

**WHAT: OWDA Master Program: Fresh Water Group**

**For WHAT:** LOANS for Planning/Design and/or Construction (Supplements also available) of Drinking Water and/or Wastewater and/or Storm Water Infrastructure

**WHY:** To provide financing for Drinking Water, Wastewater, and Storm Water projects such as:  
(Purpose) Development or acquisition of potable water sources, construction/expansion of water and wastewater treatment facilities, installation or improvement of water distribution and wastewater collection systems, well-head protection planning studies, or storm water management facilities.

**By WHOM:** Administered by: OWDA  
Funded by: OWDA Fresh Water Funds from OWDA Revenue Bonds

**For WHOM:** Planning/Design Loans are for Local Government Agencies (Cities, Villages, Counties), Water Districts, Sewer Districts, Conservancy Districts, and Storm Water Management Districts.  
(Eligibility Criteria) Construction loans are for LGAs (Cities, Villages, Counties), Water Districts and Sewer Districts that have:  
1. Plan approval by OEPA or Permit-to-Install obtained;  
2. Local rate legislation enacted to ensure revenues adequate to meet annual loan repayments.

**HOW MUCH:**

Loan Amount:	Max: No limit
Eligible Costs:	Engineering & design fees, construction costs, legal and inspection fees
Loan Admin Fee:	.35% (.0035) of total estimated project costs OR \$400 minimum
Contract Interest Rate:	<b>Effective 5/1/2009 through 10/31/2010:</b> Calculated monthly, as of the first day of each month, based on previous 8 week average of the Bond Buyer GO 20 Bond Index. Rates for annual loan amounts per local governmental agency above \$40,000,000 will be based on previous 8 week average of the Bond Buyer GO 20 Bond Index + .50 basis points. Some discounts available for construction loans.
	.5% for counties or municipalities acquiring Water or WW facilities from a Chapter 6119 District;
	.5% for communities under OEPA Findings & Orders under enforcement action or having documented health risks;
	.5% for connecting to existing treatment service system where community does not own system;
Interest Rate	.5% for communities that have borrowed from OWDA funds;
Discounts:	.5% for communities that are purchasing another system;
(for construction loans only)	.5% for being in compliance with a Balanced Growth Plan certified by the State; Max discount: 1% for up to \$15 million in borrowing by any one Local Government Agency during a calendar year. 0.5% for borrowing by any one Local Government Agency during a calendar year from \$15 million to \$25 million. No discount for borrowing greater than \$25 million during a calendar year.
Capitalized Interest Rate:	Same % as Contract Interest Rate; Accrues on portion of loan disbursed, until 6 months prior to the Loan Maturity Date
Retainage:	8% of first 50% of labor until project is substantially completed (as defined by the community), for all communities except home-rule, on Construction Loans only 1/40 <sup>th</sup> of the estimated cost to be repaid semi-annually with loan balance due at the time of construction.
Planning/Design Repayment Rate:	(May be rolled into subsequent Construction loan.)
Construction Repayment Rate:	Choice of equal annual repayments, OR equal annual principal with amortized interest repayments

Late Payment Penalty: 5 day grace period  
Less than 30 days: Higher of: Interest Rate OR 8%  
More than 30 days: Same as above, plus 1% interest on the default amount increase every 30 days overdue

<b>HOW LONG:</b> (Contract Term)	Planning/Design Loan:	Min: none	Max: 5 years
	Construction Loan:	Min: 5 years	Max: 30 years

<b>WHEN:</b>	Application:	Due 15 <sup>th</sup> of each month
	Loan Admin Fee:	Is included in total Loan amount
	Repaymt Invoice:	Mailed approximately every May 15 and Nov 15 by OWDA to Loan Recipients
	Planning/Design Loan Repayment:	Due earlier of: 5 years OR at the time construction begins (May be rolled into subsequent Construction loan)
	Construction Loan Repayment:	Begins maximum of: 29 months from Cooperative Agreement date OR 6 months after project completion date; with Semi-annual repayments due every Jan 1 and July 1

<b>WHERE:</b>	Application from and to:	OWDA Loan Officer
	Disbursement request:	OWDA Chief Engineer
	Repayments to:	OWDA Accounting Dept

**HOW: To Apply for a loan the Borrower must:**

1. Fill out and submit application form with supporting documents as listed on the application.

**For Cooperative Agreement approval the Borrower must:**

1. Receive bids and tentatively approve contract awards.
2. Pass legislation authorizing signing of the Cooperative Agreement.
3. Complete any necessary assessment, tap-in and/or rate legislation.
4. Prepare a Projection schedule of revenues, debt service obligations, and operation and maintenance costs, over the contract term of years repayments are to be made to OWDA.
5. Have OWDA staff review of all paperwork.
6. Receive OWDA Board approval of loan.

**For Disbursement of loan funds the Borrower must:**

1. Submit Loan Payment request letter with
  - 1a. Supporting technical services invoices,
  - 1b. Contractor's Estimate Form and supporting contractors' documentation.
2. Submit Quarterly Planning reports to OWDA (for Planning/Design loans only).

**To apply for a Supplement to a construction loan the Borrower must:**

1. Pass an Ordinance or Resolution to enter into the loan agreement.
2. Provide a revised projection of revenues and expenses of the system to OWDA.

Historic

Documentation:	Ohio Revised Code:	Section 6121
	OWDA Board Action:	Resolution 57-92 Resolution 120-97 Resolution 69-99 Resolution 82-00 Motion Jan 31, 2002 Resolution 104-05

*PROGRAM GUIDELINES*

Historic  
Documentation

Continued: OWDA Board Action

Planning Loan Motion Jan. 26, 2006  
Motion May 31, 2007  
Resolution 30-08  
Motion April 30, 2009