

Appendix N. State and Federal Funding for Drinking Water and Wastewater Systems

Ohio Environmental Protection Agency, Office of Fiscal Administration, Economic Analysis Unit, 1998

TABLE OF CONTENTS

Introduction	N-2
Appalachian Regional Commission (ARC)	N-3
Business Development (412) Account	N-6
Community Assistance Fund (OWDA)	N-7
Drinking Water Assistance Fund (DWAF)	N-10
Drinking Water Emergency Loan Fund (DWELF)	N-12
Economic Development Administration (EDA)	N-13
Fluoridation Reimbursement Program	N-14
Department of Housing and Urban Development (HUD)	N-15
Ohio Public Works Commission (OPWC)	N-17
Ohio Water Development Authority (OWDA)	N-19
Rural Development	N-21
Village Capital Improvement Fund (VCIF)	-23
Water Pollution Control Loan Fund (WPCLF)	N-25
Ohio Water and Sewer Rotary Commission	N-27

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); and
- (5) Application.

General questions may be directed to the Ohio Environmental Protection Agency, Office of Fiscal Administration, Economic Analysis Unit, (614) 644-2076 or 644-3570.

Appalachian Regional Commission (ARC)

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

PURPOSE Promote economic development in the 29 counties of Ohio's Appalachian region.

The Commission also targets development and improvement of the quality and quantity of social services available, and the maintenance and improvement of environmental quality. Additionally, funds may assist the development of infrastructure such as wastewater and drinking water projects provided projects comply with the previously stated goals.

ARC may grant up to \$300,000, funding a maximum 50% of total project cost in nondistressed ARC counties or 80% in distressed ARC counties: Adams, Athens, Gallia, Meigs, Morgan, Monroe, Pike, Scioto and Vinton. However, total federal grant monies may not exceed 80% of total cost (i.e., ARC grants + other federal grants 80% of project cost).

Projects must provide evidence of job creation resulting from the investment of ARC dollars; however, job-creation requirements are waived in the 9 distressed ARC counties.

ELIGIBILITY Any entity (including multi-jurisdictional applicants such as county or regional entities) within the 29 Appalachian counties of Ohio is eligible.

FUNDING Funding consists of supplementary grants available from the federally funded Appalachian Regional Commission.

PRIORITY Priority for funding is determined by a combination of factors. Foremost is the amount of economic development resulting from the project (e.g., job growth and investment). In addition, projects that are ready to proceed receive a higher priority.

APPLICATION The 29 Ohio Appalachian counties are divided into three Local Development Districts (LDD) administered by local governmental units.

Applications are categorized at the local level, with pre-applications sent to the local development district for review. Higher priority projects are then forwarded to the state ARC office, which submits a composite of all LDD recommendations plus state initiated projects to the federal

ARC for approval.

General information may be obtained for all 29 counties by contacting:

Governor's Office of Appalachia

Ohio Department of Development
77 South High Street
P.O. Box 1001, 28th Floor
Columbus, Ohio 43266-1001

Phone: (800) 848-1300
(614) 644-9228
Fax: (614) 752-5006

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

Applications and information may also be obtained by contacting the Local Development District in your area. Below are the districts and Appalachian counties that each serves.

Buckeye Hills-Hocking Valley Regional Development District (BH-HVRDD)

Route 1, Box 299D
Marietta, Ohio 45750

Phone: (740) 374-9436
Fax: (740) 374-8038

Athens
Hocking
Meigs
Monroe
Morgan
Noble
Perry
Washington

Ohio Mid-Eastern Governments Association (OMEGA)

326 Highland Avenue
P.O. Box 130
Cambridge, Ohio 43725

Phone: (740) 439-4471

Belmont
Carroll
Columbiana
Coshocton
Guernsey
Harrison
Holmes
Jefferson
Muskingum
Tuscarawas

Ohio Valley Regional Development Commission (OVRDC)¹

740 Second Street
Portsmouth, Ohio 45662-4088

Phone: (800) 223-7491

(740) 354-7795

Fax: (740) 353-6353

Adams
Brown
Clermont
Gallia
Highland
Jackson
Lawrence
Pike
Ross
Scioto
Vinton

¹Fayette county is a member of the commission, but not eligible for funding.

Business Development (412) Account

Department of Development, State of Ohio

PURPOSE Assist counties, municipalities, townships or other political subdivision of Ohio with expediting the creation, location or expansion of industrial, distribution or research facilities.

