



State of Ohio Draft Program Management and Intended Use Plan



Program Year 2016

Effective July 1, 2015 through June 30, 2016

Division of Drinking and Ground Waters
Drinking Water Assistance Fund
June 2015

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**Ohio Drinking Water Assistance Fund
Program Management and Intended Use Plan
Program Year 2016**

INTRODUCTION

The Drinking Water Assistance Fund (DWAFF) Program Management and Intended Use Plan for Program Year (PY) 2016 describes how the Ohio Environmental Protection Agency (Ohio EPA) intends to administer and distribute funds in the Drinking Water Assistance Fund (DWAFF) 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

On July 16, 2015 two public meetings will be held to allow interested parties the opportunity to present their comments on Ohio's Draft PY 2016 Program Management and Intended Use Plan. A public notice announcing each meeting was published on June 17, 2015 to advertise the availability of the Draft PY 2016 Program Management and Intended Use Plan and to announce the public meetings (see Appendix A). The draft plan and public notice were made available on the Ohio EPA Division of Drinking and Ground Waters webpage. Information regarding the public comment period was also sent via an 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. Requirements contained in Federal Fiscal Year (FFY) 2014, The Consolidated Appropriations Act, (P.L. 113-76) and guidance provided by U.S. EPA for the FFY 2014 capitalization grants are included:
 - a. Continuation of American Iron and Steel (AIS) requirements
 - b. Additional Subsidies not to exceed 30 percent of the capitalization grant and not less than 20 percent of the capitalization grant
 - c. 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.
2. The existing funding categories and percentage of principal forgiveness for each funding category will remain the same; however, the total amount of principal forgiveness available this program year is limited to the allowable subsidy for the FFY 2014 and FFY 2015 capitalization grants, which is estimated to be no more than \$7.3 million.
3. A new principal forgiveness category will be added for regionalization projects. Projects which consolidate disadvantaged communities into larger systems that exhibit capability will be eligible for up to 50 percent principal forgiveness.

4. Proportionate share is set at \$40 million.
5. Training requirements are still mandatory for all systems obtaining principal forgiveness in Program Year 2016. 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.
6. Project planning information must have been submitted to Ohio EPA with the nomination form for a design and/or construction loan; minimum requirements for project planning information were included in the nomination form instructions. A general plan was required for all design and/or construction projects involving water treatment plants and their components.
7. Systems which did not meet the project planning requirement for a design and/or construction loan were offered a planning loan at zero percent 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 planning loan documentation.
8. In accordance with federal capability requirements, applicants will be screened for their overall capability, and areas of concern must be addressed prior to loan award or through the project being funded.
9. Targeted funding for auxiliary power will be prioritized this program year.
10. Regionalization, including shared services, will be prioritized this year in selecting fundable projects and will include discounts on loan interest rates. In future years this may include targeted funding to plan for and implement shared services and/or regionalization.
11. During the program year, the State will be refining the requirements for the demonstration of technical, managerial and financial capability, which may in future years include an asset management requirement. This may also include possible targeted funding to support asset management and capability assurance preparation in future years to meet the requirement.
12. To be eligible for WSRLA funds in Program Year 2016, all nomination forms must have been submitted via email. Paper copies and faxes were not accepted. No projects were rejected for not meeting this requirement.
13. 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. This is the second year that this targeted funding will be available; \$50 million was available in PY 2015 and an additional \$50 million will be made available in PY 2016. These funds will be made available at a 0% interest rate from the Water Supply Revolving Loan Account. Projects that were identified as qualifying for this discount, but did not get awarded in PY 2015, will be grandfathered into PY 2016.

14. Targeted funding in the amount of \$700,000 for grants to provide public water system using surface water with a maximum reimbursement of thirty thousand dollars (\$30,000) for the purchase of equipment, supplies and training for analysis of toxins associated with harmful algal blooms (HABs). These funds are the remainder of the PY15 DWAF local assistance and other state programs Set-aside Account.

THE 2016 INTENDED USE PLAN

Through grants from U.S. EPA and matching funds provided by Ohio EPA, 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 main purpose of the DWAF is to 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. Therefore, the ranking methodology places the highest priority on helping communities rectify public health issues in their system, helping communities meet or maintain state and federal SDWA requirements and providing financing to communities that are economically distressed.

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 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 fewer than 10,000 in population;
3. Target small and disadvantaged community assistance to reduce the financial impact of capital improvements projects on the users of smaller systems and systems serving less affluent populations;
4. Support extensions of public water systems to address areas of contaminated private water systems;

5. 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;
6. Update source water assessments and provide technical assistance to promote locally developed source water protection plans;
7. 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.

Drinking Water Assistance Fund Short-Term Goals

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

1. Provide subsidy to meet the requirements of FFY 2015, The Consolidated Appropriations Act, (P.L. 113-76);
2. Make available not less than 20 percent but no more than 30 percent of the funds from Ohio's FFY 2015 capitalization grants as additional subsidy to eligible recipients in the form of forgiveness of principal;
3. Give priority to projects on the Intended Projects List (IPL) identified as the initial installation of water meters where none previously existed at a public water system.
4. Projects that implement a qualifying balanced growth plan will receive an interest rate discount of 0.1 percent. State-endorsed balanced growth plans are to be submitted with the project nominations by those entities seeking to be rated under this factor.
5. Projects that result in the consolidation of water systems (i.e. regionalization) as discussed in Appendix D will receive a 0.25 percent discount on their loan interest rate.
6. Continue a fund to include auxiliary power in Program Year (PY) 2016 construction loan projects.
7. Provide a special incentive for infrastructure improvements at surface water treatment plants to address Harmful Algal Bloom (HAB) issues.
8. 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 harmful algal blooms (HABs).

Sources and Amount of Funds for the PY 2015 DWAF

The primary sources of funds available during PY 2016 for the DWAF will come from funds remaining from prior year capitalization grants, repayments, leveraged funds and FFY 2015 capitalization grants.

Loan Funds

Table 1 indicates the distribution of funds for the DWAF including the FFY 2015 capitalization grant. Ohio EPA will apply for \$24,586,000 in FFY 2015 funds in the summer of 2015.

The amount of funds available each year is based upon the capitalization grant, repayments and leveraged funds. In order to reduce accumulated unliquidated obligations, the priority of disbursements are capitalization grant funds first and then leveraged bond funds followed by repayments. A model is typically run each year to determine the financial capacity of the program over an extended timeframe, and to ensure that the program has adequate coverage for past and predicted future leveraged bonds; the findings of this model are included in the annual report. However, Ohio EPA looked at the modeling parameters, inputs and expected outputs, and determined we did not need to run the model for PY 2016 because the results would not have significantly changed from the results obtained for PY 2015. We intend to update the model and run it again in May of 2016.

