



Ohio Environmental Protection Agency

Division of Environmental and Financial Assistance (DEFA)

Office of Financial Assistance (OFA)

Loan Application Instructions

Ohio EPA Water and Wastewater Loan Programs Overview:

Ohio's Water Pollution Control Loan Fund (WPCLF) offers assistance opportunities (direct and indirect loans) for qualifying point source projects (including planning, design, and construction loans) that will be owned by public entities, including:

- wastewater treatment plant improvements/expansion;
- new/replacement sanitary sewers;
- excess sanitary sewer infiltration/inflow correction;
- combined sewer overflow correction; and
- storm sewers (Phase 1 and Phase 2 storm water work).

WPCLF assistance is also available for activities that reduce or avoid nonpoint source water pollution such as:

- agriculture/silviculture improvements and best management practices;
- Home Sewage Treatment Systems (HSTS);
- wellhead protection;
- landfill closure;
- hazardous waste clean-up (brownfields); and
- surface water resource (streams, ponds, lakes and wetlands) habitat protection and restoration.

Ohio's Water Supply Revolving Loan Account (WSRLA) is an account under the Drinking Water Assistance Fund (DWAFF) that also offers assistance opportunities for planning, design and construction of compliance-related and human health related improvements to community water systems and non-profit community public water systems.

Types of projects typically funded through a WSRLA loan include:

- New or improvements to water treatment facilities
- Water line improvements or extensions
- New Water Towers

Financing

The WPCLF and WSRLA offer below-market interest rate loans. Direct loans are available to most public entities such as cities, villages and sewer districts and some large private borrowers. Indirect loans through our WPCLF linked deposit programs are available for certain types of nonpoint source control projects. Special discounted interest rates are available for qualifying projects. We also offer local governments WPCLF loans to start up their own local revolving loan funds or linked deposit programs.

Both, the WPCLF and WSRLA can fund all eligible portions of proposed projects, or they can be combined with other funding sources, such as the Ohio Water Development Authority, the Ohio Public Works Commission, the Community Development Block Grant program and the Appalachian Regional Commission.

General Application Instructions:

Please read the instructions carefully and fill out the form in its entirety. Incomplete applications may result in delay of loan approval.

Information requested in the application should be specific to the system related to the project. For example, if the Borrower is applying for a water project, the application should only contain information on the water system. Please do not combine water and sewer data in the application and attachments.

Please provide the information requested in the application and include additional information if applicable. Do not alter the application form. If additional space is required, please include additional documentation.

Section 1.0: Program Funding Selection

The Borrower should indicate which type of loan is needed by clicking the box next to the **Water Pollution Control Loan Fund (WPCLF)** or the **Water Supply Revolving Loan Account (WSRLA)** Account.

A selection must be made for the loan application to be reviewed. This selection is linked to other TABS within the application.

Section 2.0: Borrower's Information

Borrower: Enter the name of the City, Village, County, Regional Water and Sewer District (ORC 6119), Sewer District (ORC 6117), Conservancy District (ORC 6101), or Private Entity that will be responsible for the loan. (Note: Private non-profit entities are only able to apply for WSRLA loans)

Borrowers Population: Enter the Borrower population obtained from the United States Census Bureau American Fact Finder page located at: http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml. On the Fact Finder website, select the most current American Community Survey 5-year population estimate from the drop- down menu for the Borrower. *.

County: Enter the county in which the project is located.

DUNS#: A Data Universal Numbering System (DUNS) number is a nine-digit number that uniquely identifies a business. Established by [Dun & Bradstreet \(D&B\)](#).

Borrowers Median Household Income: Enter the Borrowers Median Household Income (MHI) obtained from the United States Census Bureau American Fact Finder page located at: http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml On the Fact Finder website, select the most current American Community Survey 5-year MHI estimate from the drop- down menu for the Borrower.

Date of Application: Enter the date the application is completed and signed.

Section 3.0: Project Name and Description

Project Name: Enter the name of the project.

Project Description: Provide a clear, brief narrative of the project that is to be funded.

