



# **STATE REVOLVING FUND LOAN PROGRAM**

**Tennessee Department of Environment and Conservation**

## **PRE-APPLICATION MEETING**

**July 2, 2010**

<http://tn.gov/environment/srf/>



**Drinking Water State  
Revolving Fund  
(DWSRF)**



**Clean Water  
State Revolving Fund  
(CWSRF)**



# HOUSEKEEPING

- ❑ **Please silence all communication devices during the presentation.**
- ❑ **Please sign the attendance sheet.**



# SRF Contacts

[www.tn.gov/environment/srf/](http://www.tn.gov/environment/srf/)

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Mr. Raymond Ramage



# FY 2010 FUNDING CRITERIA

## ❑ LIMITS

- Only one FY 2010 CWSRF Cap Grant loan and one FY 2010 DWSRF Cap Grant loan will be awarded per community
- FY 2010 CWSRF loans are limited to \$10.0 M
- FY 2010 DWSRF loans are limited to \$5.0 M

## ❑ PRINCIPAL FORGIVENESS

- Total project funding will be comprised of 20% principal forgiveness and 80% loan

## ❑ COMPLIANCE

- Davis-Bacon Wage Rates
- DBE Guidance
- Current SRF Regulations



# FY 2010 FUNDING CRITERIA (cont.)

## ❑ GREEN PROJECTS

- The GREEN component cost must be equal to or greater than 20% of the total project cost
- If the GREEN component cost is less than 20% of the total project cost, SRF funding will be adjusted

## ❑ BYPASS

- Communities that do not respond with a completed application within 120 days may be bypassed in order to fund the next highest-ranking projects that are ready to proceed.
- If it is determined that sufficient progress has not been made toward moving the project forward in the planning phase, the SRF Loan Program may bypass a project in order to allocate funds to the next eligible project from the Priority Ranking List.



# SRF GENERAL INFO

## ❑ ELIGIBILITY

- The applicant must own the facility
- **Projects already in construction cannot be funded**

## ❑ FUNDS AVAILABLE—August/September 2010

## ❑ INTEREST RATES—Fixed for 20 years

## ❑ EARLY REPAYMENT PENALTIES—None

## ❑ ADMINISTRATION FEE

- An administrative fee of 8 basis points (0.08%) will be added to the interest rate charged on an SRF Loan, i.e., a \$1 M SRF Loan will be assessed an \$800 administrative fee



# OVERVIEW OF THE SRF PROJECT PHASES

- ❑ **PLANNING** –Environmental Review, Facilities Planning Document Review, User Rate Review, Loan Application, Loan Award
- ❑ **DESIGN**–Plans and Specifications, Land/Easements Acquisition, SRF Front-end Documents—**DBE** Participation and Davis-Bacon **Wage Rates**
- ❑ **CONSTRUCTION**–Bidding, Contract Award, and Construction
- ❑ **PROJECT CLOSEOUT**–Startup Services, Record Drawings, Operation and Maintenance documents, and Project Certification



# PLANNING PHASE

## FINANCIAL

### □ FINANCIAL REVIEW AND APPROVAL

- Based on most recent 3 years of audited financial reports and current user rate structure
- Increases may be phased
- All user rate increases must be in place by end of construction
- Review conducted by SRF Financial Section—additional input is welcome
- Prior to the first withdrawal of funds, UDs/ WAs must deposit one year's principal and interest in the interest-bearing State's Local Government Investment Pool. The money deposited essentially pays for the last year's repayments, and the interest gained is refunded to the UDs/ WAs **annually**.
- Loan Application Package transmitted by the SRF Administrative Section **ONLY** after financial approval



# QUESTIONS?

- ❑ Questions about the Financial Review?



# ADMINISTRATIVE REVIEW

## LOAN APPLICATION PACKAGE

- ❑ **Loan Application Guidance Sheet**
- ❑ **Letter of Request for a Loan**
- ❑ **Authorizing Resolution for the Loan**
- ❑ **Loan Application and Loan Agreement Forms**
- ❑ **Budget Form**
- ❑ **General Certificate**
- ❑ **City Attorney's Opinion Letter**
- ❑ **Engineer's Opinion Letter**
- ❑ **Pre-award Compliance Form (EPA)**
- ❑ **Project Schedule**
- ❑ **State-shared Tax / Representation of Other Outstanding Loans – Form**
- ❑ **Copy of Engineering Services Agreement/Contract**



# LOAN APPLICATION GUIDANCE

## STATE REVOLVING FUND LOAN PROGRAM Items to be Submitted for a Loan

### Technical

1. Planning Document (Please see the attached Suggested Outline for the Facilities Plan.)

### Administrative

1. One **original letter** from the loan recipient's authorized representative **requesting a specified loan amount**, including a brief project description, and the projected construction start and end dates. (Please see the attached format for the **Letter of Request for a Loan**.)

2. Loan Application Package

**PLEASE NOTE:** *As a service to the loan recipient, the application package will be prepared by the SRF Loan Program's administrative staff and submitted to the loan applicant for signatures in designated places.*

- a. Three originals of the **Authorizing Resolution**\* approving the loan recipient's request for an SRF loan  
The Resolution must be approved and passed before the local government can complete the loan application process.
- b. Three originals of the **Application for Project Loan**\* signed by the loan recipient's authorized representative (dated on or after the date of the Authorizing Resolution)
- c. Three originals of the **Revolving Fund Loan Agreement**\* or **Amendment**\* (dated on or after the date of the Authorizing Resolution) – **Includes verbiage on New Administration Fee**

**PLEASE NOTE:** *The following items must be prepared by the loan applicant and submitted with the loan application package.*

- d. One original of the **State Revolving Fund Loan Budget/Re-budget Form**\* signed by either the loan recipient's authorized representative or the consulting engineer
  - e. Three originals of the **General Certificate**\* duly executed, witnessed, and sealed as required by Paragraph 9 of the Loan Agreement (dated on or after the adopted dates of the rate resolutions and the Authorizing Resolution)
  - f. One original of the **Attorney's Opinion Letter Form** as required by Paragraph 9 of the Loan Agreement (dated on or after the date on the Loan Agreement or Amendment)
  - g. One original of the **Engineer's Opinion Letter Form** (from a licensed, professional engineer or certified public accountant) as required by Paragraph 9 of the Loan Agreement (dated on or after the date on the Loan Agreement or Amendment) regarding the reasonableness of project costs, the sufficiency of user charges, and the estimated date of construction completion
3. One original of EPA's **Preaward Compliance Review Report**\* (Form 4700-4) signed by the loan recipient's authorized representative
  4. Project schedule from the consulting engineer (Please see the attached **Project Schedule Format**.)
  5. One original of the **Representation of the Local Government as to Loans / State-Shared Taxes**\* signed by the loan recipient's authorized representative
  6. One copy of the loan recipient's service agreement with the engineering firm

### Financial

1. Audited financial statements for the most current three years and any projected financial information currently available.
2. Three originals of the existing, adopted user rate resolution or three originals of the proposed user rate resolution.

If user rates are increased in stages, a resolution must be adopted stating that the proposed rate increases are sufficient to repay the loan. The final stage of the user rate increases does not have to be implemented until the completion of the project.



# LETTER OF REQUEST for an SRF Loan

Official Letterhead of the City/Authority/Utility District/County

**Date**

Mr. Sam Gaddipati, Environmental Manager  
State Revolving Fund Loan Program  
L & C Tower, 8<sup>th</sup> Floor  
401 Church Street  
Nashville, TN 37243

RE: Letter of Request to Fund this Project with a Clean Water State Revolving Fund Loan

Dear Mr. Gaddipati:

The City/Authority/Utility District/County requests that the following project be funded with a \$#,###,###, 20-year Clean Water State Revolving Fund loan. Please send us the necessary loan application documents.

