

(ii) Reasonably anticipated cost of operating and maintaining the improvements to be financed by the Loan and the system of which is a part;

(c) It has duly established a fund under 24 V.S.A. §2804, or by other means permitted by law which, for so long as the Municipal Bond shall remain outstanding, shall be maintained and replenished from time to time, and used solely to repair, replace, improve and enlarge the improvement to be financed by the Loan.

4. The Municipality shall make funds sufficient to pay the principal as the same matures (based upon the maturity schedule appended hereto as Exhibit B) available to the Bank at least five (5) business days prior to each principal payment date.

5. The Bank and Municipality agree that Loan proceeds will be paid to the Municipality as Project costs are incurred and paid by the Municipality over the course of the Project, but in no event shall payments be made more often than monthly, and only on Municipality's certification, through its authorized representative, that such costs have been paid.

6. The Municipality is obligated to make the principal portion of the Municipal Bonds payments scheduled by the Bank on an annual basis. The Municipality may prepay the Loan at its option without penalty.

7. Simultaneously with the delivery of the Municipal Bond to the Bank, the Municipality shall furnish to the Bank an opinion of bond counsel satisfactory to the Bank which shall set forth among other things the unqualified approval of said Bond or Bonds then being delivered to

the Bank and that said Bond and Bonds will constitute valid and binding obligations of the Municipality.

8. The Municipality shall be obligated to inform in writing the Bank, or such agent designated by the Bank, at least 30 days prior to each principal payment date of the name of the official to whom invoices for the payment of principal should be addressed.

9. Notwithstanding paragraph 15 hereof, prior to payment of the amount of the Loan, or any portion thereof, the Bank shall have the right to cancel all or any part of its obligations hereunder and after payment of any portion thereof to require a refund of amounts paid if:

(a) Any representation made by the Municipality to the Bank in connection with its application for a loan or additional loans shall be incorrect or incomplete in any material respect; or

(b) The Municipality has violated commitments made by it in its application and supporting documents or has violated any of the terms of this Loan Agreement.

10. The Municipality shall at all times comply with all applicable federal and state requirements pertaining to the Project, including but not limited to requirements of Federal Safe Drinking Water Act, 24 V.S.A., Chapter 120, and the list of Federal Laws and Authorities included as Exhibit C. The enumeration of the Federal Laws and Authorities in Exhibit C shall not be construed as a waiver by the Municipality of any exemption or exception, jurisdictional or otherwise.

11. If any provisions of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

12. This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments, and take such other actions as are necessary, to give effect to the terms of this Loan Agreement.

13. No waiver by either party of any term or condition of the Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a difference section, subsection, paragraph, clause, phrase, or other provision of this Loan Agreement. Any delay in exercising rights or requirements of the Loan Agreement does not constitute a waiver of such rights or requirements.

14. The Municipality agrees to indemnify and hold the Bank, the state, its officials, agents, and employees harmless from and against any and all claims, suits, actions, costs, and damages resulting from the negligent performance or non-performance by the Municipality or any of its officials, agents, or employees of the Municipality's obligations under this Agreement, as it may be amended or supplemented from time to time. It is further understood that such indemnity shall not be limited by an insurance coverage.

15. The Municipality agrees that the Loan will be adjusted upon final audit to an amount equal to or less than the project costs determined eligible by the Department of Environmental Conservation and recommended to the Bond Bank for loan participation.

16. The Municipality agrees that if actual final eligible costs are less than the amount paid under the Loan Agreement, repayment of the excess funds will be made within 60 days of request by the Department of Environmental Conservation.

17. Increases, amendments, or modifications to the project during construction will be processed for record keeping purposes only, except for the addition of major approved Project elements. The Loan Agreement will also be amended upon completion of the project based upon final audited eligible costs, and any increases in the Loan will be made contingent upon availability of funds. All Project records will be retained by the Municipality and made available for state inspection upon request for three years after Project completion or until any audit questions have been resolved, whichever is later.

18. The Municipality will obtain flood insurance for any insurable portion of the Project.

19. The Municipality agrees to use the Loan proceeds solely for the Project for which the Loan is made and any approved amendments thereto. The Municipality further agrees to make prompt payment to the contractors and to apply any interest received to the Project.

