



State of Ohio
Environmental Protection Agency

Office of Fiscal Administration

State and Federal Funding for Drinking Water and Wastewater Systems

July 2004

Bob Taft, Governor
Christopher Jones, Director

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STATE AND FEDERAL FUNDING

FOR

DRINKING WATER AND WASTEWATER SYSTEMS

Ohio Environmental Protection Agency
Office of Fiscal Administration
Economic Analysis Unit

2004

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STATE AND FEDERAL FUNDING
FOR
DRINKING WATER AND WASTEWATER SYSTEMS

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INTRODUCTION

The following summaries provide information about state and federal funding programs available to municipalities and other Ohio public entities for financing the planning, design, construction and/or improvement of drinking water and wastewater systems.

The summary for each program description includes the following categories:

- (1) Purpose;
- (2) Eligibility;
- (3) Funding;
- (4) Priority (when applicable)
- (5) Technical Assistance (if applicable); and
- (6) Application.

General questions may be directed to the Ohio Environmental Protection Agency, Office of Fiscal Administration, Economic Analysis Unit, Economist, Michael Wood (614) 644-3760, or michael.wood@epa.state.oh.us. Copies of this report can also be obtained from the Ohio EPA Web site at: <http://www.epa.state.oh.us/ofa/>

**Appalachian Regional Commission (ARC)/
Governor's Office of Appalachia (GOA)**

Administered by the State of Ohio, Governor's Office of Appalachia

PURPOSE

The Governor's Office of Appalachia represents the interests of the 29 Ohio Appalachian counties to facilitate economic and community development throughout the region.

GOA coordinates the planning process and sets the direction of ARC funding within the State of Ohio and State of Ohio Appalachian grants.

Projects utilizing either state or federal Appalachian grants must meet one of the following goals:

- Develop a knowledgeable and skilled population.
- Strengthen the region's physical infrastructure.
- Build local and regional capacity.
- Create a dynamic economic base.
- Foster healthy people.

ELIGIBILITY

Any entity, including multi-jurisdictional applicants, within the 29 Appalachian counties of Ohio is eligible.

Appalachian Counties in Ohio include: Adams, Athens, Belmont, Brown, Carroll, Clermont, Columbiana, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton, Washington.

FUNDING

Funding for projects comes from federal and state dollars.

ARC Grants

In most cases, grantees can ask for up to \$300,000. Projects in distressed counties are funded at 80% of the total project cost. Counties not identified as distressed are also encouraged to apply. These projects are generally funded at 50% of the total project cost. Funds can be used for projects in any of the five goal areas.

State Appalachian Grants

State funds are awarded in one of five categories:

ARC Distressed

These funds target ARC-designated distressed counties and can be used for projects in any of the five goal areas.

ARC At-Risk

ARC designates counties in an at-risk category when they are close to becoming distressed. Funds are set aside to keep these counties from falling into the distressed category. Projects must focus on one of the five goal areas.

ARC Area Development

Money in this category is used for area development projects that meet one of the five goal areas in distressed, at-risk, transitional or competitive counties.

Governor's Regional Representatives Planning and Contingency

Each Regional Representative is allocated \$300,000 for their region in order to either do contingency projects or planning grant projects.

Planning

State planning grants provide funding for projects in communities that typically do not have the financial or civic capacity to undertake planning projects.

Contingency

Contingency funds are available for emergency projects that have the potential to create jobs. The requirement for this money would primarily be job creation.

PRIORITY

Using a "bottom up" approach, GOA coordinates project development with the three Appalachian Local Development Districts (LDDs): Buckeye Hills-Hocking Valley Regional Development District in Marietta, Ohio Mid-Eastern Governments Association in Cambridge and Ohio Valley Regional Development Commission in Waverly.

Priority projects are determined by the LDDs for their regions and then brought to GOA. A meeting is held at GOA to establish priority projects for the state's office. Each Development District has a process for determining its own priorities before the projects come to Columbus.

Ohio LDDs are encouraged to give priority attention in developing projects that benefit distressed counties and areas.

APPLICATION To receive general information for all 29 counties, please contact:

Governor's Office of Appalachia

Joy Padgett, Director
77 South High Street, 24th floor
P.O. Box 1001
Columbus, Ohio 43216-1001
Phone: (800) 848-1300 or (614) 644-9228
Fax: (614) 752-5006
E-mail: GOA@odod.state.oh.us

Applications and information may be obtained by contacting the Local Development District in your area. Potential grantees should contact their Local Development District and/or Governor's Regional Representatives while developing their projects for assistance with finding additional funding and technical assistance on project development.

