

## Small Water Facilities Funding Application

Total Project Cost Not To Exceed \$250,000

or

Ineligible State Revolving Fund Projects

Consolidated Water Facilities Construction Program (CWFCP)

Applicant:  Address:	Proposed Funding Package  <div style="text-align: right;">                     Requested Funding _____                      Local Cash _____                      Other: _____                      Other: _____                      Other: _____                      TOTAL _____                 </div>
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Project Title:

Description:

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

\_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

## Professional Consultants

**Application Prepared By:** \_\_\_\_\_

Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, and Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax: \_\_\_\_\_

Email address: \_\_\_\_\_

**Consulting Engineering Firm:** \_\_\_\_\_

Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, and Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax: \_\_\_\_\_

Email address: \_\_\_\_\_

**Legal Counsel's Firm:** \_\_\_\_\_

Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, and Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax: \_\_\_\_\_

Email address: \_\_\_\_\_

Comments:

### Budget Sheet

Cost Classification	A CWFCP/ WQ Grant	B	C	D	E	Total Funds
1. Administrative Expenses						
A. Personal Services						
B. Travel						
C. Legal & Bond Counsel						
D. Other						
2. Land, Structure, Right-of-Way						
3. Engineering						
A. Bidding and Design Fees						
B. Project Inspection Fees						
C. Other						
4. Construction & Improvements						
5. Equipment						
6. Contractual Services						
7. Other						
8. Other						
9. Subtotal (Lines 1-8)						
10. Contingencies						
11. Total (Lines 9 and 10)						

**Proposed Method of Financing**

	Secured Funds	Unsecured Funds	Date Unsecured Funds Anticipated
Local Cash(Identify Source)			
Other (Explain)			
Other (Explain)			
Other (Explain)			
Total			

**Other Funds to be Borrowed**

	Amount	Rate	Term	Annual Debt Service	Security or Collateral Pledged
Other					
Other					
Other					

Please attach copies of commitment letters that contain specific terms and conditions for each source of financing.

## General Information

The month and day your fiscal year begins: \_\_\_\_\_

Population Served      Current: \_\_\_\_\_ 2020 \_\_\_\_\_ 2010 \_\_\_\_\_

\*\* If applying for watershed/lake restoration project, proceed to "Program Narrative Statement" on page 12.

## Repayment Information

Interest rate you are applying for: \_\_\_\_\_ Term: \_\_\_\_\_

What security is being pledged toward the repayment of this loan?  
(Political Subdivisions Only)

- 1. General Obligation Bond (Requires Bond Election)
- 2. Revenue Bond
- 3. Project Surcharge Revenue Bond
- 4. Sales Tax Revenue Bond

## Documents That Must Be Submitted With The Application

### Financial Documents

1. Two years of the most recent audited or unaudited financial statements to include specific accounting for the utility affected by the project.
2. Current year's budget for the utility affected by the project.
3. Amortization schedules for all existing debt secured by proposed revenue pledged.

### Planning and Legal Documents

1. Documentation of the current user rates and surcharges and the effective date.
2. Resolution of authorized signatory for submission of the Small Water Facilities Funding application and signing of payment requests. This resolution must also include the maximum amount requested and description of proposed project.
3. Project Narrative Statement.
4. Engineering Design and Cost Estimates.

*Items 5-7 apply to Non-profit Entities only*

5. By-laws.
6. Articles of Incorporation.
7. Certificate of Good Standing from Secretary of State.

## Utility Debt Information

Year	_____	_____	_____	_____	_____	_____
Purpose	_____	_____	_____	_____	_____	_____
Security Pledged	_____	_____	_____	_____	_____	_____
Amount	_____	_____	_____	_____	_____	_____
Maturity Date (mmm/yyyy)	_____	_____	_____	_____	_____	_____
Debt Holder	_____	_____	_____	_____	_____	_____
Debt Coverage Requirement	_____	_____	_____	_____	_____	_____
Avg. Annual Required Payment	_____	_____	_____	_____	_____	_____
Outstanding Balance	_____	_____	_____	_____	_____	_____

