



**CRITERIA FOR ACCEPTING AND
PROCESSING LOAN OR FUNDING
ADVANCE REQUESTS**

MAY 21, 2019

A. LOAN OR FUNDING ADVANCE CRITERIA: The Red River Watershed Management Board (RRWMB) may provide a loan or advance funding for flood damage reduction projects that are in the RRWMB Step Process. The RRWMB Governing Documents Funding Procedures set forth criteria for the RRWMB to consider when requests for loans or funding advances are made for projects in two situations:

1. Projects that have received Step III approval, or
2. Prior to Step III approval in cases where the applicant can show:
 - A hardship case or urgent need;
 - A preliminary engineering report has been prepared and the project is in conformity with the District's watershed management plan;
 - The project has great potential for basin-wide benefits beyond the local District; and,
 - The loan or funding advance request receives a two-thirds majority vote of the Board.

B. Terms of Loans or Advance Funding: The terms of all such loans or funding advances will be documented in a loan agreement, promissory note, or other appropriate legal documentation (Adopted December 19, 2006).

C. Information Being Requested: The following questions should be completed by the entity requesting funds prior to the RRWMB Managers making decisions about a loan or funding advance. These questions will provide additional insights into the request being made:

1. **Hardship** – What is the hardship regarding the project? Please describe the hardship and submit supporting materials, data, and information to illustrate the hardship.
2. **Urgent Need** – What is the urgent need regarding the project? Please describe the urgent need for the loan or funding advance.
3. **Preliminary Engineering Report** - Has a preliminary engineering report been prepared? If not, when will a report be completed and what are the circumstances that have prevented the completion of the preliminary engineering report?
4. **Project Conformity** - Is the project in conformance with your District's watershed management plan? If not, explain why the project does not conform to your local plan?
5. **Basin-wide Benefits** - Explain how the project has great potential for basin-wide benefits beyond the local district. How will the mainstem of the Red River benefit from this project? What other types of benefits will result from this project if the loan or funding advance is approved by the RRWMB Managers?

D. PROCESS FOR REQUESTING A LOAN OR FUNDING ADVANCE: The following process is being used by the RRWMB to accept and process requests for loans and funding advances:

1. A cover letter must be submitted briefly discussing the request via email or regular US Postal Service.
2. The RRWMB will provide acknowledgement via email that the request has been received.
3. The five questions listed in Section C of this document must be answered completely and submitted with the cover letter. Incomplete information will not be accepted.
4. This information must be submitted a minimum of 21 business days before a regular RRWMB meeting for review and discussion by the RRWMB Managers. Requests not meeting the 21-day requirement will not be processed until the next regularly scheduled RRWMB meeting.
5. The RRWMB will submit a letter to the fund requester to document the decision made by the RRWMB Managers.
6. For those requests that are granted, the RRWMB will approve the allocation of funds by resolution and by use of an agreement as discussed in Section B of this document.