Region 7

Ohio Valley Regional Development Commission
Jeffrey Spencer, Executive Director
9329 State Route 220 East-Suite A
Waverly, Ohio 45690
Phone: (800) 223-7491 or (740) 947-2853
Fax: (740) 947-3468
E-mail: email@ovrdc.org
Web: www.ovrdc.org

T.J. Justice, Governor's Regional Representative
Kara McGraw, Community Development Representative
15 North Paint Street
Chillicothe, Ohio 45601-3116
Phone: (740) 775-0612
Fax: (740) 775-0604
E-mail: tjustice@odod.state.oh.us

Counties Served: Adams, Brown, Clermont, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, Vinton (also: Athens, Hocking, Meigs, Washington for community development)

Region 10

Ohio Mid-Eastern Governments Association
Don Myers, Executive Director
P.O. Box 130
Cambridge, Ohio 43725
Phone: (800) 726-6342 or (740) 439-4471
Fax: (740) 439-7783
E-mail: Director@omega-ldd.org
Web: www.omega.ldd.org

Bill Gotschall, Governor's Regional Representative
Marianne Huey, Community Development Representative
2146 Southgate Parkway
Cambridge, Ohio 43725
Phone: (740) 439-2263
Fax: (740) 439-1524
Email: wgotschall@odod.state.oh.us

Counties Served: Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Tuscarawas (also: Monroe, Morgan, Noble, Perry for community development)

Region 11

Buckeye Hills-Hocking Valley Regional Development District
Boyer Simcox, Executive Director
245 Millers Lane
Marietta, Ohio 45750
Phone: (740) 374-9436
Fax: (740) 374-8038
E-mail: boyer@buckeyehills.org
Web: www.buckeyehills.org

Mike Jacoby
Governor's Regional Representative
308 Front Street
Marietta, Ohio 45750
Phone: (740) 373-5150
Fax: (740) 373-2984
E-mail: mjacoby@odod.state.oh.us

Counties Served: Athens, Hocking, Meigs, Monroe, Morgan, Noble, Perry, Washington

Safe Water Fund

Rural Community Assistance Program (RCAP)

- PURPOSE** Development and rehabilitation of water, wastewater and storm water infrastructure projects to stimulate and sustain community development and increase access to capital for low-income rural areas. The funds are intended for gap financing after other available sources are reviewed/obtained or to fund projects that require a smaller amount of capital.
- ELIGIBILITY** Public organizations, public non-profits, private non-profits and private for profits are eligible. Service areas with populations of 25,000 or less and low to moderate income (LMI) are preferred. Funds are available statewide with a focus in Gallia, Lawrence, Morgan, Meigs, Scioto, Adams, Pike, Jackson, Columbiana, Jefferson, Mahoning, Belmont, Seneca and Sandusky counties.
- FUNDING** The Safe Water Fund is made available through funding from: USDA Rural Development Intermediary Relending Program, Department of Housing and Urban Development, National City Community Development Corporation, Firststar, Nationwide Insurance and WSOS Community Action Commission, Inc.
- Funding can be used for any of the following: design, planning, equipment, construction, working capital. Rates and terms of the loans will be flexible and determined on a case by case basis. In general planning and design loans are limited to \$100,000 for 3 years with a 3-6% interest rate and the potential for interest only payments. Construction and equipment loans are limited to \$250,000 with a 3-6% interest rate for up to 10 years.
- Collateral is determined on a case by case basis. The loans also come with a 1% origination fee based upon amounts. There are no prepayment fees.
- PRIORITY** Funding is limited and disbursed on a first-come, first-serve basis with priority given to established rural systems seeking to expand or upgrade and projects that benefit the largest number of LMI households. New system development is also eligible.
- TECHNICAL ASSISTANCE** Depending on the source of funds in the Safe Water Fund account, loans may require use of the federal prevailing wage. Any necessary environmental reports will be completed by RCAP, free of charge. RCAP Field Agents will assist you in accessing and completing an application as well as other requirements.

