



# Ohio Water Development Authority

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Ohio Water Development Authority was created by the Ohio Legislature in 1968

- To preserve, protect, upgrade, conserve, develop, utilize and manage the water resources of the state
- To promote beneficial uses of the waters of the state
- To assist in the financing of waste water facilities
- To assist and cooperate with local governmental agencies in achieving such purposes

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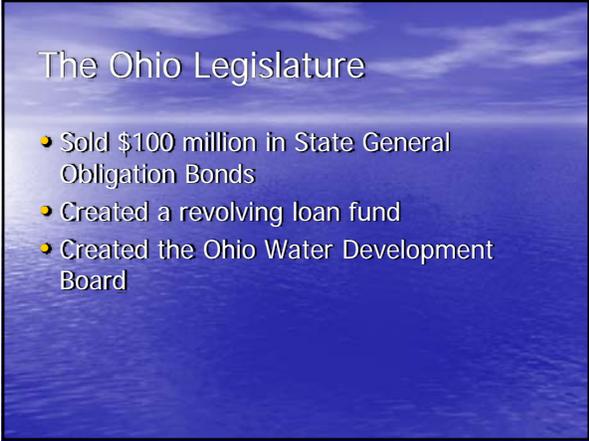
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## The Ohio Legislature

- Sold \$100 million in State General Obligation Bonds
- Created a revolving loan fund
- Created the Ohio Water Development Board

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## OWDA Board

- 5 members appointed by the Governor
- Director of Department of Natural Resources
- Director of Department of Development
- Director of Environmental Protection Agency

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## Revolving Loan Process

- Make loans
- Sell bonds to raise additional funds
- Loan repayments to pay bondholders
- Make additional loans
- Cycle repeats

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## OWDA Makes Loans for:

- Planning and Design
- Construction

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### Eligible Recipients are Local Governmental Agencies

- Villages
- Counties
- Water and Sewer Districts
- Cities
- School Districts
- Conservancy Districts

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### Entities not eligible:

- Townships
- Non-profit Corporations
- For-profit Corporations

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### Types of Projects include:

- Water supply and distribution facilities
- Wastewater treatment and collection facilities
- Stormwater facilities
- Solid waste facilities

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## Interest Rate

- Calculated monthly
- Bond Buyer 20-year GO Index
- Averaged for eight weeks prior to rate setting
- Additional 50 basis points will not be added until October 2010

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## Planning Loan Terms

- 5 years
- Semi-annual repayments begin one year after approval
- 1/40<sup>th</sup> principal amount
- Due in full at end of term
- Due in full at time of construction
- Optional continuation of payments for 20 years
- Interest rate set at time of loan approval
- Interest accrues as funds are expended

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## Construction Loan Terms

- 5 to 30 years
- No prepayment
- Interest rate set at time of loan approval
- Some discounts available
- Interest accrues as funds are disbursed
- Interest up to six months before first payment date is capitalized to the loan

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## Construction Loan Discounts

- ½ % for meeting a health concern
- ½ % for regionalization
- ½ % for being a previous borrower
- Maximum of 1%

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## Community Assistance Loans

- 2% interest rate for qualified communities
- Fewer than 2,000 customers or 5,000 population
- Water user charges 1.1% of MHI
- Wastewater user charges 1.5% of MHI
- Combined user charges 2.6% of MHI
- Discounts apply except for previous borrower

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## Water Pollution Control Loan Fund

- Jointly administered by Ohio EPA and OWDA
- Lower than market rate loans for:
  - Wastewater treatment
  - Non-point source treatment
  - Stormwater

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## Drinking Water Assistance Fund

- Jointly administered by Ohio EPA and OWDA
- Lower than market-rate loans for drinking water projects necessary to meet standards

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## OWDA Requirements

- Rates in place to support debt and expenses of the system
- Bids taken for construction loans
- All environmental permits received
- Local governmental legislation to enter into the agreement
- Demographic and financial information including last three audits

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## OWDA loans do not count against:

- Voted net indebtedness limit
- Non-voted net indebtedness limit
- Does not require additional coverage

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One-time administrative fee

- 35 basis points of loan amount
- \$400 minimum

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Board meets monthly except for November for approval of loans

- Funds available within two weeks
- Contractors can be paid directly
- Local government reimbursed for all other costs

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Application Due Dates

- 15<sup>th</sup> of month
- November 25th for December meeting

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- No priority system
- Loans awarded on a first come, first serves basis
- No limit to OWDA funds

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[www.owda.org](http://www.owda.org)

- Application forms
- Information regarding existing loans
- Audit information and confirmations
- Interest rates
- Program guidelines

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Trust Agreement Obligations of OWDA

- Force local governments who have defaulted to raise rates in order to assure bondholders that OWDA is doing everything possible to collect revenues that are promised to support OWDA bonds
- Allow local governments to pay prepaid assessments (one time only) on their projects to reduce the principal amount of a loan preferably before first payment date

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## Special Programs

- Brownfields
- Stormwater
- Local Economic Development
- Coastal Erosion Control Loans
- Research and Development Grants
- Rural Development Interim Loans

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OWDA has provided over \$9 billion in loans to local governments in Ohio to meet their environmental infrastructure needs.

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