



**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**

**APPLICATION FOR REVIEW OF PROPOSED RATE REDUCTION BOND ISSUANCE  
FOR A UTILITY PROJECT  
Pursuant to Assembly Bill 850 (AB 850)**

**ISSUER APPLICANT:** \_\_\_\_\_

**LOCAL AGENCY APPLICANT:** \_\_\_\_\_

**UTILITY PROJECT:** \_\_\_\_\_

We, the undersigned, hereby make Application to The California Pollution Control Financing Authority ("CPCFA") for the purpose of reviewing a proposal to issue rate reduction bonds.

We agree it is our responsibility to provide CPCFA with one original and one duplicate copy of a complete Application, accompanied by a check made payable to CPCFA in the amount of **\$10,000**. We understand that succinct answers providing the requested information are required. We understand that if additional space is required, each additional page will be clearly labeled. We agree that it is also our responsibility to provide all information that is deemed by CPCFA to be necessary to evaluate our Application. We understand that CPCFA may verify information provided and analyze materials submitted as well as conduct its own investigation to evaluate the Application. We recognize that we have a duty to inform CPCFA when any information in the Application or supplemental materials is no longer true and to supply CPCFA with accurate information.

We represent that we have read all applicable Government Code sections (6585, 6590, 6591, 6592, 6599.3 and 6588.7 and the CPCFA Regulations adopted pursuant to those provisions (Article 12 (commencing with section 8130) of Division 11 of Title 4 of the California Code of Regulations) regarding the review and determination of qualification regarding issuing rate reduction bonds.

We acknowledge that all materials and requirements are subject to change by enactment of federal or state legislation.

We acknowledge the information submitted to CPCFA in this Application or supplemental thereto may be subject to the Public Records Act or other disclosure. We understand that CPCFA may make such information public. CPCFA may maintain as confidential, certain financial information, but cannot guarantee confidentiality.

The Issuer Applicant and the Local Agency Applicant declare under penalty of perjury that the information contained in the Application, exhibits, attachments, and any further or supplemental documentation is true and correct to the best of their knowledge and belief. We understand that misrepresentation may result in the cancellation of a determination, and other actions which CPCFA is authorized to take.

The Issuer Applicant and the Local Agency Applicant certify that they are in compliance with all applicable statutes, laws, rules, and regulations necessary for the transaction of their projects.

We agree to hold CPCFA, its members, officers, agents, and employees harmless from any matters arising out of or related to the review determination.

We acknowledge that all Application materials are to be delivered to the address below, **by 5:00 p.m.** on the appropriate date at the following address:

The California Pollution Control Financing Authority

Physical Address:

801 Capitol Mall, 2nd Floor  
Sacramento, CA 95814

Mailing Address:

P.O. Box 942809  
Sacramento, CA 94209

\_\_\_\_\_  
**Signature of Issuer Applicant**

\_\_\_\_\_  
**Signature of Local Agency Applicant**

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

Additional information may be obtained by accessing the Authority's web site at <http://www.treasurer.ca.gov/cpcfah.htm> or by calling the Authority at (916) 654-5610.

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**  
**APPLICATION FOR REVIEW OF A RATE REDUCTION BOND ISSUE**  
**pursuant to Assembly Bill 850 (AB850)**

**PART I –APPLICANT INFORMATION**

**1. ISSUER APPLICANT**

Name of Issuing Agency:  
Name of Senior Official: Telephone: (        )  
Title of Senior Official: E-Mail:  
Mailing Address:  
City:  
State:  
Zip Code:

**ISSUER APPLICANT CONTACT** (staff person who can answer questions regarding this application)

Name of Staff Person:  
Title of Staff Person: Telephone: (        )  
Mailing Address: E-Mail:  
City:  
State:  
Zip Code:

**Required Attachments (CPCFA regulation sections 8134(a)(2)(i)-(iii) and 8134(a)(3)):**

**Attachment A – Copies of the following documents:**

- Issuer Applicant’s joint exercise of powers agreement
- Issuer Applicant’s by-laws, rules or other similar document
- Issuer Applicant’s Notice of Agreement

**Attachment B – Certificate from the chair, executive director or other authorized officer of the Issuer Applicant**

**2. LOCAL AGENCY APPLICANT**

Name of Local Agency:  
Name of Senior Official:  
Title of Senior Official:  
Mailing Address:  
City:  
State:  
Zip Code:

Telephone: (        )  
E-Mail:

**LOCAL AGENCY APPLICANT CONTACT** (staff person who can answer questions regarding this application)

Name of Staff Person:  
Title of Staff Person:  
Mailing Address:  
City:  
State:  
Zip Code:

Telephone: (        )  
E-Mail:

**Required Attachments (CPCFA regulation sections 8134(b)(2)-(5)):**

**Attachment C – Evidence the Local Agency Applicant is, or owns and operates, a publicly owned utility:**

- Certificate from the chair, mayor, chief executive officer, general manager, assistant general manager, executive director or other authorized officer; OR
- Copy of charter documents establishing that the utility is a publicly owned utility

**Attachment D – Evidence of the ratings for the senior lien unenhanced revenue bonds payable from the revenues of the publicly owned utility:**

- Current rating reports; OR
- Report of an independent investment banker or financial consultant

**Attachment E – Resolutions, ordinances or other official actions of the legislative body of the local agency applicant:**

- The project to be financed with the proceeds of the rate reductions bond is a utility project;
- The local agency applicant is electing to finance costs of the utility project; AND
- Based on information available to, and projections used by, the legislative body of the local agency applicant, the rate of the publicly owned utility plus the utility project charge resulting from the financing of the utility project with the rate reduction bonds are expected to be lower than the rates of the publicly owned utility if the utility project was financed with bonds payable from the revenues of the publicly owned utility.

**Attachment F – Evidence that the legislative body of the local agency applicant had a reasonable basis on which to make the findings and determinations:**

- A report of an independent certified consulting engineer; OR
- A report of the chief engineer of the publicly owned utility; OR
- Such other documents, report, analyses and other materials

**PART II – INFORMATION CONCERNING THE UTILITY PROJECT**  
**Regulation Section 8134(c)**

1. **Project Name:**

2. **Project Street Address:**

City:  
County:  
Zip Code:

3. **Description of the Project (CPCFA regulation section 8134(c)(1)(i)):**

**Attachment G** – Attach a description of the proposed project. The description must establish that the items to be financed with the proceeds of the sale of Rate Reduction Bonds consist of the acquisition, construction, installation, retrofitting, rebuilding, or other addition to, or improvement of, any equipment, device, structure, improvement, process, facility, technology, rights of property, located either within or outside of, the State of California, and that is used, or to be used, in connection with the operations of a publicly owned utility for conservation or reclamation purposes or in response to a mandate.

4. **Purpose of the Project (CPCFA regulation section 8134(c)(1)(ii)):**

**Attachment H** – Explain how the use of the items to be financed with the proceeds of the sale of Rate Reduction Bonds will be either designed to reduce the amount of potable water to be supplied by a publicly owned utility or reduce the amount of water imported by the publicly owned utility;

OR

Explain how the project is in response to a requirement, imposed by a mandating entity.

**PART III – FINANCING COSTS**  
**Regulation Section 8134(d)**

Information concerning the projected Financing Costs for the proposed rate Reduction bond financing:

- 1. Anticipated Rate Reduction Bond Scale:
  - a. Not to exceed principal amount \_\_\_\_\_
  - b. Maturities \_\_\_\_\_
  - c. Interest rates – Fixed or variable \_\_\_\_\_
  - d. Redemption provisions:
  
- 2. Anticipated Professional Fees:
  - a. Bond counsel fee \_\_\_\_\_
  - b. Financial advisor fee \_\_\_\_\_
  - c. Underwriters counsel fee \_\_\_\_\_
  - d. Trustee counsel fee \_\_\_\_\_
  - e. Accounting fee \_\_\_\_\_
  - f. Engineering fee \_\_\_\_\_
  - g. Other legal fees \_\_\_\_\_
  - h. Other consultants fees \_\_\_\_\_
  
- 3. Issuance Fees:
  - a. Underwriting or placement fees \_\_\_\_\_
  - b. Trustee fee \_\_\_\_\_
  - c. Rating agency fees \_\_\_\_\_
  
- 4. Credit or Liquidity Enhancement Fees:
  - a. Bond insurance fee \_\_\_\_\_
  - b. Bank letter of credit or standby bond purchase agreement fees \_\_\_\_\_
  - c. Debt service reserve amount or surety fees \_\_\_\_\_
  - d. Other credit or liquidity enhancement fees \_\_\_\_\_

5. Servicing and Administrative fees:

- a. Publicly owned utility servicing fee (bill and collect the utility project charge)
- b. Annual trustee fees
- c. Interest rate swap
- d. Other servicing and administrative fees:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Financing Costs Required Attachment (CPCFA regulation section 8134(d)(2))**

**Attachment I** – Attach a certificate from an independent financial advisor to the effect that based on information available to them, the projected financing costs fall within the normal range of financing costs for comparable types of debt issuance.