Leveraging

For PY 2016, the Drinking Water Assistance Fund will be funding loans from cash on-hand and from the proceeds of floating rate notes that will be issued under a \$100,000,000 note purchase contract with JP Morgan.

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 utilizes the oldest set-aside funds first. When accounts contain funds that are more than three 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 aides both programs by enhancing bond ratings and lowering borrowing costs without increasing risks. The Director and the Authority have agreed:

- (i) to require the investment of certain surplus funds in the WPCLF (i.e., funds in the Surplus Account of the Interest Fund, the Surplus Principal Fund and the Unpledged Principal Subaccount) to purchase DWAF obligations that the Authority would agree to issue for the purpose of averting, if possible, any shortfalls that might otherwise occur for the payment of state match or leverage bonds issued for the DWAF, and
- (ii) to require the investment of the comparable surplus funds in the DWAF to purchase WPCLF obligations that the Authority would agree to issue for the purpose of averting, if possible, any shortfalls that might otherwise occur for the payment of Water Quality Bonds and State Match Bonds.

This approach to cross-collateralization was approved by the Authority in 2001 and is structured in a way to comply with the Clean Water Act and the Amendments and with the Trust Agreement, the State Match Bond Trust Agreement, the Water Pollution Control Loan Fund Trust Agreement and the trust agreements established in connection with the DWAF and the state match and leveraging bonds issued for the DWAF, in each case as those agreements have been and may further be amended in accordance with their respective terms. The cross-collateralization does not include any pledge of the loan payments being paid into the WPCLF or DWAF, but is limited to the investment of the specified surplus funds available under the WPCLF and DWAF.

Proportionality

Proportionality between State Match and Request of Reimbursement for “federal” funds is tracked between 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 PY16 prior to making any federal draws.

Grant Payment Schedule

In each drinking water capitalization grant on Form 424 and in the cover letter to U.S. EPA, Ohio EPA requested the capitalization grant be immediately placed in ASAP for drawing for projects.

Table 1

Drinking Water Assistance Fund - Distribution of Funds Summary of Funds Available

FFY 2015 Appropriation Capitalization Grant = \$24,586,000

	Prior Year Balances As of 2/28/2015	2015 Grant ²	Totals for Each Account
Set-Asides Accounts			
Administrative ¹	1,445,412	0	1,445,412
Small Systems Technical Assistance ¹	1,194,914	491,720.00	1,686,634
Public Water System Supervision ³	2,419,361	1,229,300.00	3,648,661
Local Assistance and Other State Programs 1452(k)(1)(B)	1,003,296	0	1,003,296
Revolving Loan Accounts			
WSRLA CAP Grant	0	21,881,540	21,881,540
State Match for New Grant and PWSS	0	4,917,200	4,917,200
State Match Account - After New Grant and PWSS	9,623,200	0	4,706,000
Subtotal WSRLA CAP grant (w/ unobligated State Match)	9,623,200	26,798,740	31,504,740
Leveraged Bond Balance	100,000,000	0	100,000,000
Other Projects Fund (repayments)	28,004,714	0	28,004,714
Fee Account	9,854,341	0	9,854,341
Total estimated WSRLA Funds	153,545,238	29,503,200,	178,131,238
Estimated May and June loans in PY 2015.			\$66,073,988
Amount of funds being made available PY 2016			\$250,000,000 ⁵
Proportionate Share			\$40,000,000

¹FFYs 2011 - 2014

²FFY 2015 capitalization grant application will be submitted in the summer of 2015.

³PWSS requires a one-to-one match, details in Public Water Supply Supervision (PWSS) Account section.

⁴Includes funds committed as a part of a note purchase contract entered into in early in PY 2014

⁵The identified demand on the IPL/PPL for PY 2016 is \$248,000,000. Therefore, financial assistance will be

offered to all projects that meet program requirements during the program year. All loan funds not used in PY 2016 will be carried over for use in subsequent years.

Structure of the Fund

For PY 2016, 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

To be eligible for WSRLA funds, a potential recipient must have submitted a nomination form and attached all required documentation to Ohio EPA by March 1, 2015. To be considered for the Disadvantaged Community Loan Program, a potential recipient must also have submitted a complete application for the disadvantaged community loan program and attached all required documentation to Ohio EPA by March 1, 2015. Ohio EPA sent an email to the DWAF listserv and posted nomination form materials on the website concerning

application requirements in January 2015.

To be eligible for WSRLA funds in Program Year 2016, a public water system must have submitted via email a completed pre-application with one attachment for the nomination form, one attachment for the Disadvantaged Community Loan Program application (if applicable), and one attachment for all supporting documents (including project planning information for construction loans) to the DWAF.mail@epa.ohio.gov email account by March 1, 2015.

WSRLA Project Priority Ranking System

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

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

Other factors included in the project priority ranking system are:

1. Effective management structure
2. Population of the area served
3. Regionalization / consolidation

Some public water systems have submitted more than one project, and therefore, may have two or more projects on the Project Priority List (PPL). Projects within the same public water system may receive more or less points based on the specific issues the project will address dependent on the scoring criteria in Appendix D. Multiple projects combined into one nomination form may be disaggregated and scored as separate projects (ex. Water treatment plant project separated from a distribution project). Disaggregation would apply when the majority of cost attributed to the project does not coincide with the majority of the points awarded to the project.

All projects on the PPL have been ranked using the system described in Appendix D. For PY 2016, the actual fundability of a specific project is determined by: the availability of WSRLA base funds, the overall priority in the project priority ranking system, and readiness to proceed to construction.

During PY 2016, Ohio EPA will continue to participate in the Ohio Balanced Growth initiative to promote regional planning to better protect and manage Ohio's water resources. Points for systems with an Ohio Balanced Growth Plan are assessed in the effective management structure section of the project priority ranking system.

Additional Program Requirements

Subsidies - FFY 2015, The Consolidated Appropriations Act, (P.L. 113-76) specifies, not less than 20 percent of the funds and no more than 30 percent of the funds must be used for subsidies. Ohio EPA has identified projects totaling \$9.1 million in subsidies in the form of principal forgiveness as meeting this requirement on its IPL. Subsidized projects on the IPL/PPL will be funded until the minimum of 20 percent (and no more than 30 percent) of the subsidy requirement is achieved. We anticipate meeting subsidy requirements through PY 2016 awards. Subsidy will be capped in order to not exceed the “no more than 30 percent” requirement, which is estimated to be \$7.3 million for FFY 2014 and FFY 2015 capitalization grants.

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. Ohio EPA will also use the DWSRF PBR to report quarterly additional subsidy information required by the FFY 2014, The Consolidated Appropriations Act, (P.L. 113-76). 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 in order to avoid withholdings. Ohio EPA does not identify equivalency projects as all of our loans are reviewed to meet federal cross-cutters and we award significantly more loans than the equivalency amount required for FFATA.