20. The terms of this Loan Agreement shall be controlling over those of any prior Agreement with respect to this Loan Agreement. However, this Loan Agreement shall not otherwise supersede the terms of any other agreements between the Municipality and the state.

21. The Municipality agrees to furnish to the Bank such financial statements as the Bank may reasonably request, which statements and supporting records shall be prepared and maintained in accordance with generally accepted accounting principles.

22. The Municipality is hereby notified that approximately 80% of the funds received under this Loan are identified as Federal Funds for purposes of the Federal Single Audit Act of 1984, as amended. These funds are being awarded in accord with the Federal Drinking Water State Revolving Fund, CFDA number 66.468. For any year in which the Municipality expends Loan funds and $750,000.00 or more in Federal Funds from all sources, the Municipality shall have an audit performed in accord with the Federal Single Audit Act and furnish a copy to the Facilities Engineering Division within nine (9) months of the end of Municipality's accounting period.

23. The Municipality understands that the provisions of the Davis-Bacon Act, which is codified at Subchapter IV of Chapter 31 of Title 40 of the United States Code and U.S. Department of Labor Memorandum No. 208 ("Memorandum 208"), apply to the Project, and the Municipality certifies and agrees that with respect to the Project, it has complied and will continue to comply with the requirements of the Davis-Bacon Act and Memorandum 208 and will execute and cause to be executed the certificate attached hereto as Exhibit D, as applicable.

24. This Agreement is funded in whole or in part by federal funds. By acceptance of this Agreement the municipality agrees to complete the Subrecipient Annual Report and submit it to the State of Vermont Department of Finance within 45 days after its fiscal year end, informing the State whether or not a single audit is required for the prior fiscal year. If a single audit is required, the municipality will submit a copy of the audit report to the Facilities Engineering Division within 9 months of its fiscal year end. If a single audit is not required, only the Subrecipient Annual Report to the Department of Finance is required.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

Attest:

Secretary

VERMONT MUNICIPAL BOND BANK

By: _____
Executive Director

(SEAL)

Attest:

Melissa B. Rowe
Town Clerk

TOWN OF HINESBURG

By: Michael Bissonette
Chair, Selectboard

(SEAL)

And by:

Melissa B Rowe
Town Treasurer

EXHIBIT A

PROJECT ELEMENTS FOR THIS AGREEMENT

The project for which this agreement is made consists of well source exploration and connection of new wells to meet current and future water demands given declining yields with at least one of the two existing well sources; also includes site work, foundation, and installation of a new building to house among other things a nanofiltration unit to treat hardness, chlorine treatment, a wastewater pump station, and emergency generator.

EXHIBIT B

Loan Terms	
Loan Amount:	$1,500,000.00
Loan Term Years:	20
Interest Rate:	1.00%
Admin Fee:	2.00%

Repayment Date	Payment Number	Principal Due	Principal Payment	Interest Payment	Admin. Fee	Total Payment
6/1/2018	1	$1,500,000.00	$55,823.56	$15,000.00	$30,000.00	$100,823.56
6/1/2019	2	$1,444,176.44	$57,498.27	$14,441.76	$28,883.53	$100,823.56
6/1/2020	3	$1,386,678.17	$59,223.22	$13,866.78	$27,733.56	$100,823.56
6/1/2021	4	$1,327,454.95	$60,999.91	$13,274.55	$26,549.10	$100,823.56
6/1/2022	5	$1,266,455.04	$62,829.91	$12,664.55	$25,329.10	$100,823.56
6/1/2023	6	$1,203,625.13	$64,714.81	$12,036.25	$24,072.50	$100,823.56
6/1/2024	7	$1,138,910.32	$66,656.25	$11,389.10	$22,778.21	$100,823.56
6/1/2025	8	$1,072,254.07	$68,655.94	$10,722.54	$21,445.08	$100,823.56
6/1/2026	9	$1,003,598.13	$70,715.62	$10,035.98	$20,071.96	$100,823.56
6/1/2027	10	$932,882.51	$72,837.09	$9,328.83	$18,657.65	$100,823.57
6/1/2028	11	$860,045.42	$75,022.20	$8,600.45	$17,200.91	$100,823.56
6/1/2029	12	$785,025.22	$77,272.86	$7,850.25	$15,700.46	$100,823.55
6/1/2030	13	$707,750.36	$79,591.05	$7,077.50	$14,155.01	$100,823.56
6/1/2031	14	$628,159.31	$81,978.78	$6,281.59	$12,563.19	$100,823.56
6/1/2032	15	$546,180.53	$84,438.15	$5,461.81	$10,923.61	$100,823.57
6/1/2033	16	$461,742.38	$86,971.29	$4,617.42	$9,234.85	$100,823.56
6/1/2034	17	$374,771.09	$89,580.43	$3,747.71	$7,495.42	$100,823.56
6/1/2035	18	$285,190.66	$92,267.84	$2,851.91	$5,703.83	$100,823.56
6/1/2036	19	$192,922.82	$95,035.88	$1,929.23	$3,858.46	$100,823.57
6/1/2037	20	$97,886.94	$97,886.94	$978.87	$1,957.74	$100,823.55
Payments			$1,500,000.00	$172,157.06	$344,314.15	$2,016,471.21