This project consists of the following:

- A detailed project description—type of project
  - Examples of CWSRF-eligible projects
    - Wastewater Treatment Plant upgrade and/or expansion
    - Infiltration/inflow correction
    - Rehabilitation/replacement of sewer lines, manholes, etc.
    - New collector and interceptor sewers
    - Combined sewer overflow correction
    - Storm sewer construction
    - Conveyance of recycled water from wastewater facility to end user
    - Brownfields
- Need for the project
- NPDES or State Operating Permit Number (if available)
- Description and dates of any Orders (if applicable)
- Location of the project
- Estimated total project cost
- SRF loan amount
- Other funding sources and amounts
- Estimated construction start and end dates

Please contact me or Consultant, etc., if you have any questions.

Sincerely,

Mayor/Utility District's CEO or Manager/Authority's CEO or Manager  
Title

cc:



# AUTHORIZING RESOLUTION

## AUTHORIZING RESOLUTION \_\_\_\_\_

RESOLUTION AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WASTEWATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATIONS, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING.

WHEREAS, the \_\_\_\_\_ (name of local government) is a public and governmental body in \_\_\_\_\_ (name of city), Tennessee (the "Local Government"); and

WHEREAS, the Local Government has determined that it is necessary and desirable to undertake certain activities or tasks in connection with a wastewater facilities project, Department of Environment and Conservation Number SRF \_\_\_\_\_ (the "Project"), in and for the Local Government; and

WHEREAS, Tennessee Code Annotated, Section 68-221-1001 et seq., provide for the lending of moneys in the wastewater facilities Revolving Loan Fund to Local Governments for the purpose of providing funds for Project Loans; and

WHEREAS, the local Government has determined that it is necessary and advisable to borrow funds for the Project pursuant to these sections.

NOW, THEREFORE, be it resolved as follows:

Section 1. Local Government hereby approves the creation of indebtedness on behalf of the Local Government in the principal amount of \_\_\_\_\_ (total SRF amount) Dollars (\$ \_\_\_\_\_) by the obtaining of a Project Loan.

Section 2. The execution and delivery of the Application for a Project Loan in the principal amount of \_\_\_\_\_ (total SRF amount) Dollars (\$ \_\_\_\_\_) for the purpose of funding all or a portion of the total estimated cost of the Project \_\_\_\_\_ (total project cost) Dollars (\$ \_\_\_\_\_), by \_\_\_\_\_ (name), the \_\_\_\_\_ (title) of the Local Government, is hereby ratified and approved in all respects.

Section 3. The form, terms, and provisions of the agreement for the Project Loan among the Local Government, the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority (the "Loan Agreement"), as presented at this meeting, are hereby approved.

Section 4. The Local Government hereby agrees to honor and accept the method of financing as may be determined by the Authority pursuant to the Loan Agreement.

Section 5. The Local Government hereby agrees to make the monthly payments on the Project Loan in accordance with the Payment Schedule to be attached to the Loan Agreement.

Section 6. The Local Government hereby agrees to levy fees, rates or charges for services provided by the Project and/or to levy ad valorem taxes sufficient to pay the interest on and principal of the Project Loan in accordance with the Loan Agreement. The Local Government also agrees to levy fees, rates, or charges and/or ad valorem taxes sufficient to pay the cost of operation and maintenance of the wastewater system of which the Project is a part, which cost shall include depreciation and all other debt service expense of the system.



# AUTHORIZING RESOLUTION (cont.)

## AUTHORIZING RESOLUTION \_\_\_\_\_

**Section 7.** The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

**Section 8.** The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

**Section 9.** The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

**Section 10.** The \_\_\_\_\_ (title of signatory) of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments or supplements to the Loan Agreement, in the name and behalf of the Local Government, to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

**Section 11.** All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Signature and Title

WITNESS:

\_\_\_\_\_  
(Affix Seal As Appropriate)

\_\_\_\_\_  
(Name and Title)



# LOAN APPLICATION

**CHECK ONE**

- CW0/CG0
- DW0/DGO
- SRF/DWF

**STATE REVOLVING FUND PROGRAM  
APPLICATION FOR ARRA/SRF PROJECT LOAN**

Tennessee Department of Environment and Conservation  
State Revolving Fund Loan Program  
8<sup>th</sup> Floor, L & C Tower  
Nashville, Tennessee 37243  
Telephone (615) 532-0445

**TO BE FILLED IN BY SRFLP OFFICE:**

\_\_\_\_\_  
Project Number

\_\_\_\_\_  
Loan Amount

\_\_\_\_\_  
Amount of Principal Forgiveness  
20

\_\_\_\_\_  
Term of Loan in Years

\_\_\_\_\_  
Bond Buyer Index Rate and Date

\_\_\_\_\_  
Loan Interest Rate

\_\_\_\_\_  
Loan Approval by Department (date)  
COMMISSIONER, DEPARTMENT OF  
ENVIRONMENT & CONSERVATION

\_\_\_\_\_  
LEGAL NAME OF APPLICANT

\_\_\_\_\_  
Address

\_\_\_\_\_  
City / State and Zip Code

hereby makes application for a Project Loan to fund the following described activities or tasks concerning a facility (the "Project").



# LOAN APPLICATION (cont.)

**Project Description:**

The entire scope of the Project is estimated to cost: \$ \_\_\_\_\_  
 Amount of ARRA/State Revolving Fund Loan Requested: \$ \_\_\_\_\_  
 Requested Term of Loan (not to exceed 20 years): \_\_\_\_\_

**PROGRAM LOANS** THE TOTAL AMOUNT OF OUTSTANDING OR APPLIED FOR PROGRAM LOANS UNDER THE HEALTH LOAN PROGRAMS OF THE TENNESSEE LOCAL DEVELOPMENT AUTHORITY IS:

\$ \_\_\_\_\_

**PROJECT LOANS** THE TOTAL AMOUNT OF OUTSTANDING OR APPLIED FOR PROJECT LOANS UNDER THE STATE REVOLVING LOAN FUND IS: (this application excluded)

\$ \_\_\_\_\_

STATE-SHARED TAXES PLEDGED TO PAYMENT OF OUTSTANDING OBLIGATIONS OF THE LOCAL GOVERNMENT UNIT IN ADDITION TO THE PROGRAM LOANS AND PROJECT LOANS LISTED ABOVE:

TYPE OF TAX*	AMOUNT PLEDGED
Sales	\$ _____
Gasoline	\$ _____
Beer	\$ _____
TVA Replacement	\$ _____
Mixed Drink	\$ _____
Alcoholic Beverage	\$ _____
Income Tax	\$ _____

**\*FOR U.D. NEED RECITAL OF ALL PRIOR LIENS**

\_\_\_\_\_  
 (Typed) Name and Title of Authorized Representative

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

(Revised June 98)



# LOAN AGREEMENT

## REVOLVING FUND LOAN AGREEMENT

This Agreement is among the Tennessee Department of Environment and Conservation (the "Department"), the Tennessee Local Development Authority (the "Authority") and the \_\_\_\_\_ (the "Local Government"), which is a Tennessee governmental entity authorized to own, operate, and manage (water and/or wastewater) facilities. The purpose of this agreement is to provide for the financing of all or a portion of a \_\_\_\_\_ water/wastewater facility (the "Project") by the Local Government. The Local Government submitted an application for the financing dated \_\_\_\_\_ which is made by reference a part of this Agreement.