Comments:

# Utility Cash Flow Information

Negative cash should be in (Decrease) format	Prior Year	Prior Year	Current Year	Future Year	Future Year	Future Year
Fiscal Year						
<b>Operating Revenue</b>						
Base Fees						
Surcharge Fees						
Other (Explain)						
<b>Operating Expenses</b>						
Personal Services						
Chemical, Material & Supplies						
Electric & Other Utilities						
Other (Explain)						
<b>Operating Net Cash</b>						
<b>Nonoperating Cash Flow</b>						
Interest Revenue						
Transfers In (Explain)						
Fixed Asset Purchases						
Transfers Out (Explain)						
Principal Debt Payments						
Interest Debt Payments						
Other (Explain)						
<b>Nonoperating Net Cash</b>						
Increase (Decrease) Cash						
Beginning Cash Balance						
Ending Cash Balance						
Restricted Balance						
Unrestricted Balance						

## Explanations

Restricted Funds Breakdown:

<u>Amount</u>	<u>Anticipated Expense</u>	<u>Method Used to Encumber</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Utility Fees:

\*\* Attach current and proposed rate ordinances or resolutions and rate schedules.

Municipal or Sanitary District - monthly rates at 5,000 gallons (670 cubic feet)

Other Community System - monthly rates at 7,000 gallons (935 cubic feet)

Check one:  Incorporated Municipality or Sanitary District  
 or  
 Other Community System

Monthly	Current Rate	Proposed Rate	# of Accounts	Average use Gallons/Cubic Feet
Domestic	_____	_____	_____	_____
Business	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____

Are fees based on usage or flat rate? \_\_\_\_\_

When is proposed fee scheduled to take effect? \_\_\_\_\_

When did the current fee take effect? \_\_\_\_\_

What was the fee prior to the current rate? \_\_\_\_\_



# Property Tax Information

*(Complete section only if General Obligation bond is pledged to repay your loan.)*

Three year valuation trend:

Year	_____	_____	_____
Assessed Valuation	_____	_____	_____

Three year levies and collection trend:

Year	_____	_____	_____
Amount Levied	_____	_____	_____
Collected	_____	_____	_____

Five Largest Taxpayers	Description	Assessed Valuation
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Comments:

**Sales Tax Information**

*(Complete section only if sales tax is pledged to repay your loan.)*

Sales tax revenue history for the most current fifteen months:

Month/Year	Amount Collected
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Comments:

## Sales Tax Debt Information

Year	_____	_____	_____	_____	_____	_____
Purpose	_____	_____	_____	_____	_____	_____
Security Pledged	_____	_____	_____	_____	_____	_____
Amount	_____	_____	_____	_____	_____	_____
Maturity Date (mmm/yyyy)	_____	_____	_____	_____	_____	_____
Debt Holder	_____	_____	_____	_____	_____	_____
Debt Coverage Requirement	_____	_____	_____	_____	_____	_____
Avg. Annual Required Payment	_____	_____	_____	_____	_____	_____
Outstanding Balance	_____	_____	_____	_____	_____	_____

Comments:

Storm Sewer Projects:

Does sponsor have a separate storm water fee? Yes  No

If yes, attach the current and proposed rate ordinances or resolutions and rate schedules. Identify below the rate charged and explain how fee is calculated.

**Project Narrative Statement**

The project narrative statement should be brief and describe the need, objectives, method of accomplishment, geographical location of the project, and benefits expected from the assistance.

**Engineering Design and Cost Estimates**

Preliminary engineering, architectural design, or project implementation plan(s) and itemized cost estimates must be completed and submitted to the Department of Agriculture and Natural Resources with the application.

## **Small Water Facilities Funding Application Instructions**

*Note: The Small Water Facilities Funding application is for projects that do not exceed \$250,000 or are not eligible for State Revolving Fund program funds.*

### **Application Cover Page (page 1)**

*Applicant.* Name, mailing address and phone number of the entity sponsoring the project.