Project Priority List and Intended Projects List

Appendices G and H contain the lists of all projects identified for inclusion on the WSRLA PPL and IPL for PY 2016. Appendix G contains the PPL and consists of submitted projects in priority order for program year 2016 received by Ohio EPA whether or not they are likely to receive funding during this program year. The IPL in Appendix H consists of those projects anticipated to receive funding if they proceed on schedule and meet all other regulatory and program requirements.

Additionally, Ohio EPA will fund in PY 2016 projects originally scheduled to be funded in June 2015 with the same terms and conditions as PY 2015 for those projects where the system was ready for a loan during the program year but were not processed by Ohio EPA by the close of the program year. To meet this condition the system must have submitted engineering plans, loan application, capability assurance plan and environmental review materials and received detailed plan approval according to the prescribed timeline and must take the loan within three months of the issue being resolved but no later than March 1, 2016.

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

- Project Rank or Position Number
- Name of Public Water System

- Brief Description of the Proposed Project
- Public Water System Identification Number
- Population of System Service Area
- Total Project Priority Points
- Potential Terms of Financial Assistance*
- Expected Funding Schedule of Project

**Only included on the IPL. 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

Auxiliary Power

For PY 2016, Ohio EPA has established a fund of \$250,000 to include auxiliary power in PY 2016 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 2016 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.

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. For PY 2016, Ohio EPA will continue to administer the initial \$50 million that remains from the PY 2015 allocation, and will add an additional \$50 million for the planning, design and construction of infrastructure improvements at surface water treatment plants to address Harmful Algal Bloom (HAB) issues. These funds, which will be administered out of the Water Supply Revolving Loan Account, will have an interest rate of 0%. The nomination period will be open until the funds have been fully committed. 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 for toxins produced from harmful algal blooms, as well as projects that implement avoidance strategies such as interconnections with other water supplies, new elevated storage facilities and the installation of alternative sources for source water.

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

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

For PY 2015, Ohio EPA had 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 will be available in PY 2016. 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 supply 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 as technically, managerially and financially capable prior to a system's eligibility for a loan award. A system may be evaluated to determine its capability. 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 2016, submission of project planning information was required to be submitted to Ohio EPA by March 1, 2015 with the nomination form; minimum requirements for project planning information were included in the nomination form instructions.

An Ohio EPA approved general plan addressing the proposed project is required to be submitted with the nomination for design and/or construction loans for the following types of projects: 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 2016 nomination form instructions.

Ohio EPA's review of planning documentation will determine the eligible project for funding. 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 costs. Ohio EPA may select to fund projects that improve overall capability even if capital cost is higher initially. Additionally, subject to available funds, design loans can be obtained during the program year contingent upon planning documentation approval. An additional \$3 million is available for design loans for systems that currently have planning loans only on the IPL/PPL.

Beginning Program Year 2017, an Ohio EPA approved general plan addressing the proposed project may be required for construction loans for the following types of projects: new and expanded components in the distribution system including pipe, appurtenances, finished water storage and pump stations.

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.

Applicants are responsible for consistency between approved general plans and detailed design at the time of application and construction in accordance with the approved detailed plans. Construction must be in accordance with all terms of the WSRLA assistance agreement. The approved general plan may not contain all the planning requirements necessary for a WSLRA loan award. Applicants are responsible for meeting the additional requirements.

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 project costs, 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 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 applicant's 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.

Ohio EPA attempts to provide assistance with as few eligibility restrictions as possible. However, 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.

The costs associated with the general operation and maintenance activities of any public water system are not considered allowable project costs.

Project Bypass Procedure

Ohio EPA may bypass projects on the IPL due to withdrawal of the project by the applicant or lack of readiness to proceed. Lack of readiness to proceed will be determined using the agreed upon project schedule between Ohio EPA and the system, and detail plan approval for the project. Project applicants will complete a project schedule they are expected to follow to avoid being bypassed. An applicant choosing to withdrawal a project should do so in writing to Ohio EPA.

A project may also 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.

Funds made available through bypassing may be awarded to eligible projects on the IPL or the PPL consistent with the project eligibility, priority ranking, and readiness to proceed requirements outlined earlier.

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 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. If a plant construction project or a distribution related project worth \$2 million or more has not submitted detailed plans or planning documents by October 1st, 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:

- Health Related Factors (*mandatory score of one or more points*)
- Economic Affordability (*mandatory score of one point*)
- Population
- Median Household Income
- 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 2016.

Unexpended WSRLA base funds will remain in the fund for the next program year.

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 2014, The Consolidated Appropriations Act, (P.L. 113-76) requires States to provide not less than 20 percent and not more than 30 percent of the 2015 capitalization grant funds in 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 2016 funds.

PY 2016 Available Financing

During PY 2015, 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, for PY 2016 an additional funding type (HAB) will be available for qualifying projects that address the planning, design or construction of improvements related to HABs. The interest rate associated with these qualifying projects will be 0%. A new category of principal forgiveness will be available in PY 2016, at a rate of 50% for regionalization projects incorporating incapable public water systems via an inter-municipal agreement. The incapable systems must qualify for disadvantaged community status and fail an Ohio EPA capability screening.

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 to the system. Appendix E describes the procedure for determining how interest rates are determined. 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 offered at zero percent interest for a five-year term in order to incentivize project planning through the DWAF program. Planning loans will not include principal forgiveness.

Design

Design projects are eligible for the same interest rate as the construction loan project would be during the month of loan award. Design loans will not include principal forgiveness.

Proportionate share

Systems serving a population of more than 10,000 people are eligible to receive no greater than \$40 million of the available annual funds.

Table 2

WSRLA Funding Categories, Interest Rates and Loan Terms for PY 2015		
Funding Category or Type of Loan	Funding Category Key for PPL	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 for PY 2015.

Targeted Funds	TF	Priority projects targeted for subsidy
Loan Funds	LF	Fund set aside to award design loans during PY 2015.

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 within 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 one percent (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 one percent (1%) loan 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 point 0.35 percent 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 three 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 percent of the FFY 2015 federal capitalization grant to provide technical assistance to public water systems serving fewer than 10,000 in population. Appendix J contains the work plan for the Small Systems Technical Assistance program. These funds will be used to:

- a. 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
- b. 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 three years old will be transferred into the WSRLA and Ohio EPA will bank these transferred amounts for use in future year grants.

Funds in the Small System Technical Assistance Account at the conclusion of the program year will remain in the account to address program costs in subsequent program years. Set-aside balances greater than three 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 percent of the public water systems supervision set-aside (Appendix I) 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 4 percent of the local assistance and other state programs set-aside (Appendix K) 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

The purpose of the DWAF management practices section is to provide information regarding the means and methods Ohio EPA will follow in the administration of the DWAF program. The following is a description of the method by which available funds are managed to ensure their effective and timely commitment to DWAF activities.

