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# Drinking Water Assistance Fund (DWAF)

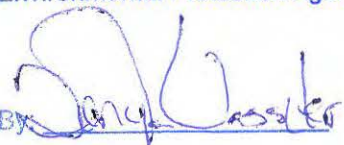
## 2017 Program Management and Intended Use Plan



Effective July 1, 2016 – June 30, 2017  
Division of Environmental and Financial Assistance

June 30, 2016

I certify this to be a true and accurate copy of the  
official documents as filed in the records of the Ohio  
Environmental Protection Agency.

By  Date: 7-1-16

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# INTRODUCTION

The Drinking Water Assistance Fund (DWAF) Program Management and Intended Use Plan for Program Year (PY) 2017 describes how the Ohio Environmental Protection Agency (Ohio EPA) intends to administer and distribute funds in the Drinking Water Assistance Fund (DWAF) as authorized and required by Section 1452 of the Safe Drinking Water Act (SDWA), and Ohio Revised Code (ORC) Section 6109.22.

## **Public Review and Comment Procedures**

Ohio EPA will hold two public meetings on June 27, 2016 to allow interested parties to comment on Ohio's Draft PY 2017 Program Management and Intended Use Plan. A public notice announcing the meetings was published on May 25, 2016 (see Appendix A). The draft plan is available on the Ohio EPA Division of Environmental and Financial Assistance webpage. Information regarding the public comment period was also sent via e-mail to systems on the listserv.

## **Highlights of the Drinking Water Assistance Fund**

The following changes are being made to this year's Program Management and Intended Use Plan (PMIUP):

1. In response to concerns about lead in public drinking water, Ohio EPA will accept nominations throughout the year for planning loans to conduct corrosion control studies and to map the location of lead service lines. These loans are available at a 0% interest rate. Additionally, planning funds (at 0% interest) can be used for the planning and development of public notification systems, which may include software and servers as needed for automated notification systems.
2. Ohio EPA will accept nominations throughout the year for loans to implement the recommendations of a corrosion control study or to replace lead service lines. These loans will be available at the applicant's normal interest rate.
3. Ohio EPA will accept nominations throughout the year for planning loans related to projects for the treatment of unregulated contaminants which U.S. EPA has established health advisory levels. These loans will be awarded at a 0% interest rate.
4. Ohio EPA will continue to accept nominations throughout the year for all other planning loans related to projects not listed above. These loans will be awarded at a 0% interest rate.
5. The existing funding categories and percentage of principal forgiveness for each funding category will remain the same as in recent years; however, the total amount of principal forgiveness available has increased this program year. Ohio must use 20% of the funds available in the capitalization grant for principal forgiveness. This translates to \$4,621,400 for this program year. Additionally, up to \$6,932,100 of principal forgiveness may also be provided to

disadvantaged communities as described in Section 1452 of the Safe Drinking Water Act (SDWA).

6. Ohio EPA will continue to offer principal forgiveness for regionalization projects. Projects which consolidate disadvantaged communities into larger systems that exhibit capability will be eligible for up to 50 percent principal forgiveness.
7. After an evaluation of the total nominated amount, and a review of the available funds and future DWAF capacity, it has been determined that there will be no “proportionate share” for PY 2017. This marks the first time that the DWAF has no proportionate share limit.
8. Targeted funding for auxiliary power will be prioritized this program year. Up to \$100,000 will be made available for the program year. Applicants can request 50 percent of the auxiliary power cost up to \$10,000 as principal forgiveness. The remainder of the cost can be added to the loan amount at the applicant’s normal interest rate.
9. Targeted funding for asset management will be available this program year. Up to \$100,000 will be made available for planning. Loans can be awarded with up to \$5,000 in principal forgiveness, and the remainder as a 0% loan.
10. Targeted funding will continue for the planning, design, and construction of infrastructure improvements at surface water treatment plants to address Harmful Algal Bloom (HAB) issues. \$50 million was available each year in PY 2015 and 2016, and an additional \$50 million will be made available in PY 2017. Projects that were identified as qualifying for this discount, but did not get awarded in PY 2016, will be considered for funding in PY 2017.
11. Targeted funding in the amount of \$500,000 for grants will be available to public water systems using surface water. Each eligible applicant can receive a maximum reimbursement of \$30,000 for the purchase of equipment, supplies and training for analysis of toxins associated with HABs. These funds are awarded from the Local Assistance and Other State Programs Set-Aside Account.
12. Requirements contained in Federal Fiscal Year (FFY) 2016, The Consolidated Appropriations Act, (P.L. 114-113) and guidance provided by U.S. EPA for the FFY 2016 capitalization grants are included:
  - a. Continuation of American Iron and Steel (AIS) requirements.
  - b. Continuation of the Davis-Bacon Act Wage Requirements including the waiver from the requirement of the two-week interview process with labor wage earners contained in U.S. EPA’s standard SRF Davis-Bacon Terms and Conditions.
13. Training requirements are still mandatory for all systems obtaining principal forgiveness in Program Year 2017. A minimum of 50 percent of the council members or governing board members for the water system must complete the following Rural Communities Assistance Program (RCAP) Courses prior to loan award: 101 Utility Management for Local Officials and 201 Financial Management for Local Officials within the last five years. Both courses are offered free of charge and are available online or in a classroom setting. Ohio EPA will reassess and determine the final loan terms including disadvantaged community eligibility at the time of loan award.

14. Project planning information is required with the nomination form for a design and/or construction loan. A formal general plan is required for all design and/or construction projects involving water treatment plants and their components.
15. Systems which did not meet the project planning requirement for a design and/or construction loan are offered a planning loan at 0% interest for a 5-year term. This loan can be rolled into a DWAF design and/or construction loan at a later date. A system may apply for a design loan the same program year upon approval of the project planning information.
16. In accordance with federal capability requirements, applicants will be screened for their overall capability, and areas of concern must be addressed prior to or as part of the loan award.

# THE 2017 INTENDED USE PLAN

The State of Ohio has established financial and technical assistance programs under the DWAF to help Ohioans improve their drinking water systems. The DWAF follows provisions of Section 1452 of the SDWA, and ORC Section 6109.22.

The DWAF helps protect public health by providing financial assistance to eligible public water systems to attain and maintain compliance with the requirements of the SDWA and Ohio statutes and regulations. Its ranking system prioritizes helping communities correct public health issues in their systems, helping communities meet or maintain state and federal SDWA requirements and providing financing to economically disadvantaged communities.

## **Drinking Water Assistance Fund Long-Term Goals**

The long-term DWAF program goals are to:

1. Maximize below-market rate loans and subsidies to eligible public water systems for improvements that eliminate public health threats and ensure compliance with federal and state drinking water laws and regulations.
2. Target technical assistance to public water systems serving fewer than 10,000 people.
3. Target small and disadvantaged community assistance to reduce the financial impact of capital improvements on customers of small systems and systems serving poorer communities.
4. Encourage the consolidation and/or regionalization of small public water systems so they may take advantage of economies of scale available to larger water systems.
5. Support extensions of public water systems to address areas of contaminated private water systems.
6. Promote the development of the technical, managerial and financial capability of public water system owners and operators to maintain compliance with the state and federal SDWA requirements.
7. Update source water assessments and provide technical assistance to promote locally developed source water protection plans.

## **Drinking Water Assistance Fund Short-Term Goals**

For this program year, the short-term DWAF program goals are to:

1. Provide subsidies to meet the requirements of FFY 2016, The Consolidated Appropriations Act, (P.L. 114-113);
2. Support the identification of necessary actions to reduce lead levels in public water supplies through 0% interest rate planning loans for corrosion control studies and the mapping of lead service lines.

3. Encourage projects that result in the consolidation of water systems (i.e. regionalization as discussed in Appendix D). Within the limits of additional subsidies, principal forgiveness may be available.
4. Support the production of asset management plans by offering additional subsidies.
5. Continue a fund to include auxiliary power in PY 2017.
6. Continue to provide a special incentive for infrastructure improvements for surface water systems to address HAB issues.
7. Provide qualifying public water systems using surface water with grant funds for the purchase of equipment, supplies, and training for analysis of toxins associated with HABs.

## **Sources and Amount of Funds for PY 2017**

### Loan Funds

Table 1 indicates the availability of funds for PY 2017. This table includes the FFY 2016 capitalization grant which Ohio EPA will apply for in the summer of 2016. The primary sources of funds available for PY 2017 will come from capitalization grants, loan repayments, state matching funds, and leveraged bond funds.

### Leveraging

For PY 2017, the DWAF will include funds that will be available from a \$100 million note purchase contract that was executed in May 2016. If eligible loan requests exceed available funds, Ohio EPA may initiate issuance of additional notes or bonds to cover the loan requests.

### Set-Asides

Ohio EPA will use the set-asides provided for in the 1996 Amendments to the SDWA from the capitalization grants when necessary to supplement existing state programs and funds, and not as substitutes for existing funding. This will allow the maximum amount of funds to be provided for infrastructure improvements.

In order to minimize set-aside unliquidated obligations, Ohio EPA uses the oldest set-aside funds first. When accounts contain funds that are more than two years old, the funds are transferred into the loan account to be available for projects.

### Cross-collateralization

The Director of Ohio EPA and the Ohio Water Development Authority (Authority) have implemented cross-collateralization between the Water Pollution Control Loan Fund (WPCLF) and the DWAF by providing for the investment of surplus funds available in the WPCLF to enhance the security for state match and leveraging bonds for the DWAF and by providing for the investment of surplus funds available in the DWAF to enhance the security for Water Quality Bonds and State Match Bonds issued for the WPCLF. Cross-collateralization aids both programs by enhancing bond ratings and lowering borrowing costs without increasing risks.

### Proportionality

Proportionality between state matching funds and Request of Reimbursement for federal funds is tracked by the Ohio Water Development Authority (OWDA) and reconciled by Ohio EPA Division of Environmental and Financial Assistance on a quarterly basis. Ohio EPA intends to expend all of its state match monies first during PY 2017 prior to making any federal draws.

### Principal Forgiveness

Availability of Principal Forgiveness (PF) for this program year is determined by the sum of the following:

- Unobligated PF funds to meet the minimum amount required under previous capitalization grant requirements.
- 20% of this program year's capitalization grant appropriation.
- 0-30% of this program year's capitalization grant appropriation pursuant to Section 1452 of the Safe Drinking Water Act.

For this program year, the amount available for PF is:

- \$5,439,722\* (from previous program years, accurate as of May 16, 2016).
- \$4,621,400 (20% of this program year's capitalization grant).
- \$0 – \$6,932,100 (0-30% of this program year's capitalization grant).
- **\$10,061,122 – \$16,993,222 (TOTAL available PF for this program year).**

\* The unspent funds available from previous program years may vary depending on the loans awarded in June 2016.



# TABLE 1

## SUMMARY OF FUNDS

<b>FFY 2016 Appropriation Capitalization Grant</b>	<b>\$23,107,000.00</b>		
<b>Set-Aside Accounts</b>	<b>Prior Year Balances As of 3/31/2016</b>	<b>2016 Grant <sup>2</sup></b>	<b>Totals for Each Account</b>
Administrative <sup>1</sup>	\$0.00	\$0.00	\$0.00
Administrative (SRF Workplan for Harmful Algal Bloom (HAB))	\$0.00	\$200,000.00	\$200,000.00
Small Systems Technical Assistance <sup>1</sup> (DE - 2% of CAP grant)	\$1,025,184.00	\$462,140.00	\$1,487,324.00
Public Water System Supervision <sup>3</sup> (DF - 5% of CAP grant)	\$1,766,276.00	\$1,155,350.00	\$2,921,626.00
Local Assistance & Other State Programs 1452(k)(1)(B) <sup>(DG - 5% of CAP grant)</sup>	\$1,155,930.00	\$1,155,350.00	\$2,311,280.00
<b>Revolving Loan Accounts</b>			
WSRLA CAP Grant	\$0.00	\$20,134,160.00	\$20,134,160.00
State Match for Prior Year Obligation and New Grant included in PWSS match	\$0.00	\$5,199,075.00	\$5,199,075.00
State Match Account - After New Grant and PWSS (4)	\$4,742,200.00		\$11,543,125.00
Subtotal WSRLA CAP grant (w/unobligated State Match)	\$4,742,200.00	\$25,333,235.00	\$36,876,360.00
Leveraged Bond Balance	\$31,997,027.00	\$0.00	\$31,997,027.00
Other Projects Fund (repayments)	\$0.00	\$0.00	\$0.00
<b>Total Estimated WSRLA Funds</b>	<b>\$36,739,227.00</b>	<b>\$25,333,235.00</b>	<b>\$68,873,387.00</b>
Amount of funds being made available in PY 2017 <sup>5</sup>			\$362,000,000.00
<b>Notes:</b>			
<sup>1</sup> FFY 2011-2016			
<sup>2</sup> FFY 2016 Capitalization Grant Application will be submitted in the summer of 2016.			
<sup>3</sup> PWSS (DF) requires a one-to-one match, details in Public Water Supply Supervision (PWSS) Account Section.			
<sup>4</sup> Includes proceeds of State Match notes to be issued in PY 2017			
<sup>5</sup> The identified demand on the IPL/PPL for PY 2017 is \$362,000,000. Therefore, financial assistance will be offered to all projects that meet program requirements during the program year. All loan funds not used in PY 2017 will be carried over for use in subsequent years.			

## **Structure of the Fund**

For PY 2017, the DWAF will be composed of five accounts used to provide assistance to accomplish its goals:

1. The Water Supply Revolving Loan Account (WSRLA) will provide financial assistance for the planning, design, and construction of improvements to community water systems, and nonprofit non-community public water systems.
2. The Drinking Water Assistance Administrative Account will be used to ensure the long-term administration of the program.
3. The Small Systems Technical Assistance Account will fund technical and managerial assistance for public water systems serving fewer than 10,000 in population. Assistance from this fund will also be provided to WSRLA applicants for completing the documentation necessary to obtain financial assistance, and documents necessary for the Capability Assurance program. This assistance will be provided through a combination of outsourcing to qualified organizations and Ohio EPA staff support.
4. The Public Water Systems Supervision (PWSS) Account will fund a variety of activities to help ensure Ohio's public water systems provide adequate quantities of safe drinking water and on-going implementation of Ohio's Source Water Protection and Capability Assurance Programs.
5. The Local Assistance and Other State Program Account will be used to fund technical assistance to public water systems using surface water to help prevent impacts from harmful algal blooms (cyanobacteria).

Each of these five accounts and their operation are described in the following sections.

### **Water Supply Revolving Loan Account**

Through the Ohio WSRLA, Ohio EPA provides below-market interest rates for compliance-related improvements to public water systems.

#### WSRLA Application Process

WSRLA funds are available to eligible applicants that submit a complete nomination package for each project by March 1 for the next program year. Ohio EPA in January announces by email the availability of the nomination form, attachments, and instructions on the Ohio EPA webpage.

#### WSRLA Project Priority Ranking System

The WSRLA Project Priority Ranking System (Appendix D) follows federal and state requirements and provides the structure and methodology for rating and ranking systems. Proposed projects are reviewed by Ohio EPA and placed on the Project Priority List according to these factors:

1. Human health risk
2. Compliance with federal and state SDWA requirements
3. Economic affordability

4. Effective management structure
5. Population of the area served
6. Regionalization/consolidation

All projects on the PPL have been ranked using the system described in Appendix D. For PY 2017, the fundability of a project is determined by the availability of WSRLA base funds, the project priority ranking, and the readiness to proceed during this program year.

#### Additional Program Requirements

Additional Subsidies - FFY 2016, The Consolidated Appropriations Act, (P.L. 114-113) specifies that 20% of the funds must be used for additional subsidies. Ohio can make available up to 30% additional subsidy through the disadvantaged community program. See the *Principal Forgiveness* section on page 6 for more detail.

*Reporting* - All projects funded will be maintained in the Drinking Water State Revolving Fund Project Benefits Reporting (DWSRF PBR) system on an ongoing basis, as required by U.S. EPA. In addition, Ohio EPA will meet the reporting requirements set forth by the Federal Funding Accountability and Transparency Act (FFATA) and will report annually into the National Information Management System (NIMS) database.

*Compliance* - Ohio EPA agrees to demonstrate compliance with the capacity development authority, capacity development strategy and operator certification provisions to avoid withholdings. Ohio EPA does not identify equivalency projects as all loans are reviewed to meet FFATA requirements.

#### Project Priority List and Intended Projects List

Appendix G contains both the PPL and IPL lists. The PPL list all the submitted projects in priority order for program year 2017, while the IPL lists the projects anticipated to receive funding if they proceed on schedule and meet all other regulatory and program requirements.

Additionally, Ohio EPA will fund in this program year IPL projects originally scheduled in the most recent program year if the projects were ready to proceed but were not processed by Ohio EPA by the close of the program year. Each applicant must have completed all program requirements in the most recent program year and must take the loan within three months of the issue being resolved but no later than March 1. The loan terms and conditions of the most recent program year will apply.

The PPL and IPL contain information specific to each project including:

1. Project Rank or Position Number
2. Name of Public Water System
3. Brief Description of the Proposed Project
4. Public Water System Identification Number
5. Population of System Service Area
6. Total Project Priority Points

7. Potential Terms of Financial Assistance\*
8. Expected Funding Schedule of Project

\* Potential terms of financial assistance are based on the best information available at the time of the development of this IUP. Terms listed in table 2 may not reflect the actual terms of financial assistance to be offered to the public water system at the time the financial arrangements are finalized.