**DEFINITIONS.** Unless the context in this Agreement indicates another meaning, the following terms shall have the following meaning:

- (a) "Administrative fee" means the fee to be collected by the Authority for administration of the loan in accordance with TCA Sections 68-221-1004(a) and 68-221-1204(a);
- (b) "Agreement" means this agreement providing financing for the Project from the Fund;
- (c) "Clean Water Act" means the Water Pollution Control Act of 1972, PL 92-500, 33 U.S.C. Sections 1251 *et seq.*, as amended, and rules and regulations promulgated thereunder;
- (d) "Facility" means either a wastewater facility or a water system;
- (e) "Fund" means:
  - (1) For wastewater projects, the wastewater revolving loan fund created by the Tennessee Wastewater Facilities Act of 1987, TCA Sections 68-221-1001, *et seq.*, and rules and regulations promulgated thereunder, or
  - (2) For water projects, the drinking water revolving loan fund created by the Drinking Water Revolving Loan Fund Act of 1997, TCA Sections 68-221-1201, *et seq.*, and rules and regulations promulgated thereunder;
- (f) "Local Government" means the governmental entity borrowing under this Agreement described in (1) TCA Section 68-221-1003(7)(A), as amended, if a wastewater facility and (2) TCA Section 68-221-1203(6), as amended, if a water system.
- (g) "Program Loan" and "Loan Program Agreement" have the meanings established by TCA Section 4-31-102, as amended;
- (h) "Project" means the activities or tasks concerning a facility described in the Application to be financed pursuant to this Agreement;
- (i) "Project Cost" means the total amount of funds necessary to complete the Project;
- (j) "Project Loan" means the moneys loaned from the fund to finance the Project and required to be repaid pursuant to this Agreement;
- (k) "Safe Drinking Water Act" means the Safe Drinking Water Act, Title XVI of Public Health Service Act, 42 U.S.C. Sections 300f *et seq.*, as amended, and rules and regulations promulgated thereunder;
- (l) "State" shall mean the State of Tennessee acting through the Department and the Authority, jointly or separately, as the context requires;
- (m) "State-Shared Taxes" has the meaning established by TCA Section 4-31-102, as amended; and
- (n) "Unobligated State-Shared Taxes" means State-Shared Taxes which have not been pledged or applied to any other prior indebtedness."

### 2. PROJECT

- (a) **Description.** A description of the Project is contained in the Application.
- (b) **Funding Sources.** The Local Government estimates the Project Cost to be \$ \_\_\_\_\_ which is expected to be funded as follows:
 

(1) State Revolving Loan	\$ _____	
(2) Principal Forgiveness	\$ _____	
(3) Local Funds	\$ _____	
(4) Other Funds	\$ _____	TOTAL

### 3. LOAN

- (a) **Loan and use of proceeds.** The State shall lend to the Local Government from moneys available in the Fund an aggregate principal amount not to exceed \_\_\_\_\_ (the "Project Loan") to bear interest as described in (b) below. The loan shall be used by the Local Government for completion of the Project described in the Application and in accordance with plans and specifications and special conditions, approved and required by the Department. Interest on the Project Loan will begin to accrue upon the first disbursement of the Project Loan pursuant to Section 5 hereof.



# LOAN AGREEMENT (cont.)

- (b) **Interest rate.** The rate of interest for this Project Loan is that rate established by the Authority at the meeting at which this loan is approved and stated on the payment schedule which is incorporated into this Agreement and attached hereto.
  - (c) **Administrative fee.** The Authority shall collect a fee equal to 8 basis points of the total Project Loan, where one basis point is equal to one-hundredth of one percent (0.01%). This fee shall be payable in monthly installments equal to one-twelfth (1/12) of the annual fee amount as stated on the payment schedule.
  - (d) **Payment schedule.** The Local Government expressly agrees to make all payments of principal and interest in accordance with the Payment Schedule, including the form of payment (currently electronic funds transfer), as it is from time to time revised by the State. A revision of the Payment Schedule shall not be deemed to be an amendment of this Agreement.
4. **REPAYMENT OF PROJECT LOAN.**
- (a) **Payments.** The Local Government promises to repay to the order of the State the Project Loan plus interest, payable in installments on the 20th day of each month in accordance with the Payment Schedule established by the Authority. The Payment Schedule will require payments of interest to begin after the first disbursement pursuant to Section 5 of this Agreement. The Payment Schedule will require repayments of principal to begin either (1) within ninety (90) days after the Project is completed, or, if the Project consists solely of planning, replanning, or design work, after the Project is complete; or (2) within one hundred twenty (120) days after ninety percent (90%) of the Project Loan has been disbursed, whichever event occurs earlier. Provided, however, the Authority may agree in the instance of a newly created water system to defer the commencement of principal repayment for no more than one year after the Project is completed.
  - (b) **Reduction.** The Project Loan, and the required payments made pursuant to the Payment Schedule, shall be reduced to reflect:
    - (1) Funding not listed in Section 2(b) which subsequently becomes available, or
    - (2) The amount actually disbursed by the State to the Local Government pursuant to the Agreement as the Project Loan.If any of the conditions set out above shall occur, a new Payment Schedule reflecting such changes shall be submitted to the Local Government to be attached to this Agreement, superseding any previous schedules.
  - (c) **Prepayment.** The Local Government, at its option, may prepay all or any portion of the Project Loan.
5. **DISBURSEMENT OF PROJECT LOAN.** Each request by the Local Government for disbursement of the Project Loan shall constitute a certification by the Local Government that all representations made in this Agreement remain true as of the date of the request and that no adverse developments affecting the financial condition of the Local Government or its ability to complete the Project or to repay the Project Loan plus interest have occurred since the date of this Agreement unless specifically disclosed in writing by the Local Government in the request for disbursement. Submitted requests for disbursement must be supported by proper invoices and other documentation required by and acceptable to the Department and the Authority.
- After the Department has certified and the Authority has approved a request for disbursement, the Authority will disburse the Project Loan during the progress of the Project. Each disbursement shall be by electronic funds transfer or such other form of payment as specified in the Payment Schedule and shall be equal to that portion of the unpaid principal amount incurred to the date of the Local Government's request for disbursement. No more than 90% of the Project Loan shall be paid to the Local Government prior to the time the construction of the Project has been completed, the facilities constituting the Project are in the opinion of the Department in proper operation, and the Project has been approved by the Department; at that time the remaining 10% of the Project Loan may be paid to the Local Government. Provided, however, that if this Project Loan is for planning or replanning and design, payments may be made prior to the completion of construction of the Project for the full amount of costs associated with the planning or replanning and design.
6. **AMENDMENT.**
- (a) **Increase in Project Loan.** If the final Project Cost is greater than is estimated in Section 2(b), then the Project Loan may be increased by a subsequent agreement executed by the parties hereto (the amount of such increase may be subject to a different interest rate) if the following conditions are fulfilled:
    - (1) Amounts in the Fund are authorized and available for such increase;
    - (2) The increased Project Loan otherwise meets the applicable statutory requirements and the regulations adopted thereunder; and