EXHIBIT C

LIST OF FEDERAL LAWS AND AUTHORITIES

ENVIRONMENTAL:

- Archeological and Historic Preservation Act of 1974, PL 93-291
- Clean Air Act, 42 U.S.C. 7506(c)
- Coastal Barrier Resources Act, 16 U.S.C. 3501, et seq.
- Coastal Zone Management Act of 1972, PL 92-583, as amended
- Endangered Species Act 16 U.S.C. 1531, et seq.
- Executive Order 11990, Protection of Wetlands
- Executive Order 11988, Floodplain Management
- Executive Order 12898, Environmental Justice
- Executive Order 15593, Protection and Enhancement of the Cultural Environment
- Farmland Protection Policy Act, 7 U.S.C. 4210, et seq.
- Fish and Wildlife Coordination Act, PL 85-624, as amended
- National Historic Preservation Act of 1966, PL 89-665, as amended
- Safe Drinking Water Act, section 1424(e), PL 92-523, as amended
- Wild and Scenic Rivers Act, PL-942, as amended
- "American Iron and Steel" requirements of PL 113-76 Consolidated Appropriations Act of 2014
- Davis-Bacon Act (40 CFR '31.36(i)(5))
- Davis Bacon and Related Acts Wage Rate Requirements (29 CFR 5.5)
- Trafficking and Violence Protection Act of 2000 (P.L. 106-386)

ECONOMIC:

- Demonstration Cities & Metropolitan Development Act of 1966, PL 89-754 as amended
- Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans

SOCIAL LEGISLATION:

- Age Discrimination Act, PL 94-135
- Civil Rights Act of 1964, PL 88-352
- Section 13 of PL 92-500; Prohibition against sex discrimination under the Federal Water Pollution Control Act
- Executive Order 11264, Equal Employment Opportunity
- Executive Orders 11625 and 12138, Women's and Minority Business Enterprise
- Rehabilitation Act of 1973, PL 93-112 (including Executive Orders 11914 & 11250)

MISCELLANEOUS AUTHORITY:

- Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646
- Executive Order 12549 - Debarment and Suspension

Loan Agreement
Vermont EPA Drinking Water State Revolving Fund

TOWN OF HINESBURG
Loan RF3-325
AWARD
Loan Payment Schedule
1-Dec-15

Loan Terms	
Loan Amount:	$1,500,000.00
Loan Term Years:	20
Interest Rate:	1.00%
Admin Fee:	2.00%

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6/1/2036	19	$192,922.82	$95,035.88	$1,929.23	$3,858.46	$100,823.57	
6/1/2037	20	$97,886.94	$97,886.94	$978.87	$1,957.74	$100,823.55	
Payments			$1,500,000.00	$172,157.06	$344,314.15	$2,016,471.21	

The parties hereto agree to the Terms of this Repayment Schedule for LoanRF3-325. This Award may be executed in counterparts, each of which together shall constitute the same instrument. When each party hereto has signed one copy of such counterparts, this Award shall be in effect.

