



**STATE WATER RESOURCES CONTROL BOARD  
CLEAN WATER STATE REVOLVING FUND PROGRAM**

**TAX QUESTIONNAIRE**

<b>LEGAL NAME OF APPLICANT</b>	<b>Project Number</b>	<b>DATE/TIME RECEIVED BY Water Board</b>
CITY OF SAN CLEMENTE	C-06-4516-110	

**NAME AND LOCATION OF PROJECT**  
CITY OF SAN CLEMENTE RECYCLED WATER SYSTEM EXPANSION --CITY WIDE

*As used in this Tax Questionnaire, the term "Project" is the project that you described in the Financial Assistance Application submitted to the Water Board and constitutes those costs that will be funded by the Water Board under the Agreement. The phrase "Non-Governmental Entity" constitutes any person, partnership, corporation or other organization that is not organized as a state, city, county, school district, other special district or joint powers authority. The federal government is a Non-Governmental Entity.*

**Instructions:** Answer all questions and provide all information and documents requested. Begin typing in the shaded area and the space will enlarge to accommodate the information that is typed.

1. Briefly describe the Project, its functions and its principal components.  
Expansion of the City's existing recycled water treatment facilities, storage, and distribution systems to serve additional recycled water users in the City. The treatment facilities capacity will be increased from 2.2 mg to 4.4 mg, a new 2 mg reservoir and 8 miles of distribution pipelines will be constructed for expansion.

2. Indicate by principal components your current estimates of the costs of the Project, as follows:

a. Construction costs (SRF)	\$12.90 million
Const costs (Prop 50 grant)	\$3.6 million
Const costs (EPA grant)	\$0.5 million
b. Equipment costs	\$0
c. Rehabilitation or renovation of facilities	\$0
d. Site preparation costs	\$0
(Included in construction costs)	
e. Architectural/engineering, design and planning costs (Prop 50)	\$2.0 million
f. Engineering and administrative costs during construction(SRF)	\$0.75 million
g. Surveys	\$0
h. Legal fees	\$0
i. Financing costs	\$0
j. Commitment fees and deposits	\$0
k. Other costs (please specify): Local match for Prop 50 grant	\$0.4 million

Yes  No

3. Will any portion of the financing provided under the Agreement be used to refinance existing debt relating to the Project?

*(If yes, please identify the existing indebtedness to be refinanced, including its name, original issue date, par amount, purpose(s), whether it is immediately prepayable, and whether the interest on such existing debt is federally taxable or tax-exempt. State the amount of the Agreement that is expected to be used for refinancing purposes. Note that existing indebtedness includes all bonds, notes, leases or commercial paper issued by you relating to any portion of the Project.)*

4. Indicate the amount of Project costs that are expected to be paid within the following periods of time:

*(Please respond to this question using the expected initiation date of construction.)*

Project costs to be spent within 6 months:	\$5,950,000
Project costs to be spent within 12 months:	\$5,325,000
Project costs to be spent within 18 months:	\$5,325,000
Project costs to be spent within 24 months:	\$3,550,000
Project costs to be spent within 30 months:	\$
Project costs to be spent within 36 months:	\$
Project costs to be spent <i>beyond</i> 36 months:	\$

5. Please provide the dates of expected commencement and completion of construction of the Project.

Commence construction: February 2010

Complete construction : February 2012

Yes  No

6. Have any costs of the Project been paid prior to the date hereof?

*(For each Project cost that has been previously paid, provide an itemization of the (i) amount, (ii) purpose, (iii) date paid, and (iv) source of payment of such cost, e.g., revenue, Federal or State grants, other financing, or internal loan.)*

Project planning, environmental documentation and engineering design costs are being paid and planned for reimbursed from the State Proposition 50 grant (estimated up to \$2 million) and with the City's Sewer and Water Funds.

Yes  No  Not Applicable

7. If you answered "yes" to Question 6 above, have you at any time adopted a resolution or other official action (e.g., a so-called "reimbursement resolution") relating to your intent to finance the Project with financial assistance from the WATER BOARD or other indebtedness?

*(If yes, please identify the date of such resolution or other document and attach a copy.)*

Yes  No

8. Will any portion of the financing provided under the Agreement be used to pay administrative or engineering expenses directly relating to the construction of the Project?

