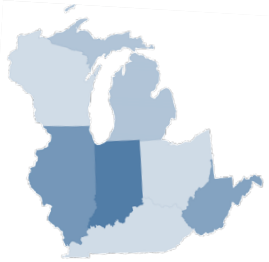




Rural
Community
Assistance
Partnership



Great Lakes
COMMUNITY ACTION
PARTNERSHIP

Financing Your Water and Sewer Infrastructure Projects

*Ohio City/County Management
Association Winter Conference
April 2023*

Presented by Great Lakes RCAP



Today's Presenters:



Misty Tolzda



Pam Ewing

RCAP



ABOUT GREAT LAKES RCAP



RURAL COMMUNITY ASSISTANCE PROGRAM

- Part of a nation-wide network of non-profit organizations that operate RCAP
- Coordinated through the national **Rural Community Assistance Partnership**
- Serving our region since 1980.



PART OF THE GREAT LAKES COMMUNITY ACTION PARTNERSHIP

- GLCAP based in Fremont, Ohio
- One of the largest Community Action Agencies in the country
- GLCAP operates RCAP in 7 states across the Great Lakes region



HELPING SYSTEMS UNDER 10,000 PEOPLE

- RCAP provides free and low-cost technical assistance and training
- We work with larger entities that serve or regionalize smaller and rural communities
- We also help larger entities on a fee-for-service basis

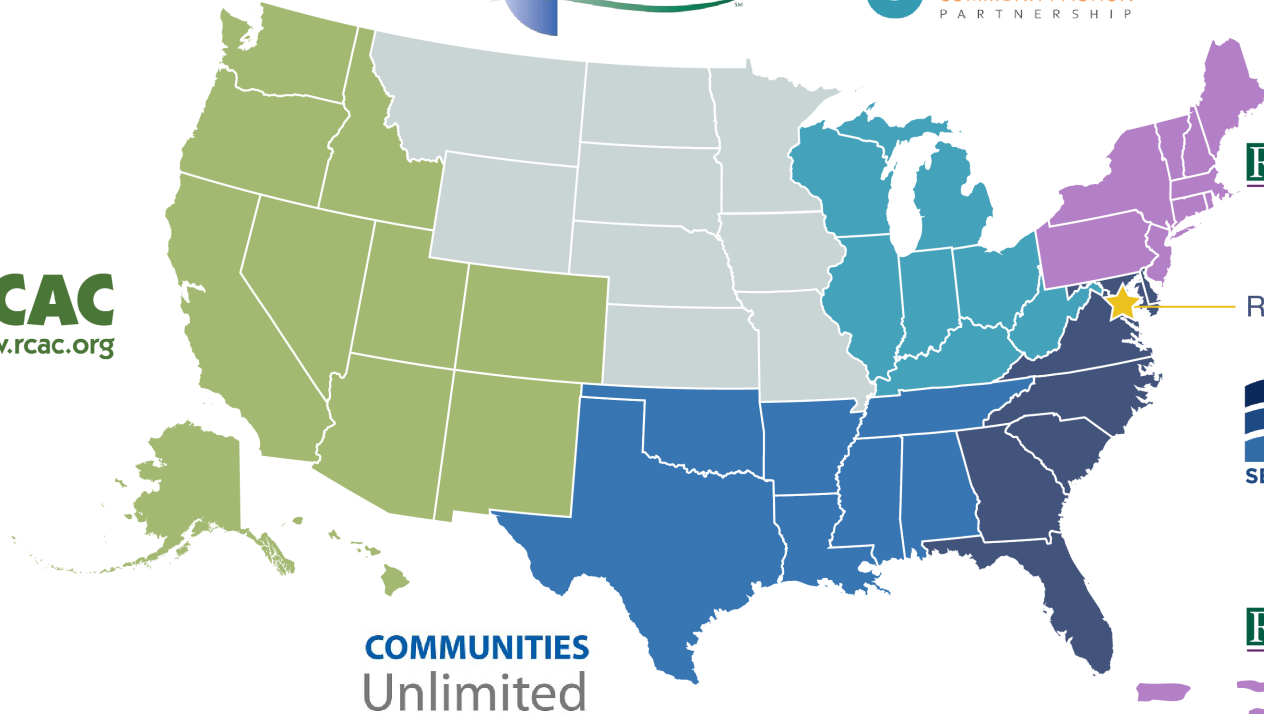


WE SERVE SEVEN STATES

- We serve over 600 communities each year.
- In many of them, we are working on more than one project or providing multiple services.



Rural Community Assistance Partnership



RCAP National Office



COMMUNITIES
Unlimited



Our Mission

How We Achieve This

Improve surface water protection, environmental compliance, public health, economic readiness and quality of life in small communities and rural areas.

- Help small and rural communities access funding for water and sewer projects.
- Improve the technical, managerial and financial capabilities of water and sewer systems through technical assistance and training.
- Promote shared services and regionalization projects to increase efficiency, reduce end-user costs, and ensure long-term sustainability.

What region of Ohio are you
representing here today?

NW

NE

SW

SE

Our Learning Objectives

- ✓ Identify necessary steps in Planning for an infrastructure project
- ✓ Discuss common funding agencies and use the Funding Scenario tool
- ✓ Hear about a real community and how they funded multiple projects





Rural
Community
Assistance
Partnership

Planning Your Project

First Rule:

START PLANNING EARLY!

Large infrastructure projects seeking grant dollars often can take up to 2 years, not including the planning process or construction.



Create Your Team!

- Operator(s)!
- Fiscal Officer
- Project Engineer (if hired)
- Management Staff (Mayor, VA, BPA, Council)
- Funding Specialist
- Funding Agencies



Plant the Seeds Early!



- Create an Asset Management Plan for **water** and Capacity, Management, Operations & Maintenance Plan for **sewer** systems (CMOM)
- Identify all capital projects over next 5 years.
- Develop strategies for each project.
- Consider which projects compete best for grant opportunities if you have multiple projects.
- Begin saving for them now if you haven't already.

