STATE WATER RESOURCES CONTROL BOARD
Division of Financial Assistance
P. O. Box 944212, Sacramento, CA 94244-2120

Financial Security Package Instructions

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

Proposed Security – Enter the revenues and fund(s) you will use to repay the DWSRF financing.

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 financial questions about the project and application.

1. Financing Amount Requested

Estimate the 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. Term Requested

Indicate the financing term you are requesting: 20-year, 30-year or 40-year (if eligible).

3. 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.
- ✓ Submit copies of other funding sources commitment or debt documents.

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

4. Current Year Median Household Income: Determination by Division

Enter the estimated Median Household Income (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 Division at DrinkingWaterSRF@waterboards.ca.gov for additional assistance. **MHI determinations are considered preliminary and will be finalized once the complete application is reviewed.**

5. Current Year Estimated Population Served

Enter the estimated population of the water system service area.

6. Active Service Connections

If active water service connections are currently and directly served by the water system, enter the following for each applicable connection type:

- ✓ Number of active water service connections that are currently and directly served by the water system
- ✓ Projected average monthly service charge that will be in place after the proposed project is completed
- ✓ Average monthly billing for the last 12 months

Rate increase effective date for projected monthly service charges – Enter the estimated date that the projected monthly service charges will go into effect (if unknown, assume one year after construction completion).

7. Projected Annual Operations and Maintenance Costs

Enter the estimated annual costs to operate and fully maintain the proposed project after it is complete. Operations and maintenance costs include staff salaries, chemicals, utilities, warranties, routine repair and replacement, laboratory services, billing and collection and life-cycle costs. The consulting engineer should have included these costs in the Engineering Report. (Attachment T1).

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 submit a complete copy of the Water Rate Study.

ATTACHMENTS

F1- **Audited Financial Statements:** Provide COMPLETE audited financial statements for the most-recent three fiscal years. If the applicant is not required to complete audited financial statements, the applicant should provide the three most-recent years of Federal and State tax returns.

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.

F2 - **Budget Projections (Revenue/Expense):** Provide projections for at least the next two fiscal years.

Sample of Projections

Operating Revenue	Projections 2020/21	Projections 2021/22
Water Sales	$2,552,866	$2,680,509
Utility Billing Charges	$830,000	$871,500
Water Discharge Fee	$15,000	$15,750
Connection Fees	$475,000	$498,750
Other Income	$25,000	$26,250
Other Non-Operating Revenue		
Interest Income	$7,000	$7,350
Property Tax	$1,200,300	$1,260,315
Other Misc. Income	$2,000	$2,100
Total Revenue	**$5,107,166**	**$5,362,524**
Operating Expenses		
Salaries	$1,500,000	$1,575,000
Water Purchases	$1,200,000	$1,260,000
Operating Supplies	$500,000	$525,000
Repair and Maintenance	$78,000	$81,900
Professional Fees	$30,000	$31,500
Legal	$20,000	$21,000
Lease/Rents	$950,000	$997,500
Utility Billing Service	$300,000	$315,000
Total Operating Expenses	**$4,578,000**	**$4,806,900**
Net Revenue	**$529,166**	**$555,624**
Existing Debt Service	$93,000	$93,000
Total Net Revenue after Debt Service	**$436,166**	**$462,624**

F3 – **Tax Questionnaire: To be completed and submitted with an application for all loan projects (except for privately-owned entities).** The Tax Questionnaire provides basic information about project costs, accounting, and who will own and operate the project. The applicant's response to the Tax Questionnaire and Reimbursement Resolution (below) are reviewed by the State Water Board's DWSRF tax attorney to determine whether the applicant is eligible to receive funds from tax-exempt revenue bond sales. This item is not required if the applicant is applying for 100% percent grant/principal forgiveness funding.

F4 – **Reimbursement Resolution:** All loan applicants that are publicly-owned entities are required to submit an adopted Reimbursement Resolution for review by the DWSRF tax attorney. The language may not vary from the language provided in the template. The Reimbursement Resolution should be a stand-alone resolution. This item is not required if the applicant is applying for 100% percent grant/principal forgiveness funding.