#### Targeted Funding

*Lead Initiatives* - In response to concerns about lead in public drinking water, Ohio EPA will accept nominations throughout the year for planning loans to conduct corrosion control studies and to map the location of lead service lines. These loan funds are available at a 0% interest rate. Additionally, Ohio EPA will accept nominations throughout the year for loans to implement the recommendations of a corrosion control study or to replace lead service lines. These loans will be available at the applicant's normal interest rates.

*Auxiliary Power* – For PY 2017, Ohio EPA has established a fund of \$100,000 to include auxiliary power in PY 2017 construction loan projects. Auxiliary power includes emergency generators and additional appurtenances required by the auxiliary power generator and transfer switches. Secondary feeds from an electric provider are excluded from this fund. Systems with construction projects on the PY 2017 PPL are eligible to receive 50 percent of the auxiliary power cost up to \$10,000 in principal forgiveness. If matching funds for the auxiliary power portion of the project are not available, the 50 percent match can be added to the loan portion of the project.

*Asset Management* - Targeted funding will be available for asset management planning. For PY 2017, Ohio EPA will make \$100,000 available for asset management planning. Loans can be awarded with up to \$5,000 in principal forgiveness, and the remainder as a 0% loan.

*Shared Services and/or Regionalization* – For PY 2017, Ohio EPA is establishing a targeted fund to incentivize regionalization including shared services.

*HAB Infrastructure Improvements* – In PY 2015, Ohio EPA established a fund of \$50 million at 0% for the planning, design and construction of infrastructure improvements at surface water treatment plants to address Harmful Algal Bloom (HAB) issues. This funding was continued with another \$50 million made available in PY 2016, and will continue with another \$50 million in PY 2017. These funds will be administered out of the Water Supply Revolving Loan Account with a 0% interest rate. The targeted entities are public water systems that use surface water as a direct source. Priority will be given to water systems in the Lake Erie watershed, and those that have already experienced an algal bloom or a detection of toxins. Qualifying projects will include components at water treatment facilities that treat HAB toxins, as well as projects that implement avoidance strategies such as interconnections with other water supplies, new elevated storage facilities, and the installation of alternative water sources.

The following scoring criteria will be used to prioritize the projects for HAB funding (points are cumulative):

Scoring Criteria	Points
"Do not drink" advisory due to HABs	100
In Lake Erie Basin	75
Experienced HAB bloom at intake	50
Project provides regional solution	50
Vulnerability to HABs	25
Surface water system w/o alternate sources	25
Surface water system with multiple sources or reservoirs	20
Satellite of a surface water system	15
Readiness to proceed (plans approved by Ohio EPA)	20
Population > 100,000	20
10,000< Population <100,000	10
Population <10,000	5

*Cyanotoxin Investigative Monitoring Equipment* – In PY 2015, Ohio EPA established a fund of \$1 million to award grants to surface water treatment plants to reimburse the purchase of cyanotoxin investigative monitoring equipment. The funds were not fully committed, so the remainder was available in PY 2016. The initial \$1 million has now been completely obligated, and Ohio EPA will dedicate an additional \$500,000 toward this initiative in PY 2017. Based on the increasing presence of cyanobacteria in waters being used as a source of public drinking water, and the significant threat to public health, Ohio's public water systems need a quick and cost effective means to test their source and finished water for the presence of cyanotoxins. Having the capacity to analyze samples at the water supply instead of sending samples to an outside laboratory will allow flexibility in monitoring and timely response to any potential finished water detections. This is critical given the dynamic and unpredictable nature of cyanobacteria blooms. These funds will be administered out of the DWAF Local Assistance and Other State Programs account Set-asides.

#### Eligibility, WSRLA Planning and Capability

*Capability Assurance Plans* – In accordance with the Safe Drinking Water Act, federal/state rules and guidance, a system must be determined technically, managerially and financially capable prior to loan award. This evaluation includes, at a minimum, the capability screening tool and a review of the capability assurance plan and areas of deficiency that need to be addressed. Submission of an asset management plan may be required in future program years. Failure to demonstrate capability, unless the project will correct the deficiency, will jeopardize funding.

The capability assurance plan, complete loan application, water rate ordinance and water system regulations/ordinances must be submitted to Ohio EPA at least 90 days prior to loan award. A screening will be performed by the district office inspector after which the system will be expected to address areas of concern.

*Planning* – For a design and/or construction loan in PY 2017, submission of project planning information was required to be submitted to Ohio EPA by March 1, 2016 with the nomination form; minimum requirements for project planning information were included in the nomination form instructions.

An Ohio EPA approved general plan for the proposed project is required to be submitted with the nomination for design and/or construction loans for new, replaced, rehabilitated, upgraded or expanded water treatment plants and their components. The general plan approval is required prior to detail design work. The general plan submitted must ensure consistency with all SDWA requirements and address the substance of the proposed project. Detailed information regarding general plan and project planning requirements was included in the PY 2017 nomination form instructions.

Ohio EPA's review of planning documentation will determine funding eligibility. The proposed project included in the plan will address all deficiencies noted in the prioritization of the project. It should also improve a system's overall capability and minimize total life cycle costs through the use of appropriate technology and the selection and implementation of the most cost-effective alternative. Cost effectiveness includes both monetary and non-monetary factors. Additionally, subject to available funds, design loans can be obtained during the program year contingent upon planning documentation approval.

*Regionalization/Shared Services* – Based on the benefits to users and the economies of scale, for the purpose of increasing system capability, the agency reserves the right to evaluate alternatives and fund projects that result in consolidation or shared services.

#### Essential Water Supply System Components

WSRLA funding is limited, so its resources must be directed toward essential drinking water improvements. Ohio EPA will accept as allowable only costs for facilities and components necessary to the proper function and/or capital costs directly resulting in improved operation and maintenance of the water system. This determination will be made during the review of general and detailed plans and specifications.

A public water system supplying bulk water to an Ohio EPA regulated consecutive system that has exceeded or is exceeding a primary drinking water standard shall have its eligibility for WSRLA funds determined in the same manner as the consecutive system with the exceedance if the proposed project is expected to correct the exceedance experienced by the consecutive system.

#### WSRLA Eligible and Ineligible Costs

Ohio EPA will provide WSRLA funds as defined in ORC Section 6109.22 and the SDWA. Each project will undergo an eligibility review prior to any commitment of funds from the WSRLA. As such, each

applicant must submit the approved general plan or project planning documentation, a full set of detailed plans and specifications and contract documents. Detailed plan review is required for all projects including projects that do not require Ohio EPA detailed plan approval due to self-certification or unsubstantial change as described in Ohio Administrative Code (OAC) 3745-91.

Certain costs are prohibited from WSRLA funding because of federal limitations, while others do not provide safe drinking water benefits. Ineligible WSRLA costs include, but are not necessarily limited to, those listed in Appendix C.

#### Project Bypass Procedure

In December 2016, Ohio EPA will conduct a mid-program year evaluation where we will review the available principal forgiveness funds and the outstanding projects listed on the priority list. The intent of this evaluation is to determine if the projects currently identified as receiving principal forgiveness actually are capable of applying for and entering into a loan agreement with Ohio EPA within this program year. If, during this mid-program year evaluation, a project is determined to be incapable of meeting the requirements of the program, then that project will be bypassed. Funds made available through bypassing may be awarded to other eligible projects on the IPL/PPL list

In addition to readiness, a project may be bypassed due to an applicant's inability to meet all WSRLA requirements, failure to develop an approvable, implementable project, or for other reasons appropriate under state or federal law. This may occur when the project's general plan or detailed design approval, advertisement for bids, award of the loan, or award of construction contracts cannot be reasonably projected or met by the dates established in the project's schedule. Projects otherwise not in compliance with the provisions of the DWAF management plan or program requirements are also subject to this bypass procedure.

Projects bypassed during the program year may reapply and be considered for funding during the next program year in which they are anticipated to be ready to proceed. All projects scheduled for an April, May or June 2017 award are strongly encouraged to re-nominate their project by March 1st for the following program year.

*Plant Construction* – If a plant construction project (including upgrade, replacement, new construction or expansion of water treatment facilities) has not submitted detail plans by October 1st of a program year, then the project may be bypassed until the next program year.

*Distribution System* – If a distribution related project (including mains, pump stations, finished water storage) has not submitted detailed plans or planning documents (including like kind replacement, meters) by January 1st of a program year, then the project may be bypassed until the next program year.

### Disadvantaged Community

Disadvantaged community determination and the subsequent award of the rates and terms are determined in accordance with Ohio Administrative Code (OAC) rules 3745-88-01 and 3745-88-02 and are described in detail in Appendix F.

Systems eligible to apply for the Disadvantaged Community Loan Program (DCLP) are all systems eligible for the WSRLA program with the exception of some privately owned systems. For a privately owned system to be eligible, it must be a system regulated by the Public Utilities Commission of Ohio (PUCO), a system considered a political subdivision as defined by ORC 6119.011 or a non-profit public water system. All eligible applicants to the DCLP are evaluated using the following criteria:

1. Health Related Factors (mandatory score of one or more points)
2. Economic Affordability (mandatory score of one point)
3. Population
4. Median Household Income
5. Poverty Rate

To be considered for the DCLP, a public water system must have submitted a complete application for the DCLP and attach all required documentation (including general planning information) to Ohio EPA by March 1st. Only systems specifically requesting an evaluation to determine if the system meets the definition of disadvantaged community will be reviewed for eligibility. Ohio EPA will reassess and determine the final loan terms including disadvantaged community eligibility at the time of loan award.

Additionally, a minimum of 50 percent of the council members or governing board members for the water system must complete the following Rural Communities Assistance Program (RCAP) Courses prior to loan award: 101 Utility Management for Local Officials and 201 Financial Management for Local Officials within the last five years. Both courses are offered free of charge and are available online or in a classroom setting.

Due to limited funds available for principal forgiveness, systems will be required to address areas of concern identified in the capability screening process. Failure to do so may result in forfeiture of principal forgiveness and, possibly, funding.

### Emergency Projects

Emergency projects may be submitted at any time during the program year, and included on the PPL and IPL based upon the applicant's successful demonstration of an emergency situation existing in the service area that requires emergency measures be taken. Projects meeting the definition of emergency projects may be added to the PPL or IPL at any time, and if all applicable requirements have been met, they may be funded at any time. Emergency projects shall be scored using the procedures outlined in Appendix D.



### Small Systems Minimum Assistance

The Statute (ORC 6109) requires a minimum of 15 percent of all funds credited to the DWAF in any program year be made available to provide loan assistance to fund small systems with a population of fewer than 10,000 customers to the extent there is a sufficient number of eligible projects. Fundable small system loans in excess of the 15 percent minimum during the program year may be credited toward future program years. Ohio EPA routinely meets this requirement, and has credited projects toward future years. If the designated level of assistance cannot be awarded within the program year, steps will be taken in the PMIUP for the next program year to ensure a sufficient number of projects are funded to meet this requirement in future years. Ohio EPA anticipates being able to meet the above-mentioned 15 percent requirement in PY 2017.

### **WSRLA Award Structure**

ORC Section 6109.22 (I) (7) authorizes the Director of Ohio EPA to provide assistance as authorized by the SDWA. The FFY 2016, The Consolidated Appropriations Act, (P.L. 114-113) requires States to provide 20 percent of the 2016 capitalization grant funds in additional subsidies including principal forgiveness, negative interest, and grants.

Additional subsidies and extended loan repayment periods may be available to public water systems qualifying for disadvantaged community status.

The following section details specific provisions for principal forgiveness and loan rates WSRLA PY 2017 funds.

### PY 2017 Available Financing

During PY 2017, the WSRLA will offer the following finance structures: standard long term (STD), small system long term (SML), any system long term that receives affordability ranking points (EA), short term, negotiated linked deposit, supplemental loan and three disadvantaged community interest rates: Tier I, Tier II and Tier III. For more information, see Table 2.

In addition to the available financing outlined in Table 2, PY 2017 will again include 0% financing for qualifying projects that address the planning, design or construction of improvements related to HABs.

A system may qualify for more than one interest rate. A system qualifying for more than one interest rate will receive the lowest interest rate for which the system qualifies. For example, a system qualified as eligible for the EA rate (economic affordability) will receive the small system rate if the small system rate is less than two percent for the month of loan award. Appendix E describes the procedure for determining interest rates. Generally, rates are based on the term of the loan, size of the service area and the affordability needs of the water system users for non-disadvantaged communities. Appendix F describes the disadvantaged community program procedures and interest rates.

The principal forgiveness amount for an intended project will be based on the actual loan amount and adjusted up or down based on bids at the time of loan award, with the principal forgiveness amount

included in the loan exhibit calculated based on its percentage of principal forgiveness. However, the maximum amount that principal forgiveness will be increased is ten (10) percent more than the principal forgiveness amount calculated from the IPL project cost.

#### Planning

All planning loans are 0% interest for a five-year term in order to incentivize project planning through the DWAF program. Planning loans will not include principal forgiveness.

#### Design

Interest rates for design loans are determined by the applicant's eligible rate. Design loans will not include principal forgiveness.

## TABLE 2

### FUNDING CATEGORIES, INTEREST RATES, AND LOAN TERMS

Funding Category or Type of Loan	Funding Category	Interest Rate and Term
Regionalization Loan to Incorporate one or more Disadvantaged Communities	REG	Up to 50 percent of project awarded in principal forgiveness. The balance in a zero percent interest rate loan for a minimum of 5 years and up to 30 years.
Tier I Disadvantaged Community	Tier I	Up to 40 percent of project awarded in principal forgiveness. The balance in a zero percent interest rate loan for a minimum of 5 years and up to 30 years.
Tier II Disadvantaged Community	Tier II	Up to 30 percent of project awarded in principal forgiveness. The balance in a two percent interest rate (or the small system rate if it is less than two percent during the month of loan award) loan for a minimum of 5 years and up to 30 years.
Tier III Disadvantaged Community	Tier III	Up to 20 percent of project awarded in principal forgiveness. The balance in a two percent interest rate (or the small system rate if it is less than two percent during the month of loan award) loan for a minimum of 5 years and up to 30 years.
Non Disadvantaged Community with Affordability Ranking Points	EA	Economic Affordability Rate for two percent interest rate (or the small system rate if it is less than two percent during the month of loan award) loan for a term of 5 or more years but not greater than 20 years.
Small System Long Term [Small System ( $\leq 10K$ ) with no Affordability Ranking Points]	SML	Small System Long Term Rate for a term of 5 or more years but not greater than 20 years.
Standard Long Term [Large System ( $> 10K$ ) with no Affordability Ranking Points]	STD	Standard Long Term Rate for a term of 5 or more years but not greater than 20 years.
Short Term Loan (Planning)	PLN	A term of no more than 5 years with a zero percent interest rate.

Short Term Loan (Design, Engineering)	Can be any of the above.	A term of no more than 5 years with the same interest rate as the long term rate as the construction project is eligible for during the month of loan award.
Linked Deposit Loan	Not notated on the PPL. Part of loan documents.	Linked Deposit Rate determined by commercial lender, rate will be discounted below the normal discount rate, as determined at time of loan, program stipulations, and system specifics.
Supplemental Loan	Can be any of the above.	For projects that have not commenced repayments, the interest rate will be the same as that of the original loan award For projects that have commenced repayments, the interest rate will be determined as appropriate rate in effect at the time of the Supplemental loan award.
Withdraw	W/D	Projects withdrawn from review.
Ineligible	INELG	Projects not eligible for funding.
Targeted Funds	TF	Priority projects targeted for subsidy
Loan Funds	LF	Fund set aside to award design loans during.

### **Drinking Water Assistance Fund Administrative Account**

The existing funds from the Drinking Water Assistance Fund Administrative Account (DWAFAA) will continue to pay for personnel costs in Ohio EPA including management of the DWAF and district office coordinators. Administrative activities will also be paid by the administrative fees collected by Ohio EPA from WSRLA funding recipients. Ohio EPA will require a loan origination fee of 1% of the principal of each loan originated from the WSRLA. Subsidized portions of projects (as a result of principal forgiveness) will not be assessed the origination fee. The administrative fee collected by Ohio EPA will be deposited into the DWAFAA.

The Ohio Water Development Authority (OWDA) will require a fee of 0.35% of the principal of the loan amount. The fee collected by OWDA will be deposited into the DWAFAA to be utilized by the OWDA for administrative costs related to the program.

These fees are due at the time of the loan award and are an eligible project cost. There is no minimum fee for Ohio EPA or OWDA per WSRLA loan amount.

Funds in the DWAFAA at the conclusion of the program year will remain in the account to address program administrative costs in subsequent program years. Set-aside balances greater than two years old will be transferred into the WSRLA and Ohio EPA will bank these transferred amounts for use in future year grants.

### **Small Systems Technical Assistance Account**

Ohio EPA will set aside 2% of the FFY 2015 federal capitalization grant to provide technical assistance to public water systems serving fewer than 10,000 in population. Appendix I contains the work plan for the Small Systems Technical Assistance program. These funds will be used to:

1. Support a technical assistance team or a qualified organization(s) to provide on-site technical assistance to help bring selected systems into compliance with applicable requirements of the SDWA and regulations promulgated under the Act; and/or
2. Support a technical assistance team or qualified organization(s) to help eligible public water systems prepare loan applications, develop supporting documentation for loans, develop capacity assurance documents and provide capability training.

The combination of these activities will be identified through an analysis of the needs of systems serving fewer than 10,000 in population.

Small Systems Technical Assistance Account funds not expended at the conclusion of the program year may remain in the account to address this type of assistance in subsequent program years. Set-aside balances greater than two years old will be transferred into the WSRLA and Ohio EPA will bank these transferred amounts for use in future year grants.