# LOAN AGREEMENT (cont.)

- (3) Such increase in this Project Loan does not result in any violation or breach of any contract, resolution or ordinance of the Local Government.
- (b) Other Amendments and Modifications. Any other amendment or modification of this Agreement must first be approved by the Authority and must be in writing executed by the parties hereto.
7. REPRESENTATIONS AND COVENANTS OF LOCAL GOVERNMENT. The Local Government hereby represents, agrees and covenants with the State as follows:
- (a) To construct, operate and maintain the Project in accordance, and to comply, with all applicable federal and State statutes, rules, regulations, procedural guidelines, and grant conditions;
  - (b) To comply with the Project schedule, plans and specifications, and any and all special conditions established and/or revised by the Department;
  - (c) To commence operation of the Project on its completion; and not to contract with others for the operation and management of or to discontinue operation or dispose of the Project without the prior written approval of the Department and the Authority;
  - (d) To provide for the Local Government's share of the cost of the Project;
  - (e) To advise the Authority before pledging or encumbering its State Shared Taxes;
  - (f) To comply with applicable federal requirements including the laws and executive orders listed on Exhibit A to this Agreement;
  - (g) To advise the Department before applying for federal or other State assistance for the Project;
  - (h) To establish and maintain adequate financial records for the Project in accordance with generally accepted government accounting principles; to cause to be made an annual audit acceptable to the Comptroller of the Treasury of the financial records and transactions covering each fiscal year; and to furnish a copy of such audit to the Authority. In the event of the failure or refusal of the Local Government to have the annual audit prepared, then the Comptroller of the Treasury may appoint an accountant or direct the Department of Audit to prepare the audit at the expense of the Local Government;
  - (i) To provide and maintain competent and adequate engineering supervision and inspection of the Project to insure that the construction conforms with the approved Plans and Specifications;
  - (j) To abide by and honor any further guarantees or securities as may be required by the State which are not in conflict with State or federal law;
  - (k) To do, file, or cause to be done or filed, any action or statement required to perfect or continue the lien(s) or pledge(s) granted or created hereunder;
  - (l) To establish and collect, and to increase, user fees and charges and/or increase or levy, as the case may be, ad valorem taxes as needed to pay the monthly installments due under this Agreement, as well as the other costs of operation and maintenance including depreciation and debt service of the system of which the Project is a part.
8. SECURITY AND DEFAULT. As security for payments due under this Agreement, the Local Government pledges users fees and charges and/or ad valorem taxes, and covenants and agrees that it shall increase such fees or increase or levy, as the case may be, ad valorem taxes as needed to pay the monthly installments due here under, as well as the other costs or operation and maintenance of the system, including depreciation. The Local Government covenants to establish and collect such fees and taxes and to make such adjustments to raise funds sufficient to pay such monthly payments and costs but to create only a minimum excess.
- The Local Government further pledges such other additional available sources of revenues as are necessary to meet the obligations of the Local Government under this Agreement.
- As further security for this Project Loan, the Local Government pledges and assigns subject to the provisions herein its Unobligated State-Shared Taxes in an amount equal to the maximum annual debt service requirements under this Agreement. In the event the Local Government fails to remit the monthly payments as established in the Payment Schedule, the Authority shall deliver by certified mail a written notice of such failure to the Local Government within 5 days of such failure. In the event the Local Government shall fail to cure payment delinquency within 60 days of the receipt of such notice, the Authority shall so notify the Commissioner of Finance and Administration of the State of Tennessee of the default of the Local Government and the assignment of Unobligated State-Shared Taxes under this Agreement. Upon receipt of such notice, the Commissioner shall withhold such sum or part of such sum from any State-Shared Taxes which are otherwise apportioned to the Local Government and pay only such sums necessary to liquidate the delinquency of the Local Government to the Authority for deposit into the fund. The Local Government acknowledges that it has no claim on State-Shared Taxes withheld as permitted under this Agreement.
9. CONDITIONS PRECEDENT. This Agreement is further conditioned on the receipt of the following documents, in form and substance acceptable to the Authority, if applicable, on or before the date of the



# LOAN AGREEMENT (cont.)

- first disbursement of the Project Loan; each document is to be dated or certified, as the case may be, on or before the date of the first disbursement of the Project Loan:
- (a) A general certificate of the Local Government certifying the resolution or ordinance authorizing the Local Government to enter into this Agreement, the resolution or ordinance authorizing the rate and fee structure for the users of the system, and other matters;
  - (b) An opinion of the Attorney or Special Counsel to the Local Government to the effect that:
    - (1) The Local Government has been duly created and is validly existing and has full power and authority (under its Charter and By-laws or general law, if applicable, and other applicable statutes) to enter into and carry out the terms of this Agreement;
    - (2) This Agreement is duly executed and constitutes a valid and binding contract of the Local Government, enforceable in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditors rights generally;
    - (3) This Agreement is not in conflict in any material way with any contracts or ordinances of the Local Government; and
    - (4) There is no litigation materially adversely affecting this Agreement or the financial condition of the Local Government.
  - (c) An opinion of a licensed engineer or certified public accountant as to the sufficiency of the rates, fees and charges to meet costs of operation and maintenance, including depreciation and all debt service of the Local Government in Paragraph 7(l);
  - (d) An opinion of a licensed engineer as to the reasonableness of the project costs and as to the estimated completion date of the Project; and
  - (e) A representation of the Local Government as to loans and state shared taxes.
10. **SEVERABILITY.** In the event any covenant, condition or provision of this Agreement is held to be invalid or unenforceable by a final judgment of a court of competent jurisdiction, the invalidity thereof shall in no way affect any of the other covenants, conditions or provisions hereof.
11. **NOTICES.** Any notice shall be delivered to the parties at the addresses below (or such other addresses as the parties shall specify to each other in writing):
- |                      |  |
|----------------------|--|
| To Department:       | Tennessee Department of Environment and Conservation<br>401 Church Street, 8th Floor<br>Nashville, TN 37243  |
| To Authority:        | ATTN: State Revolving Fund Loan Program<br>Tennessee Local Development Authority<br>Suite 1600, James K. Polk Building<br>Nashville, TN 37243-0273 |
| To Local Government: | ATTN: Assistant Secretary  |
12. **SECTION HEADINGS.** Section headings are provided for convenience of reference only and shall not be considered in construing the intent of the parties to this Agreement.



# LOAN AGREEMENT (cont.)

13. EFFECTIVE DATE. The effective date of this Agreement shall be the date on which the Authority approves this Agreement as indicated below.

IN WITNESS WHEREOF, the parties to this Agreement have caused the Agreement to be executed by their respective duly authorized representatives.

LOCAL GOVERNMENT

TENNESSEE LOCAL DEVELOPMENT  
AUTHORITY

NAME \_\_\_\_\_  
(City/Town/County)

BY: \_\_\_\_\_

BY: \_\_\_\_\_  
(Signature)

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

MEETING APPROVAL DATE: \_\_\_\_\_

INTEREST RATE: \_\_\_\_\_

APPROVED AS TO FUNDING:

COMMISSIONER, DEPARTMENT OF  
ENVIRONMENT AND CONSERVATION

COMMISSIONER OF FINANCE AND  
ADMINISTRATION

BY: \_\_\_\_\_

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_



# LOAN CONDITIONS

## GENERAL CONDITIONS

CW0/CG0 #

The Local Government hereby agrees to comply with the General Conditions attached to, and made a part of, this Loan Agreement.

1. The following project schedule is established:
  - a. Submit complete plans and specifications on or before
  - b. Receive bids on or before
  - c. Start construction on or before
  - d. Complete construction on or before
  - e. Initiate operation on or before
  - f. Complete start up services on or before
2. No date reflected in the loan agreement, or in the project completion schedule, or extension of any such date, shall modify any compliance date established in an NPDES Permit. It is the borrower's obligation to request any required modification of applicable permit terms or other enforcement requirements.
3. In accordance with federal Executive Order 11625 dated October 13, 1971, and Executive Order 12138 dated May 18, 1979, the local government must make a good faith effort to include participation from Disadvantaged Business Enterprises (DBE) in subagreement awards. The Minority Business Enterprises (MBE) fair share goal is 2.6% for construction and 5.2% for supplies, services and equipment. The Women's Business Enterprises (WBE) fair share goal is 2.6% for construction and 5.2% for supplies, services and equipment.

The following steps must be utilized in soliciting participation:

- a. Include qualified small, Disadvantaged Business Enterprises (DBE) on solicitation lists.
- b. Assure that small, Disadvantaged Business Enterprises (DBE) are solicited.
- c. Divide total project requirement, when economically feasible, into small tasks or quantities to permit maximum participation of small, Disadvantaged Business Enterprises (DBE).
- d. Establish delivery schedules, where requirements of the work permit, which will encourage participation by small, Disadvantaged Business Enterprises (DBE).
- e. Use services and assistance of the Small Business Administration and the Minority Business Development Agency of the U. S. Department of Commerce, as appropriate.
- f. Require construction contractors to solicit Disadvantaged Business Enterprises (DBE) participation utilizing above steps a. through e.





