

SOLID WASTE LOAN PROGRAM

Program Guidelines

Section 1 – Program Description

- 1.1 The Ohio Water Development Authority (OWDA) created the Solid Waste Loan Program in 1990 pursuant to Ohio Revised Code Section 6123 for the purposes of providing financial assistance for the acquisition, and construction of solid waste facilities (as defined in Ohio Revised Code Section 6123.01) such as materials recovery facilities, compost facilities, transfer stations, landfills, and incinerators.
- 1.2 Program is funded from the Strategic Initiatives Fund, dependent upon available funds.

Section 2 – Eligible Borrowers

- 2.1 Local government agencies and solid waste districts that meet the following criteria:
 - Own or control the eligible solid waste facility located within the State of Ohio
 - Authorized to incur debt and enter into legally binding agreements
 - Financially sound and have the ability to repay the loan
 - Currently in environmental compliance
 - Solid Waste Management Plan approved by Ohio EPA
 - Current on all taxes, loan payments, or other indebtedness to the State of Ohio or any political subdivision
- 2.2 The borrower must demonstrate that it possesses all necessary legal access to the property to complete the project.

Section 3 – Eligible Project Costs

- 3.1 Eligible costs include the following: purchase of the project site, demolition of existing structures on the project site, easements, engineering and design fees, construction costs, legal fees, and inspection costs.
- 3.2 In accordance with Ohio Revised Code section 4115, prevailing wage rates apply to all activities that are a part of the solid waste project.

Section 4 – Loan Terms

- 4.1 Loan Amount
 - The maximum loan amount is \$10,000,000, dependent upon available funds.
- 4.2 Term Length
 - Planning Loans
 - Maximum of 5 years

- Construction Loans
 - Minimum of 5 years
 - Maximum of 30 years
4. Application Fee
- No application fee
- 4.4 Loan Administration Fee
- The administration fee is equal to 0.35% of the total loan amount
 - Minimum loan administration fee is \$400
 - Fee can be included in the total loan amount
 - Due when the loan agreement is executed
- 4.4 Contract Interest Rate
- Calculated six weeks prior to each monthly Board meeting, based on previous 8-week average of the 20-Year and 30-Year MMD Aa Index plus 0.30% with a minimum interest rate of 1% for 20-year terms and 1.5% for 30-year terms.
 - Loans with a term of 20 years or less will receive the 20-year loan rate
 - Loans with a term of greater than 20 years will receive the 30-year loan rate
- 4.5 Capitalized Interest Rate
- Same rate as the contract interest rate
 - Accrues on disbursed loan amount until 6 months prior to the first repayment date.
- 4.6 Repayment
- Payments due January 1 and July 1 of each year during the repayment period
 - Planning Loans
 - First payment date will be no later than 17 months after the date of loan approval
 - Loan balance is due in full the earlier of 5 years or at the time construction begins
 - Planning Loan may be rolled into subsequent OWDA construction loan
 - Construction Loans
 - First payment date will be no later than 48 months after the date of loan approval or 12 months after substantial completion, whichever is earlier
- 4.7 Repayment Amortization Methods
- Planning Loans
 - Planning loans will have a 5-year term with a final balloon payment due at the end of term
 - Semiannual installment payments (January 1 and July 1) will be equal to 1/40th of the loan amount
 - Construction Loans
 - Equal semi-annual installment payments beginning on the date specified in the loan agreement through the term of the loan; or
 - Equal semi-annual principal payments with amortized interest repayments; the loan payment amount would decrease over the term of the loan
- 4.8 Prepayment of Loans
- No prepayment penalty on loans

4.9 Late Payment Penalty

- Payments received less than 30 days after the payment date:
Charged the default rate (interest rate on loan plus 3%) on the default amount from the due date until the date of payment
- Payments received more than 30 days after the payment date:
Charged the default rate (interest rate on loan plus 3%) on the default amount from the due date until the date of payment plus a late charge of one percent (1%) on the amount of each default; additional one percent (1%) for each additional 30 days

Section 5 – Application Process

5.1 Loan application and supporting documentation is due to OWDA by the deadline posted on the OWDA website.

5.2 Planning Loan Application Requirements

- Pass legislation authorizing signing of the Cooperative Agreement
- Complete any necessary assessment, tap-in and/or rate legislation
- Prepare a projection schedule that shows user revenues, debt service obligations, and operation and maintenance costs over the contract term of the years of loan repayment to OWDA
- Copy of engineering agreement

5.3 Construction Loan application requirements

- Receive bids and tentatively approve contract awards
- Certified Engineer's Estimate for project costs if application is submitted prior to bid date. Bid tabs are required to be submitted prior to project funding
- Detailed estimate for Equipment and Force Account costs, if applicable
- Copy of engineering agreement
- Plan approval by Ohio EPA and obtained Permit to Install
- Pass legislation authorizing signing of the Cooperative Agreement
- Complete any necessary assessment, tap-in and/or rate legislation
- Prepare a projection schedule that shows user revenues, debt service obligations, and operation and maintenance costs over the contract term of the years of loan repayment to OWDA

Section 6 – Modification and Interpretation

6.1 The project guidelines are subject to modification pending developments in federal, state, and OWDA policy. OWDA makes no representation that underwriting or competitive decisions from a prior year will be determinative in future application rounds. Identical year-over-year submissions may receive differing treatment, with or without notice to an applicant, due to new insights gained during prior review periods, shifts in policy, the need for consistent in-year interpretation, increased applicant competition, or any other reason OWDA deems necessary. The projects approved under these guidelines are made at the sole discretion of OWDA. OWDA will resolve all conflicts, inconsistencies, or ambiguities, if any, in these guidelines or which may arise in administering, operating, or managing the program. This includes the interpretation of requirements and guidelines. OWDA may modify or

waive, on a case-by-case basis, any provision of these guidelines that is not required by law.
All such modifications or waivers are subject to written approval by the OWDA Board

Section 7 – Authorization

Ohio Revised Code	Section 6123
OWDA Board Action	Resolution 56-90 Resolution 13-92 Motion July 29, 2010 Motion October 27, 2016 Motion June 30, 2022 Motion January 29, 2026