Business Development Account funds may be used for the construction or installation of sanitary sewer, sewage disposal, storm sewer, water distribution or drinking water facilities; items that subdivisions are authorized by law to construct or install.

ELIGIBILITY Any local government, political subdivision or business entity may apply for funding, but the project must be linked to job creation or retention. A plan for the use of approved funding must be judged economically sound and must benefit Ohioans by increasing opportunities for employment and strengthening the economy.

FUNDING The Director of Development, with State Controlling Board approval, may grant funds to political subdivisions or businesses. Generally, \$1,000 is funded per job created. The demand for Business Development Account funding greatly exceeds dollars available. Consequently, local communities must work closely with their Business Development Representative to access these funds.

APPLICATION Information concerning this program may be obtained by contacting:

Office of Business Development
Economic Development Division
Ohio Department of Development
77 South High Street, 28th Floor
Columbus, Ohio 43215-1001

Phone: (614) 466-4551
Fax: (614) 644-1789

Community Assistance Fund (OWDA)

**Ohio Water Development Authority
State of Ohio**

PURPOSE Provide below-market financing for public drinking water projects, when conventional financing will result in an economic hardship.

ELIGIBILITY Financing is limited to public drinking water projects. A project must be necessary to meet an enforceable requirement of the Safe Drinking Water Act or the Clean Water Act for water pollution control activities associated with a water treatment plant, or must alleviate a documented public health or pollution problem. A project must address existing needs with only a reasonable allowance for growth, not the provision of services for substantial expansion or development. Projected annual cost per residential user must meet economic hardship criteria, take into consideration all other possible funding/financing sources, and represent an equitable distribution of costs. Capital, engineering, and administrative costs are eligible and may include previously incurred planning and design costs.

FUNDING Financing is in the form of a loan at a 2% interest rate, which may be repaid over a term of 25 years. The first semiannual repayment is made on the January or July 1st following the project completion date, but not more than twenty-nine months from the date of the Cooperative Agreement. The local government authority may, prior to entering into the agreement, elect to make equal-annual principal repayments to the Authority.

Once the agreement has been approved, the Authority may certify the availability of funds to the local government agency so that construction contracts may be signed.

The agreement provides for the Authority to pay all construction costs, which have been approved for payment by the local government agency, directly to the contractor. All other costs such as engineering, legal and inspection are reimbursed directly to the local government agency. The Authority charges a one-time administrative fee of 0.35% (.0035) of the total loan amount.

APPLICATION A complete application package includes the application form, documentation of the SDWA/CWA or public health/pollution problem(s), general plan (e.g., existing conditions, proposed project,

capital and operation and maintenance costs, percent residential consumption, number of households served), and the five most recent annual financial reports of the local government. Applications must be submitted to the Ohio Environmental Protection Agency no later than October 1st. Incomplete applications will be rejected.

Complete applications that pass eligibility criteria will undergo engineering and economic reviews. An engineering review will evaluate project feasibility and ensure consistency with SDWA/CWA requirements and minimization of project costs through use of appropriate technology. A project must provide complete resolution of SDWA/CWA requirements and documented public health/pollution problems. A projects that does not pass the engineering review will be rejected.

When evaluating potential for economic hardship as a result of conventional financing, an economic review will consider a series of five socioeconomic indicators and compare the projected annual cost per residential customer to Ohio EPA's water rate benchmark:

1.1% of the 1989 Median Household Income (MHI) when $MHI \leq \$25,155$.

1.5% of the 1989 Median Household Income when $MHI > \$25,155$.

Program Milestones and Deadlines:

October 1	Application Deadline
October 1-January 31	Eligibility Screening
February 1-May 31	Engineering/Economic Review
June 1-July 1	Issuance of Hardship Certification and OWDA Commitment to Fund
December 31	Deadline for receipt of Detailed Plans and Community Commitment Letter
30 days following	Advertise bids plan approval
15 days following bid opening	Submit complete loan application to OWDA

Within two months Initiate construction
following execution
of loan contract

Failure of the applicant to meet a deadline may result in forfeiture of financing. Funds unclaimed in this manner will be awarded to the next eligible applicant or removed from the program based on OWDA needs.

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

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 established the Drinking Water State Revolving Fund to assist public water systems in financing necessary drinking water infrastructure improvements.