*(If yes, please state the amount expected to be so used and provide details as to its calculation (e.g., based on actual costs or a percentage of construction).)*

An estimated \$0.75 million of the financing provided under the agreement is estimated to be used to pay administrative and engineering expenses (construction management, inspections, and quality assurance testing) during construction.

Yes  No  Not Applicable

9. If you answered "yes" to Question 8 above, will any portion of the financing provided under the Agreement be used to pay administrative or engineering expenses incurred by the applicant's staff?

*(If yes, please state the amount expected to be so used and provide details of the work performed.)*

Staff will provide overall project administration and also provide engineering design, construction management and construction inspection services for some of the facilities (e.g. distribution pipelines). The estimated amount for these expenses is about \$400,000 (2% of the project cost).

Yes  No  Not Applicable

10. If you answered "yes" to Question 9 above, will the charges to be reimbursed be tracked by an accounting system, such as a cost accounting system, that will allow them to be differentiated from other charges for other work done by the applicant's staff?

*(If yes, please specify how charges will be tracked.)*

Yes  No

11. Do you anticipate any Non-Governmental Entity owning any portion of the Project at any time?

*(If yes, identify the Non-Governmental Entity and provide all available details with respect to its ownership interest.)*

Yes  No

12. Do you anticipate any Non-Governmental Entity contracting to operate, manage or provide any exclusive services with respect to the Project at any time?

*(If yes, please identify the Non-Governmental Entity and explain the arrangement. If an operations, management or exclusive services contract currently exists, attach a copy. Contracts that relate solely to services that are merely incidental to the primary use of the Project need not be listed. Examples of incidental services are contracts for janitorial services, office equipment repairs or billing services. If you are uncertain as to whether the contract is incidental or not, please describe the contract and the services provided thereunder.)*

Yes  No

13. Will the Project provide recycled water or wastewater services to non-governmental entities other than on the basis of standard rates and charges?

*(If there are any non-standard rates and charges, describe the rate structure focusing on any special rate agreements or charges for specific entities. An example of a non-standard rate is a large industrial user paying a flat fee in a system where the other users pay a rate based on usage.)*

Yes  No

14. Do you anticipate any Non-Governmental Entity having special priority rights or other preferential rights to use the service provided by the Project?

*(If yes, identify the Non-Governmental Entity and describe the special priority or preferential right(s).)*

Yes  No

15. Will the entire Project be available for use by the general public?

*(If no, please explain and describe the portion of the Project that will not be available for use by the general public. For example, municipal water and wastewater systems used for residential, commercial, governmental and business purposes are available for use by the general public; a specialized pollution control facility immediately adjacent to a private business that is the sole user of the facility is not available for use by the general public.)*

Yes  No

16. Will any Non-Governmental Entity guaranty or otherwise be directly obligated to repay the financial assistance provided under the Agreement?

*(If yes, identify the Non-Governmental Entity and describe the guaranty arrangement therewith.)*

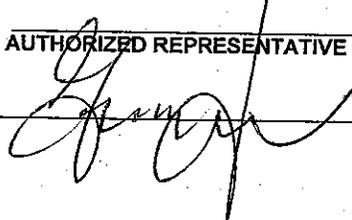
### APPLICANT ACKNOWLEDGEMENT AND SIGNATURE

I hereby certify that I am an authorized representative of the Applicant, and that I am authorized by the Applicant to execute this Tax Questionnaire. I am charged with the responsibility to perform such acts as are necessary and proper for the financing, construction, acquisition and/or improvement of the Project, and am acting for and on behalf of the Applicant in executing this Tax Questionnaire. I certify that I am familiar with the Project and that all information contained herein is true, correct and complete to the best of my knowledge. I am not aware of any facts or circumstances that would cause me to question the accuracy or reasonableness of any information contained in these responses or attached documentation. I understand that the foregoing information and attached documentation will be relied upon by the Water Board and their counsel, in providing financing with respect to the Project.

AUTHORIZED REPRESENTATIVE SIGNATURE

PRINT NAME AND TITLE

DATE



George Scarborough, City Manager

2/13/04