F5a – **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.

F5b – **Corporate Resolution to Apply, Borrow and Grant Security (for use by private applicants):** 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.

F5c –**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.

F6 – **Rate Adoption Resolution, Copy of Rates, and Public Notice of Proposition 218 Meeting:** Attach a copy of the most recent board resolution, ordinance, or similar document which approved the rates currently in place, a copy of the rates, and a copy of the Proposition 218 pubic meeting notice.

F7 – **Schedule of Related Debt and Debt Document Copies:** Submit a schedule of all material debt secured by the Pledged Revenues and Fund(s), along with a copy of each relevant debt document (e.g., loans, private placements, 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 tier). 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 parity with related debt.

F8- **Debt Management Policy:** Applicant needs to submit a copy of their debt management policy. Guidance on Complying with SB 1029 Release Date: December 28, 2016- http://www.treasurer.ca.gov/cdiac/sb1029/guidance.pdf (not applicable if 100% grant/principal forgiveness funding).

F9 – **New Special Tax, Assessment District, or service charge projections:** If applicable, provide budget projections based on proposed taxes, fees, charges or assessments *(No template exists).* Label the projections as Attachment F9.

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).* Label the agreement as Attachment F10.

F11 - **District Certification of Interim Report** (*For School Districts Only*): School Districts should provide a complete copy of their most-recent District Certification of Interim Report, including the signed Criteria and Standards Review Section.

FINANCIAL SECURITY PACKAGE (CONSTRUCTION)

Applicant (Entity) Legal Name:	
Pledged Revenues And Fund(s) For The Project:	
Project Title:	
Contact Person:	**Phone:**

1. Amount of Assistance Requested: $

2. Term Requested: ☐ **20-Year** ☐ **30-Year** ☐ **40-Year (If Eligible)**

3. Other Project Funding Sources

Name and Type of Funding Sources	Amount	Applied	Approved	Received
	$			
	$			
	$			

4. Current Year Median Household Income: $

5a. Current Year Estimated Population Served:

5b. Current Year Estimated Number of Residences:

5c. Current Year Estimated Number of Permanently Occupied Residences:
(Only required if applying for grant funding/principal forgiveness)

6. Active Service Connections ☐ **Not Applicable**

Service Connection Type	Number of Service Connections	Average Monthly Billing (Last 12 months) Per Connection
Residential		$
Commercial		$
Industrial		$
Other		$
TOTAL		$

Rate increase effective date for projected monthly service charges:

7. Projected Annual Operations and Maintenance Costs, Including amortized replacement costs (upon completion):	$

8. Discussion of Material Events, Material Obligation Conditions, and Any Debt Limit
Identify any current prior 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. Rate Study
Has a rate study been conducted for your system? ☐ Yes ☐ No
If **yes**, please submit a complete copy of the Rate Study.

10. Debt Management Policy
Please provide a copy of your Debt Management Policy (If Applicable).

ATTACHMENTS (Check the box next to each item attached to your application.)

- ☐ **F1 – AUDITED FINANCIAL STATEMENTS OR TAX RETURNS (3 Years)**
- ☐ **F2 – BUDGET PROJECTIONS (REVENUE/EXPENSE) (2 years – or more if needed) (See Sample in Application Instructions)**
- ☐ **F3 – TAX QUESTIONNAIRE**
- ☐ **F4 – REIMBURSEMENT RESOLUTION**
- ☐ **F5a – AUTHORIZING RESOLUTION**
- **F5b – CORPORATE RESOLUTION**
- ☐ **F5c – OTHER ENTITY TYPE**
- **F6 – RATE ADOPTION RESOLUTION, COPY OF RATES, AND PUBLIC NOTICE OF PROPOSITION 218 MEETING**
- ☐ **F7 – SCHEDULE OF ALL MATERIAL DEBT OR NO DEBT LETTER (See Application Instructions)**
- **F8 – DEBT MANAGEMENT POLICY (If Applicable)**
- ☐ **F9 – NEW SPECIAL TAX, ASSESSMENT DISTRICT, OR SERVICE CHARGE PROJECTIONS (If Applicable)**
- ☐ **F10 – RELEVANT SERVICE, MANAGEMENT, OPERATING, OR JOINT POWERS AGREEMENTS (If Applicable)**
- ☐ **F11 – SCHOOL DISTRICT CERTIFICATION OF INTERIM REPORT (If Applicable)**