APPLICATION Applications are due the first day of the month. A letter will be sent to the applicant within one month of the date the application was received. For more information contact:

Kristin Woodall, Assistant Director
Great Lakes RCAP
W.S.O.S. Community Action Commission, Inc.
P.O. Box 590
Fremont, OH 43420
Phone: (800) 775-9767
Fax: (419) 334-5124
E-mail: klwoodall@wsos.org

Community Assistance Program

Ohio Water Development Authority (OWDA)

PURPOSE To help communities maintain affordable water and/or sewer rates by providing reduced rate loans for drinking water or wastewater system development or improvement.

ELIGIBILITY Local government agencies (cities, village, counties, etc.), water districts and sewer districts that meet the following criteria are eligible for funding:

- A population of less than 5,000, or less than 2,000 residential users.
- Citizens will face economic hardship by implementing the project where projected annual cost per user will be over the OWDA affordability criteria (1.1% of Median Household Income (MHI) for drinking water, 1.5% of MHI for wastewater, or 2.6% of MHI for combined system user charges).
- Plan approval by Ohio EPA and a permit-to-install.
- Local rate legislation enacted to ensure revenues are adequate to meet annual loan repayment requirements.

FUNDING The maximum loan amount is \$3,000,000 per system per recipient. The loan can be used for the following: engineering and design fees, construction costs and legal and inspection fees. There is a one-time loan administration fee of 0.35% (.0035) of the total estimated project costs, or \$400 minimum. The typical interest rate is 2% with discounts available. A 0.5% interest rate discount is available for projects under Ohio EPA findings and orders, under enforcement action, or having health risks. Another 0.5% interest rate discount is available for connecting to an existing treatment service system where the community does not own the system.

Construction loans can be for a minimum of 20 years or up to a maximum of 30 years. Loan recipients also have the choice of equal annual payments throughout the loan or equal annual principal with amortized interest repayments.

APPLICATION Applications and information may be obtained by contacting:

Ohio Water Development Authority
Suite 1300
88 East Broad Street
Columbus, Ohio 43215
Phone: (614) 466-5822
Fax: (614) 644-9964
Web: www.owda.org

Drinking Water Assistance Fund (DWAF)

Administered by the Ohio Environmental Protection Agency, Division of Drinking and Ground Waters and the Ohio Water Development Authority

PURPOSE

Section 1452 of the 1996 amendments to the Safe Drinking Water Act (SDWA) established the Drinking Water State Revolving Fund to assist public water systems in financing necessary drinking water infrastructure improvements.

Ohio Revised Code (ORC) Section 6109.22 authorizing the development of the Ohio Drinking Water Assistance Fund became effective in November, 1997. The fund is financed by a federal capitalization grant and the required 20% state-match monies. The program offers Water Supply Revolving Loan Account (WSRLA) loans to public water system owners at below-market rates for treatment and distribution system improvements.

ELIGIBILITY

Eligible systems must be either publicly- or privately-owned community water systems, or non-profit non-community water systems (excluding federally-owned facilities). A project must upgrade or replace infrastructure, address all exceedances of federal or state SDWA standards and rules, or prevent future violations of standards and rules. Project examples follow:

- Repair or develop a new drinking water source to replace a contaminated source.
- Install or upgrade drinking water facilities to comply with primary or secondary standards or treatment performance criteria.
- Install or upgrade storage facilities to prevent microbiological contamination and/or to provide adequate system pressures.
- Install or extend distribution facilities to an area of existing contaminated private wells.

FUNDING

The WSRLA offers five interest rates:

- Standard long term: established quarterly, is based upon an average of the Bond Buyer 20 GO Bond Index; determined by subtracting 125 basis points from that average and cannot be less than 3.5 %.
- Small system long term: based on the standard long term interest rate; determined by subtracting 50 basis points from the established standard long term interest rate and cannot be less than 3.0%.

- Small system with affordability points: The small systems that receive affordability priority points under the affordability factor in the ranking system for the project priority list qualify for a fixed rate of 2.0%.
- Short term.
- Linked deposit.

PRIORITY

Priority and funding selection are determined by rating eligible projects with respect to six categories:

- Public health.
- Compliance with federal and state SDWA requirements.
- Bonus points for effective management.
- Consolidation/regionalization.
- Affordability.
- Population.

A project's ranking will sum points received in each category. Projects will also be evaluated to ensure all non-compliance issues are addressed.

TECHNICAL ASSISTANCE

The DWAF's Small Systems Technical Assistance Program may aid public water systems serving populations under 10,000. Assistance is provided in technical, managerial and financial areas of system operations such as on-site operation and maintenance, training to bring systems into compliance and preparation of applications and documentation necessary for the WSRLA loan process. Technical assistance may be provided whether or not one is in consideration for a WSRLA loan.