In November 1997, Ohio Revised Code (ORC) Section 6109.22 became effective and authorized the development of Ohio's fund entitled the Ohio Drinking Water Assistance Fund. The Ohio DWAF is funded by a federal capitalization grant and the required 20% state-match monies. The program will offer 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 exceedences 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 three interest rates: standard, short-term, and linked deposit. Supplemental loans, when determined to be appropriate, will be awarded at the standard or short-term interest rate in effect at the time of the award. The standard loan will be funded in a fifty-fifty ratio of the principal amount between WSRLA and OWDA. The below-market interest rate shall result from a blended rate methodology between these two funding sources. In no case, however, will the portion funded by WSRLA be less than 3.5%. The short-term (five years or less amortization) interest rate is fixed at 3.2%. Short-

term loans are available for development of general plans and design documents.

The linked deposit rate will vary, because a commercial lender determines the interest charge based upon usual customer rates. Linked deposits are used at the discretion of the Ohio EPA, and may be applied when an applicant is a private entity, or when an applicant's security or ability to repay varies significantly.

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 scoring 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:

Chief
Division of Drinking and Ground Waters
Ohio Environmental Protection Agency
P.O. Box 1049
Columbus, Ohio 43216-1049

Phone: (614) 644-2752

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 thru 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 from receipt.
- PRIORITY** Loans are processed on a first-come, first-served 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; and
 - (3) The system is not able to secure other sources of funding.
- APPLICATION** Applications may be submitted at anytime. Please contact:

Kirk Leifheit, Assistant Division Chief
Ohio Environmental Protection Agency
Division of Drinking and Ground Waters
P.O. Box 1049
Columbus, Ohio 43216-1049

Phone: (614) 644-2752
Fax: (614) 644-2909

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:

Economic Development Administration
200 North High Street
Columbus, Ohio 43215

Attn: Robert F. Hickey, Economic Development Representative

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, which 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-served 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) 728-3616

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 administered 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** Application 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 St.
Columbus, Ohio 43266

Phone: (614) 469-6743

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

Office of Local Government Services
P.O. Box 1001
Columbus, Ohio 43266-0101

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 maintaining operations and adequate capacity of wastewater, drinking water, and solid waste disposal facilities.

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

Ohio Water Development Authority (OWDA)

State of Ohio

PURPOSE Provide loans to local government agencies in the State of Ohio for construction of wastewater, drinking water systems, and solid waste disposal facilities necessary to comply with water pollution control standards.

ELIGIBILITY An applicant must be an Ohio local government agency, and must have the legal authority to borrow funds. An applicant also must have or be willing to establish a rate structure sufficient to amortize the loan, because loan repayment may not be funded through general tax revenues. The proposed project must be in accordance with any comprehensive management plan in existence or in preparation by the OEPA. An eligible project may receive OWDA financing, provided plans have been approved by the Ohio EPA and local rate legislation has been enacted to ensure that system revenues will adequately meet all expenses. No additional coverage requirement is necessary.

FUNDING Each month, Cooperative Agreements are approved by OWDA based upon a contract interest rate. This interest rate is determined by adding 50 basis points (100 basis points for solid waste projects) to the average of the "Bond Buyers" 20-Bond Index interest rate for the eight weeks ending on the last publication of the Index. That interest rate will prevail during the following three-month period. The loan may be repaid over a term of 5 to 25 years. The first semiannual repayment is made on the January or July 1st following the project completion date, but not more than twenty-nine months from the date of the Cooperative Agreement. An applicant may, prior to entering into the agreement, elect to make equal-annual principal repayments. Interest charged during construction will be at the same rate as the contract rate.

Once the agreement has been approved, OWDA may certify the availability of funds to the local government agency so that construction contracts may be signed.

The agreement provides for OWDA to pay all construction costs, which have been approved for payment by the local government agency, directly to the contractor. All other costs such as engineering, legal and inspection are reimbursed directly to the local government agency. OWDA charges a one-time administrative fee of 0.35% (.0035) of the total loan amount.

PRIORITY To date, all eligible applicants have been funded.

APPLICATION The time required by OWDA to evaluate an application is minimal. Therefore, an applicant must have received construction bids and be ready to accept funds when the application is approved.

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

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, 1998 are as follows.

Poverty Rate: 4.50%

Applicant with median household income less than \$25,090 (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: 4.75%

Applicant with household income between \$25,090 and \$31,363 (100% of the State's non-metropolitan median household income).

