**Section 664.APPENDIX B Loan Application Form**

**Applicant Information**

|  |  |
| --- | --- |
| L17# |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. | Legal Name of Applicant: | | | | | | | | |  | | | |
| 2. | Applicant Address: | | | | | |  | | | | | | |
|  | | | | | | | | | | | |
| Project Description: | | | | | | |  | | | | | |
|  | | | | | | | | | | | |
| Federal Taxpayer Identification Number: | | | | | | | | | |  | | |
|  | | | Home Rule | | |  | | Non-Home Rule | | | | | |
| 3. | Authorized Representative: | | | | | | | | | | |  |  |
| Name: | | | |  | | | | | | | Title: |  |
| Phone: | | | |  | | | | | | | Email: |  |
| 4. | Engineer: | | | | | | | | | | |  |  |
| Name: | | | | |  | | | | | | Firm: |  |
| Address: | | | | |  | | | | | | Phone: |  |
|  | | | | | | | | | Email: |  |
| 5. | Attorney: | | | | | | | | | | |  |  |
| Name: | | | | |  | | | | | | Firm: |  |
| Address: | | | | |  | | | | | | Phone: |  |
|  | | | | | | | | | Email: |  |

6. Include detailed construction cost estimate in bid format as part of this application and summarize below:

|  |  |
| --- | --- |
| Construction | $ |
|  | $ |
|  | $ |
| Legal/Financial | $ |
| Design Engineering | $ |
| Construction Engineering | $ |
| Other | $ |
| Contingency | $ |
| Total | $ |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 7. | Amount requested for loan $ | | | | | |  | | | | | | | | | |
| 8. | Loan repayment period requested (maximum term is 20 years): | | | | | | | | | | | | |  | | |
|  |  | | 20 Years | | | | | | | | | | | | | |
|  |  | | Other (\_\_\_\_\_number of years) | | | | | | | | | | | | | |
| 9. | List any other proposed sources of funding in addition to loan request: | | | | | | | | | | | | | | |  |
| Source: | | |  | | | | | | | Amount: | |  | | | |
| Date Available: | | | |  | | | | | | |  | | | | |
| 10. | Project Schedule (Indicate "complete" or anticipated date of completion as appropriate) | | | | | | | | | | | | | | | |
|  | a) | Approved Project Planning: | | | | | | | |  | | | | | | |
|  | b) | Plans and Specifications completed and submitted to Illinois EPA: | | | | | | | | | | | | |  | |
|  | | |  | | | | | | | | | | | | | |
|  | c) | Illinois EPA Permit issued: | | | | | | |  | | | | | | | |
|  | d) | Approved Operation, Maintenance and Replacement Revenue System and Dedicated | | | | | | | | | | | | | | |
|  |  | Source of Revenue: | | | |  | | | | | | | | | | |
|  | e) | Advertise for Bids: | | | |  | | | | | | | | | | |
|  | f) | Initiation of Construction: | | | | | |  | | | | | | | | |
|  | g) | Completion of Construction: | | | | | | | |  | | | | | | |

**CERTIFICATION REGARDING PROJECT SITE,**

**RIGHTS-OF-WAY, EASEMENTS, AND PERMITS**

1. The applicant has investigated and ascertained the location of the site or sites, rights-of-way, and easements being provided for the facilities in its application for loan assistance. In my opinion, the applicant has a sufficient legal interest in the said site or sites, rights-of-way, and easements to permit the building of such facilities thereon and to permit the operation and maintenance of such facilities thereon during the estimated life of the facility by the applicant after the completion of construction.

2. The loan applicant has compiled with the provisions of 49 CFR 24 as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (42 USC 4601 et seq.).

3. The loan applicant has obtained all the necessary permits as indicated below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Type of Permit |  | Permit Number |  | Date Issued |
|  |  |  |  |  |
| Army Corps of Eng. 404 |  |  |  |  |
|  |  |  |  |  |
| IL Dept. of Trans. |  |  |  |  |
|  |  |  |  |  |
| County Highway |  |  |  |  |
|  |  |  |  |  |
| Other |  |  |  |  |

**Loan Program Certifications**

• Whereas, the application provisions for loans from the Public Water Supply Loan Program require that the loan applicant provide the following certifications and assurances:

The loan applicant hereby agrees to pay all project costs not covered by the loan. If the project costs provided by the applicant exceed $10,000, please provide the following information:

|  |  |  |
| --- | --- | --- |
| Amount to be provided by applicant $ | |  |
| Source of funds |  | | |

• The loan applicant hereby certifies that is has analyzed the costs and the financial impacts of the proposed project and that it has the legal, institutional, managerial and financial capability to insure adequate building, operation, maintenance and replacement of the treatment works project.

