

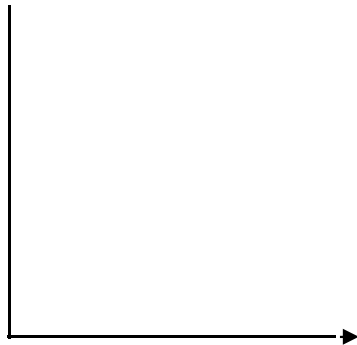


Making a Difference for Maine Communities

FINANCIAL APPLICATION

for Municipal Borrowers

Low-Interest Loans for



Drinking Water

Improvement

Projects

Greg Connors, Program Officer

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127 Community Drive, P.O. Box 2268, Augusta, Maine 04338-2268
1-800-821-1113 207-622-9386 Fax: 207-623-5359

MAINE MUNICIPAL BOND BANK
SRF - DRINKING WATER PROGRAM APPLICATION
FOR MUNICIPAL BORROWERS

Borrower Type: This application is designed for the purpose of obtaining financial information from eligible public water systems, water districts, municipalities and other governmental units. As a result, different information will be required for each type of unit. In certain cases it may be appropriate to note that a particular section is not applicable to the specific district or town. The following is a brief summary of the sections that are applicable to a specific type of borrower:

MUNICIPALITIES/GOVERNMENTAL UNITS: The application should be filled out with information concerning the specific municipality and/or governmental unit. If the system has any stand-alone debt, it should be reflected as part of the debt information. The same would hold true for any stand-alone system financial information. In most instances, the municipal applicant will complete the *Municipal Borrower* "Financial Information" section only.

WATER DISTRICTS: If the district or system debt is backed by a General Obligation pledge of the municipality or municipalities in the district, both district and municipal financial information will be required. Each municipality being served by the system must provide their financial information so that the district can complete pages 11, 12 and 13. The district will complete pages 14 and 15. If the district stands on its own (*without a General Obligation pledge*), the district will leave pages 11, 12 and 13 blank, turn to, and complete pages 14 and 15 entitled "District Financial Information". The debt information will be handled in the same manner.

Repayment Source: Loan applications and supporting financial information will be reviewed for evidence of a dedicated source of revenue that is sufficient to cover repayment of the proposed loan, plus all existing indebtedness and operating costs of the borrower. Where the dedicated source of repayment is anticipated to be an increase in existing user charges, please note that new rates must be in place prior to the execution of a binding loan agreement. **IT IS RECOMMENDED THAT RATE CASES BE FILED WITH THE MPUC AS SOON AS PRACTICABLE IN ORDER TO FACILITATE THE CLOSING OF THE LOAN IN ACCORDANCE WITH THE BORROWER'S TIMING NEEDS.**

DHHS Approval: The Department of Health and Human Services must authorize this borrowing. This Authorization must be completed and signed by DHHS before the Bond Bank can provide financing to the applicant. Before completing the application, please contact DHHS - Drinking Water Program at 207-287-5295 to determine **tentative** project eligibility. If DHHS determines the project to be eligible, complete the SRF - Drinking Water Program application and

- 1) Mail a copy of the application to: Department of Health and Human Services, Office of Water at 11 State House Station, Augusta, Maine 04333-0011.
- 2) Mail the original application and supporting documentation listed on the "Statement of Default" page of the Application to: Greg Connors, SRF – Drinking Water Program Officer, Maine Municipal Bond Bank, 127 Community Drive, P.O. 2268, Augusta, Maine 04338-2268.

Once the project is approved, DHHS will forward a signed "Project Authorization" form to the Bond Bank. The Bond Bank will begin its review of the financing request once the Authorization is received.

Application Instructions: When completing the application, please use black ink or a typewriter. To obtain the most current version of the SRF - Drinking Water application and line-by-line instructions, please visit our website: www.mmbb.com. The application and instructions can be downloaded to your PC by using the Adobe Acrobat Reader. There is also an Excel fillable application on the website.

Careful completion of the application will contribute to quick processing of your loan request. Please bring to our attention any additional information that is not disclosed in the Application or the supporting documentation. If you have any questions or need help completing the application form, please contact Greg Connors at 1-800-821-1113, 207-622-9386 (*Augusta*) or gdc@mmbb.com.

The undersigned Public Water Unit or Governmental Unit hereby requests the Maine Municipal Bond Bank to purchase the following described obligation of the applicant. This application shall not constitute a contract or commitment to enter into a contract.

