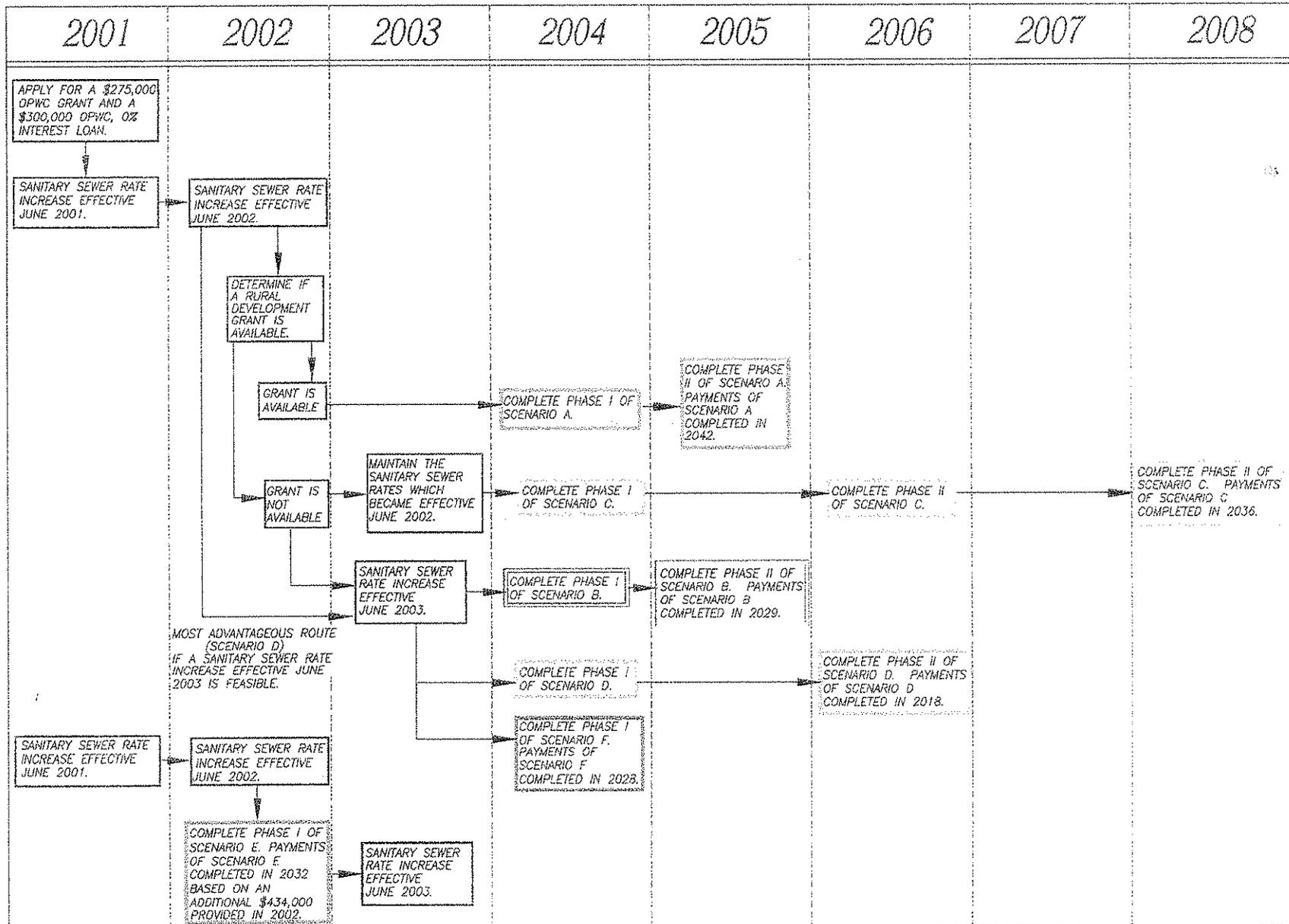


# PROJECT FLOWCHART



## Flowchart Explanation

### Scenario D

- The most advantageous scenario if a sanitary sewer rate increase effective June 2003 is feasible.
- The construction phase is estimated to be completed in 2006 and the payments are estimated to be completed in 2018.
- Completion of the project is based on the award of two OPWC grants and two OPWC 0% loans.

### Scenario A

- The most advantageous scenario if a sanitary sewer rate increase effective June 2003 is NOT feasible.
- The construction phase is estimated to be completed in 2005 and the payments are estimated to be completed in 2042.
- Completion of the project is based on the award of one OPWC grant, one OPWC 0% interest loan and a 30% grant from Rural Development for the remainder of the project.
- The Rural Development grant may not be available for the following reasons:
  - Arcanum's mean household income may exceed the limitations of Rural Development for a grant. This is dependent on the results of the 2000 census. (Based on the 1990 census, Arcanum's mean household income was approximately \$1,000 over the limit.)
  - Rural Development may decide that Arcanum's water and sewer rates must be 2.6% of the mean household income ( $\$30,000 \times 2.6\% = \$195/\text{quarter}$  or  $\$780/\text{year}$ ). Therefore, if the rates were at this level, they would decide that Arcanum could fund this entire project with a loan only.
  - Rural Development is in the process of reviewing their policies relating to issuing grants. Therefore, any changes in their policies could affect if a grant is awarded and the amount of the grant.
- Acquiring funding from Rural Development is a costly process due to the environmental studies, lengthy applications, and numerous follow-up reports which need to be submitted on a periodic basis.

### Scenario C

- The construction phase is estimated to be completed in 2008 and the payments are estimated to be completed in 2036.
- Completion of the project is based on the award of three OPWC grants and three OPWC 0% loans. Therefore, the completion of the project is dependent on numerous grants and 0% interest loans which may not become available as scheduled.
- A sanitary sewer rate increase effective June 2003 would not be necessary.

### Scenario B

- The construction phase is estimated to be completed in 2005 and the payments are estimated to be completed in 2029.
- A sanitary sewer rate increase effective June 2003 would be necessary to provide adequate funding.
- Completion of the project is based only on a 5% interest loan from Rural Development. Therefore, the project is likely to be completed on schedule.
- Additional costs involved with the acquisition of funding from Rural Development.

### Scenario E

- The construction phase is estimated to be completed in 2002 and the payments are estimated to be completed in 2032 based on an additional \$434,000 provided in 2002.
- Completion of the project is based on a 5.5% interest revenue bond. The limitations on the amount which will be bonded is based on the assessed value of the property in the Village and the debt service of the Village.
- Issuing revenue bonds costs about 2% of the total bonding value.
- A revenue fund with one years bond payment must be established.

### Scenario F

- The construction phase is estimated to be completed in 2004 and the payments are estimated to be completed in 2028.
- Completion of the project is based on the award of one OPWC grant, one OPWC 0% interest loan and a 5.5% interest revenue bond. The limitations on the amount which will be bonded is based on the assessed value of the property in the Village and the debt service of the Village.
- Issuing revenue bonds costs about 2% of the total bonding value.
- A revenue fund with one years bond payment must be established.

### General Notes:

- *Scenarios based on grants and 0% interest loans have the greatest chance of being delayed due to these entities either not being available or not being available as scheduled.*
- *A 5% interest loan from Rural Development is guaranteed to be available, but there is currently a three to five year waiting period.*
- *The Water Pollution Control Loan Fund (WPCLF) from the OEPA and loans from the Ohio Water Development Authority (OWDA) are guaranteed loans and are available upon request. They are similar to borrowing money from a commercial lending institution.*