VERMONT DRINKING WATER STATE REVOLVING FUND

LOAN APPLICATION FOR PRIVATELY-OWNED WATER SYSTEMS

If you have questions regarding the program or the application please contact:

Thomas Porter  
Vermont Economic Development Authority  
(ph) (802) 828-5460 (fax) (802) 828-5474  
(Email) tomp@veda.org

Ashley Lucht  
Department of Environmental Conservation  
(ph) 802 585 4904  
ashley.lucht@vermont.gov

Please return completed applications electronically to: ashley.lucht@vermont.gov or

DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
FACILITIES ENGINEERING DIVISION  
1 National Life Dr., Main Floor 1  
Montpelier, VT 05620-3510
DRINKING WATER STATE REVOLVING FUND
PRIVATELY-OWNED WATER SYSTEMS

1. **OWNER**

   a) Name of owner: ________________________________

   b) Address: ____________________________________

   c) Town: ___________________ State: __________ Zip: ________

   d) Telephone number: (____) _____

   e) Email: ____________________________

2. **APPOINTMENT OF AUTHORIZED REPRESENTATIVE/CONTACT**

   The ____________________________ hereby authorizes ________________________________

   to act as the authorized representative of the applicant for the purpose of furnishing to the State of

   Vermont such information, data and documents pertaining to the application for a loan as may be

   required and otherwise to act as the authorized representative of the applicant in connection with this

   project. Correspondence should be sent to the authorized representative at the following address:

   a) Address: ________________________________

   b) Town: ___________________ State: __________ Zip: ________

   c) Telephone number: (____) _____ Fax: (____) _____

   d) Email: ____________________________

3. **SUMMARY PAGE**

   a) Brief description of water system: sources, storage facilities, treatment facilities, distribution

   system.
b) Brief project summary description and describe expected benefits to users. Do current and potential customers have alternative sources of water and is the proposed project the best and most-cost effective alternative?

4. PROJECT COST SUMMARY

Attach the engineer’s estimates, consistent with the construction costs noted below. If previously submitted, additional copies are not required.

<table>
<thead>
<tr>
<th>Construction - Project</th>
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<tbody>
<tr>
<td>Contract 1</td>
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<td>Contract 2</td>
<td>$</td>
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<tr>
<td>Contract 3</td>
<td>$</td>
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<tr>
<td>Contingency</td>
<td>$</td>
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<tr>
<td>Sub – Total</td>
<td>$ 0.00</td>
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<table>
<thead>
<tr>
<th>Engineering &amp; Other Cost</th>
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<tbody>
<tr>
<td>Preliminary Engineering</td>
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<tr>
<td>Final Engineering</td>
<td>$</td>
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<tr>
<td>General Supervision</td>
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<tr>
<td>Resident Inspection</td>
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<td>Legal and Fiscal</td>
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<tr>
<td>Administrative</td>
<td>$</td>
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<tr>
<td>Land Acquisition</td>
<td>$</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td>$ 0.00</td>
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1) Date of Estimate | Source of Estimate
2) Extent of State DWSRF = % | DWSRF Loan Amount = $
3) Owner Contribution = % | Owners Contribution Amount = $

DWSRF/VEDA Loan Application for Private Water Systems (rev. 10/2015)
5. ESTIMATED PROJECT CONSTRUCTION SCHEDULE

<table>
<thead>
<tr>
<th>1. Project will be advertised for bid on:</th>
<th>2. Date contracts will be awarded:</th>
<th>3. Date project will be completed:</th>
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</table>

a) Is the Applicant subject to the jurisdiction of the Public Service Board? [ ] Yes [ ] No

If Yes, the Applicant must submit with this application:

[ ] The Certificate of Public Good issued by the Public Service Board pursuant to Sections 108 and 231 of Title 30 approving the loan, and;

[ ] The Decision and Order of the Public Service Board approving the rates that are to be charged by the Applicant.

b) Please provide the contact information for the consulting engineering firm.