GENERAL INFORMATION

Name of Applicant:

Mailing Address:

Physical Address:

Type of Unit: Municipality District Other

	Chief Administrative Officer	Contact Person (<i>if different</i>)	Project Engineer
Name:	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Title:	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Telephone:	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Fax:	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Email:	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Mailing Address:	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>

Purpose of Borrowing:

Status of the Project:

Are the engineering specifications completed? Yes No
 If no, what date will they be complete? / /

Have construction bids been awarded? Yes No
 If no, what is the projected bid date? / /

NOTE: Attached to this application is a blank Project Authorization form. Please mail the form and a copy of the completed application to your SRF Project Manager at the Department of Health and Human Services.

Have you obtained all permits and authorizations required for this project? NOTE: DHHS technical staff will provide you with a list of the permits and authorizations needed for your project.

	Yes	No	N/A	Date Obtained	Date Expected
DHHS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
DEP (if required)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
U.S. Corp of Engineers (if required)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Local Planning Board (if required)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Public Utilities Commission (issuance of securities)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>

Are there additional state or local approvals required? Yes No
 If yes, please describe:

GENERAL INFORMATION *(continued)*

What is the expected project completion date? ____/____/____

Do you have interim financing? Yes No

If no, do you need interim financing? Yes No

If you have interim financing please provide the following information:

Amount	Maturity	Rate	Lender
\$ -	____/____/____	%	

How much of the SRF loan, if any, will be used to refinance existing debt? \$ -

If applicable, what is the original issue date of the loan being refinanced? ____/____/____

Form of Authorization: Referendum Council Town Meeting Other _____

Authorized Amount \$ - Date Authorized ____/____/____

NOTE: SRF Program issuance costs, from the table below, must be factored into the authorization amount, in addition to the other costs of construction.

Are you applying as a disadvantaged community system? Yes No

NOTE: Requested funds in Box A below should include bond issuance costs, origination fee, and the Bond Bank loan amount, including any anticipated principal forgiveness.

A current listing of approved Bond Counsel can be found on our website under program information.

Bond Counsel: _____
 Telephone: _____ Fax: _____
 Mailing Address: _____

Source of Funds		Project Cost Breakdown *	
Amount Requested from Bond Bank (this application)	A	Land	\$
Federal grant or loan- specify	\$	Design	\$
State grant or loan- specify	\$	Engineering	\$
Applicant's share	\$	Contractors	\$
Other Specify	\$	Contingency	\$
	\$	Other Specify	\$
	\$		\$
	\$		\$
Total Source of Funds	B \$ -	Sub-Total of Project Costs	C \$ -

* Please attach project budget.

GENERAL INFORMATION *(continued)*

Issuance Costs and Origination Fees

Cost of Bond Issuance	Bond Bank Loan Amount	N/A	x 2%*	N/A
DHHS Project Mngmnt Fee	Bond Bank Loan Amount	\$ -	x 1%*	\$ -
Other - Specify				\$
Other - Specify				\$
Total Issuance Costs/Fees				D \$ -

Sub-Total of Project Costs (C)	\$ -
Plus Total Issuance Costs/Fees (D)	\$ -
Total Project and Issuance Costs (B)	\$ -

*NOTE: The costs of issuance and origination fee are estimates only and they may not apply in all cases. Upon review of your application, the DW-SRF Program Officer will contact you with a more accurate cost estimate associated with your borrowing.

ISSUANCE INFORMATION

Since your last Annual Report or Audited Financial Statement

Have you issued/authorized any:

- | | | | | |
|--|--------------------------|-----|--------------------------|----|
| New long-term debt? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Notes or loans for operating purposes? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Bond Anticipation Notes? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Grant Anticipation Notes? (Federal or State) | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |

If you answered yes to any of the above questions, please provide the following information:

Type of Debt	Issue Date	Amount	Rate	Maturity	Lender
	__/__/__		%	__/__/__	
	__/__/__		%	__/__/__	
	__/__/__		%	__/__/__	
	__/__/__		%	__/__/__	

Check off any factors that have occurred since the date of your last Audited Financial Statements or Annual Report that would significantly affect your revenue, expenditures or overall financial condition, such as:

- Pending litigation in excess of \$10,000. *If checked, we will need a statement from your local legal counsel about any such lawsuit.*
- In place or pending before the governing body, a limitation on the ability of the governmental unit to raise, through taxes or rates or expend from revenues, funds necessary to pay the costs incurred if you issue the debt called for in this application. *If checked please provide a copy of the ordinance or proposed governmental unit action explaining the possible limitation.*
- Other-*please explain*

Is there any reason that the Bond Bank could not take a mortgage or first lien pledge of the general revenue of the system?