**Public Water Supply Supervision (PWSS) Account**

Ohio EPA will take 5% of the public water systems supervision set-aside (Appendix H) authorized under Section 1452(g)(2)(A) of the SDWA from the FFY 2014 federal capitalization grants. Ohio EPA will use this set-aside to fund a variety of activities to help ensure Ohio's public water systems provide adequate quantities of safe drinking water including on-going implementation of Ohio's Source Water Protection and Capability Assurance Programs. This set-aside requires 100 percent match from the state. To meet this match Ohio will use state match from the FY 1993 PWSS grant as credit for half of the match requirement for this set-aside. The other half will be met with in-kind services for state program management activities.

**Local Assistance and Other State Programs Account**

Ohio EPA will take 5% of the local assistance and other state programs set-aside (Appendix J) authorized under Section 1452(k)(3) of the SDWA from the FFY 2014 federal capitalization grants. Ohio EPA will be using this for further development of the capability assurance program.

# DWAF MANAGEMENT PRACTICES

This section describes how Ohio EPA administers the DWAF program.

## Management Practices

To manage available DWAF funds and carry out the purposes of Section 1452 of the SDWA, and ORC 6109.22, Ohio EPA may, without limitation:

1. Establish interest rates for WSRLA loans in accordance with the procedures described in Appendices E and F of this plan.
2. Make available at least 15 percent of the WSRLA funds outlined in each IUP to projects identified in the IUP as small systems serving fewer than 10,000 in population that are ranked on the PPL.
3. Award WSRLA program assistance for preparing project planning documents, detailed plans, and specifications. Ohio EPA may also set a limit on the amount of funds that are available for planning and design loans without additional public notice.
4. Establish, increase, or decrease the available funds for the DWAF, the WSRLA, and set-aside uses.
5. Develop and implement with public notice and involvement a plan for the financial and programmatic administration of the DWAF and the long-term financial health of the fund.
6. Establish bypass, amendment and emergency funding procedures for the WSRLA program.
7. Add eligible systems to the WSRLA PPL and IPL in accordance with the management practices described in the emergency project procedure sections of the IUP.
8. Solicit, add and delete projects from the current program year PPL and IPL and change the relative priority of a project in future years in accordance with the management plan in effect at that time.
9. Determine projects eligible for disadvantaged community program assistance.
10. Bypass any WSRLA project in accordance with the project bypass procedure described previously in this document.
11. Segment and fund a portion of a WSRLA project if the loan recipient agrees to complete subsequent segments according to an acceptable schedule regardless of additional financial assistance, if at least one of the following applies:
  - a. The construction of the project will require more than the proportionate share of the funds identified in the annual IUP that includes the project as a fundable project; or
  - b. The project will take three or more years to complete.

A segmented project must meet all program requirements.

Additionally, the recipient must demonstrate it is financially capable of constructing, according to the approved schedule, subsequent segments without WSRLA funding assistance.

Ohio EPA reserves the authority to negotiate the scope of the segmentation based on available WSRLA funds as well as engineering, financial, capacity assurance, and environmental considerations.

13. Deposit at any time, funds available in other DWAF accounts or any portion thereof, into the WSRLA with public notice.
14. Establish definitions, terms, and conditions for WSRLA program assistance to disadvantaged communities in accordance with ORC 6109.22.
15. Establish definitions, terms, and conditions, for assistance from the small systems technical assistance account, including but not limited to, those related to agreements with third parties for the provision of that assistance.
16. Establish submission deadlines for DWAF application materials, WSRLA application materials, revisions to general plans, revisions to detailed plans and specifications, or portions thereof, either individually or collectively, or for the satisfaction of DWAF management plan criteria. Generally, individual project submission deadlines will be based on SDWA compliance schedules, federal or state court-ordered compliance schedules, or state review schedules. Failure to meet a submission deadline may result in bypassing a project in accordance with the project bypass procedure established in this plan.
17. Determine if projects are required to meet the American Iron and Steel requirement contained in P.L. 113-76, if applicable.
18. Require the application of the Davis-Bacon Act for all assistance agreements for construction under the WSRLA for the entirety of the construction activities financed by the assistance agreement through completion of construction, no matter when construction commences.
19. Develop and maintain operating agreements with other divisions and state agencies to meet program goals.
20. With public notice and opportunity to comment, the Program Management and Intended Use Plan (PMIUP) may be amended at any time during the year to add Emergency Projects. For the purposes of amending the PMP, Emergency Projects may also include those projects that request funding for the planning, design, or construction of enhanced treatment and back-up sources directly related to a PWS's response to a HAB.

### **Project Responsibilities of DWAF Applicants and Recipients**

Ohio EPA is responsible for managing the DWAF program. The loan recipient is responsible for meeting WSRLA program requirements, managing a project and complying with the terms of the loan agreement.

### **FFY 2015 Funding Requirements**

Under the FFY 2015, The Consolidated Appropriations Act, (P.L. 113-76), Davis-Bacon prevailing wage requirements apply to any construction project carried out in whole or in part with assistance made available by a drinking water revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act [42 U.S.C. 300j-12], a term and condition requiring compliance with the requirements of



section 1450(e) of the Safe Drinking Water Act [42 U.S.C. 300j-9(e)] in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. This term and condition applies to all agreements to provide assistance whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project where such agreements are executed on or after October 30, 2009.

Procedures for this provision are found in the U.S. EPA memorandums of May 20, 2011, subject: Application of Davis-Bacon Wage Act Requirements for Fiscal Year 2011 CWSRF and DWSRF Assistance Agreements and November 30, 2009, subject: Application of Davis-Bacon Wage Act Requirements to Fiscal Year 2010 CWSRF and DWSRF Assistance Agreements. Davis-Bacon Procedures and Contract Provisions, Poster and Davis-Bacon Labor Standards Interview Form can be found on the Ohio EPA website located at: <http://www.epa.ohio.gov/Default.aspx?tabid=2205>.

A class deviation has been granted providing a waiver from the requirement of the two-week interview process with labor wage earners contained in U.S. EPA's standard SRF Davis-Bacon Terms and Conditions. The memorandum "Class Deviation – Prevailing Wage Interview Requirement in Clean Water and Drinking Water State Revolving Funds 9CWSRF and DWSRF) Capitalization Grants" was signed on November 16, 2012.

# DEFINITIONS

As used in this document, the following words and terms mean:

**Initiation of operation** - the date the funded facilities are in full and sustained operation as planned and designed.

**Readiness to proceed** - progress toward achieving a WSRLA binding commitment and initiating construction. This is a relative measure of an applicant's success in the expeditious achievement of compliance with all pre-award WSRLA program requirements, compliance with the schedule for initiating facilities construction, and submission and approval of general, detailed or other plans as necessary for Ohio EPA approval. (See the "Project Bypass Procedure" section of this plan for further information.)

**Emergency Project** - a project necessary to avoid or correct an imminent threat to public health. Examples include acute maximum contaminant level (MCL) violations and other contamination above established 10-day health advisory levels, new identified significant deficiencies, natural disasters or significant facility damage or failure. The project must be ready to proceed within 30 days of the loan commitment and must be completed in a timely manner in accordance with the construction schedule approved as a condition of the loan.

**Project Priority List (PPL)** - list of all nominated projects. All nominated projects are scored and ranked according to the project priority ranking system.

**Intended Projects List (IPL)** - fundable sub-list of the project priority list. List of projects that will receive funding during the program year if they proceed on schedule and meet all program requirements

**Market Rate** - for WSRLA loans, market rate is calculated as the average of The 20 GO Bond Index rate published on the eight Fridays previous to the date the rate is calculated plus 50 basis points. For the WSRLA linked deposit program, the market interest rate is the U.S. Treasury Notes and Bonds yield for the week prior to a linked deposit loan, as reported in The 20 GO Bond Index on the Friday of that prior week, for the U.S. Treasury Notes and Bonds having terms of years closest to the terms of years of the linked deposit loan.

**Small System** - for interest rate determination in the WSRLA program, a public water system with a specific project to serve a service area, or portion thereof, of fewer than 10,000 persons.

**Capability Assurance** - (also known as capacity assurance and capacity development) the process through which a water system plans for and implements action to ensure the system can meet its immediate and long term challenges. Capability assurance encompasses a water system's technical, managerial, and financial ability to achieve, maintain, and plan for compliance with applicable drinking water standards.

All elements of a water system's capability to effectively deliver safe water must be considered to meet current and projected needs of the water system.

Technical capability refers to the physical infrastructure of the water system, including but not limited to the adequacy of the source water, infrastructure (source, treatment, storage, and distribution), and the ability of system personnel to implement the requisite technical knowledge.

Managerial capability refers to the management structure of the water system, including but not limited to ownership accountability, staffing and organization, and effective linkages to customers and regulatory agencies.

Financial capability refers to the financial resources of the water system, including but not limited to revenue sufficiency, credit worthiness, and fiscal controls.

**Public Water System** - as defined in OAC rule 3745-81-01.

*Community System*- means a public water system that serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents.

*Non-community System* - means a public water system that is not a community water system.

*Disadvantaged Community* - means the service area, or portion thereof, of one of the following entities that applies for and is eligible for loan assistance pursuant to the affordability criteria established by the director:

- (a) A nonprofit public water system that operates or provides water to a community water system;
- (b) A public water system that is regulated by PUCO and that operates or provides water to a community water system;
- (c) A political subdivision, as defined by ORC Section 6119.011(B), that operates or provides water to a community water system; or
- (d) A nonprofit non-community public water system.

**Project** - a drinking water infrastructure activity that begins and ends within the DWAF program year with the purpose of meeting or maintaining compliance with Safe Drinking Water Act requirements, applicable regulations put forth in the ORC, and applicable rules of the OAC.

**Scope** - the specific work that needs to be accomplished to deliver the purpose of the proposed project submitted in the nomination form.

**Eligible System** – community water systems, both privately and publicly owned, and nonprofit non-community water systems.

# APPENDIX A

## PUBLIC NOTICE

### Draft 2017 Drinking Water Assistance Fund Program Management Plan

Public Meeting – June 27, 2016

The Ohio Environmental Protection Agency is making available the Draft 2017 Drinking Water Assistance Fund (DWAF) Program Management Plan issued under authority of Ohio Revised Code 6109.22. The Draft Plan proposes how Ohio EPA will distribute funds, administer the DWAF, and prioritize projects during Program Year 2017. The Draft Plan is available at [www.epa.state.oh.us/default.aspx](http://www.epa.state.oh.us/default.aspx). Two public meetings with the opportunity to comment will be held on June 27 at 10:30 A.M. and 1:00 P.M. at Ohio EPA Center of Excellence at 50 W. Town St., Suite 700, Columbus, Ohio. The complete public notice including instructions for requesting information or submitting comments may be obtained at: <http://www.epa.ohio.gov/legal/notice.aspx> or: Hearing Clerk, Ohio EPA, PO Box 1049, 50 W. Town St. Columbus, Ohio 43216 Ph.: 614-644-2129 email: [HClerk@epa.state.oh.us](mailto:HClerk@epa.state.oh.us).

# **APPENDIX B**

## **PUBLIC NOTICE**

### **Final Program Management and Intended Use Plan**

#### **For the Drinking Water Assistance Fund**

#### **For Program Year 2017**

Public notice is hereby given that the Director of the Ohio Environmental Protection Agency issued a “Final Action” effective July 1, 2016, adopting the 2017 Program Management and Intended Use Plan for the Drinking Water Assistance Fund that has been authorized by Ohio Revised Code Section 6109.22 and Section 1452 of the Safe Drinking Water Act. This action may be appealed, in writing, within thirty (30) days of this notice, to the Environmental Review Appeals Commission, 77 South High Street, 17th Floor, Columbus, Ohio 43215. Notice of any appeal shall be filed with the Director within three (3) days. This notice of appeal shall be sent to: Division of Environmental and Financial Assistance, Ohio Environmental Protection Agency, P.O. Box 1049, Columbus, Ohio 43216-1049. Consult ORC Chapter 3745 and OAC Chapters 3745-47 and 3746-05 for requirements.

Copies of the 2017 Final Program Management and Intended Use Plan are available from the Division of Environmental and Financial Assistance by calling our office at (614) 644-3636, and also through the Internet at [www.epa.ohio.gov/defa/ofa.aspx](http://www.epa.ohio.gov/defa/ofa.aspx).

# APPENDIX C

## Ineligible Costs

Based on limitations set forth by the SDWA, associated guidance and rules, and by this PMIUP, the following is a general summary of items ineligible for WSRLA funding. In general, due to limited funds available in the WSRLA, costs associated for residuals handling for publicly owned water treatment systems that discharge to sewers or receiving streams should apply for funding from the Water Pollution Control Loan Fund (WPCLF).

1. Dams or rehabilitation of dams;
2. Water rights, except if either: 1) the water rights are owned by a system that is being purchased through consolidation as a part of a capacity assurance strategy; or, 2) it is necessary to acquire land or a conservation easement from a willing seller or grantor, if the purpose of the acquisition is to protect the source water of the system from contamination and to ensure compliance with National Primary Drinking Water Regulations (Section 1452(k) of SDWA);
3. Reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the water treatment facility is located;
4. Laboratory fees for monitoring;
5. Operation and maintenance expenses;
6. Projects needed mainly for fire protection;
7. Projects for systems that lack technical, managerial, and financial capability, unless assistance will ensure compliance (refer to capacity assurance plan);
8. Projects for systems in significant noncompliance (U.S. EPA Enforcement Tracking Tool (ETT) score greater than or equal to 11), where funding will not enable the system to return to compliance and the system will not maintain adequate technical, managerial and financial capacity to maintain compliance (refer to capacity assurance plan);
9. Projects primarily intended to serve future growth;
10. Equipment, materials, supplies, and spare parts in excess of that shown to be reasonable, necessary, and applicable to the project;
11. Street restoration beyond that necessary for installing facilities directly related to constructing the drinking water system;
12. Ordinary governmental or personal operating expenses of the community or individual requesting the WSRLA assistance (e.g., administrative facilities or vehicles, salaries of elected officials, travel, costs of establishing departments or units of government, fines, and penalties levied by regulatory agencies, etc.);
13. Personal injury compensation or damages;

14. Permit costs, including water discharge permit (NPDES permit) and renewal discharge permit fees, and application fees, (excluding the origination fees associated with the project for which state revolving loan monies are requested);
15. Projects that do not minimize costs by implementing the most cost effective alternative through conducting a cost effective analysis of all viable options; cost effectiveness considers both monetary and non-monetary costs;
16. Projects that have completed construction; and
17. Projects that have secured their entire funding outside of WSRLA funds, Ohio Water Development Authority loans, a private short-term loan or the entity's own funds.

# APPENDIX D

## Project Priority Ranking System

The purpose of the priority ranking system is to establish a list of eligible water systems and their proposed projects to be funded in a manner that allows the most serious risks to public health be given the highest priority. Eligible projects are capital improvement projects that are necessary to ensure compliance with the National Primary Drinking Water Regulations defined in the SDWA, all other applicable regulations of the SDWA, all applicable regulations put forth in the ORC, all applicable rules of the OAC, or as determined necessary by the director.

All eligible water systems that submit proposed projects will be rated with respect to six categories to determine their ranking and selection for funding under the WSRLA. These categories are:

1. Public health issues;
2. Continued compliance with federal and state SDWA requirements;
3. Bonus points for effective management;
4. Consolidation/regionalization;
5. Economic Affordability- systems in need on a per household basis; and,
6. Population

The overall ranking of the project will be the sum of all points received in each category based on the drinking water scope of the project. However, before any final funding is awarded, each project will be carefully evaluated to ensure the scope of the project has not changed and the project addresses the type of work, component types and project description needs addressed in the nomination form for which points were awarded. Where the scope of the project has changed, then either (1) the scope of the submitted project will need to be revised to adequately address the issues for which points were awarded, or (2) the project will be rescored to determine if it is still eligible for funding and the terms under which the project will be funded, if still eligible. Any project whose scope changes after submitting the nomination form will need to be rescored to determine eligibility and funding terms.

For projects involving consolidation/regionalization, priority points for the central system and each system being consolidated/regionalized, shall be summed for each separate ranking category. The total points for each sub-category shall not exceed the maximum amount listed for that sub-category. For example, a project consolidating three water systems with bacterial MCL violations would receive no more than 100 points for the bacterial contamination sub-category.

Each category is briefly described below.

### Public Health Issues



The greatest emphasis will be placed on addressing public health issues related to the acute contaminants: microbial, groundwater rule, surface water treatment rule, nitrate/nitrite and cyanotoxins. The period of analysis will be the 24 months prior to inclusion on the priority list unless the system is under Director's Final Findings and Orders to correct the issue, then the public health points will stand until the project is completed. MCL violations caused by failure to monitor or report will not be included in the analysis. The following are the points assigned to the referenced levels of contamination.