APPLICATION Application information may be obtained by contacting:

Stacy Barna Vormohr, DWAF Unit Supervisor
Division of Drinking and Ground Waters
Ohio Environmental Protection Agency
P.O. Box 1049
Columbus, Ohio 43216-1049
Phone: (614) 644-2277
Fax: (614) 644-2909
E-mail: stacy.barna-vormohr@epa.state.oh.us

Drinking Water Emergency Loan Fund (DWELF)

Administered by the Ohio Environmental Protection Agency, Division of Drinking and Ground Waters (DDAGW)

- PURPOSE** Provide emergency loans to owners or operators of public drinking water systems for emergency remediation of a “threat of contamination,” which is defined as anything that prevents a public water system from supplying adequate quantities of safe, potable water to existing users.
- ELIGIBILITY** Any Ohio public water system with a valid License to Operate (LTO) and able to document a threat of contamination is eligible.
- FUNDING** DWELF was created under the Drinking Water Protection Fund (ORC 6109.30) passed by the Ohio Legislature. The fund reserves \$200,000 per state fiscal year (July 1st through June 30th) for interest-free loans to public water systems facing a threat of contamination. A maximum of \$25,000 may be loaned to the owner or operator of a system. A loan must be repaid within twelve months of receipt.
- PRIORITY** Loans are processed on a first-come, first-serve basis; however, priority consideration shall be given when requests for loans exceed available funds. Preference would be given to a public water system meeting the following criteria:
- (1) The system holds a valid License to Operate (LTO).
 - (2) The system has no other source of potable drinking water.
 - (3) The system is not able to secure other sources of funding.
- APPLICATION** Applications may be submitted at anytime. Please contact:
- Harley Bowers, Emergency Loan Fund Coordinator
Ohio Environmental Protection Agency
Division of Drinking and Ground Waters
P.O. Box 1049
Columbus, Ohio 43216-1049
Phone: (614) 644-2277
Fax: (614) 644-2909
E-mail: harley.bowers@epa.state.oh.us

Economic Development Administration (EDA)

U.S. Department of Commerce

- PURPOSE** Support projects designed to alleviate conditions of substantial and persistent unemployment and under-employment in economically distressed areas.
- Funding is available for wastewater and public drinking water facility construction or improvements, which serve industrial and commercial users.
- ELIGIBILITY** An applicant must be within an EDA-designated area or an economic development district. Primarily, high unemployment and low per capita incomes are the criteria for an EDA-designated area. A local government or political subdivision in an EDA-designated area may apply for funding. EDA will provide a list of eligible areas upon request.
- FUNDING** EDA funding is generally in the form of direct or supplemental grants. Although EDA is empowered to loan funds, allocations have historically been grants.
- EDA's fundamental policy is maximum local participation, but the program typically funds about 50% of project cost. Funding usually ranges between \$500,000 and \$1,000,000.
- PRIORITY** Applications are evaluated relative to the following criteria:
- (1) The degree of economic distress in the area (unemployment rate).
 - (2) The amount of new and permanent jobs created by the project.
 - (3) The resultant leverage with other public and private funds.
- APPLICATION** Contact the local EDA representative for application and information:
- Robert F. Hickey, Economic Development Representative
Economic Development Administration
200 North High Street
Columbus, Ohio 43215
Phone: (614) 469-7314
Fax: (614) 469-7315

Fluoridation Reimbursement Program (ODHFRP)

Administered by the Ohio Department of Health, Bureau of Oral Health Services

- PURPOSE** Financially assist community public drinking water systems with the installation of new or replacement fluoride feed and testing equipment.
- ELIGIBILITY** Any Ohio community (non-profit) public water system. Eligible community systems that are presently fluoridating may receive financial assistance for replacing outdated feeding and testing equipment.
- FUNDING** The Ohio Department of Health Fluoridation Reimbursement Program utilizes federal funds from the Preventive Health and Health Services Block Grant.
- PRIORITY** Reimbursement grants are processed on a first-come, first-serve basis over the federal fiscal year (October 1st - September 30th). However, priority consideration is given to newly fluoridating communities and communities under 5,000 population.
- APPLICATION** Applications may be submitted at anytime. For application forms and information, please contact:

Ohio Department of Health
Bureau of Oral Health Services
P.O. Box 118
Columbus, Ohio 43266-0118
Phone: (614) 466-4180
Fax: (614) 564-2421
E-mail: BOHS@gw.odh.state.oh.us
Web: www.odh.state.oh.us/ODHPrograms/ORAL/Oral1.htm

Department of Housing and Urban Development (HUD)

- PURPOSE** The Department of Housing and Urban Development assists housing and community development activities principally for low- and moderate-income households. HUD also aims to correct deficiencies constituting a serious and immediate threat to public health or safety and the elimination of slums and blight.
- ELIGIBILITY** Entitlement communities may apply for Community Development Block Grant funds to construct a wastewater facility, if it meets one of the three national objectives mentioned above. Any general local governmental unit that does not receive funds as an entitlement community is eligible for grant funding through Ohio's Office of Local Government Services (OLGS).
- FUNDING** Grants are made directly to entitlement communities through HUD. The Small Cities Block Grant Program administrated by OLGS includes a non-competitive (formula) program and several competitive programs.
- PRIORITY** In the Small Cities Block Grant Program, OLGS determines priority for competitive programs by rating applications or pre-applications. Single purpose programs fund one type of activity (e.g., economic development); comprehensive programs fund development plans for an area (e.g., Comprehensive Housing/Neighborhood Revitalization Competitive Program or Downtown Revitalization Competitive Program). When a pre-application process is used by OLGS, full applications will be requested in accordance with available funding once initial ranking is completed.
- APPLICATION** Information for entitlement communities under the Community Development Block Grant Program may be obtained by contacting:

U.S. Department of Housing and Urban Development
Community Planning & Development Division
200 North High Street
Columbus, Ohio 43215
Phone: (614) 469-5737 x 8240
Fax: (614) 469-2237

Information and applications for participation in the Small Cities Block Grant Program may be obtained by contacting:

Office of Housing and Community Partnerships
P.O. Box 1001
Columbus, Ohio 43216-0101
Phone: (614) 466-2285

Ohio Public Works Commission (OPWC)

Administrative Agency for State Issue 2 Monies

PURPOSE The Ohio Public Works Commission (OPWC) was created in 1988 to deliver the State Issue 2 Local Public Infrastructure Financing Program. This program assists municipal corporations, counties, townships and regional sewer/water districts in repairing roads, bridges, solid waste facilities and water and sewer systems.

ELIGIBILITY Projects are reviewed and recommended locally for funding, through 19 district integrating committees across Ohio.

Before filing an application with its district integrating committee, a local subdivision must conduct a study of infrastructure responsibilities and prepare a capital improvement report that includes an inventory of existing infrastructure and a listing of the subdivision's capital improvement needs for the next five years.

A district integrating committee evaluates the following criteria: district infrastructure repair and replacement needs, age and condition of the system to be repaired/replaced, whether the project would generate a user fee or assessment revenue, project's importance to the health and safety of district citizens, effort and ability of the benefitted local subdivision(s) to assist project financing, availability of federal or other funds, overall economic health of the particular local subdivision, adequacy of project planning, applicant's readiness to proceed upon funding approval and any other relevant factors. District integrating committees submit recommendations to the OPWC, which has final approval authority.

FUNDING Each fiscal year (beginning July 1st), the OPWC awards \$120 million as grants, loans and other forms of debt support. This allocation includes \$12 million reserved for small government use and \$2.5 million reserved for emergency projects. Eligible project costs include engineering, acquisition, construction and equipment.

Grants may pay up to 90% of project costs for repair or replacement projects and up to 50% for new or expanded projects; loans may fund up to 100% of project costs.

Local Debt Support pays for interest costs associated with a loan or local bond/note issuance. For each type of debt, OPWC may provide a grant to pay for the construction period interest and/or the first year of interest expense following construction.

Credit Enhancement is an up-front infusion of funds improving a subdivision's ability to secure affordable debt. OPWC grant funds may pay the premium for a bond insurance policy, which improves a subdivision's credit rating/bond rating, and the interest rate for general obligation or revenue bond issuance.

PRIORITY No particular type of infrastructure project has priority over another. District Integrating Committees review each project using the required evaluation criteria and rank proposals based upon an earned score. Projects scoring highest are assembled into a list of proposals at the district level, and then forwarded to the OPWC for funding consideration.

