Application Information and Instructions (Planning)

Administered by the State Water Resources Control Board (State Water Board), Division of Financial Assistance (Division), the Financial Assistance Application is designed to help determine your eligibility for funding through the Drinking Water State Revolving Fund (DWSRF)

Instructions for each package are provided below.

An overview of the financing process and the DWSRF Policy can be found on the Division’s web site at http://www.waterboards.ca.gov/drinking_water/services/funding/DFP.shtml

Submitting Your Application

You can help the review process by ensuring your application contains accurate and complete information. To avoid delays in the processing of your application, we recommend:

✓ Contact the Division as early as possible to coordinate your application with your project’s schedule; contact information is provided on the next page.  
  (NOTE:  No action is necessary on your part to be added to the Comprehensive List; the Division will make arrangements for your project to be added to the Comprehensive List)

✓ Submit complete packages whenever possible.  
  (NOTE:  Projects are funded based on a complete application.  Partial packages may be submitted, but complete packages will be reviewed before incomplete packages; and complete applications will be reviewed and approved for financing first.)

✓ Have your legal counsel review the FAQs at http://www.waterboards.ca.gov/drinking_water/services/funding/DFP.shtml regarding the legal opinion we will need from you to approve financing. The Division of Financial Assistance’s legal counsel will contact your legal counsel approximately two to four months prior to execution of the financing agreement to discuss the legal opinion needed at closing.

✓ Clearly type or print all information.
✓ Sign and date the application where indicated.
✓ Include all required attachments.

The application and attachments should be submitted electronically. You can apply online via the Financial Assistance Submittal Tool (FAAST): https://faast.waterboards.ca.gov

To submit a DWSRF Planning Application in FAAST you must complete all the tabs in FAAST and attach the General Package. (Note:  Once the Planning Application has been uploaded, you must still complete the application by clicking on the “Submit” button.)  A project manager will be
assigned once the DWSRF Planning Application is submitted in FAAST. The project manager will help the applicant complete the application process.

To submit additional documents for the same project, DO NOT start a new application, instead click on the Submitted Applications link on the Main Menu and choose the project from the list of previously submitted applications. Open the Attachments tab, and then the Post-Submission sub-tab. Choose which document from the Attachment Category drop-down list and then select the file to upload. The project manager will receive an email notification letting them know you have submitted additional information for review.

The following FAAST resources are available online:
- Frequently Asked Questions
- How-to-Videos
- User Manual

If you need assistance you can also contact the FAAST Help Desk, which is staffed Monday through Friday 8am through 5pm, at 1-866-434-1083 or FAAST_ADMIN@waterboards.ca.gov.

If electronic submittal through FAAST creates a hardship, you may contact the DWSRF Program for additional guidance. See contact information below.

**CONTACT INFORMATION**

If you have general questions regarding the program or need assistance completing the application, contact the DWSRF at (916) 327-9978 or DrinkingWaterSRF@waterboards.ca.gov.
General Information Package

Section I - Type of Assistance Requested

Check the box to indicate the type of project (planning or construction) needing financial assistance.

Estimated Amount of Assistance Requested – Enter the estimated amount of assistance requested.

Project Title – Enter the title or name of the project.

Section II - Applicant Information

Water System No. – Enter the number of the water system.

Data Universal Numbering System (DUNS) No. – This number is required to receive DWSRF financing. If you don’t already have a DUNS number, you can get more information at http://www.whitehouse.gov/sites/default/files/omb/grants/duns_num_guide.pdf.

Applicant Name – Enter the entity that will be the legal signatory to a financing agreement.

Street Address, City, State, Zip – Enter the applicant’s physical street address. The Zip+4 code can be found at https://tools.usps.com/go/ZipLookupAction!input.action.

Mailing Address, City, State, Zip – Enter the applicant’s mailing address, if different from the street address. The Zip+4 code can be found at https://tools.usps.com/go/ZipLookupAction!input.action.

Congressional District(s) – Enter the Congressional district(s) where the project will be physically located. If the project will span multiple Congressional Districts (i.e., a pipeline project), list all affected districts. A map of California Congressional Districts can be found at http://house.gov/representatives/find/.

State Senate District(s) – Enter the State Senate district(s) where the project will be physically located. Refer to http://findyourrep.legislature.ca.gov/.

State Assembly District(s) – Enter the State Assembly district(s) where the project will be physically located. Refer to http://findyourrep.legislature.ca.gov/.