*Proposed Funding Package.* Include the amount and type of funds requested, the amount of local funds being provided, including direct public or private contributions, loans, federal funds, and water development district grants. Multi-year or phased projects should enter only the costs associated with activities for which assistance is being requested.

*Project Title/Description.* Provide a one line title for the project and a brief narrative describing the project. Be specific, providing the feet or miles of pipe, treatment process being utilized, capacity of the storage tanks, and so forth. Include the current monthly water or wastewater rate. If the rate is not a flat rate, compute the monthly rate at 5,000 gallons for municipalities or sanitary districts and at 7,000 gallons for all other water systems. Additionally, indicate whether a reserve fund has been established for the water or wastewater utility.

*Certification.* An official of the sponsoring entity, who has been authorized by resolution of the governing body to submit the application, must read and sign the application.

### **Professional Contacts (page 2)**

*Application Prepared By:* Identify the entity, the individual that helped prepare the application, and the other contact information requested in case questions arise about the application.

*Consulting Engineering Firm:* Identify the engineering firm retained by the sponsor, the engineer's name, and the other contact information requested in case questions arise about the application.

*Legal Counsel's Firm:* Identify the law firm retained by the sponsor, the attorney's name, and the other contact information requested in case questions arise about the application.

### **Budget Sheet (page 3)**

*Note: Multi-year projects should enter only budget costs associated with activities for which financial assistance is being requested.*

Line 1.A \_ Amount needed for personal services related to loan management and clerical duties.

Line 1.B - Amount needed for travel including vehicle rental.

- Line 1.C - All legal fees associated with this project including bond counsel fees.
- Line 1.D - Amount needed for other administration expenses, including an independent financial audit, publishing, meetings, and any other expenses expected for project administration, including planning district contracts.
- Line 2 - Amounts directly associated with the acquisition of land, existing structures, and related rights\_of\_way.
- Line 3.A - Fees for engineering bidding and design services.
- Line 3.B - Fees for engineering construction inspection and audit of construction and related programs.
- Line 3.C- Amounts for other technical services, such as surveys, O&M manual preparation, tests, and borings not included in Line 3.A or 3.B.
- Line 4 - Amounts for the actual construction of, addition to, or restoration of a facility. Also include in this category the amounts of project improvements, such as roads, access restrictions, new trenches, landscaping, and run-off control measures.
- Line 5 - Amount needed for purchase or rent equipment required for the project.
- Line 6 - Amount of contracts (excluding legal, engineering, and construction) associated with the project, including sampling and laboratory services.
- Lines 7 - Identify amounts for items not specifically mentioned above.  
& 8
- Line 9 - Sum of Lines 1 through 8.
- Line 10 - Estimated amount for contingencies. Contingencies may not exceed 10% of the amount on Line 9.
- Line 11 - Sum of Lines 9 and 10.
- Line 12 - Funding percentage of total project costs.

**Proposed Method of Financing (page 4)**

Indicate the source of the secured/unsecured share of funding. If funds have been secured, indicate the amount in the "secured" column. If funds are unsecured at time of application, indicate the amount of the unsecured funds and the date funds are anticipated to be secured in the "unsecured" column. Include any remarks regarding funding in a separate narrative.

**Other Funds to be Borrowed (page 4)**

Provide the amount, rate, and term of other funds to be borrowed to help finance the project. Include the amount of the annual debt service and security pledged towards loan repayment. For "other," explain the source of funds along with the above mentioned items. Please attach copies of commitment letters that contain specific terms and conditions for each source of financing.

## **General Information (page 5)**

The following information will be used to evaluate the applicant's capacity to provide local funds for the project and the continuing operation, maintenance, and replacement of the system.

Fiscal Year - The month and date your fiscal year begins.

Population Served - Fill in population data. Estimate current year if necessary.