# LOAN CONDITIONS (cont.)

## SPECIAL CONDITIONS

1. A qualified archaeologist shall conduct an archaeological assessment for the potential presence of intact cultural resources (including human burials) in the proposed project area. Copies of the assessment and findings must be submitted to the Tennessee Historical Commission, the Division of Archaeology, and the State Revolving Fund Loan Program. Any findings that must be preserved shall be removed/protected/preserved in accordance with state and federal laws, regulations, and/or policies. *(Include contact names and phone numbers for the agencies.)*
2. A qualified biologist shall conduct a biological assessment for the federally-listed endangered species, the state-listed endangered species, the federally-listed threatened species, and/or the state-listed threatened species. Copies of the assessment and findings must be submitted to the United States Fish and Wildlife Service and the State Revolving Fund Loan Program. *(Include contact names and phone numbers for the agencies.)*
3. The City of Xxxx shall obtain applicable Section 10/404 Permits from the U. S. Army Corps of Engineers to meet the requirements of wetlands protection and stream-crossing statutes. A letter from the Corps stating that the permits are not needed will obviate this requirement.



# BUDGET



DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
STATE REVOLVING FUND LOAN PROGRAM

STATE REVOLVING FUND LOAN  
BUDGET/RE-BUDGET FORM

PROJECT # \_\_\_\_\_

CHECK ONE:

LEGAL NAME OF APPLICANT: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY, STATE, ZIP: \_\_\_\_\_

Clean Water

Drinking Water

CLASSIFICATIONS OF COSTS	(1)	(2)*	(3)*=(1)+(2)*	(4)	(5)	(6)	(7)	(8)=(1)+(4)+(7) OR, IF RE-BUDGET, (8)=(3)+(6)+(7)
	CURRENT SRF BUDGET (\$)	SRF ADJUSTMENT* (\$)	REVISED SRF BUDGET* (\$)	LOCAL SHARE (\$)	LOCAL SHARE ADJUSTMENT* (\$)	REVISED LOCAL SHARE* (\$)	OTHER FUNDS (\$)	CURRENT TOTAL PROJECT COSTS (\$)
(a) Administrative & Legal Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(b) Land Costs, Appraisals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(c) Planning Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(d) Design Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(e) Engineering Basic Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(f) Other Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(g) Project Inspection Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h) Construction and Project Improvement Costs								
(h1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h2)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h3)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h4)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h5)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h6)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h7)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(h8)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(i) Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(j) Miscellaneous Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(k) Contingencies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTALS</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

ENGINEER'S OR AUTHORIZED REPRESENTATIVE'S SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

\*Applicable only to budget revisions.

\*\*Only forms submitted with original signatures will be processed.

NOTE: Additional columns may be added, if necessary, to accommodate additional funding agencies.

Form Revised 8-2002



# GENERAL CERTIFICATE

## GENERAL CERTIFICATE

The undersigned, \_\_\_\_\_, the \_\_\_\_\_ of  
(Name) (Title or Office)

\_\_\_\_\_, Tennessee ("Local Government"), DOES HEREBY CERTIFY as follows:

1. The Local Government is a validly created and duly organized and existing subdivision of the State of Tennessee.
2. The resolution or ordinance of the Local Government duly adopted on \_\_\_\_\_ (date), a copy of which is attached, authorizing the undersigned to execute in the name and behalf of the Local Government all documents in connection with the Project Loan with the State of Tennessee to finance a project under the Wastewater Facilities Act of 1987 ("Project") has not been amended, modified, supplemented or rescinded since its date of adoption.
3. The resolution or ordinance of the Local Government duly adopted on \_\_\_\_\_ (date), a copy of which is attached, establishing the rate and fee structure for the wastewater system of which the Project is a part has not been amended, modified, supplemented or rescinded since its date of adoption.
4. The Local Government is aware that each request for disbursement submitted pursuant to Section 5 of the Project Loan Agreement constitutes a reaffirmation by the Local Government as to the continuing truth and completeness of the statements and representations contained in the Project Loan Agreement.

**IN WITNESS OF THE CERTIFICATE**, the undersigned has executed this certificate and affixed the seal, if any, of the Local Government on this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

S-E-A-L

\_\_\_\_\_  
(Name)

ATTEST:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title or Office





# ENGINEER'S OPINION

(Please type on Engineer's letterhead)

Date (On or after date Loan Agreement signed)

Tennessee Local Development Authority and  
Tennessee Department of Environment and Conservation  
C/o State Revolving Fund Loan Program  
L & C Tower, 8<sup>th</sup> Floor  
401 Church Street  
Nashville, TN 37243

RE: \_\_\_\_\_ (City)  
Loan #

Dear Madam/Sir:

We are the consulting engineers for the City of \_\_\_\_\_, Tennessee. Pursuant to Paragraph 9 of the Revolving Fund Loan Agreement in the amount of \$ \_\_\_\_\_ to finance the above referenced project. You have requested that the City of \_\_\_\_\_ furnish you with our opinion as to certain matters. We are of the opinion:

1. The user charges implemented by the City are sufficient based on a Rate Study dated \_\_\_\_\_ to meet costs of operation and maintenance including depreciation and all debt service of the system; and
2. The estimated project costs are reasonable; and
3. The estimated completion date of the Project will be \_\_\_\_\_.

Sincerely,

Name, Title  
Firm



# PRE-AWARD COMPLIANCE FORM (EPA)

FORM Approved By OMB: No. 2030-0020 Expires 12-31-2011.

United States Environmental Protection Agency Washington, DC 20460		
Preaward Compliance Review Report for All Applicants and Recipients Requesting EPA Financial Assistance <i>Note: Read instructions on other side before completing form.</i>		
I.	Applicant/Recipient (Name, Address, State, Zip Code)	EPA Project No.
II.	Is the applicant currently receiving EPA assistance? (See * instructions on reverse side)	
III.	List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.)	
IV.	List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.)	
V.	List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3))	
VI.*	Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex, age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) <input type="checkbox"/> Yes <input type="checkbox"/> No a. Do the methods of notice accommodate those with impaired vision or hearing? <input type="checkbox"/> Yes <input type="checkbox"/> No b. Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communications? <input type="checkbox"/> Yes <input type="checkbox"/> No c. Does the notice identify a designated civil rights coordinator? <input type="checkbox"/> Yes <input type="checkbox"/> No	
VII.*	Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a))	
VIII.*	Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166)	
IX.*	If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator.	
X*	If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures.	
XI.	Will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? <input type="checkbox"/> Yes. If no, explain how a regulatory exception (40 C.F.R. § 7.70) applies. <input type="checkbox"/> No	
<b>For the Applicant/Recipient</b>		
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. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.		
A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
<b>For the U.S. Environmental Protection Agency</b>		
I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.		
A. Signature of Authorized EPA Official	B. Title of Authorized EPA Official	C. Date

EPA Form 4700-1 (Rev. 03/2008). Previous editions are obsolete.



# PRE-AWARD COMPLIANCE FORM (EPA) (cont.)

## Instructions for EPA FORM 4700-4 (Rev. 03/2008)

### General

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

Title VI 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 statute 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 ground 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 individual with a disability in the United States shall solely by reason of disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Employment discrimination on the basis of disability 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 in the United States on the basis of sex shall be excluded from participation in, be denied the benefits 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 programs or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

40 C.F.R. Part 5 implements Title IX of the Education Amendments of 1972.

40 C.F.R. Part 7 implements Title VI of the Civil Rights Act of 1964, Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act, and Section 504 of The Rehabilitation Act of 1973.