County – Enter the County where the project will be physically located.

Federal Tax ID No. – Enter the Federal tax identification number of the applicant.

Authorized Representative Name, Title – Identify the person who has the authority to represent the water system and sign documents pertaining to the funding application. If the water system is owned by a public agency or has a governing board, the application must include a copy of a resolution adopted by the governing body designating its authorized representative and authorizing the submission of a loan application. It is advisable to designate the title of the person authorized to sign rather than a specific person. The funding application must be signed by the authorized representative. If the system does not have a governing board, it must provide documentation supporting the authorization of the authorized representative.
Authorized Representative Phone No. – Enter the authorized representative’s telephone number.

Authorized Representative Email Address – Enter the authorized representative’s email address.

Primary Contact Person Name – Enter the name of the person who is the day-to-day contact for the project. This person should be able to answer general questions about the project and application.

Primary Contact Person Phone No. – Enter the contact person’s telephone number.

Primary Contact Person Email Address – Enter the contact person’s email address.

Project Engineer and License No. – Enter the project engineer’s name and license number. DWSRF staff requests that a qualified engineer will prepare the Engineering Report required as part of the Technical Package.

There are many categories of engineering specialties. However, the engineer you select must be a professional engineer (PE) licensed by the state of California as a civil engineer, who has experience in design of public water systems or drinking water treatment facilities. It is illegal for engineers to undertake assignments they are not qualified to do.

Project Engineer Phone No. – Enter the project engineer’s telephone number.

Project Engineer Email Address – Enter the project engineer’s email address.

Environmental Contact Person Name – Enter the name of the contact person at the environmental firm for the project.

Environmental Contact Person Phone No. – Enter the environmental firm’s contact person phone number.

Environmental Contact Person Email Address – Enter the environmental firm’s contact person email address.

Legal Counsel Name – Enter the name of the applicant’s legal counsel.

Legal Counsel Phone No. – Enter the legal counsel’s telephone number.

Legal Counsel Email Address – Enter the legal counsel’s email address.

Davis-Bacon Contact Person Name – Enter the name of the Davis-Bacon contact person.

Davis-Bacon Contact Person Phone No. – Enter the Davis-Bacon contact person’s telephone number.

Davis-Bacon Contact Person Email Address – Enter the Davis-Bacon contact person’s email address.
Section III - Project Information and Proposed Schedules

1. Project Description – Provide a brief description of the project.

2. Compliance Related – Check the applicable box and explain the compliance issue(s) associated with this project if necessary.

3. Water Supply Permit No. – Attach a copy of your water supply permit and any active enforcement orders (label as Attachment G1).

4. Population – Estimate the population served on an average daily basis by the water system and briefly describe how the population was determined. In addition to the population served by the entire water system, please include the population specifically benefitting from this project. If estimating a population served, the estimation shall be determined using one of the following methods:

   i. Utilize the most recent U.S. census data, or most recent special census data certified by the California Department of Finance for the service area served by the water system (http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml#none):
      1. For community water systems, the estimation should consider the permanent population of the community.
      2. Seasonal community systems should use the average population served by the system during the peak period in which the system is in operation.
      3. Non-community water systems should use the average daily population served during the periods that the system is in operation.
      4. Wholesalers or entities that deliver water to another water system should contact their respective State Water Board, Division of Drinking Water District Office to help calculate the appropriate number of population served.

   ii. Multiply the number of service connections served by the water system by 3.3 to determine the total population served; or

   iii. Determine the total number of dwelling units or efficiency dwelling units as defined in the Uniform Building Code (Title 24, California Code of Regulations), the number of mobile home park spaces and the number of individual business, commercial, industrial and institutional billing units served by the water system and multiply this total by 2.8 to arrive at the total population served by the water system.

5. Connections – Provide the total number of active service connections that are currently and directly served by the water system. This includes all domestic, residential, industrial, commercial, and other connections. Complete the breakdown of residential, commercial/industrial, and other service connections. Also, briefly describe how the number of service connections was determined and indicate the number of active service connections specifically benefitting from this project.

   • Wholesalers, or entities that deliver water to another water system, should contact the State Water Board’s Division of Drinking Water District Office for help to determine the appropriate number of service connections.