Firm: ____________________________________________
Consulting Engineer: ________________________________
Phone: __________________________ Email:______________

b) If you plan to use your own attorney to review the loan documents and provide a title opinion please include the following information:

Firm: ____________________________________________
Attorney: __________________________________________
Phone: __________________________ Email:______________

6. LEGAL STRUCTURE & ORGANIZATION

a) Form of Organization: [ ] C-Corp., [ ] S-Corp., [ ] 501 C 3 Non-Profit Corporation, [ ] LLC, [ ] Partnership, [ ] Proprietorship, [ ] Homeowners Association, [ ] Other

b) *D-U-N-S Number: _____ (see explanatory note) Tax Identification Number: _____

c) Is the Applicant a subsidiary and/or parent of any other company [ ] Yes [ ] No

(Please provide the name and relation of any parent or subsidiaries)

<table>
<thead>
<tr>
<th>Related Company</th>
<th>Type of Organization</th>
<th>Relationship</th>
<th>% Owned</th>
<th>Water System User</th>
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<tbody>
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7. ORGANIZATIONAL HISTORY
a) Years since inception ____.
   Number of years under current management ____
   (i.e., management team)

b) Please describe the history of the water system. (Attach a separate sheet if necessary)

8. OFFICERS and DIRECTORS

a) Please provide names and years of service of all officers/directors of the organization (attach separate sheet if necessary)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Years</th>
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b) Please attach brief resumes for all officers and directors actively involved in management.

9. BUSINESS OWNERSHIP (not applicable to homeowner associations or non-profit cooperatives)

a) Please provide the names and % corporate ownership for all stockholders/partners in the business (attach separate sheet if necessary)

<table>
<thead>
<tr>
<th>Name</th>
<th>% Ownership</th>
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<td>0 %</td>
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</table>
b.) Please attach resumes, social security numbers and personal financial statements for all principals or stockholders owning at least 15% of the business entity.

c) If the applicant is an out-of-state company, include a Certificate of Authority to do business in VT.

10. MARKET, USERS & RATE INFORMATION

a) Attach a general description of your service area (e.g., Are there industrial, commercial, and residential users?). **For trailer parks, an occupancy history of the park should be included.**

b) **Major Users**: List any current or potential major users of the water system including any (fire system and affiliated entities) who utilize more than 5% of the system and the approximate percentage of capacity attributed to them.

<table>
<thead>
<tr>
<th>Customer Name</th>
<th>Annual User Charge</th>
<th>% of Capacity</th>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>0.00 %</strong></td>
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11. PENDING CHANGES IN MARKET AND DEMAND FOR SERVICE

Please describe any circumstances or events that you anticipate will impact the scope and demand for water from your system in the near future (changes in market competition, rate increases either recent or pending, pending votes to expand or terminate fire protection services, reorganization of a significant user, etc). Attach sheets if necessary.
12. WATER SYSTEM LOCATION

a) Is the project water system located on land owned by the applicant? ☐ Yes ☐ No  If the system is not entirely on land owned by the water system, describe your right to construct, operate and maintain the water system facilities, i.e., leased, right-of-way, easement, etc. (please provide details).

b) Prior to the loan closing, the borrower will need to provide a legal opinion indicating that the borrower already has or has acquired adequate legal authority to the major project site or sites (source, well, treatment, pump stations, water storage and appurtenances) to allow undisturbed use and possession for the purpose of constructing, operating and maintaining of the drinking water system for the duration of the loan term.

13. PROPOSED LOAN COLLATERAL

DWSRLF loans must have a designated source of repayment. This generally means that the loans are secured by a mortgage on the water system property, a collateral assignment of the water fees (rent revenues or assessments as may be appropriate) and a security interest in the project water system equipment being purchased. Please describe the assets you propose to pledge as collateral to secure the loan. Please identify what debt these assets already secure (if any) and their estimated value. If land, please indicate the number of acres and what parts of the water system are on this land.
14. **FINANCIAL PLAN**—Please provide detailed historical and projected financial information including:

a) CPA or internally prepared financial statements (certified as to accuracy by the borrower), or tax returns for the past three years including income statements, balance sheets and statements of sources and uses of cash, with appropriate footnotes (e.g., please note fiscal year end). Include a schedule detailing the cost to operate the water system.

b) If the applicant is a subsidiary of, or affiliated with another corporation, financial statements of the parent corporation or affiliate for the past three years.

c) Projected income and cash flow statements and balance sheets for the present fiscal year and three years forward, **including the effect of the requested loan project**. Include a schedule detailing the project cost to operate the water system after the project is completed.

d) Startup and those companies with a loss in their most recent fiscal year should also provide a monthly cash flow statement for the first year or until the business is projected to break even. List all material assumptions included in the projections.

15. **BANKING RELATIONSHIPS**

To document current debt service payments and collateral obligations, please provide a list of all outstanding loan obligations (attach a schedule if necessary). For each loan indicate the name of the creditor, the phone number and name of the loan officer, the original and current principal balance of the loan, the type of loan, collateral pledged, monthly payment amount and the maturity, and other conditions.