APPLICATION For further information contact:

Director
Ohio Public Works Commission
65 East State Street, Suite 312
Columbus, Ohio 43215
Phone: (614) 466-0880
Fax: (614) 466-4664
Web: www.pwc.state.oh.us

Rural Development

U.S. Department of Agriculture

PURPOSE Rural Development administers a loan and grant program for the installation or improvement of sanitary sewer, storm sewer, drinking water and solid waste disposal facilities in rural areas and towns.

Funds may be used for construction and non-construction costs including land acquisition, equipment, engineering services, legal services, capitalized interest and initial operating funds.

ELIGIBILITY Public entities such as municipalities, counties, special purpose districts, authorities and non-profit corporations are eligible. Projects must be located in rural areas or incorporated rural communities of up to 10,000 population.

Funding may be obtained through Rural Development only when an applicant is unable to secure funding from other sources at reasonable rates and terms.

An applicant must have legal authority to borrow and repay loans, to pledge security for loans and to operate and maintain the facilities. An applicant must also be financially sound and able to effectively manage a financially sound facility, based upon taxes, assessments, revenues, fees or other satisfactory sources of income to pay the cost of operations, debt service and reserve.

FUNDING Loans are available with a maximum term of 40 years. Interest rates depend upon the median household income of the service area and change quarterly based on the current market rate for municipal obligations. The interest rates as of the quarter beginning April 1, 2004 are as follows.

Poverty Rate: 4.50%

Applicant with median household income less than \$30,178 (below 80% of the State of Ohio's non-metropolitan household income) and the facility is required to meet a health or sanitary standard.

Intermediate Rate: 4.375%

Applicant with household income between \$30,178 and \$37,722 (100% of the State's non-metropolitan median household income).

Market Rate: 4.375%

Applicant with median household income more than \$37,722

Supplemental grants may be awarded in addition to loans, if the median household income of the service area is less than \$37,722.

Grants are used to reduce debt service cost for residential-sized customers, resulting in a total user charge that is considered reasonable. Rural Development's maximum grant is 75% of eligible project costs when the median household income of the service area is \$30,178 or less. The maximum grant is 45% of the eligible project costs when the median household income is between \$30,178 and \$37,722.

PRIORITY

Funding is on a first-come, first-serve basis with priority given to low income communities, communities with populations of less than 5,500 and for projects necessary to meet established health or sanitary standards.

In addition, applications are evaluated on the basis of:

- Improved operating efficiency.
- Extension of service to additional rural residents.
- Amount of funds provided from private, local or state sources.
- Financial soundness.
- Quantity of Rural Development funding required.

APPLICATION

Pre-applications may be obtained from one of the Rural Development District Offices located in Findlay (419-422-0242), Hillsboro (937-393-1921), Marietta (740-373-7113) and Wooster (330-345-2549). Or contact the office listed below for information:

Dave Douglas
USDA, Rural Development
Federal Building, Room 507
200 North High Street
Columbus, Ohio 43215
Phone: (614) 255-2391
Fax: (614) 255-2562

Village Capital Improvement Fund (VCIF)

Jointly administered by the Ohio Environmental Protection Agency, Division of Environmental and Financial Assistance and the Ohio Water Development Authority.

- PURPOSE** Aid Ohio villages with financing preliminary engineering plans, detailed engineering plans, feasibility studies and legal costs incurred for planning phases of wastewater and/or public drinking water facilities. VCIF is a *partially* interest-free loan program.
- ELIGIBILITY** An Ohio village that by ordinance or resolution of its legislative authority has determined it to be necessary to construct or improve wastewater or public drinking water facilities is eligible. *Equal consideration will be given to loan requests for wastewater or public drinking water facilities.* Application for a loan from VCIF must be made prior to the preparation of the plans, study or design for which funds are requested. A plan of study outlining the nature and scope of the project, along with a schedule of tasks and cost estimates is required with an application. A village must establish a VCIF loan repayment schedule and maintain an adequate rate structure to cover loan obligations, including the VCIF loan.
- To be eligible for VCIF funding, villages must have a median household income less than or equal to \$37,134 and population less than 500.
- FUNDING** Financial assistance through VCIF is in the form of a loan. When financing for construction of the project is completed, the full amount of the loan will be due. Villages will be required to sign an agreement with Ohio EPA and the Ohio Water Development Authority (OWDA) setting forth conditions under which funds will be disbursed, how funds will be used and repayment terms. Should the project not be financed within two years from the award date, repayment shall not exceed ten years. *If a loan has not been repaid after five years, interest will begin to accrue at an annual rate of 2.2%.* Villages may receive a maximum of \$25,000 for planning and up to \$50,000 for design.