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:

- a. Establish interest rates for WSRLA loans in accordance with the procedures located in Appendices E and F of this plan.
- b. 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.

- c. 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.
- d. Establish, increase, or decrease the available funds for the DWAFF, the WSRLA, and set-aside uses.
- e. Develop and implement with public notice and involvement a plan for the financial and programmatic administration of the DWAFF and the long-term financial health of the fund.
- f. Establish bypass, amendment and emergency funding procedures for the WSRLA program.
- g. 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.
- h. 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.
- i. Determine projects eligible for disadvantaged community program assistance.
- j. Bypass any WSRLA project in accordance with the project bypass procedure described previously in this document.
- k. Limit the amount of funds available to any WSRLA applicant based on the eligibility of project elements, or upon the applicant's project consuming more than the proportionate annual share of available funds. An applicant will be notified in writing should Ohio EPA limit funds available due to the project's cost exceeding the proportionate share of the total funds available.
- l. 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:
 - i. 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
 - ii. 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.

- m. Deposit at any time, funds available in other DWAF accounts or any portion thereof, into the WSRLA with public notice.
- n. Establish definitions, terms, and conditions for WSRLA program assistance to disadvantaged communities in accordance with ORC 6109.22.
- o. 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.
- p. 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.
- q. Determine if projects are required to meet the American Iron and Steel requirement contained in P.L. 113-76, if applicable.
- r. Require the application of the Davis-Bacon Act for all assistance agreements signed on or after October 30, 2009 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.
- s. Develop and maintain operating agreements with other divisions and state agencies to meet program goals.
- t. 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 are requesting 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

It is essential applicants and recipients are aware of their responsibilities, commitments, and obligations. Ohio EPA is responsible for managing the DWAF program; the responsibility for

meeting WSRLA program requirements, managing a project and complying with the terms of the loan agreement rests with the recipient.

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.

DWAF Administrative Conditions

The following conditions have been formulated to help Ohio EPA staff and the recipient to effectively manage their respective tasks. These conditions highlight areas of particular concern to Ohio EPA. The recipient is responsible for negotiations of necessary and reasonable costs, effective management of funds and adequate project monitoring.

Each potential recipient is encouraged to maintain close contact with Ohio EPA throughout general planning and design to ensure maximum priority value for its final project is identified and reflected in the PPL. This contact will also help prevent delays or possible deferral of the project at the time of funding.

Additional administrative conditions pertaining to the DWAF may be developed and added in the future. These additional conditions may modify, supplement or supersede the

administrative conditions in this section after appropriate public notice as required.

DEFINITIONS

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

- A. *Initiation of operation* - the date the funded facilities are in full and sustained operation as planned and designed.
- B. *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.)
- C. *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.
- D. *Project Priority List (PPL)* - list of all projects that submitted a pre-application for the WSRLA. All projects are scored and ranked according to the project priority ranking system.
- E. *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
- F. *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.
- G. *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.

H. *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 both its immediate and its 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, given the water system's available water resources and the characteristics of its service population. To be comprehensive, all elements of a water system's capability to effectively deliver safe water must be considered to meet the current needs and the projected future 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.

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

1. *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.

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

3. *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.

J. *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.

- K. *Scope* - the specific work that needs to be accomplished to deliver the purpose of the proposed project submitted in the nomination form.
- L. *Eligible System* – community water systems, both privately and publicly owned, and nonprofit non-community water systems.

**APPENDIX A
PUBLIC NOTICE**

STATEWIDE

DRAFT AMENDED PROGRAM MANAGEMENT AND INTENDED USE PLAN

The Ohio Environmental Protection Agency (Ohio EPA) has issued the Draft Amended Program Year 2016 Program Management and Intended Use Plan for the Drinking Water Assistance Fund authorized by Ohio Revised Code section 6109.22 and Section 1452 of the Safe Drinking Water Act.

A public meeting on the Draft Amended Program Year 2016 Program Management and Intended Use Plan will be conducted as follows: July 16, 2015, at 1PM and 4PM at Ohio EPA, Lazarus Government Center, 50 W. Town Street, Suite 700, Main Conference Room D, Columbus, Ohio 43215. All interested parties may attend and comment.

The complete public notice including instructions for submitting comments may be obtained online at: www.epa.ohio.gov/ddagw/financialassistance.aspx or by contacting: Hearing Clerk, Ohio EPA, P.O. Box 1049, Columbus, Ohio 43216-1049 (Ph: 614-644-2129).

Copies of the Draft Amended Program Management and Intended Use Plan are available from the Division of Drinking and Ground Waters upon request, through the Internet at <http://www.epa.ohio.gov/ddagw/financialassistance.aspx> or by writing to:

Ohio EPA
Lazarus Government Center
Attention: Susie Bodnar, DDAGW
P.O. Box 1049
Columbus, Ohio 43216-1049

Written comments should be submitted to:

Ohio EPA
Lazarus Government Center
Attention: Jennifer Hagar, DDAGW
P. O. Box 1049
Columbus, Ohio 43216-1049
E-mail address: jennifer.hagar@epa.ohio.gov

Written comments must be received on or before July 16, 2015

To allow interested persons to present their comments and suggestions, and for Ohio EPA to provide a response to questions on Ohio's Draft Amended Program Year 2016 Program Management and Intended Use Plan, two public meetings will be held at the following times and location:

1pm and 4pm on July 16, 2015
Ohio EPA
Lazarus Government Center
50 W. Town Street, Suite 700
Main Conference Room D
Columbus, Ohio 43216-1049

STATEWIDE

Ohio Environmental Protection Agency
P U B L I C N O T I C E
Final Program Management and Intended Use Plan
For the Drinking Water Assistance Fund
For Program Year 2015

Public notice is hereby given that the Director of the Ohio Environmental Protection Agency issued a final action effective July xx, 2015, adopting the 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 Drinking and Ground Waters, 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 Final Program Management and Intended Use Plan are available from the Division of Drinking and Ground Waters, upon request, and also through the Internet at www.epa.ohio.gov/ddagw/financialassistance.aspx.

APPENDIX C

WSRLA 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 allocable 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) are not eligible;
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 is evaluated for both the monetary and non-monetary cost effectiveness considerations;
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

WSRLA 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 water systems' ranking of its proposed 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 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
1 acute MCL violation	60 points
2 or more acute MCL violations	100 points
2 or more monthly MCL violations	60 points

*Groundwater Rule**

No treatment technique violations	0 points
1 treatment technique violations	60 points
2 or more treatment technique violations	100 points

*See EPA *The Ground Water Rule (GWR) Implementation Guidance* (EPA-816-R-09-004) Section 3.9.8 – Treatment Technique Violations for more information.