STATE WATER RESOURCES CONTROL BOARD
STATE REVOLVING FUND PROGRAM
TAX QUESTIONNAIRE (Version April 2025)

LEGAL NAME OF APPLICANT	State Use Only: Project No.	DATE/TIME REC'D BY SWRCB

<u>Instructions</u>: Answer all 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. In lieu of typing in the shaded areas for any question, a separate page may be attached to this Tax Questionnaire or an electronic file in Word format may be attached.

<u>Certain Definitions</u>: As used in this Tax Questionnaire, "Project" means the facilities and/or capital improvements that you described in the Financial Assistance Application submitted to the State Water Board and constitutes those costs that will be funded by the State Water Board under the Financing Agreement (a template Financing Agreement can be found on the State Water Board's website), "Governmental Entity" means a state, city, county, town, public school district, other special district or joint powers authority, and "Non-Governmental Entity" means any person, partnership, corporation or other organization that is not organized as a state, city, county, town, public school district, other special district or joint powers authority. The federal government constitutes a Non-Governmental Entity. A Section 501(c)(3) organization constitutes a Non-Governmental Entity.

1. Briefly describe the Project, its functions and its principal components.

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

a. Construction costs .... $
b. Equipment costs .... $
c. Land Purchase .... $
d. Rehabilitation or renovation of facilities .... $
e. Site preparation costs .... $
f. Architectural/engineering, design and planning costs .... $
g. Engineering and administrative costs during construction .... $
h. Surveys .... $
i. Legal fees .... $
j. Financing costs .... $
k. Commitment fees and deposits .... $
l. Other construction costs (please specify) .... $
m. Other planning/design costs (please specify) .... $

3. Will any portion of the financing provided under the Financing Agreement be used to <u>refinance</u> other debt(s) (*e.g.*, including any bonds, notes, leases or commercial paper) relating to the Project?

☐ Yes ☐ No ☐ Not Applicable

4. If you answered "yes" to Question #3, please state the amount of financing provided under the Financing Agreement that is expected to be used for refinancing purposes.

$

5. **If you answered “yes” to Question #3, please specify the date(s) on which the financing provided under the Financing Agreement will be used to redeem other debt(s) relating to the Project.**

6. **If you answered “yes” to Question #3, please provide the following information:**

   a. Name of the existing indebtedness to be refinanced:
   b. Issue date of the existing indebtedness:
   c. Par amount of the existing indebtedness:
   d. Purpose(s) of the existing indebtedness:
   e. Whether the existing indebtedness is immediately prepayable:
   f. Whether the interest on the existing indebtedness is federally taxable or tax-exempt:

7. **If you answered “yes” to Question #3, are any proceeds of the other debt(s) relating to the Project still unspent?**

   ☐ Yes ☐ No ☐ Not Applicable

   If yes, please identify the amounts and the funds or accounts in which such proceeds are on deposit.

8. **If you answered “yes” to Question #3, was the other debt(s) to be refinanced with the financing provided under the Financing Agreement used to refinance other prior debt(s) relating to the Project?**

   ☐ Yes ☐ No ☐ Not Applicable

   If yes, please provide the name of the original indebtedness, the issue date of the original indebtedness, the par amount of the original indebtedness, the purpose(s) of the original indebtedness, and whether the interest on the original indebtedness was federally taxable or tax-exempt.

9. **Will any portion of the financing provided under the Financing Agreement be used for <u>new financing</u> of the Project?**

   ☐ Yes ☐ No ☐ Not Applicable

10. **If you answered “yes” to Question #9, please provide the dates of expected commencement and completion of construction of the Project.**

    Expected Commencement Date of Project: ....