Non-community water systems do not need to fill out this section and should indicate “not applicable” on the form.
6. **Estimated Project Schedule** – Provide an estimated or actual date for the following:
   - General Information Package
   - Technical Package (Planning)
   - Environmental Package (Planning)
   - Financial Security Package (Planning)

7. **Consultation with Other Agencies** – Provide the following:
   - Name of other Federal and State agencies involved in this project (e.g. planning, CEQA/NEPA consultation, funding, etc.)
   - Contact information for the named agencies
   - Estimated dates for resolution of any issues

8. **Partnering Agencies** – Provide the name and contact information of all other agencies that will participate in the permitting/review of this project or are served by this project.

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**Section IV – Managerial Information**

1. **Classification of Water System** – Check the box that represents your type of water system. If you are unsure of the classification of the system, refer to the system’s domestic water supply permit or refer to the *Decision Tree for Classification of Water Systems* flow chart located at [http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/publicwatersystems/DecisionTreeforClassifyingWaterSystems_Detailed_08-2012.pdf](http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/publicwatersystems/DecisionTreeforClassifyingWaterSystems_Detailed_08-2012.pdf).

2. **Ownership of the Water System** – Check the box(es) that corresponds to the ownership of your water system. Non-community water systems are only eligible for DWSRF funding if they qualify as a non-profit entity. Non-profit owners of non-community water systems must include the appropriate IRS non-profit ID number and Tax Exempt Status form IRS 501(c). Privately owned systems must include a copy of the fictitious name statement. Corporations must provide a copy of their Articles of Incorporation (label as **Attachment G2**).

   The following is a list of ownership documentation for the different types of for-profit or non-profit private water systems, Please submit copies of all of the ownership documentation that corresponds to the water system’s ownership type.
3. Municipalities – If the Applicant is a Municipality, indicate if the Applicant is a Charter City.

4. Corporations – If your water system is a Corporation (i.e. incorporated mutual water company), Limited Liability Company, or Limited Partnership, list your water system’s California Secretary of State Entity Number as well as your water system’s filing status with the California Secretary of State. Information relating to a Corporation’s, Limited Liability’s, Limited Partnership’s or Incorporated Mutual’s filing with the Secretary of State can be found at the following website: http://kepler.sos.ca.gov/.

5. Does the California Public Utility Commission (CPUC) regulate your system? – Indicate whether your water system is regulated by the CPUC. A list of all matters relating to your water system that are currently pending before the CPUC must be provided with your application for DWSRF funding (label as Attachment G3). Water systems regulated by the CPUC must obtain CPUC approval to enter into a funding agreement for DWSRF financing.

6. Names, titles and duties of key officers – Provide the name, title, and duties of key officers of the water system. If there are more than three individuals, submit an organization chart showing the names, titles, and the reporting relationship of all key persons involved with the operation of the water system (label as Attachment G4). The organization chart does not need to describe all personnel employed by the system, only those persons that have primary responsibilities for making decisions that affect the operation of the water system.

7. Is there any pending litigation? – Indicate if there is any litigation pending relative to the operation of the water system or the proposed project. If yes, submit a description of the litigation and the potential costs (label as Attachment G5).
8. **Is the applicant leasing land or major water system facilities?** – Indicate if the applicant is leasing land or any major water system facilities. If yes, describe the terms of the lease and submit a copy of the lease agreement (label as Attachment G6). If the lease is critical to the location or operation of the proposed project facilities, the term of the lease must be equal to or greater than the loan repayment period of the DWSRF financing.

9. **Include a general map of the service area/boundaries** (label as Attachment G7)

10. **[For Construction Projects Only] Does the applicant have a contract with a private firm or another agency?** – Indicate if the applicant has a contract with a private firm or another agency for the operation of the facility to be financed. If yes, indicate the name of the firm or agency and term (in years) of the agreement and submit a copy of the agreement (label as Attachment G8).

**CERTIFICATION AND SIGNATURE OF AUTHORIZED REPRESENTATIVE**

The authorized representative is the person who has the authority to sign and submit the application materials, certify compliance with applicable state and federal laws, execute the financial assistance agreement and amendments, and certify disbursement requests.

- Print the name and title of the authorized representative.
- Sign and date the application.

**Section VI – Attachments**

- G1 – Water Supply Permit and Enforcement Orders
- G2 – Ownership Documentation
- G3 – CPUC Documentation (if applicable)
- G4 – Organization Chart (if applicable)
- G5 – Pending Litigation (if applicable)
- G6 – Lease Agreement (if applicable)
- G7 – Service Area Map
- G8 – Operating Agreement (if applicable)
Technical Package (Planning)

Applicant (Entity) Name – Enter the entity that will be the legal signatory to a financing agreement.