10% - 20%

Recommended amount to set aside for Capital Improvement Projects, to cover expenses:

- Engineering Services
- Permitting
- Environmental Assessments
- Other related expenses

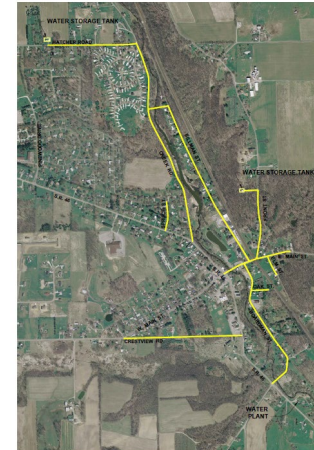


Project Name	Priority	Total Cost	Type	Source	2018	2019	2020	2021	2022
East side sanitary sewer rehab	1	\$ 1,000,000	SC	OPWC/Local	\$ 1,000,000				
Emergency generators	1	\$ 150,000	SC	OEPA		\$ 150,000			
Wastewater treatment plant improvements	1	\$ 2,400,000	ST	USDA		\$ 2,400,000			
Brown, First, Main water main replacement	2	\$ 1,475,000	WD	OEPA/OPWC		\$ 1,475,000			
Second Street water tank replacement	3	\$ 648,000	WD	OWDA/Local			\$ 648,000		
First and Ohio sewer line replacement	4	\$ 600,000	SC	OWDA/Local		\$ 600,000			
Water treatment plant improvements	4	\$ 1,500,000	WT	OEPA				\$ 1,500,000	
Broadway tank demolition	5	\$ 500,000	WD	OWDA/Local					\$ 500,000
Carter Avenue storm sewer rehabilitation	5	\$ 750,000	SS	OPWC/Local					\$ 750,000
Water meter replacement	5	\$ 400,000	WD	Local					\$ 400,000

Map it Out ... Look at The Big Picture

Sometimes it is better to combine several small projects into a big one.

Other times, it is better to break up a bigger project into smaller phases.



LOCATION MAP
NEW WATERFORD, OHIO
PHASE 2



Basic Steps of the Planning Phase

- Prioritize your Projects
- Align projects with funding timelines
- Have Patience



Basic Steps of the Planning Phase

- Identify, understand and gather documentation of your problem(s)
- Consider all reasonable solutions, including sharing services or regionalizing

DOCUMENTING THE PROBLEM

& telling your story

It's really important to have good documentation of the problem you are trying to solve.

Funders will ask for this!

Keep good records of problems and complaints.

Enlist experts to inspect and prepare reports. Take lots of photos. Tell a compelling story!

Ask your OEPA district representative to note problems in sanitary surveys and inspections.



Discuss with your team what you **NEED**.



Small System Challenges:

- With a smaller customer base, and often fewer customers per mile of pipe compared to larger urban systems, it costs more to install, operate and maintain infrastructure.
- The loss of population, income and jobs in smaller communities make Capital Project funding and Public Support for projects more difficult.

Does a Regional Solution make sense ?

Do you represent a community with a
population under 10,000?

< 10,000

If you have a population of less than 10,000, there could be significant long-term cost savings and quality of service benefits if you can partner with other entities to increase your economies of scale.

Examples of Regional Solutions

Jackson and Vinton County Water

Coshocton and West Lafayette Water

Bluffton and Ottawa Water

Buckeye Lake and Millersport

Amsterdam Regional Wastewater Collection
& Treatment System

LORCO - Cinnamon Lakes – West Salem –
Ashland County

Tuscarawas Co. – Stark Co. shared Sandyville
WWTP



*Sandyville WWTP Rehab
Ribbon Cutting in 2018*

Basic Steps of the Planning Phase



- Evaluate your financial capacity, both for future debt and any changes in future O&M costs

RCAP staff can help you with this during the project planning phase

Financial Pro-forma

RCAP uses a Financial Pro-forma to view historical revenue and expenditures of their utilities, and project future revenue and expenses.

A community can then determine if their rates are adequate to assume additional debt, while still maintaining their system as they should.