    Expected Completion Date of Project: ....

11. **If you answered “yes” to Question #9, please state the amount of the financing provided under the Financing Agreement that is expected to be used for new financing purposes. If you answered “no” to Question #9, skip to Question #18 below.**

    $

12. **If you answered “yes” to Question #9, please state the amount of Project costs to be <u>newly financed</u> under the Financing Agreement 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...$

    Project costs to be spent within 12 months (cumulative)...$

    Project costs to be spent within 18 months (cumulative)...$

    Project costs to be spent within 24 months (cumulative)...$

    Project costs to be spent within 30 months (cumulative)...$

    Project costs to be spent within 36 months (cumulative)...$

    Project costs to be spent *beyond* 36 months (cumulative) ....$

13. If you answered "yes" to Question #9, have you paid any costs of the Project prior to the date hereof?

☐ Yes ☐ No ☐ Not Applicable

For each Project cost that has been previously paid, please provide an itemization of the following:

a. Amount of the payment ....

b. Purpose of the payment..

c. Date of the Payment..

d. Source of payment of such cost (*e.g.*, revenue, federal or state grants, other financing, internal loan)...

14. If you answered "yes" to Question #13, 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 State Water Board or other indebtedness?

☐ Yes ☐ No ☐ Not Applicable

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

15. If you answered "yes" to Question #9, will any portion of the financing provided under the Financing Agreement be used to pay administrative or engineering expenses directly relating to the construction of the Project?

☐ Yes ☐ No ☐ Not Applicable

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).

16. If you answered "yes" to Question #15, will any portion of the administrative or engineering expenses directly relating to the construction of the Project be incurred by the staff of the Applicant?

☐ Yes ☐ No ☐ Not Applicable

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).

17. If you answered "yes" to Question #16, will the administrative or engineering expenses directly relating to the construction of the Project 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?

☐ Yes ☐ No ☐ Not Applicable

If yes, please specify how charges will be tracked.

18. Does any Non-Governmental Entity own, or do you anticipate any Non-Governmental Entity owning, any portion of the Project at any time during the term of the financing?

☐ Yes ☐ No

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

19. Does any Non-Governmental Entity lease, or do you anticipate any Non-Governmental Entity leasing, any portion of the Project at any time during the term of the financing? ☐ Yes ☐ No If yes, identify the Non-Governmental Entity and provide all available details with respect to its lease interest.
20. Have you entered, or do you anticipate entering, into any inter-municipal contract or agreement(s) with any Governmental Entity with respect to the Project (or any portion of the Project) during the term of the financing? ☐ Yes ☐ No If yes, please describe the purpose of each such agreement, and attach a copy of any existing or contemplated agreement.
21. Have you entered, or do you anticipate entering, into any contract or agreement with any Non-Governmental Entity contracting to operate, manage or provide any exclusive services with respect to the Project (or any portion of the Project) during the term of the financing? ☐ Yes ☐ No If yes, please identify the Non-Governmental Entity and explain the arrangement. <u>If an operations, management or exclusive services contract currently exists, please attach a copy</u>. 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.
22. Does the Project provide, or do you anticipate the Project providing, water or wastewater services to any Non-Governmental Entity other than on the basis of standard rates and charges which are generally applicable and uniformly applied and are adjusted from time to time by the Applicant? ☐ Yes ☐ No If there are or will be 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 an industrial user paying a flat fee in a system where the other users pay a rate based on usage.
23. Does any Non-Governmental Entity have, or do you anticipate any Non-Governmental Entity having, special priority rights or other preferential rights to use the Project or the services of the Project pursuant to any contractual or other arrangement? ☐ Yes ☐ No If yes, please identify the Non-Governmental Entity, and describe the special priority or preferential right(s).
24. Are the functions and services of the entire Project available, and do you expect the functions and services of the entire Project will be available for use by the general public on a first-come, first-served basis? ☐ Yes ☐ No If no, please explain and describe the portion of the Project that is not, or 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.