ATTEST:

By: Melissa B. Rum
Town Clerk

Date: 3/1/2016

LOAN RECIPIENT

By: Michael Bissonette
Chairperson, Selectboard

Date: 2/29/16

VERMONT MUNICIPAL BOND BANK

By: _____
Executive Director

Date: 2/24/16

Note: 10/26/15 - SL- Repayment start date per Project Timeline Project Completion dated of June 1, 2016.

IRONPIG: wrby\FED\Projects\Municipality\Hinesburg\RF3-325\Repayment Schedules\RF3-325 Hinesburg Town Loan Repayment Schedule dated 1 DEC 2015.xls

RESOLUTION AND CERTIFICATE
(General Obligation)
(Vermont Drinking Water State Revolving Fund)

WHEREAS, at meetings of the Selectboard of the Town of Hinesburg (herein called the "Municipality") at each of which all or a majority of the members were present and voting, which meetings were duly noticed, called and held as appears of record, it was unanimously found and determined that the public interest and necessity required certain public drinking water system improvements herein described by reference to Exhibit A-1 attached, and it was further found and determined that the cost of making such public improvements, after application of available funds from the United States of America and/or the State of Vermont, would be too great to be paid out of ordinary annual income and revenue, and that a proposal for providing such improvements and the issuance of bonds of the Municipality to pay for its share of the cost of the same should be submitted to the legal voters at meetings thereof, and it was so ordered, all of which action is hereby ratified and confirmed; and

WHEREAS, pursuant to the foregoing action, at a meeting of the Municipality which was warned and held at the place and time appointed therefor, there was submitted a proposition to be voted upon by ballot between the hours stated in the Warning, all as appears by reference to Exhibit A-1 attached hereto; and

WHEREAS, the said Warning was duly recorded, published and posted, and said meeting was duly convened and conducted, all as appears of record, and which proceedings are hereby ratified and confirmed in all respects; and

WHEREAS, immediately upon closing of the polls and after counting of the ballots cast, the results as set forth in Exhibit A-1 hereto were declared by the moderator, all as appears of record, and pursuant to which the Municipality is carrying forward the authorized improvements and pursuing the same diligently to completion; and

WHEREAS, the Municipality has applied for financial assistance in making the authorized improvements which application has been approved by the Department of Environmental Conservation and the Vermont Municipal Bond Bank, as evidenced by the ***Approval of Final Design and Construction Loan Application*** attached hereto as Exhibit B, the terms of which are hereby incorporated herein; and

WHEREAS, pursuant to powers vested in them by law the said Selectboard is about to enter into a ***Loan Agreement*** (Exhibit C) on behalf of the Municipality with the Vermont Municipal Bond Bank respecting a Loan from said Bank in the amount of $1,500,000.00, repayable with interest at the rate of one percent (1%) per annum, together with an administrative fee of two percent (2%), which Loan replaces, refunds and consolidates all sums due under a Loan Agreement dated as of December 1, 2015 by and between the Municipality and the Bank.

AND WHEREAS, the Bond to be given by the Municipality to the Vermont Municipal Bond Bank at the time of receiving the proceeds of said Loan shall be substantially in the form attached hereto, as Exhibit D;

THEREFORE, be it resolved that the Selectboard proceed forthwith to cause said Bond to be executed and delivered to the Vermont Municipal Bond Bank upon the price and terms stated, and be registered as the law provides; and

BE IT FURTHER RESOLVED, that the Bond when issued and delivered pursuant to law and this Resolution shall be the valid and binding obligation of the said Municipality, payable according to law and the terms and tenor thereof from unlimited ad valorem taxes on the grand list of taxable property of said Municipality as established, assessed, apportioned and provided by law; and

BE IT FURTHER RESOLVED, that in addition to all other taxes, there shall annually be assessed and collected in the manner provided by law each year until the Bond, or any bond or bonds issued to refund or replace the same, is fully paid, a tax, charge or assessment sufficient to pay the Bond or bonds as the same shall become due; and