## **Repayment Information (page 5)**

Identify the specific rate and term of the loan for which the sponsor is applying. If the applicant is a political subdivision, specify the security pledged to repay the loan.

## **Documents That Must Be Submitted With The Application (page 5)**

Provide copies of the two most recent years audited or unaudited financial statements to include specific accounting for the utility affected by the project. If certain funds are reported in separate documents, include all reports concerning fiscal operations of the entity. If different funds are accounted for by differing fiscal years, make this notation. If the audit for the most recent year is not available, list the reason.

Provide a copy of the current year's budget, if approved by the governing board. Also include amortization schedules for all existing debt secured by proposed revenue pledged.

Provide a copy of the existing or any proposed user charge ordinance or resolution currently governing the utility department.

Provide a copy of the resolution of authorized signatory for the person or persons signing the loan agreement and payment requests. The resolution must also include the maximum loan amount requested and description of proposed project.

Submit a project narrative statement, engineering design, and cost estimates for the project.

For Non-profit entities submit a copy of the organization's By-laws, Articles of Incorporation, and Certificate of Good Standing from the Secretary of State.

## **Utility Debt Information (page 6)**

Utility Debt - Enter the current debt obligations of the applicant. If the applicant is water, wastewater, solid waste, or other "enterprise" type system, which relies on rates and charges for its financial support, only list debt related to that utility. If the applicant is a city, county or special purpose district which relies on general taxing authority for its financial support or is a non-profit organization list the debt related to the general obligations of the city, county, special purpose district, or non-profit organization. Include all debt information requested in the table to assure an appropriate review of the applicant's finances.

## Utility Cash Flow Information (page 7)

*Note: Enter negative numbers for cash out activities.*

Complete the Utility Cash Flow table. The values input on this form should be for actual cash only. Depreciation, assets value, and grant and loan revenue that is directly related to a capital improvement expense should not be included on this form. Obtain prior years information from the Statement of Cash Flows found in previous utility audits or unaudited financial statements. The Current Year column should contain information from the system's current year budget and expenditures. The Future Year columns should contain anticipated cash flow information for the utility's next three full fiscal years of operation. Future years should be based on prior year's revenue adjusted for any rate increases, operation and maintenance costs, the current budget (if not understated), and any known operational or personnel changes that are anticipated to increase or decrease during the time period.

### Operating Revenues:

**Base Fees** - include all revenue generated from the base and usage charges. If the rate structure includes separate charges for operation and maintenance, repair and replacement funds, or other similar items, these revenues should also be included in the base fee revenue. If there has been a fee increase, or if one is planned, the additional revenue should be shown in the future years. If revenues are being pledged for repayment of the forthcoming loan, there should be an increase in future years' revenue such that revenues equal 110 percent of the utility expenses and debt.

**Surcharge Fees** - include only fees identified as dedicated surcharge for debt security on a loan. No other fees being charged should be reported here if there is not an associated debt security pledge. If a surcharge is being pledged for repayment of the forthcoming loan, there should be an increase in future years' surcharge fees corresponding to 110 percent of the full requested funding amount.

**Other (Explain)** - include any other revenues associated with operation of the utility. This may include tapping or connection fees, late payment charges, or other revenue of a similar nature. Do not include proceeds from a grant or loan. **Please use the explanation box at the bottom of the form to fully explain the source of the funds.**

### Operating Expenses:

**Personnel Services** - include all personnel services for operation and maintenance of the utility to include costs for administration if appropriate. Any travel or training costs for utility personnel should be included on this line.

**Chemical, Material & Supplies** - include all chemical, material, and supply costs associated with operation and maintenance of the utility.

**Electric & Other Utilities** - include electrical costs associated with operating the utility, purchase of water from another supplier, and any other utility costs as appropriate.



Other (Explain) - this may include unplanned repairs and replacements, prior year engineering fees either related to the funding application or for other purposes, or other unanticipated expenses. Do not include capital improvements expenses, expenses associated with a previous, ongoing, or future improvement projects being funded by a grant or loan, or depreciation. Please use the explanation box at the bottom of the form to clearly explain all current and future years' expenses identified on this line.