25. Have you entered, or do you anticipate entering, into a “take” or “take-or-pay” contract with any Non-Governmental Entity for use of any portion of the Project or the services of the Project?

☐ Yes ☐ No ☐ Not Applicable

If yes, please identify the Non-Governmental Entity, and describe the arrangement therewith. <u>If a take or a take-or-pay contract currently exists, please attach a copy</u>.

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

☐ Yes ☐ No ☐ Not Applicable

If yes, please identify the Non-Governmental Entity, and describe the guarantee arrangement therewith.

27. Have you received, or do you expect to receive, any grant or other form of assistance for financing of any portion of the Project from the State of California, the federal government or any other entity or person?

☐ Yes ☐ No ☐ Not Applicable

If yes, please explain.

28. Will any portion of the financing projected under the Financing Agreement be used as a substitute for other funds which were otherwise to be used as a source of financing and which have been used or will be used to acquire, directly or indirectly, other investment property?

☐ Yes ☐ No ☐ Not Applicable

If yes, please explain.

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 State Water Board and their counsel, in providing financing with respect to the Project.

AUTHORIZED REPRESENTATIVE SIGNATURE	PRINT NAME AND TITLE	DATE

REIMBURSEMENT RESOLUTION

WHEREAS, the ________________________________ (the "Agency") desires to finance the costs of
(Agency Name)
constructing and/or reconstructing certain public facilities and improvements relating to its water system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

<u>SECTION 1</u>. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

<u>SECTION 2</u>. The reasonably expected maximum principal amount of the Project Funds is $_____________.

{Remove this Note when completing the Resolution: Please include the maximum reasonable project amount. Your SRF financing agreement will not exceed this amount under any circumstances.}

<u>SECTION 3</u>. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

<u>SECTION 4</u>. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

<u>SECTION 5</u>. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

<u>SECTION 6</u>. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

<u>SECTION 7</u>. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

AYES: _______
NOES: _______
ABSENT: _______

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the ____ held on __________________.
(Governing Board of the Agency) *(Date)*

____

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

AUTHORIZING RESOLUTION/ORDINANCE

RESOLUTION NO: ____________________

WHEREAS ____
(insert appropriate findings)

RESOLVED BY THE ____OF THE
(insert name of Governing Board of the Entity)

____ (the "Entity"), AS FOLLOWS:
(insert Entity name)

The ____ (the "Authorized Representative") or designee is
(insert Title of Authorized Representative)
hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of ____ (the "Project").
(insert Project Name)
This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the ____ held
(insert name of Governing Board of the Entity)

on _____________________.
(Date)

____
(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

SAMPLE
CORPORATE RESOLUTION
TO APPLY, BORROW AND TO GRANT SECURITY

I, __________________________, do hereby certify that I am the duly elected and qualified Secretary and the keeper of the records and corporate seal of ____________________________, a corporation organized and existing under the laws of the State of California (the "Corporation"), and that the following is a true and correct copy of certain resolutions duly adopted by the Board of Directors thereof, in accordance with law and the by-laws of the Corporation, and that such resolutions are now in full force and effect, unamended, unaltered and unrepealed:

WHEREAS, the Corporation seeks financing from the State Water Resources Control Board under the Drinking Water State Revolving Fund ("DWSRF") for a project commonly known as ____ ("Project");

WHEREAS, the Board of Directors adopted a Project budget; and

WHEREAS, prior to the State Water Resources Control Board executing a financing agreement, the Board of Directors is required to establish a dedicated source of revenue to repay the DWSRF loan and authorizing an officer to execute all financing agreements, amendments, certifications, and claims for reimbursement.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the ____ ("the Authorized Representative") is
(insert title of Authorized Representative)
hereby authorized to sign and file, for and on behalf of the Corporation, an application for financial assistance from the State Water Board for the planning, design, and/or construction of the Project;

BE IT FURTHER RESOLVED AND ORDERED, that the Authorized Representative is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto;

