

## **STRATEGIC INITIATIVES PARTNERSHIP PROGRAM**

### *Program Guidelines*

#### **Section 1 – Program Description**

- 1.1 The Ohio Water Development Authority (OWDA) created the Strategic Initiatives Partnership Program (SIPP) during 2025 to provide loans and grants to serve as a critical financial partnership on projects of statewide, regional, or local significance which is further outlined in detail below. The loans and grants will fund planning, design, and/or construction of statutorily allowable projects and initiatives that are not eligible or unable to be funded through OWDA's other programs but nevertheless advance the policy priorities of both OWDA and one or more of the state agencies represented on its Board.
- 1.2 Program is funded from the Strategic Initiatives Fund, dependent upon available funds.

#### **Section 2 – Eligible Borrowers and Grantees**

- 2.1 Eligible borrowers and grantees include departments, divisions, or other units of state government, watershed districts, soil and water conservation districts, municipal corporations, counties, townships, and other political subdivisions, special water districts, including county and regional sewer and water districts, public not-for-profit noncommunity private water systems, conservancy districts, sanitary districts, sewer districts, or any other public corporation or agency having the authority to acquire, construct, or operate wastewater or water management facilities.
- 2.2 Eligible borrowers will have identified a committed revenue source to ensure revenues are adequate to make loan repayments, if applicable.
- 2.3 Eligible borrowers must own or control the assets being funded through a loan from the Strategic Initiatives Partnership Program.

#### **Section 3 – Eligible Projects and Eligible Project Costs**

- 3.1 Eligible project costs include: planning, engineering, construction, land and easement acquisition, legal, and inspection fees.
- 3.2 Eligible projects shall have one or more of the following purposes:
  - Strategic planning, research and/or analysis projects linked to issues of regional and/or statewide significance.
  - Local water-related projects that have regional significance, local community support, and have exhausted all other funding options.

- Partnership projects directly related to a state-level water-related policy and program initiative.
- Community partnership projects that address an emergency public health and safety need within that community.
- Projects of impact and significance considered at the sole discretion of the OWDA Board on an ad hoc basis.

3.3 In accordance with Ohio Revised Code Section 4115, state prevailing wage rates apply to all activities funded through the SIPP.

#### **Section 4 – Loan Terms**

##### 4.1 Term Length

- Planning Loans
  - Maximum 5 years
- Construction Loans
  - Minimum of 5 years
  - Maximum of 30 years
- Grants
  - 1 year with the possibility of a one-time extension to two years with Board approval

##### 4.2 Application Fee

- No application fee

##### 4.3 Administration Fee

- Loans
  - 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
- Grants
  - No administration fee associated with grants through this program

##### 4.4 Contract Interest Rate for Loans

- For tax-exempt, MMD Aa Index-rate of same term plus 0.30%
- For taxable, MMD Aaa Index-rate of same term
- Project-specific variances available at the discretion of the Board

##### 4.5 Capitalized Interest Rate for Loans

- Same rate as the contract interest rate
- Accrues on portion of loan disbursed until 6 months prior to the first payment date
- Project-specific variances available at the discretion of the Board

##### 4.6 Repayment for Loans

- 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

- 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 date, whichever is earlier.
    - Project-specific variances available at the discretion of the Board
- 4.7 Loan Repayment Amortization Methods
- Planning Loans
    - Subject to the discretion of the Board
  - Construction Loans
    - Subject to the discretion of the Board
- 4.8 Prepayment of Loans
- No prepayment penalty on loans
- 4.9 Late Loan 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
- 4.10 Reporting
- When a project reaches 50% disbursed, a progress report shall be submitted to OWDA summarizing the status of the project and a breakdown of the costs incurred.
  - A Final Report must be submitted following project completion. The Final Report shall speak directly to the proposal outlined in the project application.

## **Section 5 – Application Process**

- 5.1 Application and supporting documentation is due to OWDA by the deadline posted on the OWDA website. The OWDA Board may elect to consider projects, as necessary.
- 5.2 Applicants should anticipate presenting the project at a monthly Board meeting at least one month prior to seeking Board approval.
- 5.3 Planning and Design 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

#### 5.4 Construction application requirements

- Receive bids and tentatively approve contract awards
- Certified Engineer's Estimate for project costs if an application is being 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 OEPA 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 6121

OWDA Board Action      Motion October 30, 2025