Surface Water Treatment Rule (turbidity and chlorine contact time)

No treatment technique violations	0 points
1 treatment technique violations	60 points
2 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 / >8.0 mg/L ≤1.0 mg/L	60 points
Level >10 mg/L / 1.0 mg/L	100 points

Cyanotoxins (in finished water)

Level <50% of the threshold	30 points
Level ≥50% of the threshold	60 points
1 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^{-4} 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*
\geq MCL or above Longer-term Child Health Advisories or DWEL or 10^{-4} Cancer Risk	60 points*

For contaminants without MCLs,

Above DWEL or 10^{-4} Cancer Risk or Longer-term Child Health Advisories	60 points*
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*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	25points
Boil advisory; 5 or more boil order/use advisory events	45 points

Disinfectant Residual (addressable through infrastructure improvements including looping)

0 violations	0 points
1 to 5 violations	15 points
6 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
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*Based on best estimate after consultation with local health department.

Source Contamination (Only if project replaces 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: 2 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

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/ 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/ 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/ additional system (maximum 30 pts.)

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
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If Combined Water and Sewer Benchmarks 2011) are <Annual Combined Water and Sewer Rates (2015)	20 points
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If the Combined Water and Sewer Benchmarks (2011) are >or=Annual Water and Sewer Rates (2015)	0 points
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For systems with only an existing water system

If the Water Benchmark (2011) is< Annual Water Rate (2015)	20 points
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If the Water Benchmark (2011) is > or = Annual Water Rate (2015)	0 points
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For systems with only an existing sewer system

If the Sewer Benchmark (2011) is < Annual Sewer Rate (2015)	20 points
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If the Sewer Benchmark (2011) is > or = Annual Sewer Rate (2015)	0 points
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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 cities and villages that responded to Ohio EPA's 2000 Sewer and Water Rate Survey.

Sewer Benchmark

Of the Ohio communities that experienced a sewer rate increase during 1999 through 2000, the following sewer benchmark values were established by an analysis of the 75th and 90th percentiles for this group:

<u>Income</u>	<u>Benchmark</u>
2011 MHI ≤ \$40,924	1.7 percent of MHI
2011 MHI > \$40,924	2.2 percent of MHI

Water Benchmark

Of the Ohio communities that experienced a water rate increase during 2014 through 2015, the following water benchmark values were established by an analysis of the 75th and 90th percentiles for this group:

<u>Income</u>	<u>Benchmark</u>
2011 MHI ≤ \$40,924	1.5 percent of MHI
2011 MHI > \$40,924	1.9 percent 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.

<u>Population or Service Area</u>	<u>Points</u>
0 < 500	24 points
500 < 750	22 points
750 < 1,000	20 points
1,000 < 2,000	18 points
2,000 < 3,000	16 points
3,000 < 5,000	14 points
5,000 < 10,000	12 points
10,000 < 30,000	8 points
30,000 < Beyond	3 points

APPENDIX E

WSRLA 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 2016 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 two percent 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 G O 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 systems that receive affordability ranking points rate is fixed at 2 percent. For the purposes of this interest rate, 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 to the disadvantaged community loan program (DCLP) 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 though

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:

<u>Total Score/Tier Level</u>	<u>Loan Terms</u>
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 2016 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 reduction of 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 project priority list. All other WSRLA program requirements must be met in order 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 2016 PPL.

APPENDIX G Draft Intended Project Priority List

DRAFT INTENDED PROJECT LIST April 28, 2015		PY16 (last rev'd 5/14/15)	Draft		Draft	Funds	Draft		Total	Class
PPL#	Entity	Project	PWS ID#	County	Project Cost	Needed	Population	Score	Class	
1	Fairfield Co.	Allen Rd Tie in FCBDD Facility	2301912	Fairfield	\$1,250,700	Feb-16	104	261	T-1	
2	Oregon (HAB)	HAB Infrastructure Imprvs	4800912	Lucas	\$14,187,900	Feb-16	31,563	185	STD	
3	Jewett	Distrib Syst Improvs (dsgn)	3400912	Harrison	\$235,010	Sep-15	650	182	EA	
4	Jewett	Distrib Syst Improvs (const)	3400912	Harrison	\$2,474,240	May-16	650	182	EA	
5	Somerset	Spillway Repairs & Wtr Lns Rplc/Ext	6401111	Perry	\$510,200	Dec-15	1,480	170	T-1	
6	Echoing Hills (HAB)	Surf Wtr Syst Conversion (dsg)	1600812	Coshocton	\$7,500	Apr-16	32	154	EA	
7	Echoing Hills (HAB)	Surf Wtr Syst Conversion (const)	1600813	Coshocton	\$75,000	Jun-16	32	154	EA	
8	Crooksville	Rplc Wtr Line/Stor Tnk/Meters	6400111	Perry	\$6,864,000	Dec-15	2,538	148	T-2	
9	Celina (HAB)	Wellfield/Tran Mn/Softn (dsgn)	5400011	Mercer	\$2,150,000	Jul-15	11,682	145	T-2	
10	Celina (HAB)	Wellfield/Tran Mn/Softn (const)	5400011	Mercer	\$4,000,000	Feb-16	11,682	145	T-2	
11	Logan	New 2.5 MGD WTP (dsg)	3700612	Hocking	\$789,610	Jul-15	7,129	142	EA	
12	Northwestern W&S Dist	Ampoint/White Rd/Vineyard St WL Rplc (dsg)	8752812	Wood	\$65,000	Aug-15	15,600	140	STD	
13	Northwestern W&S Dist	Oregon Rd/Bays Rd Elev Tanks Rehab	8752812	Wood	\$1,750,000	May-16	15,600	140	STD	
14	Northwestern W&S Dist	Ampoint/White Rd/Vineyard St WL Rplc (const)	8752812	Wood	\$650,000	Jun-16	15,600	140	STD	
15	Northwestern W&S Dist	Curtice Rd WL Rplc (dsg)	8704203	Wood	\$25,000	Aug-15	8,445	134	SML	
16	Twin City W&SD	Trans Mn Imprvs	7901711	Tuscarawas	\$941,000	Oct-15	9,224	134	T-2	
17	Northwestern W&S Dist	Curtice Rd WL Rplc (const)	8704203	Wood	\$250,000	Jun-16	8,445	134	SML	
18	Avon Lake (HAB)	Interconnect/Dist/Stor	4700311	Lorain	\$31,500,000	Sep-15	273,947	130	STD	
19	Brunersburg WD	TTHM Reduction Imprvs	2001103	Defiance	\$1,800,000	Jun-16	1,527	125	T-3	
20	Tuppers Plains Chester WD	Gold Ridge Booster	5300612	Athens/Meigs	\$625,300	Dec-15	13,443	120	T-3	
21	London (gf)	New East WTP	4900712	Madison	\$8,869,350	Dec-15	8,871	119	T-3	
22	Leading Creek Conservancy Dist	5 Mile Conveyor Ln Rplc (dsg)	5300012	Meigs	\$350,000	Jul-15	6,194	114	EA	
23	Fairview	Haul/Stor Wtr from Barnesville (eng)	New	Guernsey	\$145,016	Aug-15	83	114	T-2	
24	Fairview	Haul/Stor Wtr from Barnesville (const)	New	Guernsey	\$385,128	Feb-16	83	114	T-2	
25	Leading Creek Conservancy Dist	5 Mile Conveyor Ln Rplc (const)	5300013	Meigs	\$3,500,000	Jun-16	6,194	114	EA	
26	Mt. Pleasant	Upg Bstr, New Well, Rplc Mtrs (dsg)	4101712	Jefferson	\$110,000	Aug-15	478	111	SML	
27	Mt. Pleasant	Upg Bstr, New Well, Rplc Mtrs (const)	4101712	Jefferson	\$1,334,647	May-16	478	111	SML	
28	Muskingum Co Cmrs	Eastern Wtr Line Stor Tnk Ext New Concord	6000412	Muskingum	\$1,800,000	Sep-15	11,054	110	T-3	
29	Muskingum Co Cmrs	Chandlersville-Herron Rd WL Ext	6000412	Muskingum	\$1,133,000	Jun-16	11,054	110	T-3	
30	Amesville	Rplc WTP	0500112	Athens	\$1,867,800	Dec-15	255	109	EA	
31	Jewett	Tank Rplc	3400912	Harrison	\$479,000	Jan-16	650	107	T-2	
32	New Straitsville	Repl Wtr Lines Ph 2 (dsg)	6400503	Perry	\$80,000	Sep-15	838	106	T-3	
33	New Straitsville	Repl Wtr Lines Ph 2 (const)	6400504	Perry	\$1,534,000	Jun-16	838	106	T-3	
34	Continental	TTHM Compliance (dsg)	6900212	Putnam	\$20,000	Jul-15	1,153	105	SML	