Acute Contaminants (Time period inclusive of most currently available quarterly data)

Bacteriological Contamination (Addressable through infrastructure improvements) (select only one)	
No MCL violations	0 points
One acute MCL violation	60 points
Two or more acute MCL violations	100 points
Two or more monthly MCL violations	60 points

Groundwater Rule (See EPA The Ground Water Rule (GWR) Implementation Guidance (EPA-816-R-09-004) Section 3.9.8 – Treatment Technique Violations for more information).	
No treatment technique violations	0 points
One treatment technique violations	60 points
Two or more treatment technique violations	100 points

Surface Water Treatment Rule (turbidity and chlorine contact time)	
No treatment technique violations	0 points
One treatment technique violations	60 points
Two or more treatment technique violations	100 points

Nitrate / Nitrite (select only one)	
Level consistently less than 8.0 mg/L / 0.8 mg/L	0 points
Level >8.0 mg/L <10 mg/L / >0.8 mg/L ≤ 1 mg/L	60 points
Level >10 mg/L / 1 mg/L	100 points

Cyanotoxins (in finished water)	
Level <50% of the threshold	30 points
Level ≥50% of the threshold	60 points
One or more threshold exceedances	100 points

Chronic Contaminant Groups (per previous 24 months):

Chronic contaminants with MCLs are addressed as shown below with greater weight being given to exceedances of the Longer-term Health Advisories for a 10-kg Child (CHA), as published by U.S. EPA in the latest issue of “Drinking Water Regulations and Health Advisories.” For contaminants with no MCL, Drinking Water Equivalent Levels (DWELs) or 10<sup>-4</sup> Cancer Risk Levels as listed in the same publication will be used to determine ranking points.

Inorganic Chemicals (IOCs), Volatile Organic Chemicals (VOCs), Radionuclides, Disinfection Byproducts, Arsenic	
No MCL violations	0 points
Level at least 50% of MCL	30 points*
≥ MCL or above Longer-term Child Health Advisories or DWEL or 10 <sup>-4</sup> Cancer Risk	60 points*

For contaminants without MCLs	
Above DWEL or 10 <sup>-4</sup> Cancer Risk or Longer-term Child Health Advisories	60 points*

\*Multiply by the number of contaminants with violations or exceedances (of CHAs, DWELs, or Cancer Risk) averaged over the previous 24 months. TTHMs/HAA5s are a single contaminant. Disinfection byproducts and arsenic points are based on the running annual average. Points may also be assigned for this category if the project will address disinfection byproducts at satellites, including looping projects.

Lead and Copper	
In compliance	0 points
Exceedance of copper action level	25 points
Exceedance of lead action level	45 points

Boil Order/ Use Advisory (for previous 12 months). Points may only be assigned if the project will address the problem that caused the boil order or use advisory. No points awarded for type 25 or 26 violations.	
No boil order or use advisories	0 points
Boil advisory; 1-4 boil order/use advisory events	25 points
Boil advisory; 5 or more boil order/use advisory events	45 points

Disinfectant Residual (addressable through infrastructure improvements including looping)	
No violations	0 points
One to five violations	15 points
Six or more violations	30 points

Contaminated or Inadequate Supply in Private Wells (not restricted to previous 12 months)*	
Project is to connect new customers with existing contaminated or inadequate sources	40 points

\*Based on best estimate after consultation with local health department.

Source Contamination (Only if project replaces the contaminated source. For example, contamination due to salt piles, industrial contamination, underground storage tanks, and dry cleaners. Do not score points if system already received points in the bacteriological or GWR segments.)	
Project is to replace a contaminated drinking water source, or significant contamination exists within the one year time of travel as delineated by the source water protection program	60 points
Project is to replace a drinking water source with significant contamination within the five year time of travel that is expected to impact the wellfield as delineated by the source water protection program	30 points

Cyanotoxins Source Contamination	
Project is to replace a contaminated drinking water source or modify treatment at an existing water treatment plant where the drinking water source is Impaired. (Impaired: two or more exceedances of cyanotoxin thresholds in raw water at least 30 days apart.)*	60 points
Project is to replace a drinking water source or modify treatment at an existing water treatment plant where the drinking water source is on the Watch List. (Watch List: detection is >50% of cyanotoxin thresholds in raw water.)*	30 points

\*The 2014 Integrated Water Quality Monitoring and Assessment Report identifies which waters are impaired or on a watch list due to cyanotoxins, based on sampling through 2012. Public water systems not listed in the report will also qualify for the cyanotoxin source contamination points if more recent source water sample results meet the impaired or watch list criteria.

PWS Elimination	
Project will eliminate the public water system with a public health issue or under enforcement orders	60 points

Significant Deficiencies	
Project will eliminate a significant deficiency as documented in the most recent sanitary survey or other written correspondence between the Ohio EPA and the system.	25 points

### Continued Compliance with Federal and State Safe Drinking Water Act

The next category is continued compliance with federal and state SDWA requirements. The condition of the physical infrastructure has been selected as an indicator or predictor of the system's ability to remain in compliance. The rationale being that without adequate supplies of source water, with inadequate, undersized or deteriorated plants, and with inadequate finished water storage and/or distribution systems, a public water system will be unable to maintain compliance with SDWA requirements. Included in this portion of the evaluation are bonus points to reward systems that are taking steps to stay in compliance with state requirements and to reduce water usage. The following are the points assigned to the specified elements in this category.

### Design Deficiencies

Source Quantity	
Adequate	0 points
Shortage during peak day demand	5 points
Shortage during peak season	10 points
Continual shortage	30 points

Source (if not included in Source Contamination section above, and to address a physical construction issue)	
Improper well construction	60 points
Inadequate intake structure	20 points

Plant	
Inadequate back-up power (average day)	10 points
Inadequate process*	5 points
Switching from gas to liquid chlorine**	5 points
No redundancy of critical components***	10 points
Insufficient plant capacity	30 points
Deteriorated plant	30 points

\* Points for each inadequate process; please explain in comments. Processes to be considered are: chemical feed, rapid mix, clarification (flocculation/settling), filtration, disinfection control, aeration/stripping, ion-exchange, corrosion control, and pumping. Maximum - 45 points.

Inadequate processes and insufficient plant capacity projects will require a sufficiency evaluation to determine if operations are optimized prior to ranking.

\*\* Points awarded for switching from gaseous to liquid chlorine may only be awarded if included in the project scope.

\*\*\*Critical components are those which are necessary to treatment and without which, drinking water standards may not be met.

Storage System (select only one)	
Greater than or equal to 1 day based on design production	0 points
Greater than or equal to 1 day based on average production but less than 1 day at design production	5 points
Less than 1 day based on average production	10 points

Distribution System	
Bringing underground storage tank above grade	5 points
Bringing booster station above grade	10 points
Inadequate size	10 points
Looping dead end lines. Not eligible if points given In Disinfection Residual section or the Chronic Contaminants section	10 points
Project includes installation of meters to a public water system currently without residential meters	20 points
Deterioration of distribution system components	20 points

Bonus Points (Effective Management)	
Backflow prevention program – acceptable and active	5 points
Contingency plan – up to date and readily accessible	5 points
Emergency generator	5 points
Certified Operator that exceeds minimum staffing requirements	5 points
Endorsed Balanced Growth Plan	5 points
Endorsed Source Water Protection Plan*	5 points
Asset Management Plan	5 points
Preventative maintenance program	1 point
Water conservation program (unaccounted water loss of $\leq 15\%$ )	5 points
Existing fully metered system	1 point
Completion of Utility Board/Financial Management training for at least half of Council/Board of Public Affairs	5 points

\*Points are awarded for Ohio EPA Endorsed Source Water Protection Plan or an endorsed Wellhead Protection Management Plan.

Consolidation/Regionalization – This category is included to support the concept that larger systems are more apt to have managerial, financial and technical capabilities to ensure continued compliance with current and future requirements of both federal and SWDA laws and regulations. Points are given to the applicant of the consolidation/regionalization loan only, not to systems for which the points are earned. The following elements are considered.	
Projects which provide the potential for consolidation (existing public water systems which could connect to the project and the project's system maintains adequate capacity to serve them	10 points
If the project involves the consolidation/regionalization of more than one community water system or an eligible non-community water system and there is a signed commitment letter to tie in or an ordinance mandating tie-in	10 points per additional system
If the project involves the consolidation/regionalization of more than one non-community water system (for-profit privately owned public water systems) and there is a signed commitment letter to tie in or an ordinance mandating tie-in	10 points per additional system
If the project will address contaminants to customers of other existing public water systems (i.e. provide water to master metered mobile home park, or satellite systems)	5 points per additional system (max. 30)

Affordability Criteria – One of the best indicators of affordability is the cost of water/sewer service. Per household analysis is relevant in that household costs of infrastructure improvements are a function of the population size of the community or service area.	
If entity is an eligible water system that does not have a rate structure (e.g. mobile home parks, schools) (By default)	20 points
If Combined Water and Sewer Benchmarks 2011) are < Annual Combined Water and Sewer Rates (2016)	20 points
If the Combined Water and Sewer Benchmarks (2011) are ≥ Annual Water and Sewer Rates (2016)	0 points
For systems with <u>only</u> an existing water system If the Water Benchmark (2011) is < Annual Water Rate (2016)	20 points
For systems with <u>only</u> an existing water system If the Water Benchmark (2011) is ≥ Annual Water Rate (2016)	0 points
For systems with <u>only</u> an existing sewer system If the Sewer Benchmark (2011) is < Annual Sewer Rate (2016)	20 points
For systems with <u>only</u> an existing sewer system If the Sewer Benchmark (2011) is ≥ Annual Sewer Rate (2016)	0 points

### Sewer and Water Benchmark Values

The economic affordability analysis is performed through an economic screening that measures the financial impact of the rate structure on a residential user or household. This is accomplished through a comparison of the current annual cost per residential user to a sewer and/or water benchmark value.

The income value of \$40,924 represents the median of the 2011 MHI for Ohio governmental entities that provided water and/or sewer rates information as an attachment to complete the ARRA loan nomination form.

### Sewer Benchmark

Of the Ohio communities that experienced a sewer rate increase during 2008 through 2009, the following sewer benchmark values were established by an analysis of the 75th and 90th percentiles for this group:

Income	Benchmark
2011 MHI $\leq$ \$40,924	1.7 % of MHI
2011 MHI $>$ \$40,924	2.2 % of MHI

### Water Benchmark

Of the Ohio communities that experienced a water rate increase during 2008 through 2009, the following water benchmark values were established by an analysis of the 75th and 90th percentiles for this group:

Income	Benchmark
2011 MHI $\leq$ \$40,924	1.5 % of MHI
2011 MHI $>$ \$40,924	1.9 % of MHI

### **Population Distribution Points**

As it is a goal of the program to give particular emphasis and assistance to smaller systems, more points are awarded to communities where the burden of paying for the project rests on relatively smaller populations.

For consolidation/regionalization projects and service to new areas to address contaminated private wells, the population distribution points shall be based on the population responsible for carrying the debt burden.



Population or Service Area	Points
0 – 500	24 points
501 – 750	22 points
751 – 1,000	20 points
1,001 – 2,000	18 points
2,001 – 3,000	16 points
3,001 – 5,000	14 points
5,001 – 10,000	12 points
10,001 – 30,000	8 points
> 30,000	3 points

# APPENDIX E

## Interest Rate Criteria

Interest rates will be determined based on the term of the loan, size of the service area and the affordability needs of the water system users. During PY 2017 the WSRLA offers the following interest rates (not including disadvantaged community rates – see Appendix F): standard long term, small system long term, any system long term that receives affordability ranking points, short term, negotiated linked deposit, and supplemental loan. Systems that may qualify for more than one of these interest rates will receive the lowest rate for which the system qualifies. For example, a system qualified as eligible for the EA rate (economic affordability) will receive the small system rate if the small system rate is less than 2% for the month of loan award to the system.

1. Standard Long Term Interest Rate (Amortization period of at least five years but not more than 20 years)

The standard long term interest rate will be established based on an eight week daily average of the Municipal Market Data (MMD) Index. The MMD benchmark will be established by taking the 20 year AA general obligation MMD Index and adding 30 basis points. The standard long term interest rate will be determined by taking the MMD benchmark and subtracting 125 basis points. In no case, however, can the standard long term rate be less than 0.50 percent.

2. Small System Long Term Interest Rate (Amortization period of at least five years but not more than 20 years)

The small system long term interest rate will be based upon the standard long term interest rate. As the standard long term interest rate is established, the small system long term interest rate is determined by subtracting 50 basis points from that rate. In no case, however, can the small system long term rate be less than 0.00 percent.

For the purposes of this interest rate, a small system is defined as a public water system with a specific project to serve a service area, or portion thereof, of 10,000 or fewer persons.

3. Systems that Receive Affordability Points Long Term Interest Rate (Amortization period of at least five years but not more than 20 years)

The interest rate for systems that receive affordability ranking points is 2%. Only projects that receive priority points under the affordability factor in the ranking system qualify for this rate.

If at the month of loan award, the small system rate is less than 2 percent, during that month all qualified eligible projects for the affordability rate will be awarded the project loan at the small system rate.

4. Short Term Interest Rate (Amortization period of five years or less)

The short-term interest rate for a planning loan is zero percent for a term of five years or less.

The short-term interest rate for a design loan is the same as the long-term interest rate for the same project with amortization periods of five years or less.

Short-term loans also are available for development of general plans and detailed design documents meeting WSRLA program requirements.

5. Linked Deposit Interest Rate

The linked deposit rate will vary, as it is determined by a commercial lender based upon its usual rates to its customers. In no case, however, will the linked deposit rate be less than a rate that will result in a 3 percent rate of return to the WSRLA. It is used at the discretion of Ohio EPA and may be applied where the applicant is a private entity or where the applicant's ability to repay or its security varies significantly from the norm of a WSRLA applicant.

Under certain circumstances, the WSRLA can provide interest savings to a recipient by negotiating with a lending institution for a reduced interest rate on WSRLA funds placed on deposit, usually a certificate of deposit. The reduced interest rate paid to the WSRLA is then passed on to the borrower. The loan is made by the lending institution.

The interest rate charged by the bank for the loan will be discounted below the bank's normal interest rate by an amount equal to the difference between the U.S. Treasury Note and Bond interest rate\* and the WSRLA linked deposit interest rate. The WSRLA linked deposit interest rate will be at least 300 basis points less than the reported Treasury Notes and Bonds yield.

\*As reported in The Bond Buyer on the Friday of the preceding week, for notes and bonds with a term of years closest to the term of the applicant's loan.

6. Supplemental Loan Interest Rate (Amortization period of at least five years but not more than 20)

Supplemental loans for projects that have not commenced repayments will be at the rate in effect at the time of the original award. Supplemental loans for projects that have commenced repayments will be awarded as new loans at the appropriate interest rate in effect at the time of the loan award.

# APPENDIX F

## Disadvantaged Community Loan Program

### General Criteria

All eligible applicants will be evaluated using these criteria:

### Health Related Factors (mandatory score of one or more points)

When a drinking water system applies to the WSRLA program, a priority ranking score is developed to enable the system to be ranked on the PPL. The PPL point evaluation factors include an evaluation of public health issues. The evaluation is performed to satisfy the purpose of the priority ranking system which is to establish the list of eligible water systems such that the most serious risks to public health are given the highest priority. Those indicators are:

- Bacteriological Contamination
- Nitrate / Nitrite
- Surface Water Treatment Rule
- Inorganic Chemicals (IOCs)
- Volatile Organic Chemicals (VOCs)
- Radionuclides
- Total Trihalomethanes (TTHMs)
- Lead and Copper
- Boil Order Status
- Disinfectant Residual in the Distribution System
- Contaminated Private Wells
- Groundwater Rule
- Cyanotoxins
- Significant deficiencies
- Tie-in of Systems with Public Health/Enforcement Issues

For the PPL, assessment points are assigned to each indicator based on various levels of contamination thresholds for each of the public health issues. For the health related factors criterion in the disadvantaged community program, possible scores are two, one, or zero points. Systems that receive a score for the PPL public health issues assessment of 60 points or more, receive two points for the health related factors in the disadvantaged community evaluation. Systems that receive a score for the PPL public health issues assessment of less than 60 points but more than zero points, will receive one point for the health related factors in the disadvantaged community evaluation. Projects that receive a score for the PPL public health issues assessment of zero points will receive zero points for the health related factors in the disadvantaged community evaluation. A score of either two or one point(s) is **mandatory**

for the DCLP. Projects that receive zero points for this criterion will not receive further consideration for disadvantaged community designation.

### **Economic Affordability (mandatory score of one point)**

The PPL point evaluation factors include an evaluation of economic affordability which is an indicator of systems in need on a per household basis. This evaluation is performed to satisfy the particular emphasis of the DWAF to assist drinking water systems serving less affluent populations and to provide greater funding flexibility to those identified systems. A detailed description of the economic affordability criterion that is part of the PPL point assessment for the WSRLA program is found in Appendix D.

To evaluate the indication of economic stress present in a community, the economic affordability criterion in the disadvantaged community program compares the annual cost per household of drinking water (and cost of wastewater treatment if present) to benchmark values. For the economic affordability criterion, possible scores are one, or zero points.

DCLP projects will receive one point for the economic affordability criterion based upon an evaluation that demonstrates the annual cost per household exceeds the community specific benchmark value(s). Projects that receive a score of zero points for the economic affordability criterion will receive zero points in the disadvantaged community evaluation. A score of one point for this criterion is mandatory for the DCLP. Projects that receive zero points for this criterion will not receive further consideration for disadvantaged community designation.

Systems without a user cost, such as schools and some non-profit communities, will receive a default value of one point for this criterion. A default value for these types of drinking water systems is necessary since generally there are no user costs or standardized median household income values for these drinking water systems to enable the economic affordability analysis to be performed.

Newly created drinking water systems, where sewer or wastewater service is not provided to the population or service area, will receive a default value of one point for this criterion. A default value is necessary since the economic affordability analysis cannot be performed when there is no existing user charge system. Use of the default value will not be necessary under circumstances where the population to be served is provided sewer or wastewater service, enabling benchmark analysis to be performed.