• The loan applicant hereby certifies that no unlawful or corrupt practice has taken place in the planning or design of the proposed project.

• The loan applicant hereby certifies that it has complied with all applicable State and federal statutory and regulatory requirements in regard to the proposed project.

• The loan applicant hereby certifies that it is not barred from being awarded a contract or subcontract under Section 10.1 of the Illinois Purchasing Act.

**Certification Regarding Debarment, Suspension and Other Responsibility Matters**

The prospective participant to the best of its knowledge and belief that it and its principals:

a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in fine of up to $10,000 or imprisonment for up to 5 years, or both.

**INTENT REGARDING NATIONAL FLOOD INSURANCE**

Whereas application provisions for loans from the Public Water Supply Loan Program require compliance with the National Flood Insurance Act 1968, as amended, and

Whereas the costs of securing and maintaining flood insurance are eligible for loan participation during the approved construction period, and

Whereas failure to secure flood insurance for eligible construction located in designated flood hazard areas will cause this construction to become ineligible for loan funds:

|  |  |  |  |
| --- | --- | --- | --- |
| Now therefore, be it resolved that the |  | of |  |
| will cooperate and coordinate with the National Flood Insurance Program to acquire and | | | |
| maintain any flood insurance made available for Project L17# | | |  |
| for the entire useful life of the insurable construction pursuant to the Flood Insurance Act of 1968, as amended, and that it will secure said flood insurance for each insurable structure, as soon as said insurance is available and will notify the Illinois Environmental Protection Agency in writing that the National Flood Insurance requirement has been satisfied. | | | |

**AUTHORIZATION OF A REPRESENTATIVE TO SIGN LOAN DOCUMENTS**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Whereas, application provisions for loans from the Public Water Supply Loan Program for | | | | | | | | | | |
| construction of public water supply facilities require that the | | | | | |  | | of | |  |
|  | authorize a representative to sign the loan application forms and supporting | | | | | | | | |
| documents; therefore, be it resolved by the | | | |  | | | of | |  | |
|  | that |  | | is hereby authorized to sign all loan | | | | | |
| application forms and documents. | | | | | | | | | | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| I, |  | | | | hereby verify that the above information is, to the best of my | |
| knowledge, true and correct. | | | | | | |
| Date: | | |  | Signed by: | |  |
|  | |  | | | | (Authorized Representative) |
|  | |  | | Title: | |  |
|  | |  | | Attested by: | |  |

**Financial Information**

**Requirements**

Prior to issuance of a loan agreement, the applicant must demonstrate to the Agency that it possesses the necessary technical, legal, financial, managerial and institutional capability to construct, operate and maintain the project for the life of the facility and to retire the loan in accordance with the schedule to be contained in the loan agreement. The applicant must provide sufficient information for the Agency to determine that the applicant is financially capable and has pledged a dedicated revenue source that is adequate to retire the debt and meet any covenants and requirements in the loan agreement. The applicant also must demonstrate that an Operation, Maintenance and Replacement (OM&R) Revenue System has been developed that generates adequate revenues to cover OM&R costs. This can be accomplished by the development and the enactment of a new OM&R Revenue System or the demonstration that a system previously approved by the Agency has been adequately maintained, is being enforced, and will continue to produce adequate revenues.

In order to provide guidance to potential loan recipients, this brief summary of the loan rules, review procedures, and the information that must be submitted for the Agency's review is being provided along with the attached checklist.

Financial Capability

The Agency requires that the applicant demonstrate that it has the legal, financial, managerial and institutional capability to construct, operate and maintain the project for the life of the public water supply facilities and to retire the loan. The applicant must also demonstrate the ability to meet any covenants contained in the loan agreement.

The Agency's review will be conducted using items submitted as part of the loan application including our review of the Dedicated Source of Revenue and the OM&R Revenue System. In addition, applicants must furnish the last fiscal year's audited financial statements. If we are unable to determine that the applicant is financially capable, the Agency may require additional financial data be submitted.

Dedicated Source of Revenue

The Agency requires that specific sources of revenue must be dedicated and pledged to make the loan repayments. Prior to the Agency's approval of the dedicated source of revenue, the applicant must demonstrate that the revenue source will generate adequate revenues to make loan repayments for the term of the loan. The term of the loan will be specified in the loan agreement but shall not exceed 20 years from the initiation of operation date contained in the loan agreement. Additional points that must be considered during the development of the dedicated source of revenue are:

• The dedicated source of revenue is usually pledged by the loan applicant in the form of an adopted ordinance that pledges a specific and dedicated source of revenue for repayment of the loan. The adopted ordinance will in most cases pledge a very stable source of revenue, such as revenues of the system, in the form of a revenue bond. General obligation and alternate bond ordinances are also acceptable.