Project Title – Enter the title of the project.

Contact Person and Phone – Enter the name and phone number of the day-to-day contact for the project. This person should be able to answer general questions about the project and application.

Section I – Technical Information

1. Describe the water system and its facilities. Include thorough details of source(s), storage, treatment, and the distribution system. Attach a schematic/map of the system which includes existing facilities (Attachment T1).

2. Describe the problem being addressed by the planning project and attach supporting documentation regarding the problem (Attachment T2).

3. Indicate if an analysis of alternatives has been completed. If yes, submit a copy of the analysis (Attachment T3).

4. Provide a scope that includes each task to be performed during the planning project (Attachment T4).

5. Certifications
   a) Certification for Compliance with Water Metering Form – Water Code sections 525 through 529.7 prohibit water purveyors, both agricultural and urban, from receiving State funds if metering requirements are not met. If you are an urban water supplier (i.e., supply to more than 3,000 customers or supplying more than 3,000 acre-feet annually), you must comply with this requirement. Please consult with your legal counsel and review sections 525 through 529.7 of the Water Code before completing this certification (Attachment T5a).
   
   b) Reserved – This is a placeholder. No attachment required.

6. Provide a copy a schematic/map of the proposed facilities if available (Attachment T6).

7. If available, provide an Engineering Report (Attachment T8).

8. If available, provide a copy of the professional engineering services contract for each engineering consultant contracted for the project. This agreement shall include, but not be limited to, the scope of work, cost, deliverable due dates, and a procedure for accommodating any additional services. If a contract has not been executed but a draft is available, please submit the draft copy (Attachment T9).

9. Provide a proposed eligible start date. The eligible start date establishes the date on or after which costs may be incurred and eligible for reimbursement. The State Water Board will not reimburse claims for work done prior to the eligible start date. The application only
reflects a proposed date. The State Water Board will finalize the eligible start date during the review process and include it in the financing agreement.

10. Provide an estimate of expenditures the water system will incur prior to reaching a financing agreement with the State Water Board. Only include costs for work that the entity intends to claim for reimbursement. These expenditures are not guaranteed for reimbursement. During the application review process, the State Water Board will determine when to establish the eligible start date.

Section II – Water Rights, Water Conservation and Urban Water Management

1. Describe the nature of the water rights applicable to your water source – Attach water rights documentation related to your water source associated to the project (Attachment T9). If you have questions regarding whether a petition is required you may contact Patricia Fernandez with the Division of Water Rights at (916) 319-9241 or pfernandez@waterboards.ca.gov.

2. Water Diversion Reporting – Check (✔) the box indicating if you are a water diverter in compliance with Water Code Section 5103. For information see: http://www.waterboards.ca.gov/waterrights/water_issues/programs/diversion_use/

Prior to the State Water Board’s approval of the project, specific water conservation and urban water management requirements must be achieved.

3. Water Conservation – Check (✔) the box indicating if you are a retail water supplier in compliance with the State Water Board’s emergency drought regulations at Section 863-865 of title 23 of the California Code of Regulations.

4. Urban Water Suppliers – Urban Water Suppliers (defined as a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes) must fulfill one of the following:

   ➢ Water Conservation Program (Attachment T10)

   ➢ Proof that you signed the “Memorandum of Understanding Regarding Urban Water Conservation in California” (Attachment T11)

   ➢ Proof that you submitted an Urban Water Management Plan (UWMP) to the Department of Water Resources (DWR) per Water Code Section 10653 (Attachment T12)
Attachment Checklist

✓ T1 – Schematic/Map of System and Facilities
✓ T2 – Supporting Documents of the Problem
✓ T3 – Analysis of Alternatives (if applicable)
✓ T4 – Scope of the Project (see outline in the Technical Package)
✓ T5a – Certification for Compliance with Water Metering Form
✓ T6 – Schematic/Map of the Proposed Facilities (if available)
✓ T7 – Engineering Report (if available)
✓ T8 – Contract for Professional Engineering Services (if available)
✓ T9 – Water Rights Documentation (if applicable)
✓ T10 – Water Conservation Program (if applicable)
✓ T11 – Memorandum of Understanding (if applicable)
✓ T12 – Urban Water Management Plan (if applicable)
Environmental Package (Planning)

Detailed information, including statutes and guidelines on the California Environmental Quality Act (CEQA), can be obtained at http://resources.ca.gov/ceqa/. A CEQA Process Flowchart that shows interaction points between lead and responsible agencies can be found at http://www.waterboards.ca.gov/water_issues/programs/grants_loans/docs/environmental_review/ceqa_process_flow_chart.pdf.