16. **BANKING/LITIGATION**

Please provide a written description including details of any bankruptcy, receivership, compromises with creditors, any pending litigation, criminal charges, or criminal convictions, other than minor motor vehicle violations, against the applicant, company, officers, directors or principal stockholders. If none of these circumstances pertain, include a statement to that effect.
17. VALIDITY OF APPLICATION INFORMATION – AUTHORIZATION FOR CREDIT INQUIRY

I, the undersigned Authorized Representative of the Applicant, affirm that all statements made in this application, or submitted to the Vermont Economic Development Authority or Department of Environmental Conservation in connection with this application are accurate and complete. I also agree to notify the Authority and Department of Environmental Conservation of any material changes in the information submitted in this application or in the accompanying documents. The Authority is hereby authorized to gather credit information about the Applicant, its affiliated companies and owners and to respond to credit inquiries regarding the Applicant. I understand that the Authority’s lending decision may be a matter of public record.

Authorized Representative/Borrower:
Name (print) _______________________________ Title __________________________
Signature_______________________________ Date __________________________

18. CERTIFICATIONS

The owner hereby agrees to the following:

That if a loan is made, the owner will pay the remaining costs of the approved project in excess of the loan amount;

That final design will be undertaken in strict accord with engineering service agreements approved by the Department of Environmental Conservation;

To provide continuing oversight of the final design process;

The project will be constructed in strict accord with drawings and specifications approved by the Department of Environmental Conservation;

To provide and maintain competent and adequate engineering supervision and inspection of the project to insure that construction conforms with approved drawings and specifications;

That it will comply with all state requirements for construction management, including, but not limited to, approval from the Department prior to advertising for bids for construction, approval prior to award of bids, approval of change orders, and performance of a final inspection by the Department;
That it will complete the project in an efficient and expeditious manner;

That it will submit to the Department of Environmental Conservation and to the Vermont Economic Development Authority, such documents and information related to this project as they may require;

That the construction contract will provide that representatives of the Department of Environmental Conservation and the Vermont Economic Development Authority will have access to the work and to project records whenever such work is in progress and that the contractor will provide proper facilities for such access and inspection;

(a) That adequate accounting and fiscal records shall be maintained in accord with generally established, or other accounting procedures that may be established by the Department of Environmental Conservation and the Vermont Economic Development Authority;

(b) To provide proper operation and maintenance of the approved project in accord with standards established by the Department;

(c) That it will submit within 4 months of completion (acceptance of each contract by the owner) documentation of costs for each contract and its associated work;

(d) It will set, collect and apply rates, charges and assessments as authorized under sections 4772 of Title 24 sufficient for the purpose of generating annual revenue to sufficient repay the principal and the interest on the loan to the Vermont Economic Development Authority in addition to the reasonably anticipated costs of operating and maintaining the financed project and the system of which it is a part;

(e) That if human remains are uncovered during construction, the construction shall stop and the provisions of Title 13 VSA Sections 3761 and 3764 shall be followed. If archeological artifacts are uncovered during construction, the project shall stop and the Vermont State Historic Preservation Office shall be notified.

(f) That adequate interest will be acquired in major project sites (water source, treatment facility, pump stations, water lines and appurtenances) to allow undisturbed use and possession for the purposes of construction, operation and maintenance of the proposed facilities prior to expenditure of funds for final design of such facilities;

(g) If easements or rights-of-way have not been obtained, the applicant hereby understands and agrees that all additional costs incurred due to the applicant’s failure to obtain easements and rights-of-way shall be the sole responsibility of the Applicant.

(h) That it agrees to comply with all applicable state and federal requirements pertaining to the project, including but not limited to requirements of section 1452 of the Federal Safe Drinking Water Act;

(i) That the loan amount may be reduced if it is determined that the total project cost will be less than the loan amount. This determination will be based on actual costs and contract bids or an approved
change in project scope.

(j) That it hereby certifies in fulfillment of 24 V.S.A. 4772(1)(A) that it will secure all local, state and federal permits, licenses and approvals necessary to undertake the improvements to be financed by the loan prior to expenditures of funds under the loan.

(k) That it will complete the Capacity Improvement Work Plan if required.

Signatures from a Majority of the Governing Body (if there is more than one individual in a business partnership then all owners need to sign)


Dated: ________________________________

*Go to [http://smallbusiness.dnb.com/establish-your-business/12334338-1.html](http://smallbusiness.dnb.com/establish-your-business/12334338-1.html) and either call or follow the online registration to get your DUNS number.

A DUNS number is unique to each business location—think of it as your business’ social security number (not to be confused with your EIN). It is a commercial numbering system used by the federal government to link a business with other entities. Unless it is expedited, obtaining a DUNS number should not cost anything.