BE IT FURTHER RESOLVED, that execution of the above-referenced Loan Agreement between the Municipality and the Vermont Municipal Bond Bank is hereby authorized, the Chair of the Selectboard and Treasurer of the Municipality being directed to execute said Loan Agreement on behalf of the Municipality and the legislative branch thereof; and

BE IT FURTHER RESOLVED, that the Municipality expressly incorporates into this Resolution each and every term, provision, covenant and representation set forth at length in the above-described Loan Agreement and Loan Approval to be delivered in connection with the issuance and sale of the Bond, execution and delivery of each of which is hereby authorized, ratified and confirmed in all respects, and the covenants, representations and undertakings set forth at length in said Loan Agreement and Loan Approval are incorporated herein by reference; and

BE IT FURTHER RESOLVED, that all acts and things heretofore done by the lawfully constituted officers of the Municipality, and any and all acts or proceedings of the Municipality and of its Selectboard, in, about or concerning the improvements hereinabove described and of the issuance of evidence of debt in connection therewith, are hereby ratified and confirmed.

BE IT FURTHER RESOLVED, that in connection with the pending sale of the Bond in the face amount of $1,500,000.00 to the Vermont Municipal Bond Bank, execution and delivery of the Bond, this Resolution Certificate, Loan Agreement and incidental documents, all attached hereto, are authorized; and

BE IT FURTHER RESOLVED, that People's United Bank in the City of Burlington, Vermont, is hereby designated the Municipality's paying agent with respect to the Bond and the Loan Agreement; and

BE IT FURTHER RESOLVED, that the proceeds derived from the sale of the Bond to be delivered for deposit to _____ (A/C# _____) for disbursement in accordance with the Loan Agreement.

And we, the undersigned officers, as indicated, hereby certify that we as such officers have signed the Bond dated as of December 1, 2015 payable as aforesaid, and reciting that it is issued under and pursuant to the vote hereinabove mentioned, and we also certify that the Bond is duly registered in the office of the Treasurer of the Municipality as prescribed by law.

And we, the said officers of the Municipality, hereby certify that we are the duly chosen, qualified and acting officers of the Municipality as undersigned; that the Bond is issued pursuant to said authority; that no other proceedings relating thereto have been taken; and that no such authority or proceeding has been repealed or amended.

We further certify that no litigation is pending or threatened affecting the validity of the Bond nor the levy and collection of taxes, charges or assessments to pay it, nor the works of improvement financed by the proceeds of the Bond, and that neither the corporate existence of the Municipality nor the title of any of us to our respective offices is being questioned.

Dated: December 1, 2015

ATTEST:

Melissa B. Rowe

Town Clerk

(Seal)

Town of Hinesburg

By: Michael Bissonette

All or a Majority of its Selectboard

And By:

Melissa B. Rowe

Its Treasurer

State of Vermont
Agency of Natural Resources
Department of Environmental Conservation

Approval of Final Design and Construction Loan Application
Under
Title 24 V.S.A. Chapter 120

DRINKING WATER STATE REVOLVING FUND

Town of Hinesburg Montpelier, Vermont

Loan No. **RF3-325** Feb. 24, 2016

Project Scope

The Town of Hinesburg, as the "Applicant", requested a loan award in the amount of $1,500,000.00 for the purpose of funding improvements to its municipal water supply facilities located within the Town of Hinesburg, Vermont. The project being funded is described as well source exploration and connection of new wells to meet current and future water demands given declining yields with at least one of the two existing well sources; also includes site work, foundation, and installation of a new building to house among other things a nanofiltration unit to treat hardness, chlorine treatment, a wastewater pump station, and emergency generator. A loan in the amount of $1,500,000.00, based on a ***Project Cost Summary*** dated October 15, 2015, will be made from the Vermont-Environmental Protection Agency Drinking Water State Revolving Fund (DWSRF) authorized under 24 V.S.A. Chapter 120 administered by the Department of Environmental Conservation.

The project is described in further detail in the following documents:

Town of Hinesburg, Water Supply Improvements, Preliminary Engineering Study, Final June 15, 2015 approved June 16, 2015; and

Public Water System Construction Permit C-3098-15.0, issued by the Drinking Water and Groundwater Protection Division October 14, 2015.

