

Water Pollution Control

Loan Program

Loan Application Form

For ARRA Projects

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	<u>\$</u>

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 Facility 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: _____

**CERTIFICATE 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 complied 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:

<u>Type of Permit</u>	<u>Permit Number</u>	<u>Date Issued</u>
Army Corps of Eng. 404	_____	_____
IL Dept. of Trans.	_____	_____
County Highway	_____	_____
Other	_____	_____

Loan Program Certifications

- Whereas, the application provisions for loans from the Water Pollution Control 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 it 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 Water Pollution Control 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 Water Pollution Control Loan Program for construction of sewage treatment works 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 legal, financial, managerial and institutional capability to construct, operate and maintain the project for the life of the treatment works 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. This can be accomplished by development and the enactment of a new User Charge 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, our 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 wastewater treatment works 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 User Charge 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 a specific source(s) 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 sewer service charge is used, the sewer 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.

User Charge System

The applicant's User Charge System must generate adequate revenues to accommodate costs for operation, maintenance and replacement of the treatment works.

If the applicant has a previously approved User Charge 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 for the proposed project.

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, which pledges an alternant revenue source of _____

 - c. _____ Water _____ Sewer or _____ Combined System Revenues- Senior Lien

 - d. _____ Water _____ Sewer or _____ Combined System Revenues – Subordinate Lien

3. Authority of applicant to issue debt
 - a. _____ Home rule powers

 - b. _____ Specific authorizing statute(s) citation: Illinois Revised Section(s)

 - 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. User Charge System (assuming that an Agency approved user charge system is not in existence)

1. Submission of a detailed Operation, Maintenance and Replacement (OM & R) budget.
2. Calculations to demonstrate how the rates and surcharges are calculated. The rates should be expressed in cost per unit of usage i.e. 1,000 gallons, 100 cubic feet, pounds of BOD and suspended solids or milligrams per liter of BOD and suspended solids as appropriate.
3. Certified sewer use and rate ordinances.

OR

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

1. Submit a copy of the Sewer Use Ordinance and User Charge Ordinance originally approved.
2. Submit any amendments made to the ordinances since their approval.
3. Is the User Charge 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 Sewer Use Ordinance being enforced? ___Yes ___No .If answered NO, please explain.
5. Is an annual review of the Wastewater Service Charge 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 Will the project substantially alter the treatment process _____Yes _____ No.

7. If either question in #6 is answered yes, please submit a proposed budget for the first year OM&R costs and a review of the wastewater service charges along with appropriate revisions to the rate ordinance.

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

(Authorized Representative)

(Date)

(Clerk)

(Date)

Note: Read Instructions Before Completing Form

I. A. Applicant (Name, City, State)	B. Recipient (Name, City, State)	C. EPA Project No.
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II. Brief description of proposed project, program or activity.

III. Are any civil rights lawsuits or complaints pending against applicant and/or recipient? If yes, list those complaints and the disposition of each complaint.	- Yes - No
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IV. Have any civil rights compliance reviews of the applicant and/or recipient been conducted by any Federal agency during the two years prior to this application for activities which would receive EPA assistance? If yes, list those compliance reviews and status of each review.	- Yes - No
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V. Is any other Federal financial assistance being applied for or is any other Federal financial assistance being applied to any portion of this project, program or activity? If yes, list the other Federal Agency(s), describe the associated work and the dollar amount of assistance.	-Yes - No
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VI. If entire community under the applicant's jurisdiction is not served under the existing facilities/services, or will not be served under the proposed plan, give reasons why.

VII. Population Characteristics	Number of People
1. A. Population of Entire Service Area	
B. Minority Population of Entire Service Area	
2. A. Population Current Being Served	
B. Minority Population Current Being Served	
3. A. Population to be Served by Project, Program or Activity	
B. Minority Population to be Served by Project, Program or Activity	
4. A. Population to Remain Without Service	
B. Minority Population to Remain Without Service	

VIII. Will all new facilities or alterations to existing facilities financed by these funds be designed and constructed to be readily accessible to and usable by handicapped persons? If no, explain how a regulatory exception (40 CFR 7.70) applies.	-Yes -No
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IX. Give the schedule for future projects, programs or activities (or of future plans), by which services will be provided to all beneficiaries within applicant's jurisdiction. If there is no schedule, explain why.

