



Ohio's State Revolving Fund (SRF) Loan Programs Status and Direction

Ohio Water Environment Association

Watershed Workshop

October 30, 2014

Division of Environmental & Financial Assistance (DEFA)

Mission

To benefit Ohio's water resources and public health by providing lower-cost financing, economic incentives, and project assistance.



DEFA Assistance Programs

Ohio's two State Revolving Funds (SRFs)

- **Water Supply Revolving Loan Account (WSRLA)**
(the drinking water loan program)
- Water Pollution Control Loan Fund (WPCLF)
(the wastewater loan program)

DEFA Assistance Programs

Water Supply Revolving Loan Account

Eligible Projects Include:

New Water Treatment Plants

New Waterlines

Water Tanks/Towers

Regionalization Projects

Standby/Back-up Power

Emergency Interconnections

Water Treatment Plant Rehab

Waterline Rehab/Replacement

Pump/Booster Stations

New Water Meters

New Well fields

Asset Management Plans



DEFA Assistance Programs

Water Supply Revolving Loan Account

Did you know?

First Loan awarded in August 1998

Since then, have awarded 476 loans totaling **\$1.03 billion**

Interest Savings to Ohioans = **\$225 million**



DEFA Assistance Programs

Water Supply Revolving Loan Account

WSRLA Interest Rates (Oct. 2014)

| | |
|----------------------------------|----------------|
| Standard Long Term Rate | 2.96% |
| Small Community | 2.46% |
| Non-disadvantaged w/afford. Pts. | 2.0% |
| Disadvantaged Tier I | 20% PF/2% loan |
| Disadvantaged Tier II | 30% PF/2% loan |
| Disadvantaged Tier III | 40% PF/0% loan |

DEFA Assistance Programs

Water Supply Revolving Loan Account

What's New?

- * Final Program Management Plan for SFY 2015 was finalized in August 2015.
- * \$191 Million available in SFY 2015 for **all projects** that meet program requirements.
- * \$6.9 million available as Principal Forgiveness.
- * Funding to address HABs.....



DEFA Assistance Programs

Water Supply Revolving Loan Account

Funding for Projects related to Harmful Algal Blooms

\$1 million available in **grants** for laboratory equipment

- Applications accepted through June 1, 2015
- PWS that use surface water source are eligible
- Equipment for sampling and analysis of cyanotoxins
- Grants up to \$10,000 for equipment, supplies, & training
- More info: http://epa.ohio.gov/HAB_funding.aspx



DEFA Assistance Programs

Water Supply Revolving Loan Account

Funding for Projects related to Harmful Algal Blooms

\$50 million available in 0% interest rate **loans** projects to address HAB issues.

- Comm. water systems using a surface water source
- Planning, design or construction projects eligible
- WTP components that treat for toxins –or–
- Interconnections, new elevated storage, new sources
- Nominations accepted throughout the Program Year!



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DEFA Assistance Programs

Water Pollution Control Loan Fund

Eligible Projects Include:

New Wastewater Treatment Plants (WWTP)

WWTP Upgrades and Rehabilitation

New Sanitary Sewers for unsewered areas

Sanitary Sewer Rehabilitation or Replacement

Correction of Combined Sewer Overflows

Nonpoint Source Pollution Control Projects



DEFA Assistance Programs

Water Pollution Control Loan Fund

Did you know?

First Loan awarded in October 1989 (25th Anniversary in October 2014).

Since then, have awarded 1,828 loans totaling over
\$6.4 Billion

Interest savings to Ohioans = **\$1.2 billion**



DEFA Assistance Programs

Water Pollution Control Loan Fund

WPCLF Interest Rates (Oct. 2014)

| | |
|--|-------|
| Standard | 2.96% |
| Small Community | 2.46% |
| Hardship (pop. 2,500-10,000; MHI<\$46,864) | 1.0% |
| Hardship (pop. <2,500; MHI<\$49,719) | 0% |

