Drinking Water Revolving Fund Application for Financial Assistance

for Municipal Applicants

Michigan Department of Environmental Quality

Rick Snyder, Governor
C. Heidi Grether, Director

http://www.michigan.gov/deq

Administered by:
Drinking Water and Municipal Assistance Division
Revolving Loan Section
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525 W. Allegan St.
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Department of Treasury
Michigan Finance Authority
Mary G. Martin, Executive Director
430 W. Allegan St.
Lansing, MI 48922
517-335-0994

The Michigan Department of Environmental Quality (MDEQ) will not discriminate against any individual or group on the basis of race, sex, religion, age, national origin, color, marital status, handicap, disability, political beliefs, height, weight, genetic information, or sexual orientation. Questions or concerns should be directed to the Quality of Life Human Resources, P.O. Box 30473, Lansing, MI 48909-7973.

Drinking Water Revolving Fund (DWRF) Loan Application
PART I - FINANCIAL INFORMATION

Questions about Part I should be directed to the Michigan Finance Authority at 517-335-0994.

DWRF Project Name _____

DWRF Project No. _____

A. Legal Name of Applicant _____

The legal name of the applicant may be different than the name of the project. For example, a county may be the legal applicant for bonding purposes, while the project may be named for the particular village or township it serves.

B. Address of Applicant

_____
(Street, P.O. Box)

_____
(City, State & Zip)

_____
(Area Code and Telephone Number)

C. Applicants Financial Institution Information for Wire Transfers

Confirm with your financial institution its ability to accept wire transfers from the state of Michigan.

Bank Name _____

_____
Street, P.O. Box)

_____
(City, State & Zip)

Bank Account Number _____ Bank ABA Routing Number _____
(should be nine digits)

D. Designated Contacts for this Project

1. Authorized Representative

Name _____

Title _____

_____
(Street, P.O. Box)

_____
(City, State & Zip)

_____
(Area Code and Telephone Number) (E-Mail Address)

If the authorized representative or legal applicant is different from that designated in the resolution submitted with the project plan, another resolution will be required.

2. Primary Contact

Name _____Title _____

3. Applicant's Chief Administrative Officer

Name _____

4. Applicant's Chief Financial Officer

Name _____

5. Applicant's Bond Counsel

Name _____

Firm _____

_____
(Street, P.O. Box)

_____
(City, State & Zip)

_____
(Area Code and Telephone Number) (E-mail Address)

6. Applicant's Financial Advisor

Name _____

Firm _____

_____
(Street, P.O. Box)

_____
(City, State & Zip)

_____
(Area Code and Telephone Number) (E-mail Address)

_____

7. Consulting Engineer

Name _____

Firm _____

_____
(Street, P.O. Box)

_____
(City, State & Zip)

_____
(Area Code and Telephone Number) (E-mail Address)

E. Authorizing Statute

Please identify the statutory authority under which you will be bonding to finance this project.

☐ PA 3 (1895)	☐ PA 94 (1933)	☐ PA 233 (1955)	☐ PA 342 (1939)
☐ PA 7 (1967)	☐ PA 116 (1923)	☐ PA 235 (1947)	☐ Part 43, PA 451 (1994)
☐ PA 34 (2001)	☐ PA 185 (1957)	☐ PA 278 (1909)	☐ Part 47, PA 451 (1994)
☐ PA 35 (1951)	☐ PA 188 (1954)	☐ PA 279 (1909)	☐ Public Act ___ of ____
☐ PA 76 (1965)	☐ PA 202 (1943)	☐ PA 312 (1929)	

Your bond counsel or financial advisor can assist you in determining the statute under which your bonding should proceed. Some of the referenced statutes will require the publication of a notice of intent and/or require the holding of a public referendum, which may need to occur several months before bonds are issued.

F. Project Estimates

The estimated cost of the project should include all costs, whether eligible for loan assistance or not. The amount to be borrowed from the DWRF should equal the amount necessary to cover eligible costs plus a 6% contingency, less any amount to be secured from another source. The estimated cost should be rounded to the nearest $5,000. The estimated amount of debt to be refinanced should be the amount of existing debt obligations that will be refinanced by the loan.