### **Population**

This criterion evaluates the existing population served by the public water system applying for assistance or the specific service area of the project. This evaluation is performed to satisfy the particular emphasis of the DWAF to assist smaller drinking water systems and to provide greater funding flexibility to the identified systems.

The smaller the population or user base, the less likely it is for such a community to realize economies of scale in financing the costs of constructing, maintaining, and operating a drinking water system. These systems are targeted in the DCLP through evaluation of this criterion. For the population criterion, possible scores are one or zero points.

Systems that serve an existing population or are applying on behalf of a service area serving 10,000 or less population will receive one point in this criterion in the disadvantaged community evaluation. Systems that serve an existing population or are applying on behalf of a service area serving more than 10,000 people will receive zero points for this criterion in the disadvantaged community evaluation. Population data will be obtained from either the most recently completed (final) released U.S. Census Bureau information, or from the most recently completed sanitary survey for the drinking water system conducted by the Division of Drinking and Ground Waters (DDAGW), Ohio EPA, or from other sources as accepted by the director.

### **Median Household Income**

This criterion evaluates the median household income (MHI) of the population of the drinking water system or service area (benefitted users) of a drinking water project. This evaluation is performed to satisfy the particular emphasis of the DWAF to assist drinking water systems serving less affluent populations and to provide greater funding flexibility to those identified systems.

The population or service areas' MHI is an indicator of financial capacity or ability to pay. MHI data is obtained from the most recently completed (final) and released U.S. Census Bureau information, or from other sources accepted by the director. For the MHI criterion, possible scores are one, or zero points.

Systems that have an MHI value of less than the State of Ohio MHI will receive one point for this criterion in the disadvantaged community evaluation. Systems that have an MHI value that is greater than or equal to the State of Ohio MHI will receive zero points for this criterion in the disadvantaged community evaluation.

Systems that represent a public school and some non-profit communities, will receive the default value of one point for this criterion. A default value for these classifications of drinking water system is necessary since no standardized MHI values can be obtained for these drinking water systems to enable the evaluation to be performed.

### **Poverty Rate**

This criterion evaluates the poverty rate of the population or service area of a drinking water system. The poverty rate or level of a population served by a drinking water system is also an indicator of the composite population's financial capacity or ability to pay. Poverty rates may indicate the percentage of the population that may potentially be dependent on fixed or low income levels, and may have increased probability to be disproportionately impacted by the existing or increased costs of the provided drinking water system. This evaluation is also performed to satisfy the particular emphasis of

the DWAF to assist drinking water systems serving less affluent populations and to provide more funding flexibility to the identified systems. For the poverty rate criterion, possible scores are one or zero points. This data is obtained from the most recently completed (final) and released U.S. Census Bureau information, or from other sources accepted by the director of Ohio EPA.

One point will be given to systems that have a population or service area poverty rate that is more than the poverty rate of the State of Ohio for this criterion in the disadvantaged community evaluation. Systems that have a poverty rate that is equal to or less than the poverty rate of the State of Ohio will receive zero points for this criterion in the disadvantaged community evaluation.

For this criterion, systems that represent a public school and some non-profit communities, will receive the default value of one point. A default value for these classifications of drinking water systems was necessary since generally no system or service area specific poverty rates can be obtained to enable the evaluation to be performed.

### **Disadvantaged Community Determination**

A drinking water system that is eligible to receive funding through the WSRLA program and desires to be evaluated to determine if the system is eligible for consideration as a disadvantaged community must complete the application for the DCLP and attach all required documentation. Required documentation includes the application, currently enabled water and sewer rate ordinance/bylaw, and a general plan or preliminary engineering report. Adequate and complete information must be submitted to Ohio EPA by March 1 of each year. Only systems that make application specifically requesting an evaluation to determine if the system meets the definition of disadvantaged community will be reviewed.

Systems eligible to apply for the disadvantaged community program are all systems that are eligible for the WSRLA program with the exception of some privately owned systems. For a privately owned system to be eligible, it must be a system regulated by the Public Utilities Commission of Ohio (PUCO), a system considered a political subdivision as defined by ORC 6119.011 or a non-profit public water system.

If a drinking water system is designated as a disadvantaged community, the determination is only valid for the specific program year for which that determination was made. If the system does not accept funding from the WSRLA program during the program year, its designation as a disadvantaged community will expire at the end of the program year. In all subsequent program years an annual application by the system will be required to determine if the system meets the disadvantaged community designation. All complete applications with required attachments must be submitted by March 1 of each year.

Additionally, a minimum of 50 percent of the council members or governing board members for the water system must complete the following Rural Communities Assistance Program (RCAP) Courses prior to loan award: 101 Utility Management for Local Officials and 201 Financial Management for Local Officials within the last five years. Both courses are offered free of charge and are available online or in a classroom setting. Ohio EPA will reassess and determine the final loan terms including disadvantaged community eligibility at the time of loan award.

Each criterion has a possible one or zero points score, with the exception of health related factors. For health related factors, possible scores are two, one, or zero point(s). Points are summed per each project and the total point score must be four or more to attain disadvantaged community designation. Financial assistance packages will be determined primarily by the total point score of each drinking water project and secondarily by the points received on the project priority list.

To be eligible, all drinking water projects determined to have a total point score of four or more **MUST** have received:

- at least one point in the health related factors criterion; **AND**,
- one point in the economic affordability criterion.

These criteria are mandatory for eligibility to meet the definition of disadvantaged community.

Eligible drinking water systems that are designated as a disadvantaged community are eligible for consideration of the following WSRLA financial assistance:

Total Score/Tier Level	Loan Terms
Six Points/Tier I	Up to 40 percent of project awarded in principal forgiveness. The balance of the loan will have a zero percent interest rate for a minimum of 5 years and up to a 30 year term.
Five Points/Tier II	Up to 30 percent of project awarded in principal forgiveness. The balance of the loan will have a 2 percent interest rate (or the small system rate if it is less than two percent during the month of loan award) for a minimum of 5 years and up to a 30 year term.
Four Points/Tier III	Up to 20 percent of project awarded in principal forgiveness. The balance of the loan will have a 2 percent interest rate (or the small system rate if it is less than two percent during the month of loan award) for a minimum of 5 years and up to a 30 year term.

The total amount available for the DCLP is up to the amount of the capitalization grant received by U.S. EPA minus any designated set-aside amounts. Once an amount equal to the capitalization grant minus the set-asides has been obligated, no other disadvantaged community funds will be available for the remainder of the program year. The amount designated is specific to PY 2017 and is subject to change in future program years. Systems that remain qualified as a disadvantaged community during the program year after all disadvantaged funds have been obligated will be offered project funding as defined by terms of the WSRLA interest rate criteria in Appendix E of this plan.

Systems receiving six points and have a project that will benefit portion of a larger service area, a financial benefit equal to the amount of principal forgiveness received must benefit the portion of the service area that qualified the project for disadvantaged community designation. Examples of this



benefit include waiving or reducing tap or tie-in fees equal to the amount of subsidy received for the project.

Qualifying systems will receive DCLP funding based on the procedures as indicated above, and then in order using the current PPL. All other WSRLA program requirements must be met to receive disadvantaged community funding. Projects may still be bypassed in accordance with the project bypass procedure.

Any remaining funds in the DCLP at the end of the program year will remain in the WSRLA program for use by non-disadvantaged systems in the loan program. Alternatively, if additional funds become available via an additional capitalization grant during the program year, the director has the discretion to review additional disadvantaged community applications for designation or allot additional funds to systems designated as disadvantaged communities on the PY 2017 PPL.

# APPENDIX G

Final Project Priority List/Intended Projects List

PY17	FINAL PROJECT PRIORITY LIST				FINAL		FINAL			
					1-Jul-16	Total Project	Date			
PPL#	Entity	Project	PWS ID #	County	Cost	Funds	Needed	Population	Score	Class
1	Trumbull Co Braceville Twn PWS	Tie in West Farmington PWS	7806503	Trumbull	\$12,494,123	Jun-17		2,500	332	REG
2	Amesville	Rplc WTP	0500112	Athens	\$1,161,500	May-17		255	225	T-3
3	Napoleon	WTP Imprvs	3500811	Henry	\$14,500,000	Dec-16		14,000	215	T-3
4	Alliance	Marlington Sch Trans Line (const)	7600011	Stark	\$650,000	Aug-16		1,450	200	REG
5	Alliance	Marlington Sch Trans Line (dsgn)	7600011	Stark	\$100,000	Aug-16		1,450	200	REG
6	Oregon	Navarre Ave WL Rplc Ph 1 (const)	4800911	Lucas	\$3,295,000	May-17		32,720	185	STD
7	Oregon	Navarre Ave WL Rplc Ph 1 (dsgn)	4800911	Lucas	\$171,750	May-17		32,720	185	STD
8	Mt. Pleasant	Upg Bstr/New Well/Rplc/Mtrs (dsgn)	4101712	Jefferson	\$150,000	Aug-16		478	179	SML
9	Mt. Pleasant	Upg Bstr/New Well/Rplc/Mtrs (const)	4101712	Jefferson	\$1,816,975	May-17		478	179	SML
10	Bowling Green	Rapid Sand Filter	8700311	Wood	\$1,000,000	Sep-16		30,028	165	STD
11	Somerset	Spillway Repairs & Wtr Lns Rplc/Ext	6401111	Perry	\$510,200	Aug-16		1,480	160	T-1
12	Crooksville	Rplc Wtr Line/Stor Tnk/Meters	6400111	Perry	\$6,864,000	Dec-16		2,538	153	T-2
13	Conneaut	WTP Imprvs	0400411	Ashtabula	\$605,000	Apr-17		13,000	150	EA
14	Southwest Licking Co W & S Dist	Summit Rd WL Ext	4505412	Licking	\$1,750,000	Jun-17		46	145	REG
15	Wellston	WTP Upg & WL Rplc (const)	4001912	Jackson	\$1,327,980	Jun-17		5,663	143	T-2
16	Wellston	WTP Upg & WL Rplc (dsgn)	4001912	Jackson	\$48,450	Oct-16		5,663	143	T-2
17	Bellevue	Clarif Imprvs (const)	3900011	Huron	\$2,337,000	Jun-17		8,202	138	SML
18	Bellevue	Clarif Imprvs (dsgn)	3900011	Huron	\$398,000	Jun-17		8,202	138	SML
19	New Waterford	Ph 1 WS Imprvs	1501722	Columbiana	\$2,653,600	Mar-17		1,238	135	T-3
20	Brunersburg WD	Tinora Dmrsvl Rd TTHM Rdc Imps	2001303	Defiance	\$643,400	Jul-16		850	132	T-3
21	Sandusky	PAC Feed & Fluor. Equip (dsgn)	2201411	Erie	\$285,000	Mar-17		25,793	120	EA
22	Sandusky	PAC Feed & Fluor. Equip (const)	2201411	Erie	\$2,250,000	May-17		25,793	120	EA
23	Marlington Schools	Middle School Wtr Syst Impr (const)	7638712	Stark	\$150,000	Jul-16		1,450	119	T-2
24	Marlington Schools	Middle School Wtr Syst Impr (dsgn)	7638712	Stark	\$9,900	Jul-16		1,450	119	T-2
25	Northwestern W&S Dist	Rossford Tree Sts WL Rplc (dsgn)	8752812	Wood	\$35,000	Sep-16		6,500	119	SML
26	Northwestern W&S Dist	Curtice Rd Loop (dsg)	8704203	Wood	\$55,000	Sep-16		8,445	119	SML
27	Northwestern W&S Dist	Curtice Rd WL Rplc (dsg)	8704203	Wood	\$25,000	Sep-16		8,445	119	SML
28	Northwestern W&S Dist	Rossford Tree Sts WL Rplc (const)	8752812	Wood	\$350,000	May-17		6,500	119	SML
29	Northwestern W&S Dist	Curtice Rd Loop (const)	8704203	Wood	\$550,000	May-17		8,445	119	SML
30	Northwestern W&S Dist	Curtice Rd WL Rplc (const)	8704203	Wood	\$250,000	May-17		8,445	119	SML
31	Put-In-Bay	HAB Treatment Syst (const)	6203311	Ottawa	\$722,962	Dec-16		700	118	SML
32	Put-In-Bay	HAB Treatment Syst (dsgn)	6203311	Ottawa	\$42,575	Dec-16		700	118	SML
33	Northwestern W&S Dist	Starbright Subdiv WLRplc (dsgn)	8752812	Wood	\$95,000	Sep-16		15,600	115	STD
34	Northwestern W&S Dist	Rockledge Hamlet Sub WL Rpl (dsgn)	8752812	Wood	\$50,000	Sep-16		15,600	115	STD
35	Northwestern W&S Dist	Starbright Subdiv WLRplc (const)	8752812	Wood	\$855,000	May-17		15,600	115	STD
36	Northwestern W&S Dist	Rockledge Hamlet Sub WL Rpl (const)	8752812	Wood	\$450,000	May-17		15,600	115	STD
37	Muskingum Co Cmrs	Chandlersville-Herron Rd WL Ext	6000412	Muskingum	\$747,700	Jul-16		11,054	114	T-3
38	Muskingum Co Cmrs	SR 555 Ext Philo/Roseville Srvs	6000503	Muskingum	\$3,016,000	Oct-16		11,102	114	T-3

PY17	FINAL PROJECT PRIORITY LIST				FINAL		FINAL			
					1-Jul-16	Total Project	Date			
PPL#	Entity	Project	PWS ID #	County	Cost	Funds	Population	Score	Class	
						Needed				
39	Fairview	Reg Wtr Ln/Str w/Barnesville (const)	New Syst	Guernsey	\$2,758,701	May-17	83	114	T-2	
40	Fairview	Reg Wtr Ln/Str w/Barnesville (dsgn)	New Syst	Guernsey	\$692,262	May-17	83	114	T-2	
41	Jewett	Tank Rplc & Imprvs (const)	3400912	Harrison	\$519,000	Jul-16	650	113	T-2	
42	Jewett	Tank Rplc & Imprvs (dsgn)	3400912	Harrison	\$170,000	Jul-16	650	113	T-2	
43	New Waterford	Ph 2 WS Imprvs (dsgn)	1501722	Columbiana	\$148,000	Jul-16	1,238	110	T-3	
44	Tuppers Plains Chester WD	Gold Ridge Booster	5300612	Athens/Meigs	\$625,300	Aug-16	13,443	110	EA	
45	New Waterford	Ph 2 WS Imprvs (const)	1501722	Columbiana	\$2,290,000	Jun-17	1,238	110	T-3	
46	Wellington	Stor Tank Rplc	4701511	Lorain	\$510,900	Jun-17	4,700	106	SML	
47	Piqua	New Central Wtr Twr	5501211	Miami	\$3,239,000	Sep-16	20,522	105	EA	
48	Tuppers Plains Chester WD	Mile Hill Tank Rpl	5300612	Meigs/Athens	\$837,800	May-17	13,443	105	EA	
49	Muskingum Co Cmr	Ruraldale Wtr Mn Ext	6000412	Muskingum	\$221,500	Oct-16	11,054	104	T-3	
50	New Straitsville	Repl Wtr Lines Ph 2	6400504	Perry	\$1,534,000	Jul-16	838	101	T-3	
51	Pike Water Inc	Pine Top WL Ext (const)	6602412	Pike	\$1,551,700	May-17	102	101	T-2	
52	Pike Water Inc	Pine Top WL Ext (dsgn)	6602412	Pike	\$216,800	Jun-17	102	101	T-2	
53	Paw Paw Lake	System Upgr	2802211	Geauga	\$214,415	Oct-16	120	100	EA	
54	Oregon	SW Wtr Dist Imprv (const)	4800911	Lucas	\$2,219,015	May-17	31,563	100	STD	
55	Oregon	SW Wtr Dist Imprv (dsgn)	4800911	Lucas	\$119,425	May-17	32,720	100	STD	
56	Northwestern W&S Dist	Ampnt/White/Vyrd St WL Rplc (dsgn)	8752812	Wood	\$65,000	Aug-16	15,600	95	STD	
57	Northwestern W&S Dist	Oregon Rd/Bays Rd Elev Tanks Rehab	8752812	Wood	\$1,750,000	May-17	15,600	95	STD	
58	Northwestern W&S Dist	Ampnt/White/Vyrd St WL Rplc (const)	8752812	Wood	\$650,000	Jun-17	15,600	95	STD	
59	Highland Ridge WA	Co Rd 9 WL Exts	8403203	Washington	\$1,720,000	Sep-16	3,022	90	T-3	
60	Tri-County Rural W&SD	Ph 5 WL Exts	8403112	Washington	\$1,670,000	Aug-16	2,500	88	SML	
61	Scioto Wtr, Inc	Rose Hill Str Tnk/Bstr/Wtr Mn (dsgn)	7300303	Scioto	\$66,000	Jul-16	23,655	85	EA	
62	Martinsburg	New Well & WS Imprvs (dsgn)	4202313	Knox	\$80,285	Sep-16	233	85	EA	
63	Martinsburg	New Well & WS Imprvs (const)	4202314	Knox	\$420,090	Jun-17	233	85	EA	
64	St. Marys	Rplc WTP	0600612	Auglaize	\$21,894,800	Jun-17	9,356	85	SML	
65	Scioto Wtr, Inc	Rose Hill Str Tnk/Bstr/Wtr Mn (const)	7300303	Scioto	\$832,000	Jun-17	23,655	85	EA	
66	Thurston	Gate Valves & Hydrants (const)	2302903	Fairfield	\$74,650	Oct-16	604	84	EA	
67	Thurston	Gate Valves & Hydrants (dsgn)	2302903	Fairfield	\$13,580	Oct-16	604	84	EA	
68	Northwestern W&S Dist	WLine #300 Area Cncts	8704003	Wood	\$764,650	Jul-16	424	81	SML	
69	Erie Co Huron East WD	Heidelberg Beach Util Imprvs (dsgn)	2200403	Erie	\$105,000	Aug-16	1,693	80	SML	
70	Miamisburg	Trans Mn Pkg A (dsgn)	5701212	Montgomery	\$150,000	Dec-16	20,000	80	STD	
71	Erie Co Huron East WD	Heidelberg Beach Util Imprvs (const)	2200403	Erie	\$822,439	Jun-17	1,693	80	SML	
72	Geneva	Elm St Wtr Line	0401712	Ashtabula	\$580,000	Aug-16	7,000	79	EA	
73	Garrettsville	North St Wtr Mn Imprv Ph 2	6701412	Portage	\$260,000	Jun-17	2,958	78	SML	
74	Logan	New 2.5 MGD WTP (dsg)	3700612	Hocking	\$789,610	Oct-16	7,200	77	EA	
75	Corning	Meters & Telemetry	6400003	Perry	\$237,400	Apr-17	600	77	EA	