Land or Easement Acquisition: Indicate if land or easements are needed to complete the project. If yes, provide the expected acquisition date, and if no land or easements are required to complete the project, simply click the “no” box. All projects need to have a site title opinion letter submitted by their solicitor. This opinion may be sent at a later date but no later than when the bid package is submitted for review. ***An example of the Site Title Opinion Letter can be found on Attachment B:***

Section 4.0: Funding Type & Proposed Loan Terms

Estimated Loan Amount: The loan amount will autofill from Section 7.0 on TAB 4-, in either “Ohio EPA / WPCLF or WSRLA” column, across from the “Total Estimated Costs” section. Please note that the total estimated costs include the loan fee for each type of loan.

At the time of actual loan award, the WPCLF (wastewater project) loan exhibit will NOT reflect the fee since it cannot be included as part of the loan. The .35% fee will ultimately be based on the total loan amount, which has been calculated based on firmly defined costs and charges. For a WSRLA (drinking water project) loan, the 1.35% fee will again, be based on the actual loan total; however, you have the option of including the fee in the loan, or paying the fee up front. If you do not want the fee included as part of the loan, please contact your PCU coordinator when the loan exhibit is being prepared.

Estimated Loan Award Date: Loans are awarded on the last Thursday of the month, except in November and December. (Due to yearly holidays, there are no loans awarded in November, and December loan awards are awarded on the second Thursday of the month.) Based on the project schedule, indicate the anticipated target date for loan award.

***Depending on the type of loan that is requested, the estimated loan date will autofill on to TAB 3-Project Schedule.**

Interest Rate Discount Consideration: For additional discount options, please review Appendix E in the Water Pollution Control Loan Fund (WPCLF) Program Management Plan (PMP) or Appendices E and F of the Drinking Water Assistance Fund (DWAFF) Program Management and Intended Use Plan. A community may be eligible for more than one discount. If the discount is not listed, mark the “Other” box, and indicate what discount you may qualify for.

Loan Types: If planning, design and construction funds are required for a project, each project phase should be requested as separate loans.

Planning Loan:

- Planning loans have 5-year terms. There is no prepayment penalty on Planning loans. The loan will be amortized as a 5-year loan with equal bi-annual payments due on January 1 and July 1.
- First Payment will be due no later than 12 months after planning completion date.

Design Loan:

Design loans have 5-year terms. There is no prepayment penalty on Design loans. The loan will be amortized as a 5-year loan with equal bi-annual payments due on January 1 and July 1.

- First Payment will be due no later than 12 months after the design completion date.
- **Previously incurred project costs for planning activities may be included in the design loan.**

Construction Loan:

- **Previously incurred project costs for planning and design tasks may be included in a construction loan.**

Requested Term: The minimum loan term is 5 years; maximum loan term is 30 years. Payments must be made for the full term of the loan.

Equal Payments: Equal semi-annual payments are calculated for the term of the loan.

Initial Payment Date: The first payment date must occur within 12 months after the Initiation Of Operation date for construction loans. If the Borrower would like the repayment to begin earlier, please indicate a date. Payments are due semi-annually: January 1st and July 1st. Please note that since the Initiation of Operation is only estimated when filling out the application, this date as well as that Initial Payment date may change based on the actual project schedule closer to loan award.

Supplemental Loan:

If additional loan funds are required for an existing planning, design or a construction loan, the funds should be requested as a supplemental loan. The supplemental loan will have the same end term as the original loan. The interest rate will be the current rate plus any applicable discounts. A loan administration fee will be included for the supplemental loan amount. The repayment date set for the original loan will not change and will include any supplemental loan funding.

For the supplemental loan application, only include the supplemental loan amount. Do not include the original loan amount. All application documents should reference the supplement loan amount needed.

Section 5.0: Contact Information

Please provide contact information for the following. If the contact information is the same, please enter "see above" or "N/A" if it is not applicable.

- **Authorized Representative to Execute Contracts:** This contact should match the official listed in the authorizing legislation.
- **Address to Mail Ohio EPA Loan Agreement:** (If different from Authorized Representative)
- **Address to Mail Billing Notice:** Indicate the address to send billing notices for semi-annual loan repayments. (If different than Authorized Representative)
- **Disbursements** (Borrower’s representative to contact regarding disbursement): Indicate the contact information of the BORROWER official responsible for questions or concerns regarding disbursements requests.
- **BORROWER Wiring Information – Wires to the BORROWER should be sent to:** Provide wiring or mailing information for disbursements that are sent to the BORROWER.
- **Consulting Engineer:** If applicable, provide contact information for consulting engineer.