	Financial Summary					Five Year Financial Forecast				
	2015	2016	2017	2018	Last Full Year	2020	2021	2022	2023	2024
Rates										
First 2,000 gallons	\$ 18.83	\$ 18.83	\$ 18.83	\$ 18.83	\$ 21.09	\$ 21.09	\$ 21.09	\$ 21.09	\$ 21.09	\$ 21.09
Each additional 1,000 gallons	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.63	\$ 8.10	\$ 8.10	\$ 8.10	\$ 8.10	\$ 8.10	\$ 8.10
4,500 gallons per month	\$ 37.91	\$ 37.91	\$ 37.91	\$ 37.91	\$ 41.34	\$ 41.34	\$ 41.34	\$ 41.34	\$ 41.34	\$ 41.34
Median Household Income (ACS)	\$ 21,731.00	\$ 24,263.00	\$ 24,674.00	\$ 30,135.00	\$ 30,135.00	\$ 30,135.00	\$ 30,135.00	\$ 30,135.00	\$ 30,135.00	\$ 30,135.00
Affordability Index	2.09%	1.87%	1.84%	1.51%	1.65%	1.65%	1.65%	1.65%	1.65%	1.65%
Revenues	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Rate Adjustment	0%	0%	0%	0%	9%	0%	0%	0%	0%	0%
Consumer Rent	\$ 367,638.84	\$ 340,979.92	\$ 345,766.87	\$ 336,858.85	\$ 364,686.18	\$ 370,156.47	\$ 375,708.82	\$ 381,344.45	\$ 387,064.62	\$ 392,870.59
Tap Fees	\$ -	\$ 235.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bulk Sales	\$ 2,582.50	\$ 2,767.25	\$ 2,799.50	\$ 1,857.83	\$ 1,971.81	\$ 2,001.39	\$ 2,031.41	\$ 2,061.88	\$ 2,092.81	\$ 2,124.20
Other - Utilities	\$ -	\$ 4,470.60	\$ 8,273.51	\$ 9,444.83	\$ 10,563.19	\$ 10,721.64	\$ 10,882.46	\$ 11,045.70	\$ 11,211.38	\$ 11,379.56
Other - Charges for Services	\$ 6,430.00	\$ 3,440.00	\$ 3,680.00	\$ 5,210.00	\$ 5,030.00	\$ 5,105.45	\$ 5,182.03	\$ 5,259.76	\$ 5,338.66	\$ 5,418.74
Other - Miscellaneous Operating	\$ 172.35	\$ -	\$ 900.00	\$ 1,419.49	\$ 6,213.82	\$ 6,307.03	\$ 6,401.63	\$ 6,497.66	\$ 6,595.12	\$ 6,694.05
Total Revenues	\$ 376,823.69	\$ 351,892.77	\$ 361,419.88	\$ 354,791.00	\$ 388,465.00	\$ 394,291.98	\$ 400,206.35	\$ 406,209.45	\$ 412,302.59	\$ 418,487.13
Expenses	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Personal Services	\$ 129,281.76	\$ 121,015.46	\$ 126,817.66	\$ 143,181.59	\$ 131,064.04	\$ 130,272.10	\$ 131,574.82	\$ 132,890.57	\$ 134,219.48	\$ 135,561.67
Ohio Public Employees Retirement System	\$ 14,929.64	\$ 19,326.12	\$ 20,376.60	\$ 22,972.21	\$ 19,120.63	\$ 19,345.04	\$ 19,538.49	\$ 19,733.88	\$ 19,931.21	\$ 20,130.53
Medicare	\$ 1,887.01	\$ 1,736.21	\$ 1,782.80	\$ 1,976.06	\$ 1,856.94	\$ 1,847.80	\$ 1,866.28	\$ 1,884.94	\$ 1,903.79	\$ 1,922.83
Medical/Hospitalization	\$ 27,411.69	\$ 44,699.28	\$ 25,844.96	\$ 37,951.73	\$ 38,225.57	\$ 34,826.65	\$ 35,174.91	\$ 35,526.66	\$ 35,881.93	\$ 36,240.75
Workers' Compensation	\$ 3,822.90	\$ 6,500.00	\$ 2,960.45	\$ 9,412.02	\$ 8,000.00	\$ 6,139.07	\$ 6,200.46	\$ 6,262.47	\$ 6,325.09	\$ 6,388.35
Unemployment Compensation	\$ 658.97	\$ 1,150.00	\$ 1,200.00	\$ 812.35	\$ 911.17	\$ 946.50	\$ 955.96	\$ 965.52	\$ 975.18	\$ 984.93
Uniforms and Clothing	\$ 500.00	\$ 500.00	\$ 500.00	\$ 292.69	\$ 1,000.00	\$ 558.54	\$ 564.12	\$ 569.76	\$ 575.46	\$ 581.22
Electricity	\$ 21,156.27	\$ 21,693.15	\$ 22,846.32	\$ 24,000.00	\$ 17,104.36	\$ 21,360.02	\$ 21,573.62	\$ 21,789.36	\$ 22,007.25	\$ 22,227.32
Natural Gas	\$ 1,114.57	\$ 1,358.86	\$ 1,500.00	\$ 1,114.52	\$ 630.43	\$ 1,143.68	\$ 1,155.11	\$ 1,166.66	\$ 1,178.33	\$ 1,190.11
Telephone	\$ 3,800.00	\$ 4,500.00	\$ 4,200.00	\$ 3,488.93	\$ 4,000.00	\$ 3,997.79	\$ 4,037.76	\$ 4,078.14	\$ 4,118.92	\$ 4,160.11
Postage	\$ 2,200.00	\$ 1,911.22	\$ 2,000.00	\$ 2,056.10	\$ 2,576.05	\$ 2,148.67	\$ 2,170.16	\$ 2,191.86	\$ 2,213.78	\$ 2,235.92
Advertising	\$ 150.00	\$ 200.00	\$ 33.13	\$ 150.00	\$ 10.00	\$ 108.63	\$ 109.71	\$ 110.81	\$ 111.92	\$ 113.04
Auditing Services	\$ -	\$ 2,584.00	\$ 400.00	\$ -	\$ -	\$ 596.80	\$ 602.77	\$ 608.80	\$ 614.88	\$ 621.03
Uniform Accounting Network Fees	\$ 300.00	\$ 750.00	\$ 321.20	\$ 350.00	\$ 500.00	\$ 444.24	\$ 448.68	\$ 453.17	\$ 457.70	\$ 462.28
Liability Insurance Premiums	\$ 5,432.00	\$ 6,000.00	\$ 4,772.00	\$ 7,660.00	\$ 4,730.00	\$ 5,718.80	\$ 5,775.99	\$ 5,833.75	\$ 5,892.09	\$ 5,951.01
Dues and Fees	\$ 2,200.00	\$ 3,500.00	\$ 1,881.11	\$ 5,000.00	\$ 5,730.46	\$ 3,662.31	\$ 3,698.94	\$ 3,735.93	\$ 3,773.29	\$ 3,811.02
Office Supplies and Materials	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ 200.00	\$ 202.00	\$ 204.02	\$ 206.06	\$ 208.12
Operating Supplies and Materials	\$ 42,714.46	\$ 56,153.59	\$ 36,152.00	\$ 34,933.40	\$ 38,308.20	\$ 41,652.33	\$ 42,068.85	\$ 42,489.54	\$ 42,914.44	\$ 43,343.58
Repairs and Maintenance of Machinery & Equip	\$ 7,513.19	\$ 6,938.92	\$ 7,000.00	\$ 7,000.00	\$ -	\$ 5,690.42	\$ 5,747.33	\$ 5,804.80	\$ 5,862.85	\$ 5,921.48
Repairs and Maintenance of Motor Vehicles	\$ 13,000.00	\$ 9,068.66	\$ 1,000.00	\$ 1,000.00	\$ 4,500.00	\$ 5,713.73	\$ 5,770.87	\$ 5,828.58	\$ 5,886.86	\$ 5,945.73
Other - Professional and Technical Services	\$ 11,000.00	\$ 14,932.20	\$ 14,416.37	\$ 13,361.44	\$ 16,686.86	\$ 14,079.37	\$ 14,220.17	\$ 14,362.37	\$ 14,505.99	\$ 14,651.05
Total Expenses (Average % Inc 2016-2019 = 1%)	\$ 290,072.46	\$ 324,517.67	\$ 276,004.60	\$ 316,713.04	\$ 294,954.71	\$ 300,452.50	\$ 303,457.02	\$ 306,491.59	\$ 309,556.51	\$ 312,652.07
Debt Payments	2015¹	2016¹	2017¹	2018¹	2019¹	2020²	2021²	2022²	2023²	2024²
OWDA 5247 Well/Distribution						\$ 22,728.10	\$ 22,728.10	\$ 22,728.10	\$ 22,728.10	\$ 22,728.10
OWDA 6153 Powell/Lagoon/Leading Creek WL						\$ 9,126.90	\$ 9,126.90	\$ 9,126.90	\$ 9,126.90	\$ 9,126.90
2015 Chevy Silverado	\$ 62,343.69	\$ 68,332.47	\$ 71,026.71	\$ 56,200.02	\$ 54,968.86	\$ 7,318.82	\$ -	\$ -	\$ -	\$ -
2016 Chevy Silverado						\$ 7,063.95	\$ 7,063.95	\$ -	\$ -	\$ -
Total Existing Debt Payments	\$ 62,343.69	\$ 68,332.47	\$ 71,026.71	\$ 56,200.02	\$ 54,968.86	\$ 46,237.77	\$ 38,918.95	\$ 31,855.00	\$ 31,855.00	\$ 31,855.00
New Ohio EPA WSRSLA Loan Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,469.20	\$ 62,938.40	\$ 62,938.40	\$ 62,938.40
Total Future Debt Payments	\$ 62,343.69	\$ 68,332.47	\$ 71,026.71	\$ 56,200.02	\$ 54,968.86	\$ 53,301.72	\$ 77,452.10	\$ 94,793.40	\$ 94,793.40	\$ 94,793.40
Total Expenses	\$ 352,416.15	\$ 392,850.14	\$ 347,031.31	\$ 372,913.06	\$ 349,923.57	\$ 346,690.27	\$ 373,845.17	\$ 401,284.99	\$ 404,349.91	\$ 407,445.47
Net Cash Position	\$ 24,407.54	\$ (40,957.37)	\$ 14,388.57	\$ (18,122.06)	\$ 38,541.43	\$ 47,601.71	\$ 26,361.18	\$ 4,924.46	\$ 7,952.68	\$ 11,041.66
Fund Balance					\$ 19,933.63	\$ 58,475.06	\$ 106,076.77	\$ 132,437.95	\$ 137,362.41	\$ 145,315.10