• In the case of revenue bonds, the Agency requires that debt service coverage requirements for the IEPA loan be equal to any outstanding senior debt that is payable from revenues of the system. If a water service charge is used, the water rate and rate ordinance must be adopted prior to the first disbursement. State law requires a 1.25 x coverage test for alternate bonds, and parity revenue bonds must also meet the covenants made to outstanding investors.

• The Agency requires that the applicant furnish a legal opinion concerning the acceptability of the ordinance and other elements of the debt instrument selected for repayment of the loan. This opinion must address the validity and enforceability of the loan recipient's obligations and the absence of conflicts with other agreements, bonds or ordinances. Retention of bond counsel is optional.

OM&R Revenue System

The applicant's OM&R Revenue System must generate adequate revenues to cover OM&R costs.

If the applicant has a previously approved OM&R Revenue System, the Agency will review the system to ascertain that the system was enacted and has been maintained in accordance with the previous approval and will produce adequate revenues.

|  |  |
| --- | --- |
| Applicant: |  |
| L17#: |  |

**FINANCIAL INFORMATION CHECKLIST**

Please answer or submit information indicated, as appropriate.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| A. | Dedicated source of revenue | | | | | | | | | | | | | | |
|  | 1. |  | Home Rule | | | |  | Non-Home Rule | | | | | | | |
|  | 2. | Type of loan instrument | | | | | | | | | | | | | |
|  |  | a. |  | General Obligation Debt | | | | | | | | | | | |
|  |  | b. |  | Alternate (double barreled) bonds with property tax levy that pledges an | | | | | | | | | | | |
|  |  |  | | alternate revenue source of | | | | | | |  | | | | |
|  |  | c. | Water | | | Sewer | | | | Combined System Revenues − Senior Lien | | | | | |
|  |  | d. | Water | | | Sewer | | | | Combined System Revenues − Subordinate Lien | | | | | |
|  | 3. | Authority of applicant to issue debt | | | | | | | | | | | | | |
|  |  | a. |  | | Home rule powers | | | | | | | | | | |
|  |  | b. |  | | Specific authorizing statute: | | | | | | |  | ILCS |  |  |
|  |  | c. |  | | Other (specify) | | | |  | | | | | | |

4. Copy of certified ordinance authorizing debt must be submitted along with existing ordinances if a subordinate lien is proposed. If this is a subordinate lien, the certified ordinance authorizing debt must have provisions for equivalent accounts and coverage.

5. Signed legal opinion with respect to the validity and enforceability of the applicant's obligations (bond ordinance) and the absence of conflicts with other agreements, bonds or ordinances.

6. A detailed demonstration that the dedicated source of revenue will provide adequate revenues to repay the loan in accordance with the terms of the loan agreement, including meeting any covenants and requirements in the loan agreement.

7. Last fiscal year's audited annual statement.

8. Are other entities substantially benefiting (greater than 5%) from the project?

|  |  |  |  |
| --- | --- | --- | --- |
|  | Yes |  | No |

9. Submit copies of any service agreement with any substantial beneficiary.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Attached |  | N/A |

**EITHER**

B. OM&R Revenue (assuming that an Agency approved revenue system is not in existence)

1. Submission of a detailed Operation, Maintenance and Replacement (OM&R) budget.

2. Calculations to demonstrate how the rates, if applicable, are calculated. The rates should be expressed in cost per unit of usage (i.e., 1,000 gallons, 100 cubic feet, as appropriate).

3. Proposed rate ordinances, if applicable.

**OR**

C. Supplemental Review (assuming that an Agency approved revenue system is in existence)

1. Submit a copy of the ordinances originally approved.

2. Submit any amendments made to the ordinances since their approval.

3. Is the OM&R Revenue System generating sufficient revenue to recover the Operation, Maintenance and Replacement Costs?  Yes  No

If answered No, what corrective action is being taken?

4. Is the water rate ordinance, if applicable, being enforced?  Yes  No

If answered No, please explain.

5. Is an annual review of the revenue source being performed?

Yes  No

If answered No, please explain.

6. Will the project result in substantial changes to the costs for Operation, Maintenance and Replacement?  Yes  No

7. If #6 is answered yes, please submit a proposed budget for the first year OM&R costs and a review of the revenue source or sources, along with appropriate revisions to the rate ordinance, if applicable.

I hereby certify that the above information is, to the best of my knowledge, true and accurate.

|  |  |  |
| --- | --- | --- |
| (Authorized Representative) |  | (Date) |
| (Clerk) |  | (Date) |