- Yes No

Type of debt requested: General Obligation Revenue Combination

State Dedicated source(s) of revenue for repayment of the Bond Bank loan:

- General Taxes User Charges Special Assessments

Do you have long-term take out from another source? Yes No

If yes, please explain:

Do you wish to capitalize interest on the Bond Bank loan, once construction is complete? Yes No

If yes, how long: (a maximum of 12 months)

Are there any limitations (e.g., local ordinance, statutory, or regulation) governing the amount of bonded or general obligation debt that you may incur? Yes No

If yes, please explain:

How many years do you wish to have to repay this loan?

Payments should commence in what year?

NOTE: The maximum repayment term is twenty (20) years. However, disadvantaged systems are eligible for 30 year loans.

ISSUANCE INFORMATION *(continued)*

Maturity Schedule of Applicant's Proposed Bond Issue*

Year	Principal	Year	Principal	Year	Principal

** The Bond Bank can provide assistance in completing this.*

ECONOMIC INFORMATION

Fiscal Year End: / /

When are the charges for services due and payable?

- Monthly
 Quarterly
 Semi-Annually
 Annually

What is the interest rate penalty for late payments? %

List all the cities and/or towns your system serves:

Town/City	Estimated # of People Being Served (<i>Customers</i>)

Populations:

2010 Census: people
 Most Recent Estimate: people

List any significant users or potential users who utilize more than 5% of the system with approximate percentage of capacity attributed to each user.

Name of Individual/Business	Annual User Charge	Percentage of Capacity
		%
		%
		%
		%
		%
		%
		%

Facility and Rate Information for the Current and Past 5 years

	Previous Year	Previous Year	Previous Year	Previous Year	Previous Year	Current Year
<i>Enter Year ==></i>						
# of Facility Service Connections						
# of Employees (operating the facility)						
Rate Schedule (may attach approved schedule for current year)	c.f.	c.f.	c.f.	c.f.	c.f.	c.f.
Planned Rate Increases (during the next 2 years)						

ECONOMIC INFORMATION *(continued)*

Ten Largest Taxpayers of Municipality

Taxpayer	Type of Business	Current Year Assessed Value	% of Total Levy <i>(taxpayer assessed value divided by town/city's total assessed value)</i>
			%
			%
			%
			%
			%
			%
			%
			%
			%
			%

Are you anticipating any changes in the largest taxpayer? Yes No

If yes, why? _____

Five Largest Employers in your Community

Employer	Type of Business	# of Employees

Are any of these employers expected to make major changes in workforce or operations? Yes No

If yes, why? _____

DEBT INFORMATION

Debt Statement - Most current as of: / /

GENERAL OBLIGATION BONDS		Principal Amount Outstanding
	Issued Through the Bond Bank	
		\$ -
		\$ -
	Other Issuances, outside the Bond Bank	
		\$ -
		\$ -

LOAN REQUESTS		Principal Amount Outstanding
	Loan amount being requested through the Bond Bank	
		\$ -
		\$ -
	Loan amount being requested through other sources	
		\$ -
		\$ -

Total Direct Debt \$ -

Overlapping Debt

List all governmental units that have overlapping jurisdiction (county, school district, town, fire district, water, sewer, utility, etc.) with your own unit and the amount of debt owed by each. Please indicate the amount and percent of outstanding debt for which your community is liable.

Name of Governmental Unit	Outstanding Bonded Debt	Your % of	Your \$ share of
	\$ -	%	\$ -
	\$ -	%	\$ -
	\$ -	%	\$ -
	\$ -	%	\$ -
	\$ -	%	\$ -

Total Overlapping Debt \$ -

Total Direct Debt and Overlapping Debt \$ -

Do you belong to the Maine State Retirement System?

Yes No

If yes, what is the amount of the unfunded liability?

\$ -

If no, does the system provide a retirement program?