Bottom Line for Funders



Regardless of compliance or public health issues, the overriding factor in receiving a loan is a community's ability to pay it back.



OPWC does not require proof of the ability to pay before awarding a loan, but the local Fiscal Officer is required to sign a form certifying that a village will collect enough revenues to pay it back, before they will release any funds.

Item No.	Description	Unit	Est. Amount	Est. Cost/Unit	Total Est. Cost of Item
1	New Fine Screen & Grill Channel Improvements	LS	1	\$135,000.00	\$135,000
2	Replace Three Blowers	LS	1	\$210,000.00	\$210,000
3	Replace Aeration Tank Diffusers, Valves, Piping	LS	1	\$60,000.00	\$60,000
4	New Final Clarifier	LS	1	\$449,000.00	\$449,000
5	New UV System	LS	1	\$181,000.00	\$181,000
6	Pump Station Valve Replacement	LS	1	\$7,000.00	\$7,000
7	Existing Clarifiers Repairs and Painting	LS	1	\$80,000.00	\$80,000
8	New Sand Filter	LS	1	\$6,000.00	\$6,000
9	New Lab/office and Demolish Existing	LS	1	\$62,000.00	\$62,000
10	Mobilization and General Conditions	LS	1	\$119,000.00	\$119,000
11	New Vacuum Truck	LS	1	\$350,000.00	\$350,000
Construction Subtotal					\$1,659,000
Contingencies					\$131,000
Design Engineering					\$105,000
Construction Engineering Services					\$92,000
Surevey and Soil Borings					\$10,000
Permits and Legal					\$15,000
Project Total					\$2,012,000



Basic Steps of the Planning Phase

- For most programs, a Facilities Plan or Preliminary Engineering Report (PER) is necessary for funding consideration.
- An engineer's total project Cost Estimate is required.

Basic Steps of the Planning Phase



- Follow a Qualifications Based Selection process to hire a design engineer or architect
- It's recommended not to sign a Consulting Engineer's contract for design and construction, before the planning is finished.

Hot Tip:



For very small systems especially, don't pay for Design Engineering if the project is unlikely to happen.

Don't move forward with Design when there is no realistic funding strategy in place. **This is more common for projects in new service areas.**

You may end up paying for Planning and Design loans on a project that needs to be re-engineered.

Do you have the best consultant for your particular project?

This manual is produced as a public service by the Ohio QBS Coalition, which is comprised of the following organizations:

ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Ohio

American Council of Engineering Companies of Ohio
1650 Lake Shore Drive, Suite 200
Columbus, OH 43204
(614) 487-8844
Fax: (614) 487-8841
www.acecoho.org



AIA Ohio

A Society of the Institute of American Architects

AIA Ohio
17 S. High Street, Suite 200
Columbus, OH 43215
(614) 221-0338
Fax: (614) 221-1989
email: aiaohio@assnoffices.com
www.aiaohio.org



**Ohio Society of
Professional Engineers**

A state society of the National Society of Professional Engineers

Ohio Society of Professional Engineers
4795 Evanswood Dr., Suite 201
Columbus, Ohio 43229
(614) 846-1144
Fax: (614) 846-1131
www.ohioengineer.com



ASLA

Ohio Chapter, American Society
of Landscape Architects
137 E. State Street
Columbus, OH 43215
(614) 221-3600
www.ocasla.org

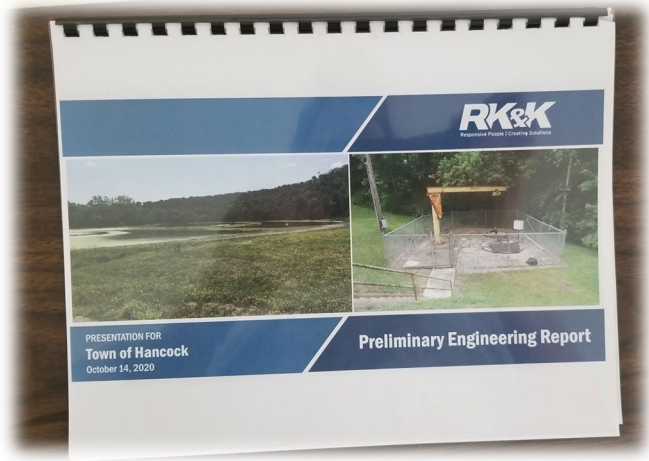
Ohio QBS Manual

Qualifications-Based Selection

A guide to selecting the highest qualified
architect, engineer or landscape architect
for your project

Visit <http://www.acecoho.org/aws/ACEC/pt/sp/qbs>

Important!



Always read Preliminary Engineering studies, and question the proposed funding scenarios.

Engineers are sometimes overly optimistic about potential grants and future customer growth.


Do Your Homework

- Determine if you ARE ELIGIBLE for grants or potential sources of funding (CDBG, OPWC, ARC, etc.)
- Stay engaged, ask questions, read the Preliminary Engineering Report, be realistic about future growth.