PY17	FINAL PROJECT PRIORITY LIST			FINAL		1-Jul-16		FINAL		
PPL#	Entity	Project	PWS ID #	County	Total Project Cost	Date Funds Needed	Population	Score	Class	
76	New Lexington	Distrib Imprvs Ph II	6400411	Perry	\$634,900	Apr-17	5,161	77	EA	
77	Logan	New 2.5 MGD WTP (const)	3700612	Hocking	\$10,008,980	Jun-17	7,200	77	EA	
78	Beaver	Tank Imprvs (dsgn)	6600012	Pike	\$25,000	Jul-16	456	75	EA	
79	Cincinnati	Fairpark/63rd-70th (const)	3102612	Hamilton	\$1,100,000	Aug-16	1,215,612	75	EA	
80	Cincinnati	Fairpark/63rd-70th (dsgn)	3102612	Hamilton	\$45,000	Aug-16	1,215,612	75	EA	
81	Akron	Stow Rd Emerg Connection	7700011	Summit	\$766,051	Dec-16	300,000	75	EA	
82	Cincinnati	Evelyn/Lincoln/Farlook (const)	3102612	Hamilton	\$2,750,000	Dec-16	1,215,612	75	EA	
83	Cincinnati	Aracoma/Forest Dr/Donegal (const)	3102612	Hamilton	\$1,850,000	Dec-16	1,215,612	75	EA	
84	Cincinnati	Langdon Farm Rd (const)	3102612	Hamilton	\$1,625,000	Dec-16	1,215,612	75	EA	
85	Cincinnati	Ireland/Illona/Jennings (const)	3102612	Hamilton	\$1,350,000	Dec-16	1,215,612	75	EA	
86	Cincinnati	Robvern/Marbev/Gloria (const)	3102612	Hamilton	\$1,000,000	Dec-16	1,215,612	75	EA	
87	Cincinnati	Indianwoods/Brandywine (const)	3102612	Hamilton	\$950,000	Dec-16	1,215,612	75	EA	
88	Cincinnati	Evelyn/Lincoln/Farlook (dsgn)	3102612	Hamilton	\$125,000	Dec-16	1,215,612	75	EA	
89	Cincinnati	Aracoma/Forest Dr/Donegal (dsgn)	3102612	Hamilton	\$85,000	Dec-16	1,215,612	75	EA	
90	Cincinnati	Langdon Farm Rd (dsgn)	3102612	Hamilton	\$75,000	Dec-16	1,215,612	75	EA	
91	Cincinnati	Ireland/Illona/Jennings (dsgn)	3102612	Hamilton	\$60,000	Dec-16	1,215,612	75	EA	
92	Cincinnati	Indianwoods/Brandywine (dsgn)	3102612	Hamilton	\$45,000	Dec-16	1,215,612	75	EA	
93	Cincinnati	Robvern/Marbev/Gloria (dsgn)	3102612	Hamilton	\$45,000	Dec-16	1,215,612	75	EA	
94	Cincinnati	Beech/Henkel/Latham (const)	3102612	Hamilton	\$2,100,000	May-17	1,215,612	75	EA	
95	Cincinnati	Western Hills/Ralph (const)	3102612	Hamilton	\$1,800,000	May-17	1,215,612	75	EA	
96	Cincinnati	Arborcrest Ct/Lngmdw Ln (const)	3102612	Hamilton	\$1,785,000	May-17	1,215,612	75	EA	
97	Cincinnati	Gholson/Glenwood (const)	3102612	Hamilton	\$1,700,000	May-17	1,215,612	75	EA	
98	Cincinnati	Putnam/Salem Hills (const)	3102612	Hamilton	\$1,225,000	May-17	1,215,612	75	EA	
99	Cincinnati	Western Hills/Ralph (dsgn)	3102612	Hamilton	\$125,000	May-17	1,215,612	75	EA	
100	Cincinnati	Beech/Henkel/Latham (dsgn)	3102612	Hamilton	\$120,000	May-17	1,215,612	75	EA	
101	Cincinnati	Arborcrest Ct/Lngmdw Ln (dsgn)	3102612	Hamilton	\$100,000	May-17	1,215,612	75	EA	
102	Cincinnati	Gholson/Glenwood (dsgn)	3102612	Hamilton	\$100,000	May-17	1,215,612	75	EA	
103	Cincinnati	Putnam/Salem Hills (dsgn)	3102612	Hamilton	\$85,000	May-17	1,215,612	75	EA	
104	Beaver	Tank Imprvs (const)	6600012	Pike	\$265,000	Jun-17	456	75	EA	
105	DeGraff	Wtr Sply & Trmt (const)	4600512	Logan	\$1,014,500	Jun-17	1,285	74	SML	
106	DeGraff	Wtr Sply & Trmt (dsgn)	4600512	Logan	\$116,800	Jun-17	1,285	74	SML	
107	Creston	Euclid Ave Medina St WL Rplc	8500312	Wayne	\$250,523	Mar-17	2,171	73	SML	
108	Seville	Rplc Stor Tank & Upg	5201412	Medina	\$2,618,600	May-17	2,296	72	SML	
109	Georgetown	State Main Third Sts WL Rplc (dsgn)	0800503	Brown	\$60,000	Dec-16	4,488	71	EA	
110	Wellington	Adams St WL Rplc	4701511	Lorain	\$981,200	Jan-17	4,700	71	SML	
111	Georgetown	State Main Third Sts WL Rplc (const)	0800503	Brown	\$480,000	Apr-17	4,488	71	EA	
112	Adams Co Reg WD	Louisville Wtr Tank	0100012	Adams	\$25,000	Jul-16	25,000	70	EA	

PY17	FINAL PROJECT PRIORITY LIST			FINAL		1-Jul-16		FINAL		
PPL#	Entity	Project	PWS ID #	County	Total Project Cost	Date	Funds Needed	Population	Score	Class
113	Mahoning Valley Sant Dist	Ph III Dist Vlvs & Mn Rplc Imprvs	7801811	Trumbull	\$6,048,037	Sep-16		220,000	70	EA
114	Cleveland	Brecksville Rd WL Rplc	1801212	Cuyahoga	\$2,622,500	May-17		1,262,955	70	EA
115	Lorain	Red Hill Trans Main	4700711	Lorain	\$400,000	Jul-16		64,097	69	EA
116	Leading Creek Conservancy Dist	10.5 mile RW Line Rplc (dsgn)	5300012	Meigs	\$240,000	Oct-16		6,194	69	EA
117	Lorain	S Lorain WL Rplc Ph 3	4700711	Lorain	\$3,685,000	Oct-16		64,097	69	EA
118	Leading Creek Conservancy Dist	10.5 mile RW Line Rplc (const)	5300013	Meigs	\$1,800,000	Jun-17		6,194	69	EA
119	Athens	Upg WTP	0500212	Athens	\$6,000,000	Jun-17		24,024	69	STD
120	Zanesville	Wtr Tank Improvements	6002712	Muskingum	\$2,394,200	Dec-16		29,381	68	EA
121	Brilliant	New WTP Well WL Clr Well	4100412	Jefferson	\$2,974,745	Jan-17		2,100	68	SML
122	Belle Center	Elev Tank	4600012	Logan	\$900,000	Sep-16		813	67	SML
123	Logan	Meters	3700612	Hocking	\$575,000	Dec-16		7,200	67	EA
124	Northwestern W&S Dist	Taylor/Main/Oak WL (dsgn)	8703211	Wood	\$34,600	Jan-17		1,913	65	SML
125	Northwestern W&S Dist	Taylor/Main/Oak WL (const)	8703211	Wood	\$34,600	Jan-17		1,913	65	SML
126	Cleveland	Bstd Hgh Syst-Pmp Stat, Twr & WM	1801212	Cuyahoga	\$6,500,000	Jan-17		1,262,955	65	EA
127	Georgetown	Tank Rplc & Inter Connect (dsgn)	0800503	Brown	\$157,000	Dec-16		4,488	61	EA
128	Georgetown	Tank Rplc & Inter Connect (const)	0800503	Brown	\$1,440,000	Apr-17		4,488	61	EA
129	Columbus	Silver Dr Ar WL Imprvs	2504412	Franklin	\$4,350,000	Oct-16		1,152,993	60	STD
130	Columbus	Shattuck Ave Area	2504412	Franklin	\$3,900,000	Oct-16		1,152,993	60	STD
131	Columbus	Maize Rd Area	2504412	Franklin	\$3,700,000	Oct-16		1,152,993	60	STD
132	Columbus	Acton Rd Ar WL Imprvs	2504412	Franklin	\$3,450,000	Oct-16		1,152,993	60	STD
133	Columbus	Lamont Ave Ar WL Imprvs	2504412	Franklin	\$3,000,000	Oct-16		1,152,993	60	STD
134	Mahoning Valley Sant Dist	Chem Feed Imprvs	7801811	Trumbull	\$1,851,502	Dec-16		220,000	60	EA
135	Columbus	S. Broadleight Rd Area	2504412	Franklin	\$4,700,000	Dec-16		1,152,993	60	STD
136	Columbus	Arcadia Ave Area	2504412	Franklin	\$3,900,000	Dec-16		1,152,993	60	STD
137	Columbus	Argyle Dr	2504412	Franklin	\$3,500,000	Feb-17		1,152,993	60	STD
138	Columbus	Dewberry Rd	2504412	Franklin	\$4,600,000	May-17		1,152,993	60	STD
139	Columbus	Scottwood Rd	2504412	Franklin	\$3,900,000	May-17		1,152,993	60	STD
140	Columbus	Sale Rd	2504412	Franklin	\$3,900,000	Jun-17		1,152,993	60	STD
141	Columbus	Noe Bixby Rd	2504412	Franklin	\$3,000,000	Jun-17		1,152,993	60	STD
142	Columbus	Stephen Dr	2504412	Franklin	\$3,000,000	Jun-17		1,152,993	60	STD
143	Southwest Licking Co W & S Dist	New Wtr Trmt Cntr	4505412	Licking	\$15,000,000	Jun-17		12,088	59	STD
144	Wakeman	SR 303 & US 20 WL	3901411	Huron	\$499,668	Oct-16		1,047	55	SML
145	Cincinnati	Cox Smith Road (const)	3102612	Hamilton	\$1,110,000	Dec-16		1,215,612	55	EA
146	Cincinnati	Cox Smith Road (dsgn)	3102612	Hamilton	\$50,000	Dec-16		1,215,612	55	EA
147	Northwestern W&S Dist	Emrgcy InterCnct/Bckup	8752212	Wood	\$365,000	Jun-17		25,278	55	STD
148	Campbell (HAB)	Interconnect (const)	5000411	Mahoning	\$618,715	Aug-16		8,500	54	EA
149	Campbell (HAB)	Interconnect (dsgn)	5000411	Mahoning	\$107,603	Aug-16		8,500	54	EA

PY17	FINAL PROJECT PRIORITY LIST				FINAL		FINAL			
					1-Jul-16		Date			
PPL#	Entity	Project	PWS ID #	County	Total Project Cost	Funds Needed	Population	Score	Class	
150	Southwest Licking Co W & S Dist	Summit Ridge Elev Stor Twr	4505412	Licking	\$2,500,000	Jun-17	12,088	54	STD	
151	Addyston	Emrgy Connect to Cleves (dsgn)	3100012	Hamilton	\$35,000	Dec-16	950	51	EA	
152	Addyston	Emrgy Connect to Cleves (const)	3100012	Hamilton	\$285,000	Jun-17	950	51	EA	
153	Hamilton	River Rd Mn Rplc	0904012	Butler	\$1,200,000	Jul-16	62,477	50	STD	
154	Hamilton	Pershing Ave WM Rplc	0904012	Butler	\$987,300	Jul-16	62,477	50	STD	
155	Miamisburg	Byers Rd Evel Stor Tank (dsg)	5701212	Montgomery	\$150,000	Dec-16	20,000	50	STD	
156	Columbus	Hap Cremean WP Standby Pwr	2504412	Franklin	\$11,700,000	Apr-17	1,152,993	50	STD	
157	Columbus	Dublin Rd WP Standby Pwr	2504412	Franklin	\$10,000,000	Jun-17	1,152,993	50	STD	
158	Grafton	Tank Rplc	4700511	Lorain	\$398,000	Jul-16	2,634	47	SML	
159	Grafton	Bstr Station	4700511	Lorain	\$485,700	Feb-17	2,634	47	SML	
160	Grafton	Main St WL	4700511	Lorain	\$627,415	Apr-17	2,634	47	SML	
161	Bolivar	Design	7900212	Tuscarawas	\$120,000	May-17	994	46	SML	
162	Miamisburg	WTP Sftng Prj (const)	5701212	Montgomery	\$12,850,000	Jul-16	20,000	45	STD	
163	Miamisburg	WTP Sftng Prj (dsgn)	5701212	Montgomery	\$1,529,124	Jul-16	20,000	45	STD	
164	Northwestern W&S Dist	So. Area WTP DBP Imprvs	8700612	Wood	\$355,000	Jul-16	3,466	41	SML	
165	Miamisburg	WTP Sftng Well	5701212	Montgomery	\$1,080,000	Feb-17	20,000	40	STD	
166	Columbus	Hap Cremean WP UV Disinfect	2504412	Franklin	\$13,300,000	May-17	1,152,993	40	STD	
167	Woodville	New Wellfield (dsgn)	7200912	Sandusky	\$115,000	Oct-16	2,102	38	SML	
168	Lake Co. West Subdist.	Aquarius PAC Imprvs	4302411	Lake	\$540,000	Jul-16	78,386	35	STD	
169	Erie County (Bay View)	Elev Tank Relocation	2200203	Erie	\$545,600	Sep-16	5,109	34	SML	
PLN	Martinsburg	New Well & WS Imprvs (pln)	4202312	Knox	\$20,000	Jul-16	233	0	PLN	
PLN	Mt. Pleasant	Upg Bstr, New Well, Rplc Mtrs (pln)	4101712	Jefferson	\$10,000	Jul-16	478	0	PLN	
PLN	Jewett	Tank Rplc & Imprvs (pln)	3400912	Harrison	\$15,200	Jul-16	650	0	PLN	
PLN	Addyston	Emrgy Connect to Cleves (pln)	3100012	Hamilton	\$15,000	Jul-16	950	0	PLN	
PLN	Georgetown	State Main Third Sts WL Rplc (pln)	0800503	Brown	\$35,000	Aug-16	4,488	0	PLN	
PLN	Georgetown	Tank Rplc & Inter Connect (pln)	0800503	Brown	\$35,000	Aug-16	4,488	0	PLN	
PLN	Scioto Co Reg Water Dist No. 1	New Stor Tnk S Webster (pln)	7300212	Scioto	\$10,000	Aug-16	14,030	0	PLN	
PLN	Sandusky	PAC Feed & Fluor. Equip (pln)	2201411	Erie	\$78,451	Aug-16	25,793	0	PLN	
PLN	Lorain	Planning	4700711	Lorain	\$500,000	Aug-16	64,097	0	PLN	
PLN	Bolivar	Asset Mgmt & Planning	7900212	Tuscarawas	\$29,700	Sep-16	994	0	PLN	
PLN	Sheffield Lake City	GIS Planning	4701103	Lorain	\$55,000	Sep-16	9,800	0	PLN	
PLN	Northwestern W&S Dist	PCCP WL Condition Analysis (pln)	8752812	Wood	\$500,000	Sep-16	15,600	0	PLN	
PLN	Fairview	Reg Wtr Ln/Stor w/Barnesville (pln)	New Syst	Guernsey	\$25,000	Oct-16	83	0	PLN	
PLN	Sardinia	GIS/Asset Mgmt (pln)	0801511	Brown	\$34,700	Oct-16	850	0	PLN	
PLN	Ashley	WTP Imprs (pln)	2100011	Delaware	\$35,000	Oct-16	1,330	0	PLN	
PLN	Leetonia	Facilities Planning	1501412	Columbiana	\$100,000	Oct-16	1,985	0	PLN	
PLN	New Philadephia	Gen Pln WTP Planning	7900812	Tuscarawas	\$100,000	Oct-16	17,321	0	PLN	