Findings

The request and supporting documents for this loan have been reviewed and found to satisfy the requirements of Title 10 V.S.A. Chapter 55, §1624, and Title 24 V.S.A. Chapter 120 §4755 and §4756. The evidence submitted to date is sufficient to support the following Department certifications pursuant to:

§1624(b)(1)(A), the project is necessary;

§1624(b)(1)(B), the proposed type, size and estimated cost of the project are suitable for its intended purpose;

§1624(b)(1)(C); the Applicant will have the technical, financial and managerial ability to operate the facility in compliance with state and federal law, including Section 1452 of the Federal Safe Drinking Water Act, and will undertake feasible and appropriate changes as needed in its operation of the water system to ensure compliance over the long-term with the Act;

§ 4753 a. (e) Loan forgiveness: When the secretary finds that a loan is capitalized, at least in part, from funds derived from a federal DWSRF capitalization grant that includes provisions authorizing loan forgiveness, and therefore is eligible for loan forgiveness; any available loan forgiveness will be described in the following section titled Funding;

§4755(a)(1), the project for which the loan is requested is consistent with the purpose for which the Vermont-Environmental Protection Agency Drinking Water State Revolving Loan Fund was created;

§4756(a)(1), the Applicant municipality shall secure all land use, subdivision, public building and discharge permits necessary to construct the improvements to be financed by the loan prior to disbursement of funds under the loan for construction;

§4755(a)(2), the total amount of the loan is less than the funds available to the Vermont-EPA Drinking Water State Revolving Loan Fund, which funds are comprised of $3,624,450.35 in DWSRF capitalization grant payments $1,327,518.51 in State matching payments, and $11,395,490.91 interest and loan repayments;

§4755(a)(3), the loan is evidenced by a municipal bond authorized at a duly warned special meeting held on November 4, 2014 which authorization pledged the revenue of up to $1,500,000.00 from the Applicant's general fund for repayment of the requested loan;

§4756(a)(2), the Applicant has certified that they will secure all state and federal permits, licenses and approvals necessary to construct the improvements to be financed by the loan prior to expending funds for construction;

§4756(a)(3), the Applicant has certified that they have established a user rate charge or assessment which will generate annually sufficient revenue to pay the principal of and, as applicable, the interest and administrative fees on the municipal bond or other debt instrument and to pay reasonably anticipated costs of operating and maintaining the financed project and the system of which it is a part;

§4756(a)(4), the Applicant has certified that they have created a fund under 24 V.S.A. Section 2804, or by other means permitted by law to be used only to repair, replace, improve or enlarge the project for which the loan is made;

§4756(a)(5), the Applicant and the project to be financed herein are designated as eligible to participate in a construction or implementation program funded wholly or in part by the State of Vermont and the United States of America;

§4756(a)(7), the loan eligibility priority established under Section 4758 of Title 24 entitles the Applicant to immediate financial assistance;

§4756(a)(8), there are no outstanding balances of any engineering Final Design advances paid to the applicant municipality under chapter 55 of Title 10, that should be repaid with this loan; and

§4756(a)(9 and10), the Applicant has certified that this project conforms to a duly adopted capital budget and program.

The Department finds the project to be funded is consistent with the 2013 Intended Use Plan dated August 26, 2013, and submitted to the U.S. Environmental Protection Agency in fulfillment of section 1452(b) of the Federal Safe Drinking Water Act.

Funding

Funds requested are administered through available funding mechanisms as follows:

- LASRF Loan number WPL-233, issued in the amount of $136,915.00 to fund Preliminary Engineering services including source permitting, a topographic and boundary survey, an environmental report, a preliminary engineering report and bond vote assistance, has a principal balance of $131,295.24. WPL-233 is not eligible for forgiveness in accordance with Drinking Water State Revolving Fund Guidance Document #22 dated June 8, 2015. Therefore, the principal balance of $131,295.24 will be repaid under the first payment made under RF3-325, this loan, and the balance, $5,620.76 will be returned to the LASRF fund.

- DWSRF Loan RF3-325 in the amount of $1,500,000.00, includes Federal funds; and

- the anticipated loan principal balance due of $1,500,000.00 is to be repaid within twenty-year period with an interest rate of one percent (1%) and an administrative fee of two percent (2%), in accord with the provisions of 24 V.S.A, Chapter 120, §4755(a)(3) and §4755(a)(5).