Section 6.0: Project Schedules for Planning, Design and Construction

Please provide the appropriate dates for the type of loan being requested. Basically, the applicant should backtrack from the month in which loan award is requested (Item 9 for a construction loan, Item 4 for a design loan, and Item 3 for a planning loan. If an item has already been submitted through a previous Ohio EPA loan, indicate that date on the schedule for the loan currently being applied for.

Section 7.0: Cost Data

Enter the costs pertaining to the project under to the appropriate activity (Technical Services, Construction, Other). For Construction Costs, enter the Engineer’s Estimate for each anticipated contractor. Exact as-bid costs will be added at a later date by the DEFA Project Coordination Unit staff once bid package documents are submitted. The loan administration fee automatically calculates based on the loan program selected and the loan amount requested from Ohio EPA will be generated and automatically populate on TAB 1 in the “Estimated Loan Amount” cell.

Note: All fees are based on total loan amount, with a minimum charge of \$400.

- ***There is a 0.35% OWDA administration fee on Water Pollution Control Loan Fund (WPCLF). The BORROWER will be required to pay the loan fee upon receiving any WPCLF loan. The Ohio Water Development Authority (OWDA) will bill the Borrower directly.***
- ***The Water Supply Revolving Loan Account (WSRLA) and OWDA administration loan fee is 1.35% (OWDA (0.35%) / WSRLA (1.00%)). On a WSRLA loan, the fee may be included and paid over the term of the loan. If the Borrower would like to pay the loan administration fee directly instead of including the fee in the loan amount, please contact your DEFA Project Coordinator.***

When appropriate, funding for the category should show other funding sources. Use the drop down box at the top of the columns to select other funding sources.

For a supplemental loan request, only include the supplemental loan amount. Do not include original loan amount in the calculation.

For a construction loan request, please indicate below if the project has a previously awarded Ohio EPA or OWDA planning or design loan.

- The planning and/or design loan will be closed once the construction loan is approved. If funds have been disbursed from the planning and/or design loan, the payoff balance will be rolled into the construction loan.
- If no funds or partial funds have been disbursed from the planning and/or design loan and funds are needed, please include a separate line item for planning and/or design costs in the construction loan request.
- Contact Ohio EPA for loan payoff amounts that should be included in the application.

Example below:

<i>Select Funding Sources From Dropdown Box Below</i>					
Estimated Costs		OPWC	Local Funds	Ohio EPA LOAN	Total Project Cost
Technical Services					
Administration				\$1,500.00	\$1,500.00
Engineering Services				\$45,000.00	\$45,000.00
Planning					
Design					
Force Account					
Planning or Design Payoff				\$150,000.00	\$150,000.00
Construction					
<i>(Please enter number of anticipated contractors below)</i>					
Contractor "A"					
Contractor "B"		\$1,000,000.00	\$250,000.00	\$2,000,000.00	\$3,250,000.00
Contractor "C"					
Equipment					
Other Costs					
Contingency	<i>(Contingency is typically 5% of the Projects Cost)</i>			\$109,825.00	\$109,825.00
Subtotal		\$1,000,000.00	\$250,000.00	\$2,306,325.00	\$3,556,325.00
Application Fee	<i>There is a 0.35% OWDA fee on WPLCF loans or a 1.35% OWDA (0.35%) / WSRLA (1.00%) fee on WSRLA loan. Fees are based on total loan amount. Both program have a minimum fee of \$400.</i>			<i>\$31,135.39 for WSRLA</i>	<i>\$8,072.14 for WPLCF</i>
Total Estimated Costs		\$1,000,000.00	\$250,000.00	\$2,306,325.00	\$3,556,325.00

*Remember, for WPCLF loans the total that will be shown on the loan Exhibit will be the subtotal amount. For WSRLA loans the Borrower has the option of including the fee in the loan or paying the fee up front.

