PENNVEST: $ MONEY $ for Infrastructure Projects

2017-2018 Budget

TOTAL AVAILABLE:
- $570 Million

LOANS:
- $360 Million

GRANTS:
- $60 Million

LOAN GUARANTEES:
- $150 Million

Concept
Sewer
Water
Non Point Source
2017-2018 Budget
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Storm Water
Home Owner

Nutrient Credit Trading Auctions

 pennsylvania's energy and infrastructure investment program

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How can PENNVEST HELP?

- Drinking Water – Public/Private
  - Source Development
  - Treatment
  - Distribution
- Wastewater – Public/Private
  - Collection
  - Transmission
  - Treatment
- Storm Water – Public/Private
  - Utility
  - MS4

Non – Point Source

- Ag BMPs – Public/Private
- Acid Mine – Public/Private
- Brownfield – Public/Private
- Green Infrastructure – Public/Private
- Nutrient Trading – Public/Private
- On-lot systems –
  - Principal Residence
  - Repair / Replacement
  - 1st Time Connection
  - Replacement Lateral
Project Review/Priority

• **DEP - technical**
  • Public Health, Safety, Environment, Compliance, Adequacy & Efficiency

• **DCED – economic development**
  • Economic Development, Community Action Team

• **PENNVEST – community capacity**
  • Land Use, Infill, Financial Capability, Funding Offer and Collateral
Funding Determination

User Rate Projection based on County Cap Rate and compared with community Target Rate
- If resulting rate below target – all loan
- If resulting rate above target – hardship

Hardship considerations
- Reduced interest rate to 1.000% for full term
- Grant funds – grants are often prorated
- Loan term stretched up to 30 years

PENNVEST will extend the best possible funding offer.
- No guarantees on hitting Target Rate
- In some cases you may need to leverage other sources if affordability is an issue
ENTIRE PROCESS IS WEB-BASED

The Web Based system allows for:
+ the collection and evaluation of information for project review, ranking and recommendation
+ Submittal of as bid project costs and documents necessary for settlement
+ Submittal, review and disbursement of eligible costs associated with reimbursement for costs associated with the implementation of construction
+ PENNVEST review of change orders and project close-out
+ Collection of repayments, and annual financial statements

24/7 access to the information and status of your project along the way!
Update: On-Lot Program

- NEW – Program being expanded to include one time lateral and tapping costs to connect to community sanitary sewer system
- NEW – Income ceiling has been eliminated; anyone can apply for their primary residence.
- Funds available up-front to pay for design and permitting costs.
Business Planning

- Business Plan (Small Business Administration SBA.gov)
  - Executive summary
  - Company description
  - Market analysis
  - Organization and management
  - Service or product
  - Marketing and sales
  - Financial projections
  - Funding request

- Asset Management (EPA – AM for Water and Wastewater Facilities)
Market Analysis

- Industry Description/Outlook
- Target Market
- Competitive Analysis
- Market Test Results
Financial Projections

- Sales forecast
- Expenses budget
- Cash-flow statement
- Income projections
- Assets and Liabilities
- Breakeven analysis
Funding Request

- Looking for investors or a loan?
- Summarize financial situation again
- Use of funds
- Keep in mind that lenders will want collateral for money loaned
Funding Comparison

- PV total $1,172,110
- Private total $1,391,900
Business Plan Summary

- Clarify your direction and vision
- Revisit and reevaluate
- Make it as complex or simple as you need it
- What will a lender need to see to feel confident in offering funding?
  - Who
  - What
  - When
  - Where
  - Why
  - How
Asset Management

Engineering Flowchart

DOES IT MOVE?

No

Should it?

No

No

No Problem

Yes

No

No Problem

Yes

Yes

No

No
## Asset Management

<table>
<thead>
<tr>
<th>Item</th>
<th>Annual Cost</th>
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<tbody>
<tr>
<td>Fuel</td>
<td>$1,500</td>
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<tr>
<td>Maintenance</td>
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<td>Rental while inoperable</td>
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<tr>
<td>Debt</td>
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## Asset Management

### Maintain Old

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Grand Total: $4,000

### Purchase New

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Grand Total: $4,400
Asset Management – Other Considerations

• Criticality (Business Risk Exposure)
  • Probability of Failure
    • Failure Modes
    • Capacity
    • Level of Service
    • Mortality
    • Efficiency
• Consequence of Failure
  • Cost
  • Safety
  • Environmental Impact
• Redundancy
Be Prepared

- EPA – Asset Management (EPA.gov)
- Small Business Administration – Business Planning (SBA.gov)
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