The Executive Order 13166 (E.O. 13166) entitled, "Improving Access to Services for Persons with Limited English Proficiency" requires Federal agencies work to ensure that recipients of Federal financial assistance provide meaningful access to their LEP applicants and beneficiaries.

### Items

"Applicant" means any entity that files an application or unsolicited proposal, or otherwise requests EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Recipient" means any entity, other than applicant, which will actually receive EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Civil rights lawsuits and administrative complaints" means any lawsuit or administrative complaint alleging discrimination on the basis of race, color, national origin, sex, age, or disability pending or decided against the applicant and/or entity which actually benefits from the grant, but excluding employment complaints not covered by 40 C.F.R. Parts 5 and 7. For example, if a city is the named applicant but the grant will actually benefit the Department of Sewerage, civil rights lawsuits involving both the city and the Department of Sewerage should be listed.

"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 disability.

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 "NA" for "Not Applicable."

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

\* For applicants who are not current recipients of EPA assistance, questions VI - X are for informational purposes only, and will not affect applicant grant status. However, if an applicant is currently receiving EPA assistance, questions VI - X must be answered. (40 C.F.R. Parts 5 and 7).

### "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 this burden estimate, including suggestions for reducing this burden, to U.S. EPA, Administrative Strategies Division (MC 28221), Office of Information Collection, 200 Pennsylvania Ave., NW, Washington, D.C. 20460; and to its Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

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 and regulations.



# PROJECT SCHEDULE

## SAMPLE PROJECT SCHEDULE

- a. Submit complete plans and specifications on or before **mm/dd/yyyy**.
- b. Receive bids on or before **mm/dd/yyyy**.
- c. Start construction on or before **mm/dd/yyyy**.
- d. Complete construction on or before **mm/dd/yyyy**.
- e. Initiate operation on or before **mm/dd/yyyy**.
- f. Complete start up services on or before **mm/dd/yyyy**.



# STATE-SHARED TAX FORM

## REPRESENTATION OF THE LOCAL GOVERNMENT AS TO LOANS AND STATE-SHARED TAXES

The Local Government hereby represents that:

- (1) The total amount of State-Shared Taxes received by the Local Government in the prior fiscal year of the State is \$\_\_\_\_\_.
- (2) (a) The prior loans which have been funded for which the Local Government has pledged its State-Shared Taxes are as follows:

Loan Type	Loan #	Original \$/Amt	Max: Annual Debt Service
SRF/Sewer			
SRF/Water			
URLP			
TLDA/Health Loan			
GO/Health Loan			

- (b) The maximum aggregate annual debt service is \$\_\_\_\_\_.
- (3) (a) The loans which have been applied for or have been approved with funding not yet provided, for which the Local Government has pledged its State-Shared Taxes are as follows:

Loan Type	Anticipated Interest Rate	Original \$/Amt	Anticipated Max. Annual Debt Service
SRF/Sewer			
SRF/Water			
URLP			
TLDA/Health Loan			
GO/Health Loan			

- (b) The anticipated maximum aggregate annual debt service is \$\_\_\_\_\_.
- (4) (a) State-Shared Taxes have been pledged by the Local Government to secure other obligations describe below:

Type of Obligation	Identifying #	Original \$/Amt	Max. Annual Pledge of State-Shared Taxes

- (b) The anticipated maximum aggregate annual pledge of State-Shared Taxes pursuant of other obligations is \$\_\_\_\_\_.
- (5) The amount of Local Government indebtedness Subparagraphs (2)(b), (3)(b) and (4)(b) having a lien on the State-Shared Taxes referred above is \$\_\_\_\_\_.
- (6) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (5) is \$\_\_\_\_\_.

Duly signed by an authorized representative of the Local Government on this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

LOCAL GOVERNMENT

BY: \_\_\_\_\_  
Name & Title



# REPRESENTATION OF OUTSTANDING LOANS

## REPRESENTATION OF THE LOCAL GOVERNMENT AS TO OUTSTANDING LOANS

The Local Government hereby represents that:

- (1) The total amount of revenues of the system received by the Local Government in the prior fiscal year of the State is \$\_\_\_\_\_.
- (2) (a) The prior loans which have been funded for which the Local Government has pledged its revenues are as follows:

Loan Type	Loan #	Original \$/Amt.	Max: Annual Debt Service
SRF/Sewer			
SRF/Water			

- (b) The maximum aggregate annual debt service is \$\_\_\_\_\_.
- (3) (a) The loans which have been applied for or have been approved with funding not yet provided, for which the Local Government has pledged its revenues are as follows:

Loan Type	Anticipated Interest Rate	Original \$/Amt.	Anticipated Max. Annual Debt Service
SRF/Sewer			
SRF/Water			

- (b) The anticipated maximum aggregate annual debt service is \$\_\_\_\_\_.
- (4) The amount of Local Government indebtedness (Subparagraphs (2)(b) and (3)(b) having a lien on the revenues referred above is \$\_\_\_\_\_.
- (5) The amount set forth in Subparagraph (1) less the amount set forth in Subparagraph (4) is \$\_\_\_\_\_.

Duly signed by an authorized representative of the Local Government on this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

LOCAL GOVERNMENT

BY: \_\_\_\_\_  
Name & Title



# ENGINEERING SERVICES

- ❑ Submitted to the SRF Loan Program with the Loan Application Package
- ❑ SRF review and approval



# INTEREST RATES

## STATE REVOLVING LOAN INTEREST RATES AS OF June 29, 2010

9-Jun-10

<b>BOND BUYER</b>	
20 INDEX:(BBI20)	4.40%
<b>MUNICIPAL MARKET DATA</b>	
GENERAL OBLIGATION (MMDGO) YIELDS:	
1 YR	0.36%
5 YR	1.81%
10 YR	3.07%
15 YR	3.62%
20 YR	3.97%

<b>Old Interest Rates based on BBI20</b>	
<b>ABILITY TO PAY INDEX:</b>	<b>Int. Rate</b>
10%	0.44%
20%	0.88%
30%	1.32%
40%	1.76%
50%	2.20%
60%	2.64%
70%	3.08%
80%	3.52%
90%	3.96%
100%	4.40%

### New Interest Rates in Force: MMDGO USED AS MODIFIER:

ATPI		Int. Rate
10%	5 YR	0.13%
	10 YR	0.23%
	15 YR	0.29%
	20 YR	0.33%
20%	5 YR	0.27%
	10 YR	0.46%
	15 YR	0.58%
	20 YR	0.67%
30%	5 YR	0.40%
	10 YR	0.69%
	15 YR	0.88%
	20 YR	1.00%
40%	5 YR	0.53%
	10 YR	0.92%
	15 YR	1.17%
	20 YR	1.34%
50%	5 YR	0.67%
	10 YR	1.15%
	15 YR	1.46%
	20 YR	1.67%

ATPI		Int. Rate
60%	5 YR	0.80%
	10 YR	1.37%
	15 YR	1.75%
	20 YR	2.00%
70%	5 YR	0.93%
	10 YR	1.60%
	15 YR	2.04%
	20 YR	2.34%
80%	5 YR	1.06%
	10 YR	1.83%
	15 YR	2.34%
	20 YR	2.67%
90%	5 YR	1.20%
	10 YR	2.06%
	15 YR	2.63%
	20 YR	3.01%
100%	5 YR	1.33%
	10 YR	2.29%
	15 YR	2.92%
	20 YR	3.34%