The sum of the local authorization to incur debt of $1,500,000.00 as described in the above finding is greater than or equal to the sum of the requested funding of $1,500,000.00 as described above.

Recommendations

Therefore, it is recommended that the foregoing findings be made and that the Vermont Municipal Bond Bank approves this loan to the Town of Hinesburg in the amount of $1,500,000.00. It is further recommended that a loan agreement be executed which provides for repayment of that sum within a twenty-year period with an interest rate of one percent (1%) and an administrative fee of two percent (2%), in accord with the provisions of 24 V.S.A. Chapter 120, §4755(a)(3) and §4755(a)(5) and as shown on the attached repayment schedule, subject to the following conditions:

1. Before reimbursement of Final Design phase project costs:

   a) all Final Design engineering agreements and amendments must be received, reviewed and approved by the Facilities Engineering Division, with an executed copy submitted to the Facilities Engineering Division.

2. Before reimbursement of construction phase project costs:

   a) all construction engineering agreements and amendments must be received, reviewed and approved by the Facilities Engineering Division, with an executed copy submitted to the Facilities Engineering Division;

   b) all construction contracts must be received, reviewed and approved by the Facilities Engineering Division, with executed copies submitted to the Facilities Engineering Division;

c) all necessary permits must be obtained including a Source Permit(s) issued by the Drinking Water and Groundwater Protection Division; and

d) a legal opinion regarding project sites must be received by the Facilities Engineering Division;

3. The Applicant shall, as a condition of the loan, expressly agrees a condition of the loan, provide the Department with a digitally formatted copy of any plan or surveys developed with funds awarded under the loan, if the Applicant or any subcontractor develops plans or surveys in digital format. By acceptance of the loan, the Applicant agrees to pass through this requirement to any subcontracts awarded and funded by the loan. This condition is included pursuant to Section 56 of Act 233 of 1994. Such digital formats are subject to the Federal Freedom of Information Act and the State Access to Public Records and Document Statute and, unless otherwise restricted, the Department will release copies of such information to the general public upon request. It shall be acceptable to submit read only copies or copies marked archival copies only. The Applicant, by acceptance of this loan agrees not to copyright any plans or surveys developed pursuant to this action. Acceptable electronic formats include pdf and pdfa.

Upon making its findings, the Department may incorporate such conditions as it deems necessary in future loan agreements to ensure compliance with the Federal Safe Drinking Water Act.

Financial Management Program Manager

Eric Blatt, P.E. Director
Facilities Engineering Division

As Commissioner of the Department of Environmental Conservation, I do hereby affirmatively make the findings and certifications as recommended by the staff and approve the project as eligible for loan assistance in the amount of $1,500,000.00 from the DWSRF established under Title 24 V.S.A. Chapter 120.

Administration and Innovation Division Financial Manager

Alyssa B. Schuren, Commissioner
Department of Environmental Conservation

This loan is approved for funding from the Vermont-Environmental Protection Agency Drinking Water State Revolving Loan Fund established under Title 24 V.S.A. Chapter 120.

Robert W. Giroux, Executive Director
Vermont Municipal Bond Bank

R-1 $1,500,000.00

UNITED STATES OF AMERICA
STATE OF VERMONT
TOWN OF HINESBURG
GENERAL OBLIGATION BOND

The Town of Hinesburg (hereinafter called the "Municipality"), a body corporate and a political subdivision of the State of Vermont, promises to pay to the Vermont Municipal Bond Bank, or registered assigns, the sum of ONE MILLION FIVE THOUSAND AND 00/100 DOLLARS ($1,500,000.00) with interest at the rate of one percent (1%) and an administrative fee of two percent (2%) per annum, on **June 1** of each year, as follows:

Repayment Date	Payment Number	Principal Due	Principal Payment	Interest Payment	Admin. Fee	Total Payment
6/1/2018	1	$1,500,000.00	$55,823.56	$15,000.00	$30,000.00	$100,823.56
6/1/2019	2	$1,444,176.44	$57,498.27	$14,441.76	$28,883.53	$100,823.56
6/1/2020	3	$1,386,678.17	$59,223.22	$13,866.78	$27,733.56	$100,823.56
6/1/2021	4	$1,327,454.95	$60,999.91	$13,274.55	$26,549.10	$100,823.56
6/1/2022	5	$1,266,455.04	$62,829.91	$12,664.55	$25,329.10	$100,823.56
6/1/2023	6	$1,203,625.13	$64,714.81	$12,036.25	$24,072.50	$100,823.56
6/1/2024	7	$1,138,910.32	$66,656.25	$11,389.10	$22,778.21	$100,823.56
6/1/2025	8	$1,072,254.07	$68,655.94	$10,722.54	$21,445.08	$100,823.56
6/1/2026	9	$1,003,598.13	$70,715.62	$10,035.98	$20,071.96	$100,823.56
6/1/2027	10	$932,882.51	$72,837.09	$9,328.83	$18,657.65	$100,823.57
6/1/2028	11	$860,045.42	$75,022.20	$8,600.45	$17,200.91	$100,823.56
6/1/2029	12	$785,023.22	$77,272.86	$7,850.23	$15,700.46	$100,823.55
6/1/2030	13	$707,750.36	$79,591.05	$7,077.50	$14,155.01	$100,823.56
6/1/2031	14	$628,159.31	$81,978.78	$6,281.59	$12,563.19	$100,823.56
6/1/2032	15	$546,180.53	$84,438.15	$5,461.81	$10,923.61	$100,823.57
6/1/2033	16	$461,742.38	$86,971.29	$4,617.42	$9,234.85	$100,823.56
6/1/2034	17	$374,771.09	$89,580.43	$3,747.71	$7,495.42	$100,823.56
6/1/2035	18	$285,190.66	$92,267.84	$2,851.91	$5,703.81	$100,823.56
6/1/2036	19	$192,922.82	$95,035.88	$1,929.23	$3,858.46	$100,823.57
6/1/2037	20	$97,886.94	$97,886.94	$978.87	$1,957.74	$100,823.55
Payments			$1,500,000.00	$172,157.06	$344,314.15	$2,016,471.21

This Bond is payable in lawful money of the United States at People's United Bank in the City of Burlington, State of Vermont. Final payment of this Bond shall be made upon surrender of this Bond for cancellation.

This Bond is issued by the Municipality for the purpose of financing sewer system improvements under and by virtue of Chapters 53, 89 and 120 of Title 24, Vermont Statutes Annotated, and vote of the legal voters of the Municipality duly passed on November 4, 2014.

This Bond is transferable only upon presentation to the Treasurer of the Municipality with a written assignment duly acknowledged or proved. No transfer hereof shall be effectual unless made on the books of the Municipality kept by the Treasurer as transfer agent and noted hereon by the Treasurer with a record of payments as provided hereon.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuing of this Bond have been done, have happened, and have been performed in regular and due form, as required by such law and vote, and for the assessment, collection and payment hereon of a tax to pay the same when due the full faith and credit of the Municipality are hereby irrevocably pledged.

IN TESTIMONY WHEREOF, the Municipality has caused this Bond to be signed by its Treasurer, and a majority of its Selectboard and its seal to be affixed hereto as of December 1, 2015.

TOWN OF HINESBURG

By: Michael Bissonette

(Seal)

All of a Majority of its Selectboard

Melissa B. Rowe

Town Treasurer

No. R-1 $1,500,000.00

TOWN OF HINESBURG

GENERAL OBLIGATION BOND DATED
DECEMBER 1, 2015

CERTIFICATE OF REGISTRATION

It is hereby certified that this bond is a fully registered bond, payable only to the holder of record as appears of record in the office of the Treasurer of the issuing Municipality. This bond may be transferred by presentation of the same with an assignment in writing signed by the registered holder. Presentation shall be made to the Treasurer of the Municipality at his office and he shall record such transfer in his records and on the bond. The name and address of the original registered owner of this bond is Vermont Municipal Bond Bank, 20 Winooski Falls Way #305, Winooski, VT 05404.

Dated as of December 1, 2015.

Town Treasurer