Estimated Total Cost of Project: $ _____

Estimated Amount to Be Borrowed from the DWRF: $ _____

Estimated Amount of Debt (if any) to Be Refinanced: $ _____

G. Principal Payment Dates

Annual principal payments will be due each year until the debt is retired. Principal payments may commence in April or October no later than one year after the targeted date of the initiation of operation that has been agreed to by the DEQ and the applicant. ***Principal payments may not be made in more than 20 annual installments (unless authorized by the DEQ as a disadvantaged community with 30 annual installments).***

☐ 20 Annual Payments ☐ 30 Annual Payments

Preference for Payment ☐ April ☐ October

Proposed First Principal Payment Will Occur On _____

Proposed Last Principal Payment Will Occur On _____

H. Investment Grade Rating

The applicant municipality is required to provide evidence of an investment grade rating before financing can be completed. The investment grade rating that you intend to utilize to satisfy this requirement must be for the bonds you intend to issue or for bonds that have the same security pledged for bond repayment. Your bond counsel or financial advisor can assist you with assessing

options to bring your loan to an investment grade level. ***Please refer to the Quarterly Financing Schedule for applicable dates.***

Please check the appropriate box below and provide the requested information.

☐ The applicant municipality has obtained an investment grade rating, as detailed below:

Fitch's Long-Term Rating _____ Date _____

Type of Borrowing _____

Moody's Long-Term Rating _____ Date _____

Type of Borrowing _____

Standard & Poor's Long-Term Rating _____ Date _____

Type of Borrowing _____

☐ The applicant municipality will achieve an investment grade rating, as detailed below:

_____

_____

I. Project Funding From Other Sources

Your DWRF loan cannot be used to pay for project costs which have been or will be covered by another source of funding, either public or private (e.g., grants or loans from other state or federal agencies or cash reserves already on hand). Please list your anticipated project costs which are to be covered by another source of funding and the source(s) of that funding.

_____

_____

J. Capitalized Interest for New Systems

Interest payments on a DWRF loan are due semi-annually until the debt is retired. For a qualifying municipality, the amount of interest due during the construction of a new water supply and/or treatment system can be included in its loan (i.e., capitalized). This option is available only if the applicant municipality is constructing a new system and no current utility system exists to produce revenue for bond payments during the construction period. If you check the box below, MFA will confirm your qualification and your DEQ project manager will compute the appropriate amount of capitalized interest to include in your loan.

☐ The applicant municipality qualifies for and wishes to capitalize interest during construction.

K. Waterworks Service Information

1. Population of the Geographic Area Intended to be Served by the Proposed Project

2000 Census _____

2010 Census _____

Current Estimate _____

2. Service Provider

Please check the appropriate boxes below. If a service is funded by the applicant but contracted out, mark the "OTHER" box in first column and the "APPLICANT" box in the second.

SERVICE	SERVICE PROVIDED BY:	SERVICE FUNDED BY:
Water	☐ Applicant ☐ Other	☐ Applicant ☐ Other

3. Water System Customers

Please provide the number of water system customers for each of the past five years, the projected number of users for each of the next five years, and data on the five largest water system customers. This information should reflect only customers of the service area from which revenues for operation, maintenance, and replacement (OM&R) and debt will be derived.

(Current Year) _____ (Number of Users) _____

(Year) _____ (Number of Users) _____

(Year) _____ (Number of Users) _____

(Year) _____ (Number of Users) _____

(Year) _____ (Number of Users) _____

(Year) _____ (Projected Number of Users) _____

(Year) _____ (Projected Number of Users) _____

(Year) _____ (Projected Number of Users) _____

(Year) _____ (Projected Number of Users) _____

(Year) _____ (Projected Number of Users) _____

NAMES AND ADDRESSES OF THE FIVE LARGEST WATER SYSTEM CUSTOMERS	ESTIMATED % OF TOTAL SYSTEM USE
1.	
2.	
3.	
4.	
5.	

L. Tax Base Information

Sections L and M are intended to provide credit information about the issuer of the bonds. If the applicant municipality is issuing the bonds directly, the information you provide should be for that municipality. If instead your municipality is issuing the bonds through the county, the information you provide should be for the county. If the applicant municipality is issuing the bonds, an official statement for a general obligation bond which you have issued within the past 12 months may be submitted instead and Sections L and M do not have to be filled out. If the county is issuing the bonds, an official statement for a general obligation bond which the county issued within the past 12 months may be submitted instead and Sections L and M do not have to be filled out.

