Drinking Water Facilities Funding
Application Instructions

Note: This application is for Drinking Water State Revolving Fund Program and Consolidated Water Facilities Construction Program funding. This application is for drinking water projects only.

Application Cover Page (page 1)

Applicant. Name, mailing address and phone number of the entity sponsoring the project. Sub applicant is an organization who is submitting the application on behalf of an entity.

DUNS Number. The Data Universal Numbering System (DUNS) number is a nine-digit number, issued by D&B, assigned to each business location in the D&B database, having a unique, separate, and distinct operation for the purpose of identifying them. To applicant must submit documentation that the applicant has an active registration on the Federal System for Award Management (SAM) database.

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 drinking water 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 drinking water 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.

**Bond Counsel’s Firm:** *This section is required only if the applicant is a political subdivision.* Identify the bond counsel 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 & 8** - Identify amounts for items not specifically mentioned above.
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. Total the secured and unsecured funding amounts at the bottom of the table.

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.

List the top three employers in a 30 mile radius of your service area. Also list the number of employees at the facility and the type of business.

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 a copy of the most recent 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 documentation that the applicant has an active registration on the Federal System for Award Management (SAM) database (https://www.sam.gov).

Submit the Facilities Plan, Cultural Resources Effects Assessment Summary, and Capacity Assessment Worksheets.

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.

Drinking Water Fund Debt Information (page 6)

Provide the information requested in the table for each obligation pledged towards repayment. Include all required debt information requested in the table to assure an appropriate review of the applicant’s finances.

Drinking Water Fund Cash Flow Information (page 7)

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

Complete the Utility Cash Flow table. Obtain prior years information from previous utility audits. The Current Year column should contain information from the system’s current year budget and expenditures. The Future Year column should contain anticipated cash flow information for the utility’s next three full fiscal years of operation.
Provide the total balance for each restricted account or activity. Utilize the explanation section below to describe numbers inputted in the “other” sections and any other pertinent information.

(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.).

Drinking Water 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.

Provide the four largest customers, the type of business, and the percentage of system revenues.

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.

**General Fund Debt Information (page 10)**

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

Provide the information requested in the table for each obligation pledged towards repayment. Include all required debt information requested in the table to assure an appropriate review of the applicant’s finances.

**Sales Tax Information (page 11)**

*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 12)**

*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.

**Facilities Plan Checklist (page 13)**

The Facilities Plan Checklist is provided for your convenience. Please review the checklist and make sure that the required steps have been taken to ensure that an adequate Facilities Plan has been prepared.


**Certification of Drinking Water Needs Categories (page 14)**
Form is self-explanatory.

**Certification Regarding Debarment, Suspension, and Other Responsibility Matters (page 15)**

Under Executive Order 12549, an individual or organization debarred or excluded from participation in federal assistance or benefit programs may not receive any assistance award under a federal program, or a sub-agreement thereunder for $25,000 or more.

Accordingly, each prospective recipient of an EPA grant, loan, or cooperative agreement and any contract or sub-agreement participant thereunder must certify to or provide an explanation why they cannot. For further details, see 40 CFR 32.510, Participants’ responsibilities.

**Capacity Assessment Worksheets (pages 16 – 37)**

All applicants must complete the Capacity Assessment for the Drinking Water Program to determine the applicant’s technical, managerial, and financial capacity to operate its system.

For more information please contact the Drinking Water Program at (605) 773-3754.