Basic Steps of the Planning Phase

Determine eligibility, requirements, and timelines with RCAP Funding Grid.

 FUNDING SOURCES FOR PUBLIC WATER AND WASTEWATER PROJECTS IN OHIO							
Planning/ Design/ Construction	Agency/ Program/ Contact	Grant/ Loan	Water/ Wastewater	Assess Available Criteria	Due Dates/ Effective	Rate Type/Term	Interest Rate
Planning/ Design/ Construction Drinking Water Additions Fund (DWAF) Water Supply Revolving Loan Account (WSRLA) Service Speech (614-644-3647)	Ohio EPA	Loan*	Water	<ul style="list-style-type: none"> * "Lowest principal forgiveness is available each year * Program Management Plan and Project Priority List are updated annually * Program year runs from July 1 to June 30 * Notifications Issues due March 1 each year * Priority project ranking with an emphasis on public health, meeting SDWA requirements, and economic affordability * Loans made at monthly OSDA based payments on last Thursday of every month (one based meeting for November & December is held in early December) * Scope of services approved before planning loan, facilities plans approved before design loan, design plans approved before construction loan * Semi-annual payments in Jan. July (principal and interest) * Applicants must demonstrate the financial, managerial, and technical capability necessary to complete the project * Federal prevailing wage rates must be used * OSDA OSDA app fee of 1.00% can be included in loan * NDE is based on annual updates to the ACT data * http://epa.ohio.gov/dwafp-funding-sources.aspx 	Interest rates calculated monthly	Standard Rate Loan Terms 7 to 20 Years www.ohio.gov	www.ohio.gov
						Small Towns & Economic Affordability Rate Loan Terms 7 to 20 Years www.ohio.gov	
						State-secured Capitalize Rate http://epa.ohio.gov/dwafp-funding-sources/DWAF%20WSRLA%20FIN%20INSTRUMENTS.pdf ALL PLANNING AND DESIGN LOANS ARE 0% INTEREST FOR 6-7 YEARS. PLANNING AND DESIGN PROJECTS CAN BE NOMINATED THROUGHOUT YEAR. HAS PROJECTS CAN BE NOMINATED THROUGHOUT YEAR.	
Planning/ Design/ Construction Water Pollution Control Loan Fund (WPCLF) Service Speech (614-644-3647)	Ohio EPA	Loan*	Wastewater	<ul style="list-style-type: none"> * "Lowest principal forgiveness is available each year * Program Management Plan and Project Priority List are updated annually * Program year runs from January 1 to December 31 * Notifications Issues for new projects and Project Schedule Issues for ongoing projects are accepted in August. This step is needed for placement on the Project Priority List * Loans made at monthly OSDA based payments on last Thursday of every month (one based meeting for November & December is held in early December) * Project planning concept approved before design loan for each program, design plans approved before construction loan * Semi-annual payments January & July (principal and interest) * Federal prevailing wage rates must be used * OSDA app fee of 1.00% cannot be included in loan * NDE is based on annual updates to the ACT's data * http://epa.ohio.gov/dwafp-funding-sources.aspx 	Interest rates calculated monthly	Standard Rate Loan Terms 7 to 20 Years Loan Terms 21 to 30 Years www.ohio.gov	www.ohio.gov
						Small Towns Rate (10,000 includes Economic Affordability) Loan Terms 7 to 20 Years Loan Terms 21 to 30 Years Applicants must have a population less than 7,500 OR a project service population of 7,500 or less and that charges rates after 600 for project ability to attract service population.	
						Hardship Rate (up to 20 years) ALL PLANNING AND DESIGN LOANS ARE 0% INTEREST FOR 6-7 YEARS. PLANNING AND DESIGN PROJECTS CAN BE NOMINATED THROUGHOUT YEAR. NUTRIENT REDUCTION PROJECTS CAN BE NOMINATED THROUGHOUT YEAR.	

Download from Ohiorcap.org

Remember:

The biggest impact local Decision-Makers will have on their future expenses (and therefore future rates) is in the Planning phase!



Best Practices for Project Planning

Build a comprehensive capital improvement plan and funding strategy for all projects that will be coming up in the next 5+ years.

Build public support early, especially for large projects. If you are planning for waterline extensions, make sure there will be enough sign-ups for service.

Seriously evaluate all project alternatives. For example: Would you want to pay a lot more to keep and maintain your own WTP, rather than connect to a neighboring community? Or run several miles of force main sewer lines, as opposed to a decentralized system?

Don't break up capital improvement needs into too many small projects. This can be a good strategy if you don't plan to get grants, but, before assuming it is better to build ten \$100,000 projects rather than a \$1M project, make sure you consider combining projects. It may cost less and attract better funding and more bidders.



Rural
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Funding Your Project

Do you have a Repair and Replacement
Fund or specific line item set up?

Saving vs. Borrowing

Which Projects Should We Pay for Out-of-Pocket?

Projects that will not compete well or qualify for grants and very low interest loans, OR those that have a useful life of less than 20 years. Examples:

- Meter replacement
- Water tower painting
- Filter media replacement
- Mobile equipment (trucks, backhoes)





Commonly Used Funders in Ohio

- Ohio Water Development Authority (OWDA)
- Ohio EPA Water Supply Revolving Loan Account (WSRLA)
- Ohio EPA Water Pollution Control Loan Fund (WPCLF)
- Ohio Public Works Commission (OPWC)
- Community Development Block Grants (CDBG)

Other Potential Funding Sources



Appalachian Regional Commission (ARC Counties only)

U.S. Army Corps of Engineers Section 594

USDA Rural Development

Ohio Development Services Agency (various economic development programs)

Economic Development Administration (EDA)

Pork! (the return of 'Congressionally Directed' earmarks)

Local Property Assessments



**U.S. Army
Corps of
Engineers**

Where will you apply?

Figure out best and worst-case financing scenario.