PY17 FINAL PROJECT PRIORITY LIST			FINAL			FINAL			
						1-Jul-16	Date		
PPL#	Entity	Project	PWS ID #	County	Total Project Cost	Funds Needed	Population	Score	Class
PLN	Scioto Wtr, Inc	GIS/Asset Mgmt Planning	7300303	Scioto	\$96,500	Oct-16	30,003	0	PLN
PLN	Quaker City	Planning Imprvs	3001011	Guernsey	\$25,000	Dec-16	502	0	PLN
PLN	Franklin Co Wtr	Plng Ast Mgmt/Contgcy/SWAP	2501003	Franklin	\$150,000	Dec-16	9,023	0	PLN
PLN	Adams Co Reg WD	2016 Misc Wtr Lines	0100012	Adams	\$35,000	Mar-17	25,000	0	PLN
PLN	Bellevue	Clarif Imprvs (pln)	3900011	Huron	\$80,000	Jun-17	8,202	0	PLN
TF	Eligible WSRLA PWS	Emergency Power Targeted Fund	Varies	Varies	\$100,000	Jun-17	Varies	N/A	TF
W/D	Bluffton	GIS Mapping (pln)	0200112	Allen	\$0	n/a	n/a	0	W/D
W/D	Sugar Grove	Major Imprs WTP	2302112	Fairfield	\$0	n/a	n/a	0	W/D
INELG	Henry Co RW&SD	New Treatment Plt	3500711	Henry	\$0	n/a	n/a	0	Inelig
INELG	Hamilton	Foster Ave Sewer Srv 10 Homes	0904012	Butler	\$0	n/a	n/a	0	Inelig
INELG	Knox County	SWAP Plan	4202012	Knox	\$0	n/a	n/a	0	Inelig
					\$315,816,850				

PY17 FINAL HAB PROJECT PRIORITY LIST			FINAL			FINAL			
						1-Jul-16	Date		
PPL#	Entity	Project	PWS ID #	County	Total Project Cost	Funds Needed	Population	Score	Class
1	Bowling Green	WTP Rapid Sand Filter	8700311	Wood	\$1,000,000	Sep-16	30,028	200	HAB
2	Sandusky (renom)	PAC Feed Syst & Flu Equip(P/D/C)	2201411	Erie	\$2,613,451	Jun-16	25,793	185	HAB
3	Put-In-Bay	HAB Treatment Syst (const)	6203311	Ottawa	\$722,962	Dec-16	700	180	HAB
4	Put-In-Bay	HAB Treatment Syst (dsgn)	6203311	Ottawa	\$42,575	Dec-16	700	180	HAB
5	Napoleon	WTP Improves	3500811	Henry	\$14,500,000	Dec-16	14,000	175	HAB
6	Avon Lake (renom)	Emrg Intrcnt (const)	4700311	Lorain	\$6,500,000	Aug-16	206,000	145	HAB
7	Avon Lake	Emrg Intrcnt (dsgn)	4700311	Lorain	\$1,000,000	Aug-16	206,000	145	HAB
8	Lake Co. West Subdistrict	Aquarius PAC Imprv	4302411	Lake	\$540,000	Jul-16	78,386	135	HAB
9	Painesville (renom)	New raw water intake (const)	4301611	Lake	\$16,508,000	Jun-16	24,900	130	HAB
10	Painesville	New raw water intake (dsgn)	4301611	Lake	\$522,000	Jun-16	24,900	130	HAB
11	Campbell	Interconnect Proj (dsgn)	5000411	Mahoning	\$107,603	Jul-16	8,500	50	HAB
12	Campbell (renom)	Interconnect Proj (const)	5000411	Mahoning	\$618,715	Aug-16	8,500	50	HAB
					\$44,675,306				



# APPENDIX H

## Public Water System Supervision (PWSS) Plan - SDWA Section 1452(g)(2)(A)

Ohio EPA will take 5 percent of the Public Water Systems Supervision Set-aside (PWSS) authorized under Section 1452(g)(2)(A) of the SDWA from the FFY 2016 capitalization grants. Ohio EPA will use this set-aside to fund a variety of activities to help ensure Ohio's public water systems provide adequate quantities of safe drinking water, including on-going implementation of Ohio's Source Water Protection and Capability Assurance Programs. The PWSS set-aside provides flexibility in utilization of the funds to support Ohio's public water systems. This set-aside requires 100 percent match from the state; one half of this match will be provided by the FFY 1993 PWSS match (Ohio EPA spent \$2,223,191 to match the 1993 PWSS grant, an amount well above the one half of the PWSS set aside), and the other half will be provided by in-kind services relating to drinking water activities. The funds will be used to support approximately twenty-four full-time equivalent (FTE) positions to complete the program activities described in this section.

### Return to Compliance Activities for PWS

Provide assistance to PWS with compliance needs, i.e., systems with violations, to return the PWS to compliance. 6 FTEs

Schedule: After issuance of a violation, DDAGW takes appropriate measures to return the PWS to compliance and record such efforts in SDWIS. DDAGW will respond to ETT lists and complete Compliance and Enforcement Plans in accordance with the deadlines set by USEPA and the Agency's Compliance Through Assurance Strategy. Efforts will be taken prior to occurrence on the ETT list to return PWS to compliance including limited scope site visits. Schedules for database management and clean-up including violation rescission and SOXing will be developed and followed. These activities will occur throughout the program year.

Responsibility: The district office compliance coordinators, supervisors and managers, enforcement coordinators, Compliance Assurance supervisors and manager, and assistant chief will develop and implement programs to return PWS to compliance. The efforts will escalate to formal enforcement for the most non-compliant water systems, Violations will be SOX'd in SDWIS. Enforcement actions will be tracked for compliance. USEPA ETT lists will be responded to. State ETT lists will be tracked to address systems as early as possible. Phone calls, site visits, compliance meetings, enforcement meetings will be conducted as necessary. Ongoing maintenance of the database will occur through regular SOXing of violations by the District Offices and the Compliance Assurance Section.

Evaluation: The success of the return to compliance activities is generally measured by the SOXing of violations in SDWIS. Success is also captured through reporting on the ETT list and the shared goals track overall compliance. Enforcement actions are tracked and reported in state reports and in SDWIS.

Compliance with enforcement actions are currently tracked through compliance schedules in SDWIS. Site visits are tracked.

### **Sanitary Survey Program**

Evaluate PWS for compliance issues and provide technical assistance to return the PWS to compliance. 9 FTEs

*Schedule:* District office will complete sanitary survey activities on the scheduled frequency prescribed by USEPA. Activities will include both on-site and non-on-site evaluation of PWS compliance, limited scope site visits for special purposes, technical assistance, writing sanitary survey letters and completing follow-up activities to items noted in the sanitary survey letters, completing level 1 and level 2 assessments and tracking them in SWIFT, and review of contingency plans and backflow prevention programs.

*Responsibility:* The district office inspectors, compliance coordinators, supervisors and managers, will implement programs to maintain PWS compliance. Phone calls, site visits, compliance meetings, will be conducted as necessary.

*Evaluation:* The success of the sanitary survey program will be measured by improvements in PWS compliance and the number of sanitary surveys, LSSVs and other site visits conducted.

### **Harmful Algal Blooms**

Implementation of Ohio Harmful Algal Blooms Response Strategy. 9 FTEs

*Schedule:* Outreach to surface water PWSs on the HABs Response Strategy and contingency planning will be provided during all times of the year. During HABs season (May-August), Ohio EPA staff will assist PWSs in responding to raw and finished water cyanotoxin detections and optimizing treatment. Staff will also provide backup on raw and finished water sampling.

*Responsibility:* The district drinking water staff and their managers, the Central Office drinking water staff and their managers, and the DDAGW Chief and drinking water Asst. Chief will have primary responsibility for outreach, preparedness and response, and sampling backup.

*Evaluation:* Success at implementing Ohio's Harmful Algal Blooms Response Strategy will be measured by the number of raw and finished water detections of cyanotoxins, the amount of days that confirmed detections persist, and how quickly drinking water use advisories are lifted.

# APPENDIX I

## Small Systems Technical Assistance Work Plan

### SDWA Section 1452 (g)(2)

#### Goals and Objectives

The overall program goal is to provide technical assistance to public water systems serving fewer than 10,000 persons to enable such systems to achieve and maintain compliance with applicable state and national drinking water regulations. The SSTAP will address this type of assistance needed for the small public water systems of Ohio.

The objectives define a program to address the financial, managerial, regulatory and operational needs of the targeted public water systems. Listed below are the specific goals and objectives for the program.

#### Goals

1. Maximize below-market rate loans to eligible public water systems to fund improvements to eliminate public health threats and ensure compliance with federal and state drinking water laws and regulations.
2. Target technical assistance to public water systems serving 10,000 or fewer people with a technical assistance program provided by funds from the technical assistance set aside account.
3. Improve the types and quantity of small and disadvantaged community assistance to reduce the financial impact of capital improvement projects on smaller systems and systems serving less affluent populations.
4. Promote the development of the technical, managerial and financial capability of public water systems to maintain compliance with the state and federal Safe Drinking Water Act (SDWA) requirements, and Ohio's Capacity Assurance Program.
5. Fund the construction of extensions of public water systems, or if extensions are not economically feasible, the construction of new public water systems to address pockets of contaminated private water systems.
6. Encourage the consolidation and/or regionalization of small public water systems to allow them to take advantage of the economies of scale available to larger water systems.
7. Encourage communities to proactively manage their assets.

#### Objectives

1. Assist small systems with the preparation of applications for the DWSRF including determining the ability to repay.
2. Assist in meeting state and other crosscutting requirements of the application.

3. Assist with determining the most cost effective option for a public water supply to access safe drinking water.
4. Assist systems with readiness-to-proceed issues.
5. Assist with locating and procuring sources of funding in addition to the DWSRF.
6. Assist systems in the development and/or completion of all components of the capability assurance documentation.
7. Assist in increasing managerial and financial capability of small systems.
8. Assist systems by offering seminars and online training for small systems utility board training, rate setting training, and asset management training.
9. Assist communities identified by Ohio EPA that need intensive technical assistance referred to as the "RCAP Team Approach."
10. Assist local systems with priority on public health-based issues using the water use advisory list, the RCAP list and the ETT.
11. Assist in promoting consistency in small community project development across the state through training.
12. Assist communities identified by Ohio EPA that will work co-operatively with RCAP to develop and implement Asset Management Plans for the PWS. This is a two-year demonstration project.

### **The Work Plan**

Ohio EPA will set-aside 2 percent of the FFY 2016 capitalization grant in addition to any previously obtained capitalization grants to fund a Small System Technical Assistance program (SSTAP) to aid public water systems serving fewer than 10,000 persons. This work plan outlines how funds set-aside for the SSTAP will be used to provide technical assistance to small systems. Specifically, this work plan addresses:

1. a brief description of organizations selected to provide services under the SSTAP;
2. the scope of work to be provided under the SSTAP;
3. the funding amount in dollars and as a percentage of the DWAF allocation;
4. the number of FTEs projected for implementing the program;
5. the goals, objectives, and deliverables for the program;
6. a schedule for completing activities during the program year;
7. the responsibilities of Ohio EPA and the providers of assistance; and
8. a description of the evaluation process to assess the success of work funded through SSTAP.

### **Organizations Providing Services**

The grantee selected to provide services for PY 2017 will be the W.S.O.S. Community Action Commission, Inc./Great Lakes Rural Community Assistance program (RCAP). This organization has served as a provider to the SSTAP for over ten years, working with small systems serving fewer than 10,000 in population. They provide managerial assistance to water systems and aid in obtaining financial assistance through a variety of funding sources. Services are handled through both office personnel and field representatives who visit water systems to discuss and remedy problems. They will

assist in making application for financing, obtaining engineering expertise, and selection of cost effective alternatives. With a staff of approximately 50 employees in the Great Lakes Region, they manage community and economic development services in various parts of Ohio, as well as environmental assistance in a seven-state region. They also assist with locating and procuring sources of funding in addition to the DWSRF. RCAP will coordinate financing packages for small systems with the following sources including but not limited to: The Ohio Department of Development's Community Development Block Grant program, The Ohio Water Development Authority, Ohio's Issue 2 program, Ohio's Appalachian Regional Commission Grants program, Ohio's Department of Development Local Government Initiative Fund, The United States Department of Agriculture Rural Development program and RCAP's Community Loan Fund program for water infrastructure development.

### **Description of the Scope of Work to be Provided**

SSTAP services include financial, managerial, regulatory and operational assistance. These services will be performed by RCAP and Ohio EPA field staff. Financial and managerial assistance includes:

1. Assist small systems on the Intended Project List, Project Priority List and the Great Lakes RCAP List to increase financial, managerial and system technical capabilities;
2. Assist small systems with the preparation of applications for the Drinking Water Assistance Fund (DWAF) including determining the ability to repay and meeting state and other crosscutting requirements;
3. Assist small systems with project planning and determining the most cost effective option for a public water supply to access safe drinking water, i.e. line extension from another community, restructuring, regionalization, retailer of water from another source, etc.;
4. Assist small systems with project development and/or readiness to proceed issues for funding by providing information and/or short course training that includes but is not limited to; hiring an engineer, developing project schedules, obtaining cost estimates, completing data collection for project (population impacted, median household income levels), defining the need and obtaining supporting documentation, description of the proposed project, project alternatives considered and why rejected;
5. Assist small systems with locating and procuring sources of funding in addition to the DWAF. RCAP will coordinate financing packages with the following sources, including but not limited to: The Ohio Department of Development's Community Development Block Grant program, The Ohio Water Development Authority, Ohio's Issue 2 program, Ohio's Appalachian Regional Commission Grants program, Ohio's Department of Development Local Government Initiative Fund, The United States Department of Agriculture Rural Development program and RCAP's Community Loan Fund program for water infrastructure development;
6. Assist small systems applying for a WSRLA loan, and new and existing community and non-transient non-community water systems, in the development and/or completion of the technical, managerial and financial components of the capability assurance plan;
7. Assist small systems in increasing managerial and financial capability of their public water system. This will include issues relating to utility planning, identifying both direct and indirect operation and maintenance costs, developing budgets, cost recovery, types of financing

resources, financial plan development, and marketing utility products and services to customers; and

8. Provide two training sessions on *Utility Management for Local Officials*; two training sessions on *Financial Management for Local Officials*; two training sessions on *Asset Management for Local Officials*; two training sessions on *Applied Asset Management using CUPSS*; two training sessions on *Containing Costs 2*, and two new training sessions on *Containing Costs 3*. As part of this Grant Agreement, a total of 14 classroom training sessions will be provided to small systems.
9. Provide monitoring assessment and outreach services for the online training sessions on *Utility Management for Local Officials* and *Financial Management for Local Officials*, which includes identifying who the governing board is for a system who is required to take the course, obtaining a roster list along with term limits of that body, track who has completed the courses and notify OEPA when the system has fulfilled the training requirement.
10. Provide assistance to communities identified by Ohio EPA that need intensive technical assistance (ITA); the “RCAP Team Approach” which will assist communities that are lacking in capacity or are in violation status and need help to move them toward capacity and compliance status.
11. Provide technical assistance to communities on the RCAP Referral List and to those who request additional assistance as the result of training activities. The short course manual titled *The Art and Science of Utility Rate Analysis and Structure* will be provided to communities who need additional assistance with rate setting. A short course slide presentation on rate setting will be provided to community decision makers who cannot find time to attend our 6 hour time course on this topic. Likewise, a similar short course slide presentation has been developed for Asset Management. The CUPSS program serves as the platform for this community specific decision maker training.
12. Assist small systems which need special attention to help move water system improvement project(s) forward by offering a short course titled *Project Development – A short course for Water and Wastewater System Owners* to enrolled communities. This course is designed to help promote consistency in small community project development across the state. If resources allow, Ohio RCAP will work to address readiness to proceed issues and start building a base of projects to be included in future priority lists. Once communities are enrolled under the RCAP program, RCAP will continue to work with them in meeting their compliance needs even though they may be “dropped” from the funding list. This will be done on a limited basis only and reported to the Ohio EPA program manager.
13. RCAP has developed a worksheet and planning process for PWS (Public Water Systems) that currently do not have the resources to implement asset management using more sophisticated and labor intensive platforms. RCAP will test Asset Management Worksheets for Small Systems on PWS which RCAP, Ohio EPA and the PWS have determined need to complete asset management planning. Priority will be given to small water systems that are referred to RCAP for intensive technical assistance and systems seeking funding through the state drinking water revolving loan program. Additionally, small PWS seeking planning funds from the drinking water state revolving loan program may be charged directly for asset management planning. RCAP will develop an index based on metrics of technical, managerial, and financial management

factors to determine which systems should contract directly with WSOS CAC, Inc. for asset management planning. RCAP expects some of the systems trying to develop an Asset Management Plan will not be able to support a water utility as they have historically operated. In those situations RCAP will advise Ohio EPA by the end of discovery and begin assisting these communities toward evaluating options. These options include but are not limited to shared services, contract services, restructuring, and transfer ownership and operations to a viable entity.

### **Funding Amount**

The amount set-aside from the capitalization grant for this program is 2 percent of the grant, which is estimated to be \$491,720.

### **Projected Number of Full Time Equivalents (FTEs)**

RCAP has submitted a line item budget for the current program year indicating their services will require 4.5 FTEs.

### **Deliverables**

Highlighted below are the main deliverables that are to be provided by Ohio RCAP to Ohio EPA. The SSTA Annual Report will include a summary of these detailed reports.

#### Monthly reports

1. Provide a summary on assistance provided to small public water systems on the IPL, PPL, RCAP List, and communities requesting services, including the community need and the planned next steps; and
2. Provide a list of training conducted, attended and other staff activities.

