

Response to Questions  
for the  
Request for Qualifications  
Issued by the Town of Sutton  
for  
Watershed-based Plan Development for a Healthy Kezar Lake  
10.30.2024

One question was received:

**Question:** I have a question about the bonding requirements in the Request for Qualifications issued by the Town of Sutton for a Watershed-based Plan project at Kezar Lake. The requirements include the requirement that the consultant submit a performance bond for the full amount of the project (\$100,000) that would be held by the Town for the duration of the project. Would you consider alternative means to guarantee completion of the work beyond a 100% bond?

**KLPA Response:** When the Town of Sutton voted in favor of the Warrant Article on March 12, 2024 allowing the Town to obtain a Clean Water State Revolving Fund (SRF) loan from the New Hampshire Department of Environmental Services (NHDES) to fund the preparation of the Kezar Lake Watershed-based Plan (WBP), the Town approved the 100% forgivable loan on the condition that there is no risk that the Town would need to repay any of the loan proceeds. The approved Warrant Article also required that the Town could not proceed with the preparation of the WBP unless the Kezar Lake Protective Association (KLPA) provided a surety to repay any portion of the principal which is not forgiven by the NHDES. Although the full amount of principal of the SRF loan will be entirely forgiven when the WBP is completed pursuant to NHDES requirements, if the WBP is not completed pursuant to those requirements, the Town will be required to repay all funds advanced under the SRF loan agreement. As a result, the KLPA needs any consulting firm retained to prepare the WBP to guarantee completion of the study pursuant to NHDES requirements and to furnish the Town with a performance bond in the amount of \$100,000, which is 100% of the maximum contract price, guaranteeing the completion of the work as specified in its contract.

The KLPA and Town of Sutton would consider an alternative approach that meets the requirement of the following 2023 Warrant Article:

“Article 5: To see if the town will vote to raise and appropriate the sum of \$100,000 (gross budget) by obtaining a New Hampshire Department of Environmental Services Clean Water State Revolving Fund (NHCWSRF) loan for the purpose of hiring a Certified Lake Management/Engineering firm to prepare a watershed-based plan for Kezar Lake, and to authorize the issuance of not more than \$100,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the Select Board to issue and negotiate such bonds or notes and to determine the rate of interest thereon for the sole purpose of obtaining that loan. The plan will address watershed scale stormwater impacts to the lake and prevent future algae blooms. Once the plan is completed, the Town will be eligible for certain grants aimed at reducing threats to the lake’s ecosystem and to remediate identified pollution threats. The bond will be in the form of a loan from the Department of Environmental Services Clean Water State Revolving Fund and the full amount of principal will be entirely forgiven when the plan is completed pursuant to DES requirements. The town will be required to pay interest on the loan amount, however, this article is contingent upon the Kezar Lake Protective Association (KLPA) depositing into escrow an amount sufficient to reimburse the town for all of those interest payments prior to the finalization of the loan agreement; as well as KLPA providing a surety to repay any portion of the principal which is not forgiven, if any. Not recommended by the Budget Committee. Recommended by the Board of Selectmen. (3/5 ballot vote required)”