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35	Piqua	New Central Wtr Twr	5501211	Miami	\$3,420,000	May-16	20,522	105	EA
36	Continental	TTHM Compliance (const)	6900213	Putnam	\$26,000	Jun-16	1,153	105	SML
37	Muskingum Co Cmrs	SR 555 Ext Philo/Cannelville/Roseville Srvs	6000503	Muskingum	\$2,853,900	Jun-16	11,102	105	T-3
38	Bluffton	TTHM Removal Syst	0200112	Allen	\$500,000	Dec-15	4,125	101	SML
39	Akron	Bckwsh WS Upgrd	7700011	Summit	\$1,119,634	Jul-15	300,000	100	EA
40	Akron	North Gnrtr & Subst Imprvs	7700011	Summit	\$900,084	Jul-15	300,000	100	EA
41	Northwestern W&S Dist	No. Area Syst DBP Imprvs (dsg)	8752812	Wood	\$41,000	Aug-15	15,600	100	STD
42	Mahoning Valley Sant Dist	Chem Feed Imprvs	7801811	Trumbull	\$1,851,502	Oct-15	220,000	100	EA
43	Northwestern W&S Dist	No. Area Syst DBP Imprvs (const)	8752812	Wood	\$410,000	Jun-16	15,600	100	STD
44	Amanda (gf)	Elevated Wtr Storage Tank	2300012	Fairfield	\$832,100	Aug-15	737	97	T-3
45	Thurston	Gate Valves & Hydrants	2302903	Fairfield	\$88,230	Oct-15	604	93	T-2
46	Sandusky Co PD(7256212)	Gibsonburg (7200412) /White Star Prk (dsg)	7256212	Sandusky	\$37,000	Dec-15	2,506	93	EA
47	Sandusky Co PD(7256212)	Gibsonburg (7200412) /White Star Prk (const)	7256212	Sandusky	\$340,000	Jun-16	2,506	93	EA
48	Akron	Sediment Bsn/Chain/Flt Sldg Cll Syst	7700011	Summit	\$386,000	Jul-15	300,000	90	EA
49	Northwestern W&S Dist	WLine #300 Area Cncts (dsgn)	8704003	Wood	\$42,650	Aug-15	424	86	SML
50	Northwestern W&S Dist	WLine #300 Area Cncts (const)	8704003	Wood	\$600,000	Jun-16	424	86	SML
51	Wakeman	SR 303 & US 20 Wline (dsgn)	3901411	Huron	\$54,940	Aug-15	1,047	85	SML
52	Bowling Green	WTP Reservoir Pump Station	8700311	Wood	\$3,600,000	Sep-15	30,028	85	STD
53	Wakeman	SR 303 & US 20 Wline (const)	3901411	Huron	\$385,500	Jun-16	1,047	85	SML
54	Tuppers Plains Chester WD	Mile Hill Tank Rpl	5300612	Meigs/Athens	\$837,800	Jun-16	13,443	85	EA
55	Cleves	Jcksn/Hvn/ E State/St Annes WL Rplc	3100512	Hamilton	\$820,000	Jul-15	5,850	84	SML
56	Port Clinton	Dist Syst Impr (dsg)	6203211	Ottawa	\$395,000	May-16	6,056	84	EA
57	Port Clinton	Dist Syst Impr Plan (const)	6203212	Ottawa	\$5,642,940	Jun-16	6,056	84	EA
58	Tri-County Rural W&SD	Ph 5 WL Exts	8403112	Washington	\$1,670,000	Aug-15	2,800	83	SML
59	Miamisburg	Trans Mn Pkg A (dsg)	5701212	Montgomery	\$500,000	Jul-15	20,000	80	STD
60	Miamisburg	Trans Mn Pkg A (const)	5701212	Montgomery	\$2,500,000	Apr-16	20,000	80	STD
61	Bishopville WD	Wtr Tank Replacement	0500403	Athens	\$395,350	Oct-15	1,154	79	EA
62	Geneva	North Broadway Wtr Line	0401712	Ashtabula	\$260,000	Jul-15	7,000	78	EA
63	Geneva	Elm St Wltr Line	0401712	Ashtabula	\$580,000	Mar-16	7,000	78	EA
64	Northwestern W&S Dist	Bays Rd Wtr Line Rplc (Hoytville)	8700612	Wood	\$385,000	Aug-15	3,466	76	SML
65	New Waterford	Rplc Wtr Line (dsg)	1501722	Columbiana	\$395,600	Aug-15	1,238	75	SML
66	Cincinnati	Clifton Ave	3102612	Hamilton	\$3,140,000	Aug-15	1,215,612	75	EA
67	Cincinnati	Evelyn/Lincoln/Haubner/Farlook	3102612	Hamilton	\$2,875,000	Aug-15	1,215,612	75	EA
68	Cincinnati	Ardmore/Bona Vista/Cliff Ridge	3102612	Hamilton	\$2,040,000	Aug-15	1,215,612	75	EA
69	Cincinnati	Aracoma Areas/Forest Dr/Donegal	3102612	Hamilton	\$1,935,000	Aug-15	1,215,612	75	EA
70	Cincinnati	Highview/Edgetree/Alcliff	3102612	Hamilton	\$1,775,000	Aug-15	1,215,612	75	EA
71	Cincinnati	Kroger/Walworth/Lindell	3102612	Hamilton	\$1,620,000	Aug-15	1,215,612	75	EA
72	Cincinnati	Pippin/Clover Crest/Golf	3102612	Hamilton	\$1,570,000	Aug-15	1,215,612	75	EA