Applicant (Entity) Name – Enter the entity that will be the legal signatory to a financing agreement.

Project Title – Enter the title of the project.

Project Number – Enter the assigned DWSRF project number.

Contact Person and Phone – Enter the name and phone number of the day-to-day contact for the project. This person should be able to answer general questions about the project and application.

I. CEQA Status

1. Indicate if a CEQA document has been completed which identifies any portion of the planning project.

   If yes, submit the document name, lead agency approval date, and State Clearinghouse Number. Also attach a copy of the final document and the Notice of Exemption/Determination (Attachment E1).

2. Indicate if a CEQA lead agency has been identified for the planning project.
   (If the applicant is a public agency, then they are their own CEQA lead agency and must file a Notice of Exemption stating the water system will be utilizing Drinking Water State Revolving Funds to conduct a planning study.)

   If yes, list the CEQA lead agency and attach a copy of the Notice of Exemption that was filed at OPR and the County (Attachment E1).

Exemptions are described as:

- **Statutory** – no ground disturbing activities
  Feasibility and Planning Studies (CCR, Title 14, Article 18, Section 15262)

- **Categorical** – project includes pilot studies, test wells, grading boreholes, etc.
  Class 6, Information Collection (CCR, title 14, Article 19, Section 15306)
II. General Information

1. Describe any grading, excavation, pilot wells, or other ground-breaking activities that may be a part of the planning project. Include a parcel or project schematic map (Attachment E2).

2. List and describe any other related permits and/or other public approvals required including those requiring local or state approvals.

3. Indicate if the project is located in any of the designated areas listed.

4. Indicate if the project involves any of the listed unusual circumstances. For “yes” answers, discuss the possibility of significant environmental impact resulting from the unusual circumstance. Use attachments if necessary (Attachment E3).

Attachment Checklist

✓ E1 – CEQA Document (if applicable)
✓ E2 – Parcel or Project Schematic Map
✓ E3 – Unusual Circumstances (if applicable)
Financial Security Package (Planning)

Applicant (Entity) Name – Enter the entity that will be the legal signatory to a financing agreement.

Project Title – Enter the title of the project.

Contact Person and Phone – Enter the name and phone number of the day-to-day contact for the project. This person should be able to answer general questions about the project and application.

1. Amount of Assistance Requested

Estimate the planning project costs to be funded with State Water Board DWSRF funds. This amount should match the Amount of Assistance Requested in Section 1 of the General Information Package.

2. Other Project Funding Sources

Describe how the total project will be financed.

- Enter the name(s) and type(s) of all funding sources.
- Enter the amount of funds you expect to receive from each source.
- Check the appropriate box to indicate whether the other sources of financing have been applied for, approved by the funding agency, or received by the applicant.

Example:  
DWSRF financing $1,000,000  
USDA grant $ 500,000  
Applicant Agency portion $ 250,000

3. Current Year Median Household Income (MHI)

Enter the estimated MHI for the proposed project service area, using the most recent income survey. If an income survey is not available, MHI estimates may be found at the Census Bureau website at http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml#none. Enter “Median Household Income in the Past 12 Months” and the municipality name into the Quick Search box. If you cannot locate data for your community, you may contact the DWSRF at DrinkingWaterSRF@waterboards.ca.gov for additional assistance.

4a and 4b. Current Year Estimated Population Served

a. Enter the estimated population of the proposed project service area.
b. Place a check (✓) in the box if less than 50% of residences are permanently occupied.

5. Average current monthly residential water bill

Determine the average current monthly residential water bill. Do not include industrial and commercial users. If the water system uses a tiered water rate, the charge should reflect what a typical residential user pays. The bill should reflect direct water charges plus any other fees or charges that support the water service such as parcel fees, standby charges, water taxes,
and surcharges. Applicants must include the methodology and calculation used for determining the average residential rate.