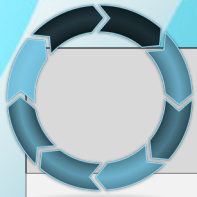
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FINANCING SCENARIOS						
Project:		2/15/2018				
SCENARIO		#1	#2	#3	#4	#5
TOTAL PROJECT COST		\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
FINANCING						
Ohio EPA Loan	20	2.00%	\$ -	\$ -	\$ -	\$ -
Ohio EPA Principal Forgiveness			\$ -	\$ -	\$ -	\$ -
OWDA Loan	30	3.25%	\$ -	\$ -	\$ -	\$ -
OWDA Grant			\$ -	\$ -	\$ -	\$ -
USDA-RD Loan	40	2.75%	\$ -	\$ -	\$ -	\$ -
USDA-RD Grant			\$ -	\$ -	\$ -	\$ -
OPWC Loan	30	0.00%	\$ -	\$ -	\$ -	\$ -
OPWC Grant			\$ -	\$ -	\$ -	\$ -
RPIG (CDBG) Grant			\$ -	\$ -	\$ -	\$ -
ARC Grant			\$ -	\$ -	\$ -	\$ -
U.S. Army Corps Grant			\$ -	\$ -	\$ -	\$ -
Local Funds			\$ -	\$ -	\$ -	\$ -
Total Financing			\$ -	\$ -	\$ -	\$ -
ANNUAL COSTS						
Ohio EPA Loan Payment			\$ -	\$ -	\$ -	\$ -
OWDA Loan Payment			\$ -	\$ -	\$ -	\$ -
USDA-RD Loan Payment			\$ -	\$ -	\$ -	\$ -
USDA-RD Reserve (10%)			\$ -	\$ -	\$ -	\$ -
OPWC Loan Payment			\$ -	\$ -	\$ -	\$ -
Annual Operation, Maintenance, Repair Costs			\$ -	\$ -	\$ -	\$ -
Short Lived Asset (SLA) Replacement (USDA Only)*			\$ -	\$ -	\$ -	\$ -
Total Annual Costs			\$ -	\$ -	\$ -	\$ -
NUMBERS OF CUSTOMERS OR EDUS			1,200	1,200	1,200	1,200
AVERAGE INCREASE PER CUSTOMER OR EDU			\$ -	\$ -	\$ -	\$ -
*A USDA project includes an annual short-lived asset (SLA) deposit where other funders do not. The cost of sustainability is factored into the amount of USDA grant financing.						
TOTAL DEBT REPAYMENT						
	Ohio EPA		\$ -	\$ -	\$ -	\$ -
	OWDA		\$ -	\$ -	\$ -	\$ -
	USDA-RD		\$ -	\$ -	\$ -	\$ -

We see here that using EPA financing, our annual payments are higher, as is the cost per EDU, yet our debt repayment amount is the least because we are financing at 20 years.

FINANCING SCENARIOS						
PROJECT NAME						
DATE						
TOTAL PROJECT COST			\$ 5,869,895	\$ 5,869,895	\$ 5,869,895	
FINANCING						
Ohio EPA Loan	20	0.00%	\$ 3,268,395	\$ -	\$ -	
Ohio EPA Principal Forgiveness			\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	
OWDA Loan	30	0.75%	\$ -	\$ -	\$ 3,268,395	
OWDA Grant			\$ -	\$ -	\$ -	
USDA-RD Loan	40	2.13%	\$ -	\$ 3,268,395	\$ -	
USDA-RD Grant			\$ -	\$ -	\$ -	
OPWC Loan	30	0.00%	\$ -	\$ -	\$ -	
OPWC Grant			\$ -	\$ -	\$ -	
Local Funds			\$ 501,500	\$ 501,500	\$ 501,500	
RPIG (CDBG) Grant*			\$ 600,000	\$ 600,000	\$ 600,000	
Total Financing			\$ 5,869,895	\$ 5,869,895	\$ 5,869,895	
ANNUAL COSTS						
Ohio EPA Loan Payment			\$ 163,420	\$ -	\$ -	
OWDA Loan Payment			\$ -	\$ -	\$ 122,069	
USDA-RD Loan Payment			\$ -	\$ 122,113	\$ -	
USDA-RD Reserve (10%)			\$ -	\$ 12,211	\$ -	
OPWC Loan Payment			\$ -	\$ -	\$ -	
Total Annual Costs			\$ 163,420	\$ 134,325	\$ 122,069	
NUMBER OF EDUS			699	699	699	
AVERAGE INCREASE PER EDU			\$ 19.48	\$ 16.01	\$ 14.55	
TOTAL DEBT REPAYMENT						
	Ohio EPA		\$ 3,268,395	\$ -	\$ -	
	OWDA		\$ -	\$ -	\$ 3,662,056.26	
	USDA-RD		\$ -	\$ 4,884,533	\$ -	
	OPWC		\$ -	\$ -	\$ -	
	Total Debt Repayment		\$ 3,268,395	\$ 4,884,533	\$ 3,662,056	

We also see that using OWDA financing, we repay about \$400,000 more over 30 years, but keep cost per EDU at nearly \$4.00 less.



Funding Cycles

OWDA

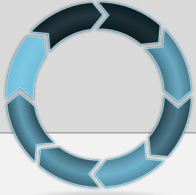
Ohio Water Development Authority – Usually submit applications immediately **after bids are received**. Easiest to obtain, applications submitted by the 1st of the month are **approved about 4 weeks later**. Funds are usually available within 2 weeks after approval. Very low-interest loan program available to small systems with higher rates.

WSRLA

Water Supply Revolving Loan Account – **One opportunity per year to apply for construction**, nominations are due to OEPA-DEFA in early March. Final applications are sent to the OWDA Board for approval after bids are received. An Environmental Assessment, completed free-of-charge by DEFA, can take several months to prepare. Money in each program year **becomes available after July 1st**. Construction contracts must be awarded by the end of the program year (the following June). **0% interest planning and design loans accepted year-round**. Water and LSL projects.

WPCLF

Water Pollution Control Loan Fund – **One opportunity per year to be added to Project Priority List** (with exceptions). Nomination forms are due to OEPA-DEFA in late August. Money for new program year is not available until **after January 1st**. Final applications are sent to OWDA Board for approval after bids are received. Environmental Report, completed free-of-charge by DEFA, can take several months to prepare. Construction contracts must be awarded by the end of the program year (December). **0% interest planning and design loans accepted year round**. Sewer and stormwater projects.



Funding Cycles

USDA RD

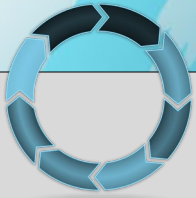
USDA Rural Development – Submit all application materials with **Preliminary Engineering Report (PER) and Environmental Review well in advance of project construction start date.** Obligations can be made once the federal budget is passed, which in some years is months after the Oct. 1 start of the federal fiscal year. Following obligation, **it can take several months to fulfill Letter of Conditions before Closing Instructions are provided and the project is bid.** Bond counsel is required. Best for project \$2 million and above.