Section 8.0: Contractor Payment

Indicate with the check box if the BORROWER would like OWDA to pay the Contractors on the project directly. If the box is not checked, OWDA will send payments to the BORROWER. Technical Services line items will only be made payable to the BORROWER. Technical services include activities such as project design, engineering, inspection, or administrative costs related to the project such as legal fees, etc.

Equipment should be included on a separate line item only if it is purchased directly by the Borrower. If equipment is included as part of a contractor's bid, it should not be listed separately.

For payments to the BORROWER, please make sure you have provided wiring or mailing instructions on Page 2 in Section 5.0 "Contact Information".

Contractors receiving funds directly from OWDA must submit a completed Contractor Payment Instruction Form to Ohio OWDA AFTER the loan is awarded. This form is located on the OWDA website www.owda.org under QUICK LINK – Forms – Disbursement Forms.

Section 9.0: Source of Pledged Revenues

To obtain a loan from Ohio EPA, the BORROWER is required to pledge revenues derived from the ownership and operation of their system as payment for the loan. The revenues, after deductions for the operating and maintenance and previous debt obligations, must be able to support the repayment of the loan requested. However, unless prohibited by law, the BORROWER can choose to repay the loan with any of its general resources. **(Reference: Article IV, Section 3. in the WPCLF and the WSRLA Standard Loan Agreement). The repayment is called the Dedicated Source of Repayment and should be indicated by checking the appropriate box. More than one source can be used.**

Note: The Projection of Revenues (required attachment) must show user charge revenue only, regardless of the source of repayment selected in this section.

Section 10.0: Revenue Analysis

For the revenue analysis section, enter the revenues for the system related to the project type in the application. Do not combine revenue for both water and wastewater. Enter the revenue for the type of project in the application only (water project = water revenue; sewer project = sewer revenue).

For storm sewer projects: If the BORROWER has established a storm sewer fund, only enter the financials for the storm sewer fund. If the BORROWER does not have a storm sewer fund, the BORROWER would pledge the sewer revenues for repayment of the loan.

Note: The Total Revenue should match the "User Revenues to System" column on Projection of Revenues and Expenses of the System spreadsheet on TAB 7.

Current Revenues:

Year: Enter year of last audit

Total Revenue: Enter the total annual revenues.

Total Number of Users: Enter actual number of active service accounts.

Annual Revenue Per User: This field auto calculates.

Current Revenues (Last Audit Year):		YEAR:	2015
User Classes	Total Revenue	Total Number of Users	Annual Revenue Per User
Residential	\$8,743,896.64	23,391	\$373.81
Commercial	\$6,264,470.73	1,123	\$5,578.34
Industry / Gov.			
Other			
TOTAL	\$15,008,367.37	24,514	
<i>Total Revenue should reconcile to the "Revenues to System" column on the Projection of Revenues (TAB 7) for the associated year.</i>			
Current Average Monthly Residential User Rate			\$31.15

Projected Revenues:

Year: Enter year following completion of the project.

Total Revenue: Enter the projected total annual revenue.

Total Number of Users: Enter number of service accounts or anticipated number of service accounts if project is increasing service area.

Annual Revenue Per User: This field auto calculates.

Projected Revenues for first year following project completion		YEAR:	2017
User Classes	Projected Total Revenue	Projected Total Number of Users	Projected Annual Revenue Per User
Residential	\$11,236,306.07	24,000	\$468.18
Commercial	\$5,287,724.11	1,239	\$4,267.74
Industry / Gov.			
Other			
TOTAL	\$16,524,030.18	25,239	
<i>Total Revenue should reconcile to the "Revenues to System" column on the Projection of Revenues (TAB 7) for the associated year.</i>			
Projected Average Monthly Residential User Rate			\$39.01

Ten Largest Customers: Enter the ten largest customers (or less if applicable) and the percentage of the total revenue each provides.

Section 11: Revenue Analysis Continued

3-Year Revenue Allocation: Enter data from the last 3 audits for the following. The green cells will autofill with the most current audit data from the information provided on TAB 5 in Section 10.0. All white cells must be complete with data from the previous two audits.