X. I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law.

A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
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For the U.S. Environmental Protection Agency		
- Approved Disapproved	Authorized EPA Official	Date

Instructions for EPA FORM 4700-4 (Rev. 1/90)
General

Recipients of Federal financial assistance from the U.S. Environmental Protection Agency must comply with the following statutes.

Title IV of the Civil Rights Act of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Act goes on to explain that the title shall not be construed to authorize action with respect to any employment practice of any employer, employment agency, or labor organization (except where the primary objective of the Federal financial assistance is to provide employment).

Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act provides that no person in the United States shall on the grounds of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Federal Water Pollution Control Act, as amended. Employment discrimination on the basis of sex is prohibited in all such programs or activities.

Section 504 of the Rehabilitation Act of 1973 provides that no otherwise qualified handicapped individual shall solely by reason of handicap be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Employment discrimination on the basis of handicap is prohibited in all such programs or activities.

The Age Discrimination Act of 1975 provides that no person on the basis of age shall be excluded from participation under any program or activity receiving Federal financial assistance. Employment discrimination is not covered. Age discrimination in employment is prohibited by the Age Discrimination in Employment Act administered by the Equal Employment Opportunity Commission.

Title IX of the Education Amendments of 1972 provides that no person on the basis of sex shall be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. Employment discrimination on the basis of sex is prohibited in all such education program or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

The information on this form is required to enable the U.S. Environmental Protection Agency to determine whether applicants and prospective recipients are developing projects, programs and activities on a nondiscriminatory basis as required by the above statutes.

Submit this form with the original and required copies of applications, requests for extensions, requests for increase of funds, etc. Updates of information are all that are required after the initial application submission.

If any item is not relevant to the project for which assistance is requested, write "N/A" for "Not Applicable."

In the event the applicant is uncertain about how to answer certain questions, EPA program officials should be contacted for clarification.

Items

IA. “Applicant” means any entity that files an application or unsolicited proposal or otherwise requests

EPA assistance.

IB. “Recipient” means any entity, other than applicant, which will actually receive EPA assistance.

IC. Self-Explanatory.

II. Self-Explanatory.

III. “Civil rights lawsuits” means any lawsuit or complaint alleging discrimination on the basis of race,

color, national origin, sex, age, or handicap pending against the applicant and/or entity, which actually

benefits from the grant. For example, if a city is named the applicant but the grant will actually benefit

the Department of Sewage, civil rights lawsuits involving both the city and the Department of Sewage

should be listed.

IV. “Civil rights compliance review” means any review assessing the applicant’s and/or recipient’s

compliance with laws prohibiting discrimination on the basis of race, color, national origin, sex, age

or handicap. If any part of the review covered the entity, which will actually benefit from the grant, it

should be listed.

V. Self-Explanatory.

VI. The word “community” refers to the area under the applicant’s and/or recipient’s jurisdiction. The

“community” might be a university or laboratory campus, or a community within a large city. If there

is significant disparity between minority and non-minority populations to receive service, not

otherwise satisfactorily explained, the Regional Office may require a map, which indicates the

minority and nonminority population served by this project, program or activity.

VII. This information is required so that reviewers may determine if a disparity in the proposed provision of services will exist in the event the application is approved for funding. Give population of recipient's jurisdiction, broken out by categories as specified.

In the event that applicant cannot provide the requested information because the funds will be distributed over a wide demographic area, which is yet to be determined, an explanation may be provided on a separate sheet. For example, a State applying for a capitalization grant under the State Revolving Fund program may not know which cities and counties will apply for, and receive, SRF loans.

VIII. Self-Explanatory.

IX. "Jurisdiction" means the geographical area over which applicant has the authority to provide service.

X. Self-Explanatory.

Burden Disclosure Statement

EPA estimates public reporting burden for the preparation of this form to average 30 minutes per response. This estimate includes the time for reviewing instructions, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden to: Chief Information Policy Branch, PM-223, U.S. Environmental Protection Agency, 401 M Street, S.W., WASHINGTON, D.C. 20460; and to The Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.