#### Non-Operating Cash Flow:

Interest Revenue - revenue from interest bearing accounts or investments may be included here.

Transfer In (Explain) - include any funds being transferred into the account from a different account. Examples could include transfers to make up a shortfall in funds or to help pay for a capital improvement expense. **Please use the explanation box at the bottom of the form to clearly explain all current and future year's expenses identified on this line.**

Fixed Asset Purchase - include any past or upcoming fixed asset purchase or capital improvement outlay was or will be paid from existing utility revenue. Do not include capital improvement project costs associated with a previous, ongoing, or future project being funded by a grant or loan.

Transfer Out (Explain) - include any funds being transferred out to other accounts. **Please use the explanation box at the bottom of the form to clearly explain all current and future year's transfers identified on this line.**

Principal Debt Payments - amount of the principal paid during each year for any debts the utility has pledged to revenue or surcharge. Debt payments pledged to sales tax, property tax, or other security pledges should not be included.

Interest Debt Payments - amount of the principal paid during each year for any debts the utility has pledged to revenue or surcharge. Debt payments pledged to sales tax, property tax, or other security pledges should not be included. The combination of interest and principal debt payments for the current year should equal the current debt listed on page 6.

Other (Explain) - include any other miscellaneous revenue or expenses that do not fit in other areas should be entered here. **Please use the explanation box at the bottom of the form to clearly explain all current and future year's expenses for this line.**

Provide the total balance for each restricted account or activity. If funds are listed as restricted there must be an ordinance or other legal instrument used to formally restrict those funds (see page 8 for more details). Existing SRF loans do not have a restricted amount and should not be included.

**(page 8)**

Restricted Funds Breakdown: Provide a the balances for each restricted account or activity, identify the activity to be completed with the funding, and specify the method used to restrict the funds (i.e. governing board resolution, board motion, by-laws, etc.).

Utility Fees: Check whether the sponsor is an incorporated municipality, sanitary district or other system. Municipalities and Sanitary Districts provide rate information based on 5,000 gallons (670 cubic feet) per month. All Other Systems provide rates based on 7,000 gallons (935 cubic feet) per month.

Fill in the current monthly rate being charged to domestic and business users to include individual households and farmsteads. If fees are billed quarterly, calculate the monthly rate. Include the proposed new monthly rate. Complete the information for the total number of domestic and business hookups which will be served system wide. Provide the current average monthly usage by business, domestic, and other customers and specify either gallons or cubic feet. If there is a special rate being charged for users other than business and domestic hookups, provide information about that rate, the number of customers for which the rate applies, and the user's average usage.

Indicate whether fees are calculated on the amount used or on a flat rate.

Furnish dates for when the current rate was adopted, when the proposed fee schedule will take effect, and what the rate was prior to the current rate.

**Property Tax Information (page 9)**

*Note: Fill out this section only if a general obligation bond is being pledged towards repayment of the loan.*

The property tax information will be used to evaluate the applicant's ability to repay the loan. The purpose of this section is to evaluate a borrower's tax base and customers in order to assess the condition of the community.

Provide the assessed valuation and full and true valuation for the current and last two years.

Provide the amount levied and collected for the most recent three years for which data is available. Indicate any penalties, interest charged, or late payments.

List the five largest taxpayers within the system's service area and describe the type of property involved and the assessed valuation.

## **Sales Tax Information (page 10)**

*Note: Fill out this section only if a sales tax is being pledged towards repayment of the loan.*

The sales tax information will be used to evaluate the applicant's ability to repay the loan. Provide the amount of sales tax collections by month for each of the last fifteen months.

## **Sales Tax Debt Information (page 11)**

*Note: Fill out this section only if a sales tax is being pledged towards repayment of the loan.*

Provide the information requested in the table for each obligation to which sales tax has been pledged towards repayment.