System Revenue – Enter user revenues only.

Operating Expenses – Do not include depreciation.

Debt Service Payments – Enter debt that is paid using revenues from the system.

Note: The information provided in this section should be consistent with the information provided on the OWDA Annual Financial Information Form that is required from previous Borrowers.

Debt Outstanding: Enter current debt balances, annual payment amounts, and date when the debt expires. Do not combine water and sewer debt. Enter the debt for the system that pertains to the project.

Section 12.0: BORROWER Credit Rating

Please provide the credit rating for the BORROWER for General Obligation and Water and Sewer Revenues. If Borrower does not have a Credit Rating, state N/A.

Section 13.0: Rate Schedule

Please provide the following information:

Year of last rate increase: Enter the year of the last rate increase.

% of increase of the last rate increase: Enter the percentage of the rate increase

Planned rate increases over the next 2 years: The planned rate increases should match the information provided in the Projection of Revenues and Expenses. If applicable, attach additional documentation.

Section 14.0: Capital Improvement Plan

Description of Major Projects: Provide a brief description of major projects for the system, if any.

Ten-Year Capital Improvement Plan: Enter the projected capital improvement needs for the system during the next 10 years. If no improvements are anticipated, state N/A.

Section 15.0: Projection of Revenues and Expenses of the System

Instructions Projection Schedule of Revenues and Expenses:

A template is included in the application. The spreadsheet must be completed for the loan term requested and should begin with the year of the most recent audit. In some instances, a Pro Forma or CAFR (Consolidated Annual Financial Report) may be submitted in place of the Projection Schedule. The intent of this spreadsheet is to show the applicant's ability to repay the loan and to be used as a tool to identify when rate increases may be necessary.

The instructions below correspond with the column headers on the spreadsheet.

Year

- Year auto-populates from Section 10.0 "Current Revenues (Last Audit Year) on Page 5.

Revenues to System Only Column

- Year 1 "Revenues to System Only" column auto-populates from Section 10.0 "Current Revenues (Last Audit Year) on Page 5
- For the remaining cells -only enter the revenues collected from users for the system pertaining to the project type in the application.
 - Revenues should only include user charges, surcharges, special assessments.
 - Do not combine revenue for both water and wastewater. Enter the revenue for the type of project in the application only (water project = water revenue; sewer project = sewer revenue).
- For storm sewer projects: If the Borrower has established a storm sewer fund, only enter the financials for the storm sewer fund. If the Borrower does not have a storm sewer fund, the Borrower would pledge the sewer revenues for repayment of the loan.
- Current year revenue and revenue following the first year following project completion should match the total revenue provided in "Section 10.0 Revenue Analysis" on Page 5 of the application.
- Revenue and Operation, Maintenance & Replacement must be for entire system. Exception: Counties or Systems that charge different rates for different areas (documentation must be provided).

Operations, Maintenance & Replacement (O, M & R) column

- Year 1 of "OM & R" column auto-populates from Section 11.0 "Outstanding System Debt (do not include loan being applied for)" on Page 6.
- This column should only show O, M & R costs for entire system.
- Do not include debt repayment or depreciation as part of these costs.

Debt Service paid from Revenues to the System

- Year 1 of “Debt Service” column auto-populates from Section 11.0 “3-Year Revenue Allocation (Last Audit Year)” on Page 6.
- Enter debt that has the pledged user revenues as repayment.
- Existing OWDA & Ohio EPA loans
- Ohio Public Works Commission (OPWC) loans
- United States Department of Agriculture (USDA) Loans
- Revenue Bonds
- General Obligation paid with Revenue to System
- Other – Please clarify “Other” in the NOTES box below.

Ohio EPA New Loan Repayment column

- This column is for the repayment of the loan requested in the application only.
- Do not include preexisting OWDA/Ohio EPA loans in the column.

Total Expense to the System

- The cell will auto-calculate. This cell totals Operation, Maintenance & Replacement, all the Debt Services, and new Loan Repayment for the Ohio EPA Loan.

Annual Surplus

- The cell will auto-calculate. This cell subtracts the Total Expense to the System from the User Revenues to the System.