☐ Official Statement Included (Sections L and M do not have to be filled out.)

1. Five Largest Employers in your Community:

EMPLOYER	TYPE OF BUSINESS	NUMBER OF EMPLOYEES
1.		
2.		
3.		
4.		
5.		

2. Five Largest Taxpayers in your Community:

TAXPAYER	ASSESSED VALUATION	ASSESSED % OF TOTAL VALUATION
1.		
2.		
3.		
4.		
5.		

M. Tax History Information

1. Tax History for the Two Preceding Fiscal Years

TAX HISTORY	Two Preceding Fiscal Years: 20____ - 20____	20____ - 20____
	AMOUNT	AMOUNT
Millage: Operating Allocated	mills	mills
Millage: Operating Voted	mills	mills
Millage: Capital Improvements	mills	mills
Millage: Debt	mills	mills
Millage: Other	mills	mills
Taxable Value	$	$
Tax Levies: Total	$	$
Tax Collections to Date	$	$
Delinquent Taxes	$	$
Tax Collections as % of Total Tax Levy	%	%

2. Tax History for the Current Fiscal Year

TAX HISTORY	Current Fiscal Year: 20____ - 20____		
	AMOUNT	MILLAGE LIMIT	MILLAGE EXPIRES
Millage: Operating Allocated	mills	mills	
Millage: Operating Voted	mills	mills	
Millage: Capital Improvements	mills	mills	
Millage: Debt	mills	mills	
Millage: Other	mills	mills	
Taxable Value	$		
Tax Levies: Total	$		
Tax Collections to Date	$		
Tax Collections (Taxes Delinquent)	$		
Tax Collections as % of Total Tax Levy	%		

3. Property Tax Information

COMPOSITION OF TAXABLE VALUE	AMOUNT	PERCENT
Residential Property		%
Industrial Property		%
Commercial Property		%
Agricultural Property		%
Other Property		%
Industrial/Commercial Facilities	$	
Total Taxable Value	$	

N. Waterworks System Funding Sources

Please identify the sources of funding for system capitalized costs and debt retirement, both current and after completion of the DWRF-financed project.

ANNUAL FUNDING SOURCE	CURRENT	AFTER COMPLETION
1. Debt Retirement Revenue	$	$
2. Annual Connection Fees $_____X_____ connections	$	$
3. Special Assessments $_____X_____ connections	$	$
4. Other Assessments or Fees _____ _____	$ $	$ $
5. Transfers from Other Funds _____ _____	$ $	$ $
6. Total Annual Revenue	$	$

O. Part I Submittal Attachments

Please check the appropriate boxes and attach the following items to your Part I submittal. ***All attachments must be included and labeled appropriately.***

☐ Attached	1.	Current year budget.
☐ Attached ☐ N/A	2.	Most recent official statement or prospectus, if applicable.
☐ Attached ☐ No Debt	3.	Direct and overlapping debt schedules and a list of future debt that has been authorized but unissued.
☐ Attached ☐ No Debt	4.	Explanation of payment default on any security, if applicable.
☐ Attached ☐ None	5.	Disclosure of any pending litigation or legislation that is material to your DWRF financing or that could have an adverse impact on the financial condition of the borrower.
☐ Attached	6.	Total system revenue and expense projections for the first two years after the proposed DWRF project is initiated.
☐ Attached	7.	Attach a financial projection demonstrating revenue supporting debt service, including a bond repayment schedule.

I certify that I am the authorized representative designated by the applicant that will issue the bond(s) for this project and that the Part I Financial Information being submitted is complete and accurate to the best of my knowledge.

_____

Name and Title of Authorized Representative *(Please Print or Type)*

_____

Signature of Authorized Representative Date

In accordance with the date in your executed milestone schedule, please return the completed Part I with **all** specified attachments to your DEQ Project Manager via email or mail a hard copy to:

REVOLVING LOAN SECTION
DRINKING WATER AND MUNICIPAL ASSISTANCE DIVISION
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

MAILING ADDRESS
PO BOX 30241
LANSING MI 48909-7741

DELIVERY ADDRESS
CONSTITUTION HALL 4th FLOOR-SOUTH
525 W ALLEGAN
LANSING MI 48933