PRIORITY

Loans are processed on a year round basis. When requests for loans exceed available funds, applicants are ranked according to economic factors. Those ranked equally on the basis of economic factors are further prioritized by the following considerations.

Drinking Water Projects

- Villages with no existing public drinking water system.
- Villages under administrative or judicial orders for unacceptable public water supplies.
- Villages with health problems due to the public drinking water.
- Villages with insufficient supplies of drinking water.
- Villages applying for drinking water design loan with an outstanding VCIF drinking water planning loan.
- Villages applying for a design loan.

Wastewater Projects

- Villages with no existing wastewater treatment system.
- Villages under administrative or judicial orders to proceed with construction of wastewater treatment facilities.
- Villages with health problems due to the wastewater treatment system.
- Villages with a zero discharge project or connection to an existing system (for design projects).
- Villages applying for a wastewater design loan with an outstanding VCIF wastewater planning loan.
- Villages applying for a design loan.

Equal consideration will be given to projects for wastewater or public drinking water systems.

APPLICATION For application and information contact:

VCIF Coordinator
Sharon Williamson
Division of Environmental and Financial Assistance
Ohio Environmental Protection Agency
P.O. Box 1049
Columbus, Ohio 43216-1049
Phone: (614) 644-3637
Fax: (614) 644-3687
E-mail: sharon.williamson@epa.state.oh.us

Water Pollution Control Loan Fund (WPCLF)

Administered by the Ohio EPA's Division of Environmental and Financial Assistance

PURPOSE

The Ohio Water Pollution Control Loan Fund (WPCLF) provides the citizens of Ohio the opportunity for mutually beneficial partnerships to protect and enhance the state's water resources. This is accomplished in two primary ways. First, the WPCLF provides below-market interest rate loans for municipal wastewater treatment improvements and nonpoint source water pollution control activities. Second, the WPCLF draws on its years of experience to provide assistance in the planning, design, construction and management of these projects.

ELIGIBILITY

A wide variety of projects may be financed through the WPCLF including:

- Improvements to wastewater treatment facilities.
- Small communities.
- Septage receiving facilities.
- Landfills.
- Urban stormwater runoff.
- Forestry best management practices.
- Agricultural runoff control.
- Brownfield/contaminated site remediation.

FUNDING

The WPCLF offers five interest rates based upon a community's economic status and size, the term of the loan and the type of project. These rates are:

Standard Long-Term Rate: The standard term (up to 20 years) rate is established quarterly on January 1, April 1, July 1 and October 1 by subtracting 125 basis points from an average of the 20 year GO bond rate.

Small Community Long-Term Rate: The small community long-term interest rate is established January 1, April 1, July 1, and October 1 by subtracting 50 basis points from the Standard Long-Term rate.

Short-Term Rate: The short-term rate (up to 5 years) is fixed at 3.2%. Generally, short-term loans are available for planning, design, equipment purchases and other relatively low-cost activities.

Hardship Rate: Communities with a service population of 2500 or less AND an MHI of \$45,000 or less will receive a rate of 0%; those with a service population between 2,500 and 10,000 AND an MHI of \$38,000 or less will receive a rate of 1%.

Negotiated Linked Deposit Rate: Under certain circumstances, the WPCLF will provide interest savings to a borrower by negotiating a reduced rate on WPCLF funds deposited in a private lending institution which will, in turn, make the loans and pass on the savings to the borrower.

TECHNICAL ASSISTANCE

If requested, Ohio EPA will provide technical engineering assistance for such critical areas as flow evaluation, design standards and appropriate technology. Ohio EPA staff can also assist in evaluating and minimizing potential adverse environmental impacts, facilitating interagency reviews and identifying and coordinating supplementary funding sources.

As projects advance, Ohio EPA may assist with development of user charge schedules, preparation of bid documents, record-keeping and completion of loan applications. Ohio EPA can also provide guidance during construction.

Additionally, the WPCLF can fund projects in combination with other types of financial assistance. The Division of Environmental and Financial Assistance has experience in coordinating project financing packages with the Ohio Public Works Commission, the Ohio Water Development Authority, Rural Development and other funding agencies.