BE IT FURTHER RESOLVED AND ORDERED, that the Authorized Representative is hereby authorized to incur Indebtedness not to exceed $_____________________ pursuant to the DWSRF financing agreement (The term "Indebtedness" as used herein means all debts, obligations and liabilities, currently existing or now or hereafter made, incurred or created in connection with the financing);

BE IT FURTHER RESOLVED AND ORDERED, that the Authorized Representative is hereby authorized to grant security interests in, pledge, assign, transfer, endorse, mortgage or otherwise hypothecate to the State Water Resources Control Board, and execute security or pledge agreements, financial statements and other security interest perfection documentation, mortgages and deeds of trust on, and give trust receipts for, any or all property or assets of the Corporation as may be agreed upon by the Authorized Representative, or his/her designee, as collateral security for any or all of the Indebtedness, and to grant and execute renewals, extensions or modifications thereof, and to authorize the State Water Resources Control Board to perform any act necessary to perfect security, including but not limited to filing a Uniform Commercial Code (UCC-1) lien with the Secretary of State;

BE IT FURTHER RESOLVED AND ORDERED, that the Authorized Representative is authorized to represent the Corporation in carrying out the Corporation's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Corporation and compliance with applicable state and federal laws;

BE IT FURTHER RESOLVED, that the Secretary or any other officer of this Corporation is authorized to certify to the State Water Resources Control Board a copy of these resolutions and the name and signature of the Authorized Representative hereby authorized to act hereunder, and the State Water Resources Control Board is hereby authorized to rely upon such certificate until formally advised by a like certificate of any change therein, and is hereby authorized to rely on any such additional certificates; and

BE IT FURTHER RESOLVED AND ORDERED, the authority granted hereunder shall be deemed retroactive. All acts authorized hereunder and performed prior to the date of this Resolution are hereby ratified and affirmed. The State Water Resources Control Board is authorized to rely upon this Resolution until written notice to the contrary, executed by each of the undersigned, is received by the State Water Resources Control Board. The State Water Resources Control Board shall be entitled to act in reliance upon the matters contained herein, notwithstanding anything to the contrary contained in the formation documents of the____ or in any other document.
(Applicant entity's legal name)

I FURTHER CERTIFY THAT the following person has been appointed or elected and is now acting as officer or employee of the Corporation in the capacity set beside his name:

____________________________	____________________________	____________________________
(Print Name)	*(Date)*	*(Signature)*

IN WITNESS WHEREOF, I have subscribed my name as Secretary as of ___________________, 20___.
(Date)

____
Secretary

___________________________, a California corporation

SCHEDULE OF SYSTEM OBLIGATIONS

Except for the following and the Obligation evidenced by this Agreement, the Recipient certifies that it has no outstanding System Obligations and that it is in compliance with all applicable additional debt provisions of the following:

The following related debts are senior to the proposed DWSRF financing:

Name of Lender and Title of Debt or Loan Number	Debt Security or Source of Revenue	Debt Service Coverage Requirement	Original Debt Amount	Current Balance	Payment Amount	Interest Rate	Debt Term & Maturity Date
			$	$	$		/
			$	$	$		/
			$	$	$		/

The following related debts are on parity to the proposed Financing Agreement:

Name of Lender and Title of Debt or Loan Number	Debt Security or Source of Revenue	Debt Service Coverage Requirement	Original Debt Amount	Current Balance	Payment Amount	Interest Rate	Debt Term & Maturity Date
			$	$	$		/
			$	$	$		/
			$	$	$		/
			$	$	$		/
			$	$	$		/

The following related debts are subordinate to the proposed Financing Agreement:

Name of Lender and Title of Debt or Loan Number	Debt Security or Source of Revenue	Debt Service Coverage Requirement	Original Debt Amount	Current Balance	Payment Amount	Interest Rate	Debt Term & Maturity Date
			$	$	$		/
			$	$	$		/
			$	$	$		/
			$	$	$		/
			$	$	$		/

Attach copies of the debt documents associated with the above debts.