6. Average monthly residential water bill for the prior three years

Determine the average current monthly residential water bill for the prior three years. Do not include industrial and commercial users. If the water system uses a “tiered” water rate, the charge should reflect what a typical residential user paid. The average water bill should reflect direct water charges plus any other charges that support the water service such as parcel fees, standby charges, water taxes, and surcharges. Applicants must include the methodology and calculation used for determining the average residential bill. Applicants must also give an explanation for any changes in the average water bill for the prior three years.

Attach the water rate structure covering the past three years for all consumers including commercial and industrial users (Attachment F1).

7. Average projected increase to the monthly residential water bill as a result of funding request

Calculate the projected increase to the monthly residential water bill as a result of the amount of funding requested. Estimate the portion of the eligible project cost that will be passed on to the consumers (this should be consistent with the Engineering Report). In calculating this projected cost, all related costs of the eligible project (do not include any ineligible project costs), including operation and maintenance costs, should be included. Planning financing has a 5-year repayment term. For example, during the calendar year 2014, the interest rate for conventional DWSRF financing is 2.085 percent; however, the interest rate will change January 1, 2015. Small water systems that serve a disadvantaged or severely disadvantaged community may assume a zero percent interest rate. All other water systems that serve a disadvantaged or non-disadvantaged community may assume the conventional DWSRF rate posted at http://www.waterboards.ca.gov/drinking_water/services/funding/SRF.shtml. If you are not certain whether your community qualifies as “disadvantaged” or “severely disadvantaged” then use the higher rate. Do not include anticipated increases in the water bill that are not related to the eligible portion of the DWSRF project (this will be included in the next item.) No DWSRF principal of forgiveness or grant funding should be assumed; however, grant funds from other agencies can be included in the calculation.

NOTE: The DWSRF Policy defines “disadvantaged” as a community whose MHI is equal to or less than 80% of the statewide MHI, and “severely disadvantaged” as a community whose MHI is equal to or less than 60% of the statewide MHI. For example, an entity qualifies as a disadvantaged community if the MHI of the service is equal to or less than $46,979 and severely disadvantaged community if the MHI of the service area is equal or less than $35,234. As part of the application review the State Water Board will determine the MHI for a water system.

The methodology and calculations for determining the cost impact of the financing should be shown on the Planning application. Add a separate page if necessary. The State Water Board will assume that project costs will affect residential and nonresidential water charges in a proportional manner to current costs. If this is not the case, please describe the reason for shifting the cost burden.
8. Discussion of Material Events, Material Obligation Conditions, and Any Debt Limit

Identify any current, prior, or pending material events such as bankruptcy, defaults, litigation, grand jury findings, unscheduled draws on reserve funds, substitution of insurers or their failure to perform, unscheduled draws on credit enhancements, actions taken in anticipation of filing Chapter 9, rating changes, relevant conditions in material obligations, and any local debt limit.

9. Water Rate Study

Indicate whether a water rate study has ever been performed on your water system as well as the date of the study and subsequent findings. If you respond yes, please describe the findings and actions taken by the water system’s governing body.

10. Projected monthly residential water bill for the next 3 years

Provide the total overall projected residential water bill for the next three years. Do not include the increase calculated in number 7 above. Include any ineligible project costs as well as non-project related water system costs that will be imposed on the residential users during the next three years. The methodology and calculations should be shown.

11. 5 Year revenue/expenditure projection

Attach a projected cost breakdown of the revenue and expenditure of the water system for the next five years (label as Attachment F2). See table below for example.

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<th>EXPENSES AND SOURCE OF FUNDS</th>
<th>YEAR</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tr>
<td>Annual operation and maintenance expenses</td>
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12. Identify and describe the dedicated revenue source

Describe and give the actual name of the funding source that the applicant plans to use for loan repayment/obligation satisfaction. DWSRF applicants are required to have a “dedicated” source of funds for loan repayment/obligation satisfaction. Prior to execution of the funding agreement, the applicant must submit a resolution or ordinance adopted by the governing board establishing the dedicated fund source.

13. Security

Identify what the applicant proposes to use as security for a loan, for example, assessments, stock, or property. If security is in the form of real property, provide an estimate of the value,
how the value was determined, and whether the property is already pledged as security for another loan.

**Attachment Checklist**

- **F1 - Water Rate Structure (3 years):** See guidance in item 6 above.

- **F2 - Revenue/Expenditure Projection (5 years):** See guidance in item 11 above.

