

## **APPLICATION FOR FUNDING CLEAN WATER REVOLVING LOAN FUND**

The information requested below is the financial and legal information necessary for securing financing from the Department of Environmental Quality's Clean Water State Revolving (CWSRF) for a sewer construction project. This information serves as the basis for approval of a loan and the conditions that will be set forth in a loan offer and a loan agreement.

Assistance from the applicant's engineer or consultant, fiscal officer and an attorney will be needed to complete parts of this application. An effort must be made by the consulting engineer, unless he is on retainer with the borrower, and any general contractor to secure MB/WB contracts for all phases of this project. Additional information, not listed herein, may also be needed to determine eligibility, credit worthiness and conditions necessary for loan approval. Borrowers are cautioned that their existing long-term debt agreements may preclude or prescribe terms or conditions in financing arrangements with the Department's CWSRF. Knowledge and/or compliance with existing or future debt agreements is the responsibility of the borrower.

Formal application for a loan consists of the following information submitted to the Department of Environmental Quality's Office of Management and Finance, Financial Services – Loan Section, P. O. Box 4303, Baton Rouge, LA 70821-4303:

1. A copy of the resolution, or other specific authorizing instrument, reflecting the applicant's authorization to make application for funding through the CWSRF and naming the person(s) who may sign for the borrower.
2. A 10 year forecast listing the projected revenue of the pledged funds and the projected expenses not including depreciation, and the highest year's and annual debt service (depended upon the Bond Ordinance) due on the fund. This forecast should also include a debt service ratio showing that the applicant meets the required debt service coverage ratio of the fund pledged. If Sewer Revenue, Property Tax or Other funds are pledged a debt service coverage ratio of 125% is required. If Sales Tax Revenue funds are pledged a debt service coverage ratio of 133% is required. If General Obligation funds are pledged a debt service coverage ratio of 100% is required. The Debt Service Coverage Ratio is calculated by taking the Net Income (Loss)/ Highest year's or Annual debt service due on the fund. Please also submit a copy of the applicant's last 3 years audits or Annual Financial Statements. The audits must be comprehensive, covering all financial activities of the municipality on both combined and individual funds and account groups, and must include an opinion from an independent Certified Public Accountant. Backup documentation must be submitted to substantiate all amounts on the report. If only pledging a piece of a fund such as Sewer from Utility Fund it must be broken out. If raising rates the new rates time usage calculations must be provided to tie into the amounts reported for each year.
3. Copies of all (sewer, water, streets, drainage, etc.) long-term debt agreements and resolutions, including but not limited to, loan agreements, certificates of indebtedness and bonds.

4. A list of all municipalities, financing institutions, lenders or other funding sources participating in financing interim construction or long term debt on this project other than the CWSRF. The following information must be included:
  - a. A statement by each participating entity reflecting their relative interest, support and commitment of their lender(s) or internal funding/sources for the project; and
  - b. A project cost allocation between borrowers, lenders or other funding sources; and
  - c. A description of project revenues pledged, or to be pledged, to other participating lenders or funding sources.
5. Intergovernmental agreements or a description of the nature and division of contemplated system operations, project ownership or other legal or equitable interest in the project, if the sewer system will not be owned and/or operated by the applicant.
6. Completion of the **Department of Environmental Quality Clean Water Revolving Loan Fund Loan Application**, CWRF-101 Attachment A.
7. **Clean Water Revolving Loan Fund Assurances**, CWRF-101 Attachment B that the applicant will meet all applicable federal authorities or "cross-cutters" relating to MFRLF assistance and construction.
8. A **Site Certificate**, CWRF-101 Attachment C, and/or a statement reflecting the relevant history or current status of the applicant's efforts toward obtaining all necessary and incidental rights and privileges needed for project commencement, completion and operation. This includes, but is not limited to, all necessary legal rights including water rights, licenses and/or permits, whether existing under federal, state or local law or regulation, the relative status of secured or outstanding contracting arrangements, and the status of any incidental legal proceedings including, but not limited to, any authorizations required by residents of the municipality.
9. **Certification Regarding Debarment, Suspension, and Other Responsibility Matters**, EPA Form 5700-49, federally required debarment, suspension and violation certification.
10. Fully Executed Transparency Act Form