<b>BASE RATES</b>	
FOR CALCULATION X ATPI	
5 YR	1.33%
10 YR	2.29%
15 YR	2.92%
20 YR	3.34%



# PRIORITY RANKING LIST

DRINKING WATER STATE REVOLVING FUND  
FY 2010 Priority Ranking List

FINAL 05/17/2010

**TIER 1 FUNDING ZONE FOR NON-GREEN PROJECTS**

Total DWSRF \$ 15,950,000 \$ - Total Green Requested

\*Includes 5 points for having an approved Growth Plan

Priority Points*	ATPI	Local Government	County	Project Description	Priority List Amount (\$)	Running Total of Total Project Amount Requested (\$)	Green Component (\$)	Green Component Running Total (\$)
Row left blank intentionally								
85	40%	Springville UD	Henry	Water Storage Tank	\$ 700,000	700,000	\$ -	\$ -
65	30%	Alexandria	Dekalb	Brush Creek Pump Station	\$ 300,000	1,000,000	\$ -	\$ -
65	30%	Alexandria	Dekalb	Water Storage Reservoir	\$ 400,000	1,400,000	\$ -	\$ -
65	40%	Giles County	Giles	WLE Phase 1	\$ 1,800,000	3,200,000	\$ -	\$ -
65	40%	Giles County	Giles	WLE Phase 2	\$ 1,700,000	4,900,000	\$ -	\$ -
65	40%	Giles County	Giles	WLE Phase 3	\$ 750,000	5,650,000	\$ -	\$ -
65	40%	Springville UD	Henry	Phase II Water Lines	\$ 1,050,000	6,700,000	\$ -	\$ -
65	40%	Springville UD	Henry	Phase I Water Lines	\$ 900,000	7,600,000	\$ -	\$ -
65	40%	Springville UD	Henry	Water Supply Line	\$ 2,000,000	9,600,000	\$ -	\$ -
65	50%	Elizabethton	Carter	New Well and Water Lines	\$ 3,800,000	13,400,000	\$ -	\$ -
65	50%	Griffith Creek UD	Marion	Storage Tank	\$ 750,000	14,150,000	\$ -	\$ -
65	50%	Harriman	Roane	Water Loss Repair	\$ 1,800,000	15,950,000	\$ -	\$ -



# QUESTIONS?

- ❑ Questions about the Loan Application Process?



# PLANNING PHASE (cont.)

## TECHNICAL

- **INTERDISCIPLINARY ENVIRONMENTAL REVIEW**
  - 30-day review conducted as a courtesy by SRF
  - Electronic submittal of the detailed project description
  - Electronic submittal of 8 ½" x 11" color USGS topo map depicting general Project Area with project location noted
  - Electronic submittal of 8 ½" x 11" color USGS topo map depicting specific Project Location
  - May recommend special conditions for the loan agreement



# PLANNING PHASE (cont.)

## TECHNICAL

### □ FACILITIES PLAN REVIEW

- 30-day concurrent review with DWS/WPC
- SRF—Single point of contact for submittal of all facilities plans and plans and specifications to DWS and WPC
- Facilities Plan Outline
- Facilities Plan Guidance Document
- 20-year Planning Period
- Present and Projected Population and Flow data
- Alternatives Analysis - 3 technically feasible alternatives and a "No Action" alternative
- New or expanded WWTPs – must evaluated a non-discharge alternative
- Chosen Alternative – Lowest cost or additional justification
- Environmental Impacts Evaluation
- Existing Facilities
- Environmental Justice



# PLANNING PHASE (cont.)

## TECHNICAL

- ❑ **PLAN OF OPERATION (CWSRF) Review and Approval**
- ❑ **CAPACITY DEVELOPMENT REVIEW (DWSRF)**
- ❑ **PUBLIC MEETING**
  - Inform the user rate payers about the proposed project and its costs, funding sources, and impact on user rates
  - 2-week advance notice
  - Documentation required
    - Sign-in sheet
    - Meeting Summary / minutes
    - Audio or video of the Meeting
    - Notarized Publisher's Affidavit



# PLANNING PHASE (cont.)

## TECHNICAL

- ❑ **FNSI/EA OR CE TRANSMITTED**—30-day public comment period
- ❑ **FACILITIES PLAN APPROVAL**—SRF
- ❑ **LOAN AWARD**—TLDA Board



# GREEN PROJECT RESERVE

- ❑ **GREEN PROJECT RESERVE (GPR)**
  - Water Efficiency
  - Energy Efficiency
  - Green Infrastructure
  - Environmentally Innovative Projects
  
- ❑ **CATEGORICALLY GREEN VS. GREEN BUSINESS CASE REQUIRED**
  - **EPA's 2010 Clean Water and Drinking Water State Revolving Fund 20% Green Project Reserve: Guidance for Determining Project Eligibility, April 21, 2010**
  
- ❑ **BUSINESS CASE**
  - Cost savings over 20-year planning period
  - Green justification



# QUESTIONS?

- ❑ Questions about the Planning Phase?



# DESIGN PHASE

- ❑ **PLANS AND SPECIFICATIONS REVIEW**—30-day concurrent review with DWS/WPC
- ❑ **LAND/EASEMENTS Acquisition and Approval**
- ❑ **PERFORMANCE STANDARDS** Submittal (CWSRF)
- ❑ **SEWER USE ORDINANCE** Approval (CWSRF)
- ❑ Goal-oriented, good faith effort for **DISADVANTAGED BUSINESS ENTERPRISE** participation (2.6% for construction and 5.2% for supplies, services, and equipment)
- ❑ Davis-Bacon **WAGE RATES**



# DESIGN PHASE (cont.)

- SRF/EPA-required **FRONT-END DOCUMENTS** for Specifications
  - Certification Regarding Debarment
  - Certification Regarding Equal Employment Opportunity
  - Retainage – TCAs 66-34-104, 203,103
  - Advertisement for Bids Example – DBE, Conventional
  - DBE-Guidance Document
  - DBE-Loan Recipient's Requirements, Good Faith Effort Letter, Certification Summary Form
  - DBE-Bidder's Requirements
  - DBE Form 6100-2 Contractor Receipt Letter
  - DBE Forms 6100-2, 6100-3, DBE Form 6100-4
  - DBE-Certified List
  - Wage Rate - Bidder's Guidance to Davis Bacon
  - Wage Rate – Loan Recipient's Guidance to Davis Bacon
  - Tracking and Reporting – Loan Recipient's and Contractor's Guidance
  - Storm Water General Permit NOI and NOT
  - DWS Construction Start Notification Form
  - Appropriate Project Sign Detail



# DESIGN PHASE (cont.)

## CLEAN WATER STATE REVOLVING FUND

### IDENTIFICATION SIGN

All plans and specifications for each project approved shall contain provisions for requiring the general contractor to provide identification signs. The signs shall conform to the following basic features:

1. The following diagram shall be used as a design:

<b>CLEAN WATER FOR TENNESSEE</b>		
DEPARTMENT OF ENVIRONMENT AND CONSERVATION		
GOVERNOR PHIL BREDESEN		CITY OF
COMMISSIONER JIM FYKE		MAYOR
<b>STATE REVOLVING FUND PROJECT</b>		
CWSRF LOAN: \$ _____		
PRINCIPAL FORGIVENESS: \$ _____		

2. The sign shall be a 4'0" X 8'0" sheet of exterior grade plywood and shall be built so as to remain erected during the entire construction phase of the project.
3. The background of both sides shall be white. The lettering shall be black and shall be large enough to take advantage of the full size of the plywood. The stars shall be white set on a blue field and surrounded by a white ring placed inside a state map in red with a stripe of white and blue on the right side. The sign shall be bordered by a one-inch blue stripe.

Revised: May 24, 2010



# QUESTIONS?

- ❑ Questions about the Design Phase?