- **F3 - Audited Financial Statements (3 years):** Provide COMPLETE audited financial statements for the most recent three years; or federal tax returns if applicant/water system is not required to complete audited financial statements. Refer to the schedule below:

<table>
<thead>
<tr>
<th>Application Date</th>
<th>Required Financial Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1st through June 30th</td>
<td>Most recent three years, including last Fiscal Year.</td>
</tr>
<tr>
<td></td>
<td><strong>Example:</strong> Application on March 1, 2014, requires Financial Statements for Fiscal Years 2010/11; 2011/12; and 2012/13</td>
</tr>
<tr>
<td>July 1st through December 31st</td>
<td>Most recent three years prior to current Fiscal Year.</td>
</tr>
<tr>
<td></td>
<td><strong>Example:</strong> Application on September 1, 2013, requires Financial Statements for Fiscal Years 2009/10; 2010/11; and 2011/12</td>
</tr>
</tbody>
</table>

Identify any restricted funds and the reason for the restrictions as well as all sources of security to be pledged. If using real property, provide at least two appraisals of the value, how the value was determined, and whether the property is currently pledged as security on any other debt.

- **F4a - Authorizing Resolution/Ordinance (for use by publicly owned entities):** This resolution or ordinance designates the Authorized Representative(s) for the project, who will have the authority to sign and submit the DWSRF application materials, certify compliance with applicable state and federal laws, execute the financial assistance agreement and amendments, and certify disbursement requests.

  - To minimize the potential for problems, use the exact language in the template resolution.

  - Enter the **title** of the Authorized Representative, NOT a person’s name.

  - Do not modify the words financing or financial assistance to other terms such as “loan”, “grant”, or “principal forgiveness”. Use of these terms will create legal complications; the terms “financing” and “financial assistance” are broad enough to be applicable to all of the above.

It is not necessary to specify the requested amount of financing. If you do specify an amount, to allow some flexibility, please specify the maximum anticipated amount of financing as follows: “Financial assistance shall not exceed $_____.”
✓ **F4b - Corporate Resolution to Apply, Borrow and Grant Security (for use by corporations):** This resolution designates the Authorized Representative(s) for the project, who will have the authority to sign and submit the DWSRF application materials, certify compliance with applicable state and federal laws, execute the financial assistance agreement and amendments, certify disbursement requests, grant security interest, and authorize State Water Resources Control Board to perform any acts necessary to perfect security.

- To minimize the potential for problems, use the exact language in the template resolution.
- Enter the title of the Authorized Representative, NOT a person’s name.

✓ **F4c – Other Entity Type:** If you are a limited partnership, general partnership, trust, or sole proprietor please contact the Division of Financial Assistance for guidance on the documentation required for designating an Authorized Representative.

✓ **F5 – Rate Adoption Resolution:** This is your most recent water rate adoption resolution.

✓ **F6 – Pledged Revenues and Fund(s) Resolution (PRF):** Federal law requires applicants to establish a dedicated source of revenue for repayment. An example of a PRF resolution is located in Appendix G of the DWSRF Policy. All publicly owned entities must submit a draft PRF resolution with their application. Once DFA has reviewed and approved a draft PRF resolution, a final adopted resolution will be required. A reserve fund will be required.

✓ **F7 – Related Debt:** Submit a schedule of all debt secured by the PRFs, along with a copy of each relevant debt document (e.g. loans, bond indentures, installment sale agreements, etc.). If there are any pending debts, provide draft or estimated information. This schedule will be an exhibit to the DWSRF financing agreement and will rank related debt according to priority in relation to the proposed DWSRF debt (senior, parity, or subordinate). If the applicant has no other debt (except other DWSRF debt), the Authorized Representative must provide a letter stating this. In most cases, the DWSRF debt will be on priority with related debt. Use the table at the end of the Financial Package.

✓ **F8 – Agreement for Operation of the Facility (if applicable)**

✓ **F9 – New Special Tax, Assessment District, or Service Change Projections (if applicable)**

✓ **F10 – Relevant Service, Management, Operating, or Joint Powers Agreements:** If applicable, provide a copy of any relevant, service, management, operating or joint powers agreements and any amendments (no template exists).

✓ **F11 – Future Capital Needs** (if applicable): The applicant should describe any capital improvement plans and the long-term indebtedness needed to fund its future capital improvements. The applicant must provide any formal CIP it has to the Division (no template exists).

✓ **F12 – Other Material Debt Documents** (if applicable): Attach complete copies of existing system debt (e.g. other loans, bond indentures, installment sale agreements, etc.).