

GOVERNMENT FINANCIAL NARRATIVE

In order to adequately address the unique credit features of a particular loan, and to provide sufficient security for the Loan Program, additional covenants, credit enhancement or security features may be required to participate in the Loan Program. Such security may include the provision of a debt service reserve fund at the borrower level, higher rate covenants for borrowers with limited historic coverage or dependence on [a] concentrated source[s] of revenues. California Department of Resources Recycling and Recovery (CalRecycle) will provide the borrower with these additional requirements, if any, at the time a loan commitment is made. The Applicant must show availability of matching funds of at least 25 percent of the total project costs in form Project Budget Sources and Uses of Funds (CalRecycle 824). CalRecycle will require all project funding sources, other than the CalRecycle's Program loan, to be identified at the time of application and committed prior to loan approval by the CalRecycle Loan Committee (Loan Committee), please attach supporting documentation. CalRecycle may also require additional reviews and evaluations of project feasibility and potential risks.

Applicants are expected, in most cases, to secure the loan(s) solely or primarily by a revenue pledge. Other source of repayment may be acceptable to CalRecycle, however minimum credit criteria for potential other repayment sources must be review on a project-by-project basis. In some cases, an application may meet the minimum credit criteria and still be ineligible for financing if staff determines that there is a risk that the loan will not be repaid in a timely manner. Any such determination by the staff will be detailed in the recommendation to the Loan Committee to deny the requested application because of the lack of eligibility. Additionally, for all applicants, no uncured bond/loan/debt defaults may exist as of the date the loan application is submitted to CalRecycle. Prior cured defaults may be grounds for disapproval, depending on circumstances.

CalRecycle will use information in the loan application and exhibits to determine eligibility and creditworthiness of the loan applicant, and applicant ability to secure and repay the loan. Public rating agencies, prospective investors or purchasers, or their agents will review this information in the event of sale or securitization of the loan. Such review will be subject to a confidentiality agreement.

CalRecycle may transfer portions of the information in this loan application to the CalRecycle Loan Committee and to state agencies assisting CalRecycle with administration and maintenance of this program, including but not limited to: the Office of the State Controller, Department of General Services, Department of Finance, Department of Justice, and the Air Resources Board. CalRecycle may enter designated items from this application into a CalRecycle database accessible to the public.

Additionally, the Applicant must adopt an **Environmentally Preferable Purchasing Practice Policy Notification (EPPP)** for your application to qualify for this loan

transaction. To see concepts/policies that CalRecycle encourages organizations to include in their EPPP Policies, open the EPPP Information document located in the Resource Document section on the Summary tab of the grant application. Please note that your organization’s policy does not replace the required **EPPP**.

The information requested in this application is mandatory for all loan applicants. Failure to provide the information may result in an applicant not receiving a Program loan. Applicants have the right to review their loan application files. The official responsible for maintenance of loan application files is: Loan Program Supervisor, Department of Resources Recycling and Recovery, Loan Programs Unit, 1001 I Street, Mail Stop # 9, P.O. Box 4025, Sacramento, CA, 95812-4025.

Instructions:

Check the applicable boxes to indicate the forms attached to your application. Refer to the Government Loan Checklist for a list of all required forms and documents. Provide a response to each of the items below.

Type of Government Entity:

- City
- General Law
- Charter: California Labor Code section 1782 prohibits a charter city from receiving state funding or financial assistance for construction projects if that charter city does not comply with Labor Code sections 1770-1782. If any applicants or participating jurisdictions are charter cities or joint powers authorities that include charter cities, the lead applicant must certify that Labor Code section 1782 does not prohibit any included charter city from receiving state funds for the project described in this application. If it is determined after award that a participating jurisdiction is a charter city prohibited from receiving state funds for this grant project, the grant will be terminated and any disbursed grant funds shall be returned to CalRecycle.
- County
- Joint Powers Authority (see Charter City): Please attach formation document as “Exhibit 3”.
- Other Public Agencies, Specify: Please attach formation document “Exhibit 3”.

Describe the composition of the Applicant’s governing body, including the number of position, term, and selection/appointment process:

Enter text here:

Source of financing repayment:

- Solid Waste Enterprise Fund, specify:
 - Senior lien

- Subordinate lien to
- General Fund, specify essential asset to be leased for the lease agreement:
- Other, specify:

Name of the Project:

Enter text here:

Project Management: Who is going to construct and manage the Project? Please provide Project management resumes as “exhibit 5”.

Use of Financing Proceeds: purchase equipment, machinery etc...

Use Budget – Sources and Uses of Funds (CalRecycle 824)

Enter text here:

Project Site Information: Check the one box that best describes the project site information.

- Owned by the applicant
- Owned by an affiliated party
- Leased from an unaffiliated party

Is land acquisition a component of the Project?

- No
- Yes. Provide a copy of the purchase agreement as “Exhibit 6”, include the description of the land acquired or to be acquired (current owner, address, assessor’s parcel number purchase date or expected purchase date, cost or estimate), and identify the funding source for the land.

Environmental Impact: California Environmental Quality Act (CEQA).