Cumulative Surplus Carryover box

- If applicable, enter the cumulative surplus carryover in the yellow box.

Cumulative Surplus

- The cell will auto-calculate. This cell adds the Annual Surplus to the previous year’s Cumulative Surplus

NOTES

- This box can be used for comments on projected rate increases, explanation of special circumstances on O&M costs, “Other” Debt Service, etc.

Section 16.0: Equipment & Replacement Schedule

An Equipment and Replacement Schedule should be included here for all construction loans. This schedule is a listing of all major components of the treatment system (wastewater or water), and as the schedule indicates, the date purchased, useful life, original cost, etc. If Borrower only owns and operates the sewers or water distribution lines only, the schedule does not need to be filled out.

Although not required for the WPCLF or WSRLA applications, we urge communities to develop this schedule and submit it to DEFA with their application to help with any current or future requirements such as Capability

Assurance Plan (CAP) for WSRLA loans or the Fiscal Sustainability Plan (FSP) which is required through the Water Resources Reform and Development Act (WRRDA) of 2014 for WPCLF loan applicants.

You will note that on Section 16, you are asked to list separately that equipment purchased with capital improvement funds from that equipment purchased with Operation, Maintenance and Replacement (O, M & R) fees. This will be a helpful tool as you are filling out the debt columns in the Projection of Revenues and Expenses of the System in Section 15.

****NOTE:** Pages 9, 10A and 10B are Federal forms that must be completed and signed to obtain an Ohio EPA Water Pollution Control Loan Fund (WPCLF) or a Water Supply Revolving Loan Account (WSRLA) loan.

Section 17.0: Application Check List

Please make sure all documents pertaining to the type of loan being requested (planning, design or construction) are listed with dates of submittal in the checklist.

Legislation Authorizing Rates: Provide a copy of legislation authorizing current rates/tap in fees.

Legislation Authorizing BORROWER to enter into agreement with Ohio EPA: Provide a copy of legislation authorizing the BORROWER to enter into a Loan Agreement with the Ohio EPA and stating the dedicated source of repayment. A template is provided in Attachment A of the Loan Application.

WPCLF or WSRLA Agreement: Ohio EPA requires one original signature copy of the executed Loan Agreement.

- The WPCLF or WSRLA Loan Agreement will consist of a standard language agreement which corresponds to the type of project being funded, i.e. planning, design or construction and an Exhibit with items specific to this loan including interest rate, terms, repayment amount and dates, etc.

Legal Procedural Letter: Template available on Attachment D. The letter should be printed on the Solicitor or Law Director's legal letterhead.

Water and Sewer District Court Legislation: If Borrower is a water or sewer district, provide the legislation that formed the District.

Special Assessments: If Borrower is using special assessments to cover any portion of the loan payments, attach a statement from the legal officer stating the status of the assessment proceedings, resolutions or ordinances, and notices. Please note that if special assessments are to be used as the Dedicated Source of Repayment, collection of the assessments must be scheduled to begin with the Initial Repayment date listed on the application which is Item 5 on Section 7.0 for Planning Loans, Item 6 for Design Loans and Item 11 for Construction Loans.

Construction Loans –Engineer's Estimate: If application is for construction loan, provide the following:

- An engineer's estimate should be included in the loan application. Borrower should not wait until bids are opened to include the construction project costs in the WPCLF or WSRLA loan application since waiting until bid opening date does not give DEFA sufficient time for review of information in the application. Bid tabs and other

required forms will be submitted in a package to DEFA at a later date and the exact as-bid construction costs will be included in the loan.

- Provide a detailed estimate or invoices for Equipment and Force Account, if applicable.
- Provide a copy of the engineering agreement if engineering costs are included in the construction loan.

Planning & Design Loan – Engineering Agreement: If application is for planning and/or design, provide a copy of the engineering agreement.

Section 18.0: Preparer Information

Enter the information for the preparer of the application. This should also be the point of contact for any questions on the information provided in the application.

Section 19.0: Authorized Representative Approval

The Application should be signed by the person authorized in legislation to sign the WPCLF Loan Agreement or WSRLA Loan Agreement on behalf of the Borrower.