# CONSTRUCTION PHASE

- ❑ **BIDDING**
  - Bid Package Submittal Requirements Document
- ❑ **TENTATIVE CONTRACT AWARD**
- ❑ **AUTHORITY-TO-AWARD—SRF**
- ❑ **CONSTRUCTION**
- ❑ **SRF INSPECTIONS**



# PROJECT CLOSEOUT

- ❑ **Project Closeout**
- ❑ **Startup Services**
- ❑ **Record Drawings**
- ❑ **Operation and Maintenance Manual (CWSRF)**
- ❑ **SRF Inspections (CWSRF)**
- ❑ **Project Certification (CWSRF)**

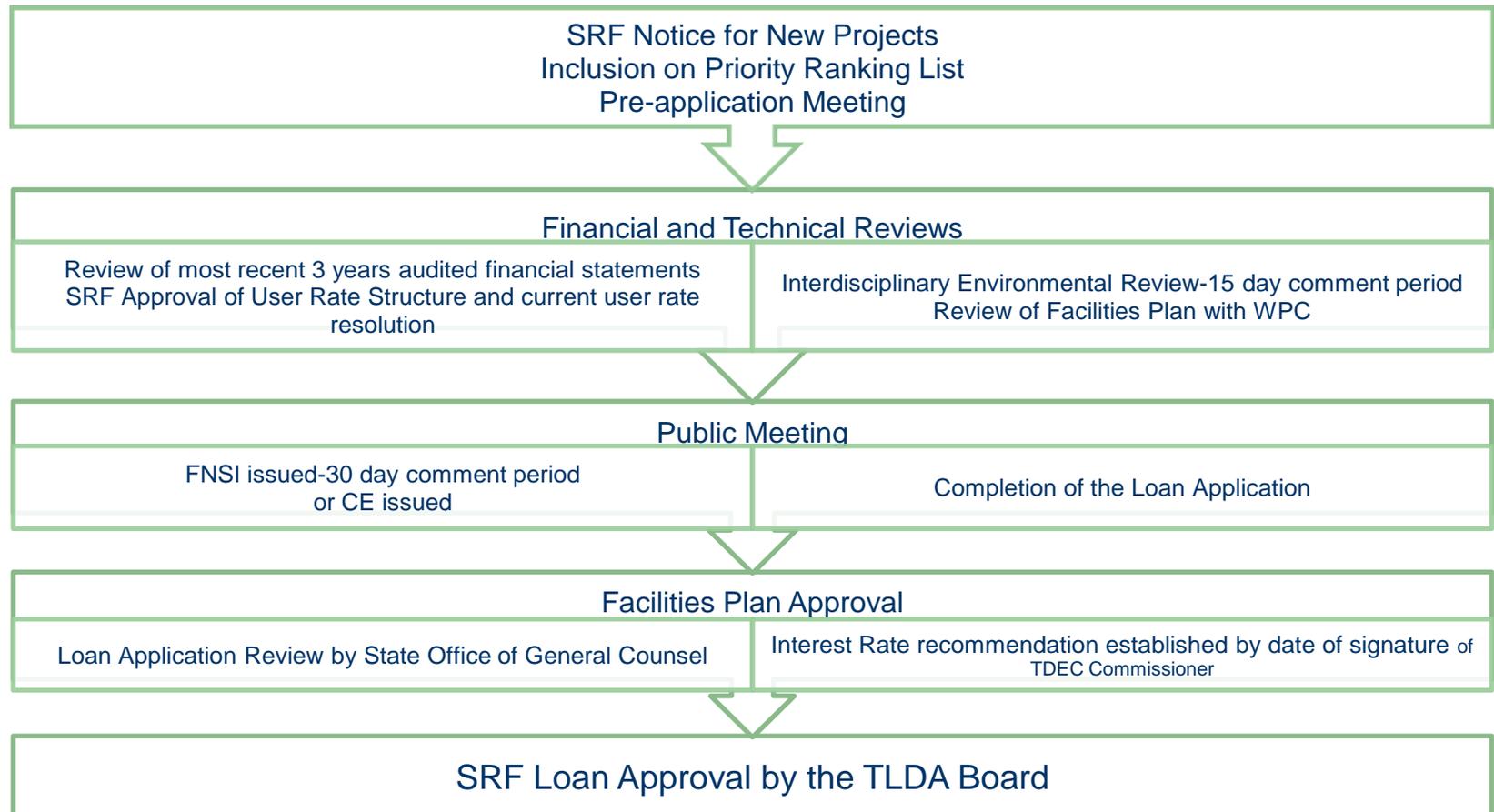


# QUESTIONS?

- ❑ Questions about the Construction or Loan Closeout Phases?



# LOAN AWARD PROCESS FLOW CHART





# QUESTIONS?

- ❑ Questions about today's presentation?



# QUESTIONS?

- ❑ Questions about today's meeting/presentation?

Contact information can be found on our web site at:

<http://tn.gov/environment/srf/lpcontacts.shtml>

Phone: 615-532-0445

Fax: 615-532-0199



# ADDITIONAL CONTACTS

Additional information concerning the Davis-Bacon Act and current wage rate determinations can be obtained at the following sites: [www.gpo.gov/davisbacon/referencemat.html](http://www.gpo.gov/davisbacon/referencemat.html) and [www.wdol.gov/](http://www.wdol.gov/) .



# SRF WEB PAGE

[www.tn.gov/environment/srf/](http://www.tn.gov/environment/srf/)

615-532-0445

The screenshot shows a Windows Internet Explorer browser window displaying the Tennessee Department of Environment and Conservation website. The address bar shows <http://www.tn.gov/environment/srf/>. The page header includes the TN.GOV logo, the department name, and Commissioner Jim Fyke. The main content area features the "State Revolving Fund Loan Program" section, which includes a public meeting announcement for May 3, 2010, and a "Clean Water State Revolving Fund Loan Program" description. Other sections include "Contact SRF", "Helpful Links", and "Program Resources". The right sidebar contains "Tennessee State Parks", "Flood Recovery", "Transparency", "Follow Us On" (Facebook and Twitter), and "Featured Sites". The bottom of the browser window shows the taskbar with the Internet Explorer icon and a 75% zoom level.

**The Official State of Tennessee's Department of Environment and Conservation, State Parks Websi - Windows Internet Explorer**

http://www.tn.gov/environment/srf/

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The Official State of Tennessee's Departmen...

**TN.GOV** Department of Environment & Conservation  
*Jim Fyke, Commissioner*

GOVERNOR Phil Bredesen  
FY 2010-2011 Budget  
Visit Phil's Web Site

**State Revolving Fund Loan Program**

Public meeting on May 3, 2010 to present FY 2010 Draft Intended Use Plans (IUPs) for the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) capitalization grants and to receive comments from the public.

**Clean Water State Revolving Fund Loan Program**

The State Revolving Fund Loan Program (SRF Loan Program) administers Tennessee's Clean Water State Revolving Fund (CWSRF) Loan Program. An amendment to the Federal Clean Water Act in 1987 created the CWSRF Program in order to provide low-interest loans to cities, counties, and utility districts for the planning, design, and construction of wastewater facilities. The U.S. Environmental Protection Agency awards annual capitalization grants to fund the program, and the State of Tennessee provides a twenty-percent funding match. The SRF Loan Program has awarded CWSRF loans totaling almost \$960 million since the creation of Tennessee's CWSRF Program in 1987. Loan repayments are returned to the program and used to fund future CWSRF loans.

**Contact SRF**

8th floor, L&C Tower  
Nashville, TN 37243  
(615) 532-0445  
[SRF Contacts](#)  
[Questions?Ask SRF](#)

**Helpful Links**

[ARRA and SRF in Tennessee](#)  
[Clean Water State Revolving Fund Home](#)  
[Clean Water SRF Construction Phase](#)  
[Drinking Water State Revolving Fund Home](#)  
[Drinking Water SRF Construction Requirements Documents for Download](#)

**Program Resources**

[Clean Water SRF](#)  
[CWSRF Funding Lists](#)  
[Drinking Water SRF](#)  
[DWSRF Funding Lists](#)  
[How to Apply for a Loan](#)  
[Public Comment on Current CE's/ FNSIs/EISs](#)

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