APPLICATION For information on the Ohio Water Pollution Control Loan Fund program, please contact:

Tracy Harrison-Bruny
Ohio EPA
Division of Environmental and Financial Assistance
P.O. Box 1049
Columbus, Ohio 43216-1049
Phone: (614) 644-2832
E-mail: tracy.bruny@epa.state.oh.us

Ohio Water and Sewer Rotary Commission

State of Ohio

- PURPOSE** Provide interest-free loans to pay the portion of the sewer or drinking water line extension project costs, which otherwise would have been paid by assessments on agricultural land. Such assessments are exempted from collection under the "Agricultural District Act" (ORC Chapter 929), until such time as the property involved changes to a non-agricultural use.
- ELIGIBILITY** Counties, municipalities and certain special districts are eligible for agricultural district loans.
- FUNDING** A rotary loan fund is the source of all commission loans. There are no minimum or maximum loan limits.
- PRIORITY** In addition to meeting legal requirements, applications are reviewed using the following criteria:
- (1) Evidence that the proposed sewer or drinking water project will result in the creation or retention of permanent jobs.
 - (2) Evidence that the project will directly or indirectly generate tax revenues benefitting local government.
 - (3) Evidence that the project conforms with locally-adopted sewer, drinking water and land use plans, and that it reflects the applicant's efforts to preserve prime agricultural lands.
 - (4) Evidence that the construction of the project will help to eliminate or alleviate serious pollution problems.
 - (5) Evidence that indicates the time in which the advanced monies could be expected to be repaid.
 - (6) Evidence that the approval of the requested advance will permit the applicant to secure or retain other financial assistance commitments.
 - (7) Evidence that the proposed project has the support of the community.
 - (8) Evidence that the loan amount is reasonable in relationship to the agricultural lands being preserved.

- (9) The total amount of funds already received by the applicant, with the applicant having received more funds given lower priority.

APPLICATION Applications may be submitted at any time. For application forms and information, contact:

Tim Leasure
Ohio Water & Sewer Rotary Commission
Ohio Department of Development
77 South High Street
P.O. Box 1001
Columbus, OH 43216-1001
Phone: (614) 466-2285
Fax: (614) 752-4575
E-mail: tleaseure@odod.state.oh.us

Water and Sanitary Sewer Program

Community Development Block Grant (CDBG), Office of Housing and Community Partnerships (OHCP), Ohio Department of Development

PURPOSE The Water and Sanitary Sewer Program provides grants to communities in non-urban areas of Ohio as they work to alleviate health hazards documented by the Ohio EPA and county health departments. The goal of the program is to create a safe and sanitary living environment for Ohio citizens, through the provision of safe and reliable drinking water and proper disposal of sanitary waste.

ELIGIBILITY Eligible applicants include: non-entitlement counties, cities and villages. Counties must apply on behalf of townships and unincorporated areas. Cities and villages are limited to one grant award per program year. Counties are limited to two awards per program year. Successful applicants for the current fiscal year will not be eligible in the following fiscal year except for counties, which may apply on behalf of a different subunit of government within their jurisdiction.

Projects must also meet the following criteria in order to be eligible:

- Projects must serve at least 51% low to moderate income (LMI) households.
- Projects must have an identified health hazard, violation, or be designed to replace functionally obsolete facilities.
- The minimum matching funds requirement is 1:1 (for every \$1 of CDBG funds, other funding must equal at least \$1).
- Projects must serve at least 60% residential customers.
- Water rates must equal 1% of the median household income (MHI), sewer rates must equal 1.5% of the MHI, and combined water and sewer rates must be 2.5% of the MHI.

FUNDING Approximately \$11 million of total funds. Grants are typically up to \$500,000 for construction. An additional \$100,000 is available for on-site improvements (i.e. lateral extensions, tap fees, septic tank abandonment). Counties can apply twice in the same program year for two distinctly different programs.

PRIORITY Funds are awarded based on a rating criteria which takes into account benefit impact, leverage, program impact, program readiness and the community's financial capacity and rate structure.

APPLICATION Applications are accepted on an open-window cycle. They can be obtained from the Internet at: <http://www.odod.state.oh.us/webforms/forms/FY2004W&Sappprotect.doc>.

For more information contact:

Tim Leasure
Office of Housing and Community Partnerships
Ohio Department of Development
77 South High Street
PO Box 1001
Columbus, OH 43216-1001
Phone: (614) 466-2285
Fax: (614) 752-4575
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