Yes No

If yes, please provide the most current estimate of any unfunded pension liability

\$ -

FINANCIAL INFORMATION (Tax Rate & Tax Collections)

NOTE: If the District or system debt is backed by a General Obligation pledge of the Municipality or Municipalities in the District, please complete this page for each municipality. If the District stands on its own, leave pages 12, 13 and 14 blank, turn to and complete pages 15 and 16 entitled "District Financial Information".

Tax Rate and Tax Collections

Fiscal Year	Tax Rate (Per \$1,000 of Assessed Value)	Total Taxes Billed	Collected by End of Fiscal Year		Collected by End of Second Year	
			Dollar Amount	% of Tax Levy	Dollar Amount	% of Tax Levy
	\$ -	\$ -	\$ -	%	\$ -	%
	\$ -	\$ -	\$ -	%	\$ -	%
	\$ -	\$ -	\$ -	%	\$ -	%
	\$ -	\$ -	\$ -	%	\$ -	%
	\$ -	\$ -	\$ -	%	\$ -	%
	\$ -	\$ -	\$ -	%	\$ -	%

Property Valuations

Year Ending (Most Recent Year)	Local Assessed Value (Real Estate + Personal Property)	State Assessed Value
___/___/___	\$ -	\$ -

Date of Last Re-evaluation: ___/___/___

Composition of Tax Base: Please provide current fiscal year estimates for the following:

% Commercial and Industrial % % Residential %

Tax Due Dates: 1st 2nd

Penalties and/or interest charged on overdue taxes:

Basis of Accounting (check one) Cash Modified Accrual Full Accrual

DISTRICT FINANCIAL INFORMATION *(continued)*

Summary Statement of Revenue and Expenditures for last three years and for two years projected

REVENUES

	Enter Year	Enter Year	Enter Year	Enter Year	Enter Year
<i>Enter Year==></i>					
Residential					
Commercial					
Deferred Charges					
Other					

TOTAL REVENUES \$ - \$ - \$ - \$ - \$ -

EXPENDITURES

Operations & Maintenance					
Depreciation & Amortization					
Other					

TOTAL EXPENDITURES \$ - \$ - \$ - \$ - \$ -

TOTAL OPERATING INCOME \$ - \$ - \$ - \$ - \$ -

OTHER INCOME

Interest					
Other					

TOTAL OTHER INCOME \$ - \$ - \$ - \$ - \$ -

INCOME DEDUCTIONS

Interest on Debt					
Debt Retired					
Other					

TOTAL INCOME DEDUCTIONS \$ - \$ - \$ - \$ - \$ -

NET OPERATING INCOME \$ - \$ - \$ - \$ - \$ -

STATEMENT OF DEFAULT

We hereby certify that (system name) _____ has not defaulted on any payment of matured Principal and/or Interest. If default has occurred, please provide details on a separate page.

Is the system under any regulatory or court compliance order? Yes No

If yes, please describe on a separate page, including issuance and compliance requirement date.

The applicant must enclose the following documentation with the completed application. *Please indicate whether it is enclosed or not applicable.*

- | Enclosed | N/A | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | One copy of District's Charter, with amendments, if any. |
| <input type="checkbox"/> | <input type="checkbox"/> | One copy of each of the last three annual Audited Financial Statements unless previously submitted to the Bond Bank. If there is no operational history, please submit an analysis demonstrating financial feasibility. |
| <input type="checkbox"/> | <input type="checkbox"/> | If the latest Audited Financial Statement is more than 12 months old, please submit the most recent unaudited financial statement (<i>e.g., trial balance, balance sheets, statement of revenue and expenditures</i>) . |
| <input type="checkbox"/> | <input type="checkbox"/> | One copy of the latest Budget. |
| <input type="checkbox"/> | <input type="checkbox"/> | Schedule of current and/or proposed rates required for financing the project under consideration, and a schedule for adopting those rates, if they are not in place. |
| <input type="checkbox"/> | <input type="checkbox"/> | Most recent copy of proposed construction drawdown schedule. |

For Land Acquisition Projects:

- | | | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | A copy of purchase and sale agreement. |
| <input type="checkbox"/> | <input type="checkbox"/> | A copy of the appraisal of land to be purchased. |

Any material facts that amplify the financial effect on the community, not requested in this application, should be noted here:

The facts and representations in this application form are from the official records of this unit and are correct in all material aspects to the best of our knowledge.

Chief Administrative Officer:

(name)

(title)

Signature: _____

Treasurer: _____

Date: _____