DEFA Assistance Programs

Water Pollution Control Loan Fund

Compared to market rates, savings are substantial
Example \$1 million loan (October 2014 rates)

| Interest Rate | Total Repayments | Savings vs. Market |
|---------------------|------------------|--------------------|
| Market (4.21%) | \$1,489,290 | ----- |
| Standard (2.96%) | \$1,332,207 | \$157,083 |
| Small Comm. (2.46%) | \$1,272,106 | \$217,184 |
| Hardship 1% | \$1,105,820 | \$383,470 |
| Hardship 0% | \$1,000,000 | \$489,290 |



DEFA Assistance Programs

Water Pollution Control Loan Fund

2015 Program Highlights

- Draft **Program Management Plan** issued October 20, 2014; Public hearing will be held Monday November 24th.
- **\$1.6 billion** in project nominations on the priority list
- \$625 million available at beginning of 2015; the WPCLF will fund all projects that meet program requirements



DEFA Assistance Programs

Water Pollution Control Loan Fund

2015 Program Highlights

- \$6.4 million in **principal forgiveness** available in 2015; \$1 million will be targeted to failing HSTS's in Lake Erie Watershed.
- \$15 million available for **Water Resource Restoration Sponsor Program** (WRRSP) projects.



DEFA Assistance Programs

Water Pollution Control Loan Fund

2015 Program Highlights

- Loans for **Fiscal Sustainability Plans** (FSPs) offered throughout the year at 0% and 1%.
- **Interest rate index** – changing from the Bond Buyer 20 GO Bond index to the Municipal Market Data (MMD) index. MMD more reflective of current market conditions.



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Water Pollution Control Loan Fund

2015 Program Highlights

- **Nutrient Reduction Discount** - \$100 million available in 0% interest rate for nutrient removal at wastewater plants (WWTPs).
 - Reduction of phosphorus & other pollutants
 - 0% for portion attributable to nutrient reduction
 - 0% can be blended with standard WPCLF rates
 - Planning, design, and construction eligible
 - Nominations will be accepted through the year



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Water Pollution Control Loan Fund

Changes from the Water Resource Reform and Development Act (WRRDA)

- WRRDA passed in June 2014
- Includes a pilot WIFIA to be administered by U.S. EPA
- Makes permanent changes to the State Revolving Fund portion of the Clean Water Act



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Water Pollution Control Loan Fund

Changes from the Water Resource Reform and Development Act (WRRDA)

- **A/E contracts** funded through WPCLF must follow federal (or state equiv.) procurement. See ORC 153.65 – 153.73.
- Applicants must certify completion of a **Fiscal Sustainability Plan**
- **American Iron & Steel (AIS)** and “**Davis-Bacon**” **Wage rates** are now permanent program requirements



DEFA Assistance Programs

Water Pollution Control Loan Fund

Changes from the Water Resource Reform and Development Act (WRRDA)

- Clarified and **expanded eligibility** for the WPCLF.
- **Additional subsidization** (in Ohio = principal forgiveness) formula for minimum/maximum amounts codified.
- Allows for **30-year direct loans**.



DEFA Assistance Programs

Water Pollution Control Loan Fund

Other emerging topics we're working on.....

CMAR & Design-Build

Climate Change

Affordability Criteria

Green Infrastructure

Allotment Formula

Stormwater Funding

Extreme Weather Events

Energy Efficiency

HABs

Shared Services



DEFA Assistance Programs

Ohio's two State Revolving Funds (SRFs)

Summary Points

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DEFA Assistance Programs

Ohio's two State Revolving Funds (SRFs)

Summary Points

Ohio EPA's Revolving Loan Programs are.....

- ✓ **Healthy.** A major source of infrastructure funding.
- ✓ **Innovative.** Discounts, Nonpoint source project funding...
- ✓ **Attentive.** Extended-term financing, discounts...
- ✓ **Responsive.** HAB funding, WRRDA changes...
- ✓ **Adaptive.** Market index change, FSP planning discount...



DEFA Assistance Programs

For further information, contact:

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<http://epa.ohio.gov/defa/EnvironmentalandFinancialAssistance.aspx>