## PART IV – APPLICATION APPROVAL

**Applicants are advised to read Section 8136 of the CPCFA Regulations regarding the qualification of Rate Reduction Bonds for issuance when answering the following questions.**

Answer “**YES**” or “**NO**” to the following:

1. The Project to be financed with the proceeds of the sale of Rate Reduction Bonds is a Utility Project.
2. The Local Agency Applicant is electing to finance costs of the Utility Project pursuant to Section 6588.7 of the Government Code and the Financing Costs associated with the financing are to be paid from Utility Project Property, including the Utility Project Charge for the Rate Reduction Bonds issued for the Utility Project in accordance with Section 6588.7 of the Government Code.
3. Based on information available to, and projections used by, the legislative body of the Local Agency Applicant, the rates of the Publicly Owned Utility plus Utility Project Charge resulting from the financing of the Utility Project with Rate Reduction Bonds are expected to be lower than the rates of the Publicly Owned Utility if the Utility Project was financed with bonds payable from the revenues of the Publicly Owned Utility.
4. The projected Financing costs fall within the normal range of financing costs for comparable types of debt issuance.



**PART V – LEGAL STATUS OF ISSUER APPLICANT**

**LEGAL STATUS QUESTIONNAIRE OF ISSUER APPLICANT**

**Issuer Applicant Name:** \_\_\_\_\_

1. Financial Viability

Disclose any legal or regulatory action or investigation that may have a material impact on the financial viability of the project or the applicant (borrower/project sponsor). The disclosure should be limited to actions or investigations in which the applicant or the applicant's parent, subsidiary, or affiliate involved in the management, operation, or development of the project has been named a party.

Response: \_\_\_\_\_

2. Fraud, Corruption, or Serious Harm

Disclose any legal or regulatory action or investigation involving fraud or corruption, or health and safety where there are allegations of serious harm to employees, the public, or the environment. The disclosure should be limited to actions or investigations in which the applicant or the applicant's current board member (except for volunteer board members of non-profit entities), partner, limited liability corporation member, senior officer, or senior management personnel has been named a defendant within the past ten years.

Response: \_\_\_\_\_

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome.

I attest that I have provided full disclosure as indicated in response to the items #1 and #2 above.

\_\_\_\_\_  
Signature of Senior Official

\_\_\_\_\_  
Print of Type Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date:

**PART VI – LEGAL STATUS OF LOCAL AGENCY APPLICANT**

**LEGAL STATUS QUESTIONNAIRE OF LOCAL AGENCY APPLICANT**

**Local Agency Applicant Name:** \_\_\_\_\_

1. Financial Viability

Disclose any legal or regulatory action or investigation that may have a material impact on the financial viability of the project or the applicant (borrower/project sponsor). The disclosure should be limited to actions or investigations in which the applicant or the applicant's parent, subsidiary, or affiliate involved in the management, operation, or development of the project has been named a party.

Response: \_\_\_\_\_

2. Fraud, Corruption, or Serious Harm

Disclose any legal or regulatory action or investigation involving fraud or corruption, or health and safety where there are allegations of serious harm to employees, the public, or the environment. The disclosure should be limited to actions or investigations in which the applicant or the applicant's current board member (except for volunteer board members of non-profit entities), partner, limited liability corporation member, senior officer, or senior management personnel has been named a defendant within the past ten years.

Response: \_\_\_\_\_

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome.

I attest that I have provided full disclosure as indicated in response to the items #1 and #2 above.

\_\_\_\_\_  
Signature of Senior Official

\_\_\_\_\_  
Print of Type Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date:

## RATE REDUCTION BOND APPLICATION DOCUMENTS CHECKLIST

This checklist is provided to assist you in making sure that a completed application package is filed with the Authority.

Your application package must contain the following:

<b>Check Box</b>	<b>Document Description</b>	<b>Attachment Name</b>
	\$10,000 Application Fee made payable to CPCFA (CPCFA regulation section 8133)	N/A
	Two (2) Completed and <u>signed</u> original application forms	N/A
	Legal Status of Issuer Applicant	Part V
	Legal Status of Project Sponsor	Part VI
	Copies of the following documents from the Issuer Applicant (CPCFA regulation section 8134(a)(2)): <ul style="list-style-type: none"> <li>• Joint exercise of powers agreement</li> <li>• By-laws or rules</li> <li>• Notice of Agreement</li> <li>• Certificate</li> </ul>	A  B
	Evidence from the Local Agency Applicant that it is, or owns and operates, a publicly owned utility (CPCFA regulation section 8134(b)(2))	C
	Evidence of the ratings for the senior lien unenhanced revenue bonds (CPCFA regulation section 8134(b)(3))	D
	Resolutions, ordinances or other official actions of the legislative body of the local agency applicant (CPCFA regulation section 8134(b)(4))	E
	Evidence that the legislative body of the local agency applicant had a reasonable basis on which to make the findings and determinations (CPCFA regulation section 8134(b)(5))	F
	Description of the project	G
	Purpose of the project	H
	Financing cost certificate	I