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73	Cincinnati	Apache/Cherokee/Indianwood	3102612	Hamilton	\$1,515,000	Aug-15	1,215,612	75	EA
74	Mahoning Valley Sant Dist	Ph III Dist Vlvs & Mn Rplc Imprvs	7801811	Trumbull	\$6,048,037	Jan-16	220,000	75	EA
75	Cincinnati	Fairpark/63rd/64th/65th/70th	3102612	Hamilton	\$1,145,000	Mar-16	1,215,612	75	EA
76	New Waterford	Rplc Wtr Line (const)	1501722	Columbiana	\$7,063,668	Jun-16	1,238	75	SML
77	Cincinnati	Langdon Farm Rd	3102612	Hamilton	\$1,700,000	Jun-16	1,215,612	75	EA
78	Cincinnati	Ireland/Illona/Jennings	3102612	Hamilton	\$1,410,000	Jun-16	1,215,612	75	EA
79	Cincinnati	Robvern/Marbev/Gloria	3102612	Hamilton	\$1,045,000	Jun-16	1,215,612	75	EA
80	Cincinnati	Indianwoods/Brandywine	3102612	Hamilton	\$995,000	Jun-16	1,215,612	75	EA
81	Campbell (HAB)	Interconnect (const)	5000411	Mahoning	\$535,000	Jul-15	8,500	74	SML
82	Campbell (HAB)	Interconnect (dsg)	5000411	Mahoning	\$108,000	Jul-15	8,500	74	SML
83	Erie County (Bay View)	Elev Tank Relocation (dsgn)	2200203	Erie	\$78,900	Jan-16	4,985	71	SML
84	Erie County (Bay View)	Elev Tank Relocation (const)	2200203	Erie	\$457,600	Jun-16	4,985	71	SML
85	Brown Co RWS	Srvc to Aberdeen	0802012	Brown	\$3,250,000	Jul-15	22,818	70	EA
86	Miamisburg	Richard St Tank Rehab & Mn Imprvs	5701212	Montgomery	\$5,317,000	Aug-15	20,000	70	STD
87	Sugar Grove	Major Imprvs WTP (dsg)	2302112	Fairfield	\$198,430	Oct-15	426	70	SML
88	Cleveland	Bstd 3rd Hgh Syst-Pmp Stat, Twr & WM	1801212	Cuyahoga	\$6,500,000	Jan-16	1,262,955	70	EA
89	Columbus	Hap Cremean Wtr Plt Chem Bldg	2504412	Franklin	\$4,000,000	Feb-16	1,152,993	70	STD
90	Harrison Co. Unionvale-Kenwood	Giacobbi Rd Intercon	3401503	Harrison	\$247,500	May-16	432	70	EA
91	Sugar Grove	Major Imprvs WTP (const)	2302112	Fairfield	\$955,483	Jun-16	426	70	SML
92	Geneva	Meters & Meters Rplc Syst	0401712	Ashtabula	\$700,000	Jul-15	7,000	68	EA
93	Belle Center	Elev Tank (dsgn)	4600012	Logan	\$95,000	Jan-16	834	67	SML
94	Belle Center	Elev Tank (const)	4600012	Logan	\$900,000	Jun-16	834	67	SML
95	Northwestern W&S Dist	So. Area WTP DBP Imprvs	8700612	Wood	\$349,800	Aug-15	3,466	66	SML
96	Adams Co Reg WD	Louisville Wtr Tank	0100012	Adams	\$25,000	Jul-15	26,975	65	EA
97	Sebring	WTP Filter Imprvs	5001911	Mahoning	\$1,381,413	Jul-15	8,100	64	SML
98	Zanesville	Wtr Tank Improvements	6002712	Muskingum	\$2,394,200	May-16	29,381	64	EA
99	Columbus	Berrell Ave WL Imprvs	2504412	Franklin	\$3,000,000	Aug-15	1,152,993	60	STD
100	Columbus	Deland Ave WL Imprvs	2504412	Franklin	\$3,000,000	Aug-15	1,152,993	60	STD
101	Columbus	Fenway Rd WL Imprvs	2504412	Franklin	\$3,000,000	Aug-15	1,152,993	60	STD
102	Columbus	Dering Ave WL Imprvs	2504412	Franklin	\$3,000,000	Sep-15	1,152,993	60	STD
103	Columbus	Simpson Dr Ar WL Imprvs	2504412	Franklin	\$3,000,000	Sep-15	1,152,993	60	STD
104	Columbus	E Deshler Ave WL Imprvs	2504412	Franklin	\$3,000,000	Oct-15	1,152,993	60	STD
105	Columbus	Acton Rd Ar WL Imprvs	2504412	Franklin	\$3,000,000	Dec-15	1,152,993	60	STD
106	Columbus	Silver Dr Ar WL Imprvs	2504412	Franklin	\$3,000,000	Jan-16	1,152,993	60	STD
107	Columbus	Lamont Ave Ar WL Imprvs	2504412	Franklin	\$3,000,000	Apr-16	1,152,993	60	STD
108	Columbus	Arcadia Ave Ar WL Imprvs	2504412	Franklin	\$3,000,000	May-16	1,152,993	60	STD
109	Northwestern W&S Dist	BG Wtr Line Connection	8700612	Wood	\$603,700	Aug-15	3,466	56	SML
110	Cincinnati	Cox Smith Road	3102612	Hamilton	\$1,160,000	Feb-16	1,215,612	55	EA