Market Rate: 5.125%

Applicant with median household income more than \$31,363.

Supplemental grants may be awarded in addition to loans, if the median household income of the service area is less than \$31,363.

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 \$25,090 or less. The maximum grant is 45% of the eligible project costs, when the median household income is between \$25,090 and \$31,363.

PRIORITY

Funding is on a first-come, first-served 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 (937-393-9996), Marietta (740-373-7113), and Wooster (330-345-6791). Or contact the office listed below for information:

Rural Development
Federal Building, Room 507
200 North High Street
Columbus, Ohio 43215

Phone: (614) 469-5400
Fax: (614) 469-5758

Village Capital Improvement Fund (VCIF)

Jointly administered by the Ohio EPA, 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.

Villages with a median household income less than \$40,000 are eligible for drinking water facility funding.

To be eligible for VCIF funding for wastewater facilities , villages must meet one of the following:

- (1) Median household income less than or equal \$25,375; or
- (2) Median household income between \$25,375 and \$40,000 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 the Ohio EPA, 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 and may be restricted to three to five years. If a loan has not been repaid after five years, interest will begin to accrue at an annual rate of 2.2%. A maximum of \$50,000 may be awarded for each planning phase per project (either wastewater or drinking water). Villages may receive a maximum of \$25,000 for planning and up to \$50,000 for design.

PRIORITY Loans are processed on a quarterly 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

Water Pollution Control Loan Fund (WPCLF)

Administered by the Ohio EPA's Division of Environmental and Financial Assistance with Aid from the Ohio Water Development Authority

PURPOSE The Water Quality Act of 1987 established a program to provide states with federal grants to capitalize state revolving loan funds for water pollution control. Initially funded by a series of federal capitalization grants and 20% state matches, Ohio's Water Pollution Control Loan Fund offers communities below-market interest rates for municipal wastewater treatment improvements and nonpoint pollution control projects.

ELIGIBILITY A wide variety of projects may be financed through the WPCLF. Types of projects currently eligible for assistance are:

- Improvements to wastewater treatment facilities to achieve or maintain compliance
- Combined sewer overflow pollution controls
- Water quality-based storm sewer improvements
- Unsewered area improvements
- Nonpoint source pollution control projects
- Future wastewater treatment needs
- Extension or replacement of sewers
- Wellhead protection
- Landfill closure
- Stream restoration

FUNDING WPCLF's below-market interest rates provide significant savings over the 20-year life of a loan. Currently, the standard interest rate for a 20-year loan is 4.35%; a 2.2% interest rate is available to smaller communities, which qualify on the basis of economic need.

Communities seeking assistance with achievement and maintenance of effective and economical wastewater treatment facilities may be offered short-term loans for eligible improvements. Such loans are offered for up to 5 years at the current below-market interest rate.

WPCLF also offers planning and design loans to assist communities that are developing wastewater treatment facilities. Loans may be provided for most pre-construction expenses at a 3.2% interest rate, up to 3 years for sewer and unsewered communities. These loans may be incorporated into 20-year WPCLF construction loans at the option

of the community.

WPCLF may also 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.

**TECHNICAL
ASSISTANCE**

Besides supplying low-interest loans, Ohio EPA may also provide communities with technical assistance, drawing upon many years of experience in planning, design review and project implementation. EPA will work with communities from the beginning of the WPCLF process through project completion.

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

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

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

Ohio Water and Sewer Rotary Commission

State of Ohio

PURPOSE Provide interest-free loans to pay that portion of the cost of a sewer or drinking water line extension project, which otherwise would have been paid by assessments on agricultural land. Such assessments may be deferred for 20 years under Ohio Revised Code Chapter 1525, or may be exempted from collection under ORC Chapter 929, the so-called "Agricultural District Act", until such time as the property involved changes to a nonagricultural use.

ELIGIBILITY Counties, municipalities, and certain special districts are eligible for agricultural district loans. Only counties may apply for 20-year loans governed by ORC Chapter 1525.

FUNDING A rotary loan fund is the source of all Commission loans. In recent years, the Commission has lent an average of \$2 million per year. 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; and

(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:

Secretary
Ohio Water & Sewer Rotary Commission
Department of Development
P.O. Box 1001
Columbus, Ohio 43266-0101

Phone: (614) 466-2285