Expected / determined Level of Required Environmental Clearance:

- Notice of Exemption
- Negative Declaration
- Environmental Impact Report (EIR)
- Unknown

Status of CEQA Compliance:

- Not started, Expected Completion Date
- In Progress, Expected Completion Date
- Adopted/Approved by Local Governing Board

If adopted and approved, please provide a copy of the proper clearance document (Notice of Determination or Notice of Exemption) as “Exhibit 11”.

Description of the solid waste system (System) or other system revenues being pledged to this loan.

Enter text here:

System Capital Improvements. Attach as “Exhibit 12” the Capital Improvement Plan. Explain any expected Plan for future debt issuance:

Enter text here:

Provide the following System information:

NUMBERS OF USERS BY CATEGORY

For Fiscal Year Ending (FYE) June 30	2012	2013	2014	2015
Residential				
Commercial				
Total				
% Change				

CURRENT SYSTEM USAGE & REVENUES

As of	Annual Usage (Tons)	% Annual Usage	Gross Annual Revenue	% Gross Annual Revenues
Residential				
Commercial				
Total				

HISTORICAL RATE INCREASES OVER THE LAST FIVE YEARS

Date Adopted	Date Effective	% Increase

SOLID WASTE AND RECYCLING SERVICE RATES

For Fiscal Year Ending (FYE) June 30	2013	2014	2015	2016
1 cubic yard of refuse				
% change				
1 cubic yard of compacted refuse				
% change				

PROJECTED AVERAGE MONTHLY USER CHARGE PER RESIDENTIAL UNIT

For Fiscal Year Ending (FYE) June 30	2015	2016	2017	2018
Residential				
% change				

CURRENT AVERAGE MONTHLY SYSTEM USER CHARGE COMPARED TO NEARBY SYSTEMS

System Name	Location	Average Monthly Residential Rate

SERVICE CHARGE DELINQUENCY RATE

Fiscal Year	Delinquency Rate

TOP 10 SYSTEM USERS

	User	% System Revenues	Customer Class (Residential/Commercial/Industrial/Other)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
	Total		

Financial Information: Provide complete copies of the three (3) most recent fiscal year-end audited financial statements (attach as “Exhibit 13”).

Annual Budget: Provide the current year adopted budget as “Exhibit 14”.

Events: Are there any events that have occurred since the date of the last financial statement that could materially affect revenues or overall financial condition of the applicant?

- No
- Yes, Explain:

Outstanding Obligations: In the table below, list all outstanding financing obligations (debt, notes, capital leases, etc.) secured by the source of financing repayment for the requested financing. Attach as “Exhibit 15” one copy of all financing documents (e.g., official statement along with any underlying loan agreements, lease agreements, or indentures, etc.). Additionally, provide a description of any off-balance sheet debt obligation, including capital leases and other contractual obligations:

Name of Debt	Date of Debt	Outstanding Balance	Maximum Annual Debt Service/ Lease Payment
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$

Default: Has the applicant defaulted on any debt or other obligation including, but not

limited to, bonds, or loans within the last five years?

No

Yes, specify the date(s) and circumstances:

Pending, Anticipated Litigation: Describe any pending or anticipated litigation and/or contractual disputes that may negatively impact the financing repayment source, or the ability of the Applicant to enter into or repay the Program:

Enter text here:

Controversy: Describe any past, present, or potential issues or controversies that may impact the Project:

Enter text here:

Applicant Resolution:

Provide a copy of the Applicant’s governing body resolution to submit application as “Exhibit 16”.

Any applicant that is subject to a governing body must submit a Resolution that authorizes specific loan-related matters. A copy of the authorizing Resolution is a required application document that must be submitted no later than the secondary due date or the application may be deemed incomplete and will be disqualified.

Individual Application Requirements:

The Resolution must authorize submittal of an application for one specifically named CalRecycle loan. The Resolution must identify the period of time, up to five years, during which the authorizations are valid. Five years is encouraged; however, periods of less than five years are acceptable. If a Resolution does not specifically identify a period of time, it will be considered valid for one year from the date of adoption. The Resolution must identify the Signature Authority by listing the job title of the person(s) authorized to sign all loan-related documents necessary to consummate the loan.

(Optional but encouraged) The Resolution should authorize the Signature Authority to delegate his/her signature authority to another person identified by job title.

Note: The Signature Authority must sign a Letter of Designation **prior** to the Designee’s exercise of his/her authority.

Regional Lead Application Requirements:

The Regional Lead Participant must submit an approved Resolution that authorizes it to act as a lead for a regional program. This Resolution authorizes submittal of a regional application on behalf of the Lead Participant and specifically named regional participants, and includes authorization letters with original signatures dated within the

last 12 months from the participating jurisdictions authorizing the Lead Participant to act on their behalf for this cycle. If the Resolution is valid for more than one year, it is highly recommended a) that the list of participants be provided as an attachment rather than embedded in the Resolution, and b) that the Signature Authority be authorized to revise the list as necessary with each subsequent application (this allows a Signature Authority to add or remove regional participants with each new application without the necessity of obtaining a new Resolution). Regional participants subject to a governing body must provide a Letter of Authorization, dated within the last 12 months, to the Regional Lead Participant authorizing the Lead Participant to act on its behalf for this cycle. Copies of the Letters of Authorization must be submitted with the application by the secondary due date.