## **(Page 12)**

Storm Sewer Projects: Complete this section of the application only if the project includes costs associated with a storm water project.

Indicate if the sponsor has a separate storm water fee. If so, attach a copy of the existing or proposed rate ordinance or resolution and a brief explanation of how the storm water fee is calculated and collected.

## **Project Narrative Statement (page 12)**

The following should be used to structure the narrative. Project narrative statements should be typed on a separate sheet of paper and submitted with the application. This statement will be used to rate the project's impact and readiness to proceed.

A) Project Description - Provide a detailed narrative describing the selected project alternative. Be specific, providing the feet or miles of pipe to be constructed, replaced or repaired; treatment process being utilized; capacity of storage tanks; cubic yards of sediment removal; feet of shoreline stabilization; and so forth. Identify the preferred method of construction or project completion, an itemized break-out of estimated costs, the area to be affected by the project, maps showing locations of services and extent of construction, anticipated operation and maintenance (O&M) cost changes resulting from the project, anticipated rate effects caused by any proposed borrowing or changes to O&M expenses.

B) Eligibility - Identify the type of entity applying for assistance. If the entity is a nonprofit, provide the date of incorporation and a copy of the bylaws or governing rules that make the entity responsible for the anticipated project. Provide rate information to demonstrate that the existing rate or proposed rate will meet the minimum rate requirements of the program. If the rates will not meet the required minimums, provide a letter requesting a waiver from the minimum rate requirement and justification for the waiver.

C) Need/Problem Identification - Provide the required background information to identify the need for the project. If the project is a rehabilitation project, identify when the existing facilities were installed or constructed and explain the past maintenance practices used by the sponsor to maximize the useful life these facilities. If the project is an expansion project, explain the need for the new service and describe existing conditions and facilities. Also provide information that will assure existing, collection, distribution, storage, pumping, and treatment facilities will be able to address the additional flow or demand

D) Project Design - Provide the engineering design considerations used to develop the cost estimates. Include design criteria used to size the facilities, projected use of the new system to include potential oversizing of lines for future development, effect of new or expansion facilities on the existing infrastructure, and anticipated useful life of existing and anticipated facilities

E) Required Permits - Identify the status of required permits (i.e., if secured or applied for). Potential required permits may include: Surface Water Quality Permits, New Drinking Water Capacity Certification, Storm Water Permits , County Conditional Use Permits, County Municipality Construction Permits, etc.

F) Acquisition of necessary lands (purchase or option secured) - Identify the extent to which the easements for project have been secured. Provide a list or number of landowners that must provide easements before the project may proceed. If landowners have not yet provided easements, identify the status of obtaining the easements and how and when the landowners will be contacted and the final easements obtained. If fee title to land is required to complete the project, provide an update on the status of securing the additional land.

G) Project Schedule - Provide a schedule for the project to include dates for the anticipated completion of the financing package if additional funding is needed to complete the project, design completion (must include time for DANR review and approval), obtaining required permits and authorizations, bid approval, initial construction, final completion, and final project closeout

H) Future Projects - Identify any projects that have been identified by the sponsor that affects the sponsor's ability to finance this project. Provide general information about the scope, timing, and estimated cost of anticipated future projects.

### **Engineering Design and Cost Estimates (page 12)**

Water/Wastewater Infrastructure Projects: A Preliminary engineering report with cost estimates was submitted with the State Water Plan application. The outline to be followed for the preliminary engineering report can be found in State Water Plan Application Infrastructures. Any significant changes to the preliminary engineering analysis, updated cost estimates, and other relevant additional information should be submitted with the funding application.

Watershed Projects: A watershed assessment report and preliminary cost estimate was submitted with the State Water Plan application. A detailed Project Implementation Plan (PIP) in EPA approved format should be submitted with the funding application. The outline to be followed for the PIP can be found in the State Water Plan Application Instructions. Any significant changes to the PIP, updated cost and estimates, and other relevant additional information should be submitted with the funding application