OPWC

Ohio Public Works Commission – **One opportunity per year to apply**, which varies by District, usually late Summer through Fall. Most districts have additional requirements to the state application, called District Methodology. Projects not funded through the District, but referred to Small Government funding, are not approved until May. **Money is available after July 1.** Construction start is expected within a year. Rehab/replacement projects score higher than new infrastructure. Visit the District website for specific deadlines and documents.

CDBG

Community Development Block Grants – Competitive **Residential Public Infrastructure Grant** program cycle usually begins in July and **awards start late summer-fall. Must have all funds committed and Plan Approval/Permit-to-Install.** Environmental Assessment is completed with public notices after award. Funds may be released in the Fall, but it is not uncommon for projects to begin construction the following Spring. **MUST MUST MUST** have the Release of Funds notice from ODSA before signing contracts and starting construction. A few opportunities through other CDBG programs may exist for water/sewer projects.



Funding Cycles

ARC

Appalachian Regional Commission – Pre-applications are typically due in the Spring but varies by Development District. Projects selected for full applications are notified in the fall or early winter. **All other funds must be committed.** Full applications are forwarded on to Washington, D.C. for approval. In Ohio, the Governor’s Office of Appalachia matches with state grant dollars, which is administered by ODOD. Grant agreements are approved the following Summer by Sept. 30th. The long cycle and small awards (\$250K or less) make this a difficult grant to fit into the funding strategy of many projects. Nonetheless, this funding can be very competitive.

USACE

U.S. Army Corps of Engineers Section 594 – Projects should be presented before SCEIG committee members in order to be considered; applications are scored on several factors. **Typical awards are \$1M and approximately 6 to 8 projects are selected each year.** The timing may vary, but in recent years these awards have tended to happen early spring. **It may take several months or longer after an award to receive Environmental Report approvals, which are needed before starting a project.** USACE funds are considered to be reimbursement grants, but administration may vary depending on USACE project manager. Expect this grant to add 9-15 months to your project timeframe.

H2Ohio

\$15,500,000
For 29 Critical Water and Sewer Projects



\$3,428,000



lead service line and fixture replacement for safer water in eight communities.

\$3,920,000



for 23 local health districts to replace household sewage treatment systems.

Increased Monitoring and Data Collection

installing an additional 20 rain gages to improve weather forecasting and rainfall estimates in northwest Ohio.



Getting to Know You



You can ask for advice from the group and advocate for your project. They may take a stronger interest in your project or suggest ways to improve your application.

- **The Small Communities Environmental Infrastructure Group (SCEIG) Finance Committee** is a group comprised of representatives from every major funder in Ohio.
- The group meets virtually every other month.
- Communities pre-register and complete a project information form to present their projects to the committee.
- After the presentation, each funder will explain why a community project may or may not be eligible for funding and may make recommendations to improve project competitiveness.
- Visit www.sceig.org for more info.



Rural
Community
Assistance
Partnership

Community Example

Does your community have a large project that is a struggle to fund?

New Waterford, Columbiana County, OH

Documentary features New Waterford, RCAP

Friday, April 08, 2022

Categories [Utility Payment Assistance](#)
Posted in [Utility Payment Assistance](#)



The Village of New Waterford has been featured in a new documentary that examines water affordability issues in Ohio.

Produced by the Ohio State University, "And Water for All" explores the challenges of water affordability for residents of small communities and large urban systems alike. The documentary was directed by Dr. Ramiro Berardo, an associate professor with the OSU Environmental Policy School of Environment and Natural Resources. Along with the struggles to adequately fund and maintain water and sewer infrastructure across all communities, "And Water for All" also highlights the challenges of rural water and sewer systems where smaller economies of scale often result in higher customer rates.

New Waterford appears in the film as an example of a small community that successfully upgraded its water supply and distribution system, as well as expanded its customer base to include the nearby Crestview School District. The project was aided by the Great Lakes Rural Community Assistance Program (RCAP), which helped New Waterford officials plan and obtain grant and subsidized loan funding for system upgrades. The film includes interviews with New Waterford Mayor Shane Patrone and Utilities

4-Phase Waterline Replacement Project

2-Phase Sanitary Sewer System Replacement

Phase 1 – Water Treatment Plant Improvement:

EPA WSRLA Principal Forgiveness
\$884,950

EPA WSRLA Loan
\$899,993 (0%-30 yr)

Ohio Public Works Commission (OPWC)
\$426,426 Grant

Appalachian Regional Commission (ARC)
\$200,000 Grant



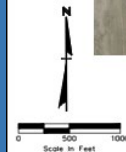
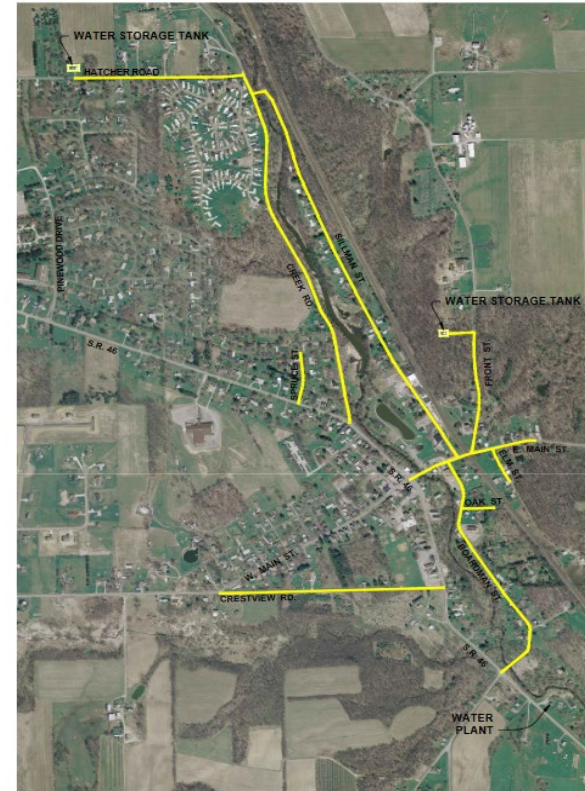
Phase 2 – Waterline Replacement:

Army Corps Section 594
\$1,075,000

EPA WSRLA Principal Forgiveness
\$492,967

EPA WSRLA Loan
\$484,727 (0%-30 yr)