#### Quarterly reports

1. Report on the small systems assisted with:
  - a. Preparation of DWSRF and other funder's applications
  - b. Determining the most cost effective option to access safe drinking water
  - c. Readiness to proceed issues
  - d. Capacity development
2. Report on the "RCAP Team Approach":
  - a. Name of community
  - b. Identification of community need include violations occurring and capacity development needs
  - c. Description of assistance provided and benchmarks accomplished
  - d. Description of the effectiveness of pilot project
  - e. Recommendations for next steps for the community
3. Report on the Demonstration Project – "RCAP Asset Management":

- a. Name of community
  - b. Description of assistance provided and benchmarks accomplished
  - c. Description of the effectiveness of demonstration project
- 4. Report on classroom and online training provided, including:
  - a. Date and location of training
  - b. Name of course
  - c. Number of participants
  - d. Number of water systems
  - e. Communities that have met training requirements for principal forgiveness

#### Annual Reports

- 1. Summary compiled from the quarterly reports
- 2. Report on leveraged funds detail including:
  - a. Name of community
  - b. Loan amount
  - c. Source of loan funds
  - d. Grant amount
  - e. Source of grant funds
- 3. Report on customer satisfaction surveys, including:
  - a. Date of assistance or training
  - b. Location of assistance or training
  - c. Evaluation score

#### Progress statements

- 1. Statements with details about the status of a particular project or community. These are submitted as needed.
- 2. Statements regarding the effectiveness of the pilot study.
- 3. Statements regarding the effectiveness of the demonstration project including the development and presentation of a white paper to the Ohio Section AWWA.

#### **Schedule for Completing Activities**

Ohio EPA has targeted small public water systems that are on the PPL, IPL and RCAP List for financial and managerial assistance; however, it is not necessary that a system be on the PPL, IPL or RCAP List to receive assistance through this program. A report will be provided monthly and quarterly for assistance activities using the following criteria: progress that is made, including status of outputs and deliverables per community, and any changes in projected scheduling and completion of activities. The individual schedules for each small public water system will be determined based on the type of assistance necessary, any compliance schedules that exist, and the proposed WSRLA schedule.

Specific to on-site technical assistance calls, the schedules for completing that type of assistance will be determined by the severity and nature the problem, and the identified solution. Multiple visits may



need to be scheduled before each activity is considered completed. Issues identified through a sanitary survey or site visit will be followed through resolution of the identified issues.

### **Responsibilities of Ohio EPA and the Providers of the Program**

Ohio EPA will be responsible for ensuring all assistance is provided in a timely manner based on the specific issues and type of assistance determined to be necessary.

Providers are responsible for completing assistance tasks as each individualized schedule requires, and completing deliverables and outputs per those schedules. Submission of quarterly reports describing their activities is required. The providers are responsible for providing assistance as they have described in their work plans as accepted by Ohio EPA, and fulfilling the requirements and responsibilities as defined in their individual program agreements. Providers will also comply with any and all federal requirements in effect and applicable to their actions as related to completion of all assistance projects.

### **Description of the Evaluation Process to Assess the Success of Work Funded**

Reporting and evaluation methods will be used to assess success of the small systems technical assistance program. Ohio EPA will utilize the reported information to determine the level of success and measure the effects of the assistance. The reported information will be used to determine future program year goals, objectives, and program design to continue to provide effective technical assistance to small systems. The specifics of the evaluation and reporting process per type of assistance provided are described as follows:

#### **Financial and Managerial Assistance Activities Reporting**

RCAP staff will meet bimonthly, or as needed, with Ohio EPA staff to evaluate technical assistance results and identify additional needs of systems. Reports will contain demographic and performance based information. Specific outcomes per community will be identified in compliance with any developed schedule, and based on the reporting format as defined by DDAGW. RCAP provides an evaluation form after each training course. The information and scores from the evaluation are summarized and used to make improvements or changes to the training courses. In addition, RCAP periodically conducts a customer satisfaction survey of systems that have received technical assistance. The survey is used to develop improvements to types and specifics of assistance services provided. Annually, RCAP provides a summary of the customer satisfaction surveys completed during the year. This reporting and performance evaluation information ensures that RCAP can document the effectiveness of its technical assistance.

# APPENDIX J

## Local Assistance and Other State Programs Set Aside Work Plan

### SDWA Section 1452 (k)(1)(B)

Ohio EPA seeks authorization to spend \$1.25 million dollars of the Local Assistance and Other State Program set aside to build capability at public water systems.

#### **Capability**

Strategize new opportunities to re-energize the capability assurance (capacity development) program and maintain efforts to improve compliance assurance throughout the state. 3 FTEs

Schedule: Capability and compliance assurance activities will continue throughout the program year including workgroup strategy meetings and regular planning meetings.

Responsibility: A workgroup will be meeting regularly to evaluate the success of the current capability assurance (i.e. capacity development) program and discuss new opportunities to identify ways to assist PWS's in complying with national primary drinking water regulations and enhance the technical, managerial, and financial capacity of systems. Other Ohio EPA staff may be asked to join the workgroup to promote the implementation of the effort. Staff will begin screening systems to identify gaps in capability. The compliance assurance team of Ohio EPA Central Office and District Office staff will engage in a multitude of activities including groundwater rule assistance, limited scope site visits, monthly operating report reviews, outreach, and small systems technical assistance. These activities are intended to follow-up on systems after a sanitary survey, address compliance issues including MCL violations and assist in improving operation deficiencies.

Evaluation: The success of the capability assurance activities is measured by completion of the workgroup findings in a summary report and a strategic plan to improve the program. The success of the compliance assurance activities is measured by the reduced number of systems entering enforcement during the program year.

Ohio EPA will use the set-aside funds to implement Ohio's approved Source Water Assessment and Protection Program. Specifically, these funds will be used to complete the following:

#### **Source Water Assessment**

Complete source water assessments for new public water systems and update delineations for new sources (well or water supply intakes). 4 FTE

Schedule: Source water assessments are to be completed for all new public water systems within 60 days of activation or notification from the public water supply program. Updates or revisions of existing

public water system assessments are completed when information is received regarding a new well pumping configuration, or when significantly improved site-specific data is obtained regarding flow directions and flow rates. This effort may include site visits to update inventories or investigations to determine aquifer susceptibility to specific types of contaminant sources (these may be site-specific or statewide in nature). Also, preliminary assessments are completed for the Public Drinking Water Program as part of a well siting evaluation.

Responsibility: Assessments are the responsibility of Ohio EPA's District staff, with assistance as requested from Central Office staff and direction from District managers and the Central Office Source Water Protection program.

Evaluation: The success of this task is evaluated by the number of assessments completed within deadlines.

### **Source Water Protection Planning**

Encourage and provide direct technical assistance to public water systems in development and implementation of source water protection plans. 0.7 FTEs

Schedule: Locally developed Drinking Water Source Protection Plans will be reviewed within 60 days of receipt by Ohio EPA, and technical assistance will be provided promptly upon request. Also, staff will conduct local workshops across Ohio in accordance with District scheduling. No specific deadlines are proposed for these workshops, providing flexibility for partnering with other organizations and for tailoring outreach to specific groups. Additionally, staff will continue to collaborate with ORSANCO to conduct source water protection education and planning activities for public water systems (surface water and ground water sources) along the Ohio River. A greater emphasis will be placed on assisting surface water systems with source water protection planning. Information from the 2015 Source Water Protection Implementation Reports ("SWAP Survey") will be used to identify systems that require assistance or encouragement to complete their protection plans or continue implementation; it will also identify systems that deserve recognition for exceptional implementation. Upon verification by District staff via a site visit, certificates of recognition will be issued to those systems with exceptional implementation of local source water protection during the reporting period 2011 to 2016. These communities will also be featured in The Spigot (DDAGW's quarterly newsletter), the annual SWAP newsletter, and on the SWAP Web page.

Responsibility: Reviews of Drinking Water Source Protection Plans, on-site technical assistance/outreach, and provision of workshops are primarily the responsibility of Ohio EPA District staff, with assistance from Central Office staff and direction from District managers and the Central Office Source Water Protection program. Central Office staff are responsible for overview of protection plans to ensure review consistency across the state. They also are responsible for preparing, distributing and evaluating the SWAP Survey, developing reports that measure implementation from the survey data, issuing certificates of recognition, and recognizing the communities in newsletters and on the Web.

Evaluation: Success of Protection Plan reviews will be measured by timeliness of reviews and the number of systems that are endorsed. Success of the workshops will be evaluated by the development of an endorsable local protection plan as the outcome. Success of implementation outreach will be measured by the next SWAP survey, scheduled for 2018.

### **Coordination, Outreach/Education and Technical Assistance**

Conduct public outreach and education, and disseminate source water assessments to public water systems and the public, via a secure web site and collaborate with federal and State environmental programs to develop and implement source water protection strategies. 0.8 FTEs

Schedule: Continue collaboration with federal and state programs to recognize and develop regulatory or management practices protective of source water protection areas. Evaluate revisions to proposed waste management rules during the program year as additional rule packages come up for comment (under the required five-year rule review). Continue outreach efforts via a secure web site that is maintained and updated on a monthly basis. Technical assistance requests for source water protection information are typically completed within five working days of the request. Updates to source water protection web pages will be made quarterly. Poster-sized maps and certificates of recognition will continue to be provided to communities that complete an endorsable source water protection plan; the presentations are typically made in a public setting, such as village council meetings. The Program's internal intranet site contains a comprehensive list of process documents for the Source Water Protection program, and this will continue to be updated to reflect changes in program procedures.

In addition, as part of the Program's efforts to provide better information about potential contaminant sources, in PY 2017 the SWAP program will move forward with a project to obtain and transfer (or have transferred) to downstream public water systems the most detailed information available for above-ground storage tanks alongside streams that contribute to a public drinking water intake. The project will begin on the Ohio River and is planned to subsequently address inland waterways.

Responsibility: Coordination with other programs' rules will be implemented by Ohio EPA Central Office staff, with direction from the Central Office Source Water Protection supervisor. Development and maintenance of the secure web site and the Source Water Protection intranet and internet web pages is the responsibility of Central Office Source Water Protection staff, with assistance from Ohio EPA's Information and Management Systems staff, as needed. Technical assistance currently is also handled primarily by Central Office staff.

Evaluation: Success of coordination will be measured by our ability to have source water protection area strategies recognized and implemented by other environmental programs. Success of websites will be measured by the public visitation rates, and any comments received. Technical assistance will be measured by the numbers of requests received and processed within deadlines.

## **General Program Support**

Provide administrative, computer and data management and geographic information systems support to program staff. 1.5 FTE

Schedule: Planning and budgeting is scheduled as a priority activity in February/March, but time accounting, personnel management, computer programming, network support, data management, geographic information systems support and information tracking are ongoing functions. At least one meeting will be held for training of Source Water Protection staff around the state with specific training for new GIS applications and ground water flow modeling as necessary. Preparation of the federal report is scheduled as a priority activity for August. The agency is upgrading to ArcGIS 10, which entails substantial reprogramming of applications, remapping of links, retraining of staff, and revision of process documents. An all-day training session for District staff is held at least annually.

Responsibilities: Planning and budgeting, time accounting and personnel management are the responsibility of the Central Office Source Water Protection Program supervisor and manager. Computer programming and network support are functions of Ohio EPA's Information Management Systems staff, and data management and information tracking is a function of Central Office Source Water Protection staff as well as management.

Evaluation: Completion of plans, budgets and reports within deadlines and routine update of geographic information data to support the source water assessment and protection program.

## **Cyanotoxin Testing Equipment Grant**

Ohio EPA seeks authorization to spend \$500,000 of the Local Assistance and Other State Programs set-aside of the Drinking Water Assistance Fund (DWAF) to provide technical assistance to public water systems using surface water to help prevent impacts from harmful algal blooms (cyanobacteria). Specifically, this work plan addresses:

- Laboratory equipment needed to perform investigative monitoring;
- Technical assistance to public water systems;
- The funding amount in dollars;
- The purpose and goal for the program;
- A schedule for completing activities during the program year; and
- The responsibilities of Ohio EPA.

## Investigative Monitoring Equipment

Based on the increasing presence of cyanobacteria in waters being used as a source of public drinking water, and the significant threat to public health, Ohio's public water systems need a quick and cost effective means to test their source and finished water for the presence of cyanotoxins. Having the capacity to analyze samples at the water supply instead of sending samples to an outside laboratory will allow flexibility in monitoring and timely response to any potential finished water detections. This is critical given the dynamic and unpredictable nature of cyanobacteria blooms. The Enzyme-Linked

Immunosorbent Assay (ELISA) method for microcystin-ADDA is the quickest method currently available that can be completed in a public water system lab. To ensure quality results, the test kit should be verified through an Environmental Technology Verification (ETV) Program. Items required to complete this analysis include:

- Microtiter plate reader spectrophotometer (ideally linked to computer for software analysis of results).
- Single and Multi (8) channel pipettes, pipette tips, plate covers, reagent basins, vials and glassware.
- ETV-verified Microcystin-ADDA ELISA method test kit.
- Microscope with an aperture diaphragm (contrast) control, mechanical stage, binocular eyepiece tube, and magnification from 200 times to at least 400 times (10x optic lens and minimum 20x and 40x objective lenses).
- Datasonde with any or all of the following sensors: Phycocyanin, Chlorophyll, Conductivity, Temperature, and pH.
- Additional equipment associated with datasonde use: wiper system for sensors, handheld device for data viewing, and connector cables.
- Datasonde installation and telemetry. If a datasonde will be mounted to an intake structure or buoy, installation costs and telemetry costs are eligible. Telemetry can include: data logger, cell modem, enclosure, solar panel, regulator, battery and one year subscription to a hosted website. If linking to an existing SCADA system, telemetry can also include adapter, cable, and a set of radios for data transmission. Buoy costs are also eligible.
- Sampling equipment: integrated depth sampler, Van Dorn sampler, Wisconsin-sampler/phytoplankton nets.
- Training on any of the following topics: reservoir management, phytoplankton identification, treatment optimization for HABs, datasonde operation/calibration, and ELISA analytical methods.

Ohio EPA is planning to make these items available to all surface water public water systems through a grant program. The maximum grant amount will be \$30,000. Grants may only be requested for equipment, supplies and training obtained on or after July 1, 2014. Applicants will submit the attached application describing the conditions and reimbursement procedures. Conditions for receiving funds under this grant will include:

- Must be a surface water treatment plant. Satellite systems are not eligible.
- Equipment must be for harmful algal bloom related issues.
- PWSs must sample per the Ohio EPA Harmful Algal Bloom Response Strategy, available at: <http://epa.ohio.gov/ddagw/HAB.aspx> and Ohio EPA's harmful algal bloom rules OAC 3745-90-01 through 07 and Laboratory Certification rules 3745-89-01 through 11.
- All analysis must be completed by a certified water supply operator or an Ohio EPA-certified laboratory analyst and follow the Ohio EPA Microcystin standard operating procedure and guidance.

- All results must be shared with Ohio EPA-DDAGW at least within a week of analysis.

Public water systems interested in needed testing equipment and associated training will have to submit an application to Ohio EPA for approval prior to purchase. Ohio EPA will notify the public water systems if their proposed purchases are approved. Upon receipt of a grant award letter the applicant will have six months from the date of the award letter to purchase the equipment, and training specified in their application.

Applicants will submit invoices for purchased equipment to receive reimbursement. Ohio EPA in conjunction with the Ohio Water Development Authority will verify invoices are consistent with the approved applications and issue reimbursement.

#### Technical Assistance to Public Water Systems

Ohio EPA is encouraging public water systems to acquire training on the specific test kit purchased from the provider. Ohio EPA staff will also be available to provide guidance and technical assistance on sample collection and analysis. In addition, Ohio EPA developed and will maintain a Microcystin standard operating procedure and guidance to assist in sampling protocol and analysis. Ohio EPA will provide 0.5 FTE for technical assistance.

#### Funding Amount

The amount set-aside from the capitalization grant for this program is \$500,000.

#### Purpose and Goal of the Program

The purpose of these grants is to protect public health by helping public water systems increase their technical capacity to complete testing for the presence of cyanotoxins in water. Grants are being offered to reimburse the initial cost of approved equipment, supplies and training for cyanotoxin testing.

The overall program goal is to promote investigative monitoring at surface water treatment systems to enable them to react quickly to rapidly changing raw water conditions as a result of Harmful Algal Blooms (HABs) to protect public health.

#### Schedule for Completing Activities

Ohio EPA has targeted surface water treatment systems that are at risk of negative impacts from HABs. We anticipate making this grant program available by July 1, 2016. The individual schedules for each public water system will be determined based on their responsiveness to our announcement of program availability.

#### Responsibilities of Ohio EPA

Ohio EPA will announce the availability of the program and process all applications.

A grant award letter will be sent to all eligible applicants. The grant award letter will specify the maximum award amount and provide instructions for obtaining reimbursement and completing the closeout report.

Upon receipt of the proof of purchase and closeout report Ohio EPA will issue payment to the public water system reimbursing the cost of the approved equipment, supplies and training, up to the amount of the award.

Applicants who are not awarded funding will be notified by email.

Ohio EPA will expend 0.5 FTE for review and tracking of the grant applications in a database and verification that the conditions of the grant were met. Part of the 0.5 FTE will review the data and analysis performed and post the data to the Ohio EPA website. Systems will be evaluated by the laboratory certification staff. With successful execution of this grant, Ohio EPA will have reliable cyanotoxin data submitted by water systems. The data will assist in treatment optimization and public health decisions.