Ohio Public Works Commission
\$499,999 Grant



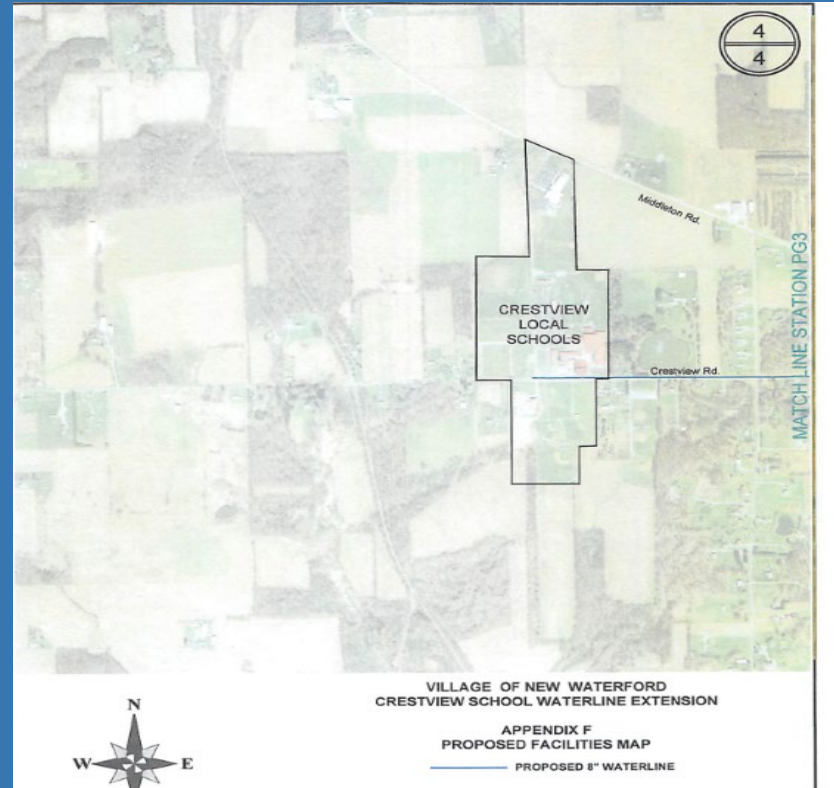
LOCATION MAP
NEW WATERFORD, OHIO
PHASE 2
8 / 1 / 2017

Crestview Schools Extension –

EPA WSRLA Principal Forgiveness
\$842,174

EPA WSRLA Loan
\$735,734 (0%-30 yrs)

H2Ohio
\$500,000 Grant



Phase 3A – Waterline Replacement:

EPA WSRLA Principal Forgiveness
\$329,450

EPA WSRLA Loan
\$366,366 (0%-30 yr)

ARC
\$244,175 Grant



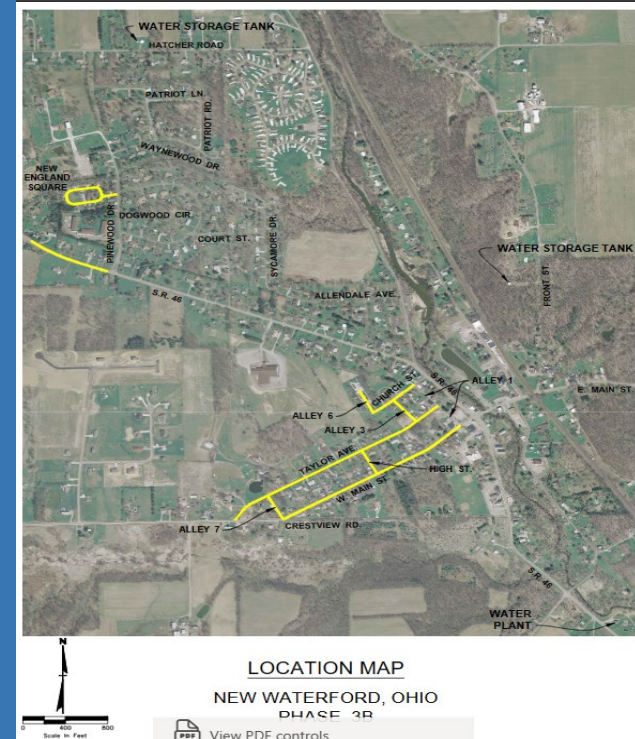
Phase 3B – Waterline Replacement:

EPA WSRLA Principal Forgiveness
\$309,988

EPA WSRLA Loan
\$368,797 (0%-30 yr)

Ohio Public Works Commission
\$499,000 Grant

Total Investment: \$9,159,746



Loan \$2,855,617
Grant \$6,304,129

Sanitary Sewer System Replacement:

Phase 1 – Sanitary Sewer Replacement

HB168 Water and Wastewater Grant \$2,500,000

Ohio Public Works Commission Grant \$428,999

EPA Water Pollution Control Loan Fund \$206,598 (0%-20 years)

Phase 2 – currently in design and awaiting news on funding opportunities



RCAP

 **Great Lakes**
COMMUNITY ACTION
PARTNERSHIP

RCAP Offers A Lot More Than Just Training!



DRINKING WATER & WASTEWATER SOLUTIONS FOR COMMUNITIES

As part of a national non-profit network since 1980, we provide training and technical assistance to solve problems in small and rural communities throughout the state.

Our Services

Fostering Vision <ul style="list-style-type: none">◊ Training for Local Officials◊ Community Planning◊ Project Development◊ Public Engagement	Achieving Sustainability <ul style="list-style-type: none">◊ Asset Management Plans◊ Rate Studies◊ Water Audits◊ GIS Cooperative Services
Leveraging Funds <ul style="list-style-type: none">◊ Funding Consultations◊ Grant Writing & Administration◊ Management & Finance◊ Environmental Reports	Facilitating Compliance <ul style="list-style-type: none">◊ On-site Technical Assistance◊ Condition Investigation◊ Equipment and Services◊ Contingency Plans

Great Lakes COMMUNITY ACTION PARTNERSHIP



Don't miss out on funding opportunities!
It is never too soon to begin planning your next project!

www.glcap.org/rcap

RCAP is a program of the Great Lake Community Action Partnership
Visit glcap.org for more information.

Contact Your Nearest
RCAP Rural Development Specialist or
the GLCAP Community Development
Department at 419-334-8911

Have you checked out our other services?

Many are grant funded and free to communities under 10,000.

How can we help you?



Contact Us:

MISTY TOLZDA

RCAP State Manager
OHIO
Woodsfield, OH
mltolzda@glcap.org

PAM EWING

Sr Rural Development
Specialist
Millersburg, OH
psewing@glcap.org

Thank you for joining us!