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111	Miamisburg	Benner Rd Bstr/Pmp Stat/Wtr Mn	5701212	Montgomery	\$3,893,000	Aug-15	20,000	50	STD
112	Miamisburg	Byers Rd Evel Stor Tank (dsg)	5701212	Montgomery	\$466,000	Dec-15	20,000	50	STD
113	Hamilton	N Third St Mn Rplc	0904012	Butler	\$1,282,500	May-16	62,477	50	STD
114	Hamilton	River Rd Mn Rplc	0904012	Butler	\$720,000	May-16	62,477	50	STD
115	Greenville (HAB)	Water Twr East	1900714	Darke	\$6,700,000	Jun-16	13,227	50	STD
116	Northwestern W&S Dist	2nd Portage WL Connection (dsg)	8700612	Wood	\$35,300	Jul-15	3,466	46	SML
117	Northwestern W&S Dist	2nd Portage WL Connection (const)	8700612	Wood	\$390,000	Oct-15	3,466	46	SML
118	Hillsdale Community WA	Aux Pwr Generator	7001912	Richland	\$32,847	Apr-16	195	46	SML
119	Miamisburg	WTP Sftng Prj	5701212	Montgomery	\$8,138,000	May-16	20,000	45	STD
120	Brilliant	New Well & Wtr Line	4100412	Jefferson	\$567,587	Jul-15	6,118	39	SML
121	Avon Lake	Hypochlorite Conversion	4700311	Lorain	\$3,100,000	Sep-15	273,947	30	STD
122	Hamilton	Foster Ave Sewer Water Srv 10 Units	0904012	Butler	\$137,700	May-16	62,477	30	STD
PLN	Fairview	Haul/Stor Wtr from Barnesville (pln)	New	Guernsey	\$25,000	Jul-15	83	0	PLN
PLN	Northwestern W&S Dist	Wtr Loss Audit (pln)	8752812	Wood	\$125,000	Jul-15	42,000	0	PLN
PLN	Payne	WS & Trmt GP (pln)	6300712	Paulding	\$20,000	Dec-15	1,150	0	PLN
PLN	Leipsic	WS, Trmt & Dist GP (pln)	6900612	Putnam	\$28,000	Dec-15	2,093	0	PLN
PLN	Franklin Co Wtr	Planning for Contingency/SWAP	2501003	Franklin	\$150,000	Dec-15	9,023	0	PLN
PLN	Echoing Hills (HAB)	Surf Wtr Syst Conversion (pln)	1600811	Coshocton	\$5,000	Mar-16	32	0	PLN
TF	Eligible WSRLA PWS	Emergency Power Targeted Fund	Varies	Varies	\$1,000,000	Jun-16	Varies	N/A	TF
LF	Eligible PLN PWS	Design Loan Funds	Varies	Varies	\$3,000,000	Jun-16	Varies	N/A	LF
W/D	Madison County (WITHDRAW)	New System (dsg)(WITHDRAWN)	New	Madison	\$625,000	Jun-16	600	0	W/D
W/D	Sebring (WITHDREW)	Wtr Mns Rplc Ph I	5001911	Mahoning	\$203,020	Jul-15	8,100	0	W/D

HAB Infrastructure Targeted Funding

1	Oregon (gf)	Ozone system	4800911	Lucas	\$12,000,000	Jun-16	29,000	185	n/a
2	Bowling Green	WTP Reservoir Pump Station	8700311	Wood	\$3,600,000	Sep-15	30,028	155	n/a
3	Avon Lake (gf)	Addnl Storage & Interconnection	4700311	Lorain	\$15,000,000	Jun-16	206,000	145	n/a
4	Painesville (gf)	New raw water intake	4301611	Lake	\$9,390,000	Jun-16	24,900	130	n/a
5	Celina (gf)	1.0 MG elevated storage tank	5400011	Mercer	\$2,035,000	Jun-16	11,682	110	n/a
6	Celina (gf)	Wellfield, WTP modifications	5400011	Mercer	\$2,300,000	Jun-16	11,682	110	n/a
7	Aqua Struthers (gf)	Evans Lake Intake Improvements	5001611	Mahoning	\$55,000	Jun-16	31,000	55	n/a
8	Echoing Hills (gf)	Surface Water Plant Conversion	1600811	Coshocton	\$61,000	Jun-16	30	55	n/a
9	Campbell (gf)	Campbell Water Interconnect Project	5000411	Mahoning	\$643,000	Jun-16	8,123	50	n/a
10	Greenville (gf)	Water Tower East/Source Water Mont. Panel	1900714	Darke	\$6,700,000	Jun-16	13,227	30	n/a

gf= Projects held over maintaining points from PY15 to PY16

APPENDIX H – Final Intended Projects List

FINAL INTENDED PROJECT LIST		<i>Final</i>			<i>Final</i>		
P	April 28, 2015				Date		
P	PY16				Funds	Total	Class
L			Project	PWS	Cost	Population	Points
#	Entity	Project	ID#	County	Cost	Needed	Score

For Program Year 2016, the entire PPL, with the exception of ineligible and withdrawn projects are fundable and comprise the IPL.

APPENDIX I

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 2015 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-one full-time equivalent (FTE) positions to complete the program activities described in this section.

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:

1. Source Water Assessment

Complete source water assessments for new public water systems and update delineations for new sources (well or water supply intakes). 3 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.

2. 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 2015. 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.

3. 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 PY2016 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.

4. 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.

5. Operator Certification

Implementation of Ohio's Operator Certification Program. 4 FTEs

Schedule: Service to Ohio's certified operators will be provided throughout the year. Services include but are not limited to the processing of: examination applications, contact hour course application and renewal applications. Staff will participate in the development, administration and validation of certification examinations.

Staff will provide technical assistance to certified and non-certified personnel.

Responsibility: The Operator Certification Unit staff will have the primary responsibility for ensuring the timely completion of the tasks listed above.

Evaluation: Success will be measured by the number of each of the applications reviewed, number of exams developed, administered and validated.

6. 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.

7. Harmful Algal Blooms

Implementation of Ohio Harmful Algal Blooms Response Strategy. 2 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 J

Small Systems Technical Assistance Work Plan SDWA Section 1452 (g)(2)

Ohio EPA will set-aside 2 percent of the FFY 2015 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:

- a. a brief description of organizations selected to provide services under the SSTAP;
- b. the scope of work to be provided under the SSTAP;
- c. the funding amount in dollars and as a percentage of the DWAF allocation;
- d. the number of FTEs projected for implementing the program;
- e. the goals, objectives, and deliverables for the program;
- f. a schedule for completing activities during the program year;
- g. the responsibilities of Ohio EPA and the providers of assistance; and
- h. 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 2016 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 follow 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

The services to be provided under the SSTAP are in the areas of financial, managerial, regulatory and operational assistance. These services will be performed by RCAP and through training of Ohio EPA field staff. Financial and managerial assistance provided to

small water systems through the SSTAP include:

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 State Revolving Loan Fund (DWSRF) 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 DWSRF. 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 1t* (previously called *Maximizing System Efficiency and Sustainability with Reduced Resources*); two training sessions with a new full training course on *Containing Costs 2*. As part of this Grant Agreement, a total of twelve 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 entitled “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 entitled “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.
13. Provide assistance to communities identified by Ohio EPA that will work cooperatively with RCAP to develop Asset Management Plans for their PWS; this assistance will assist communities to develop and implement asset management plans using CUPSS as a platform.
14. RCAP will complete 16 surveys for the USEPA 2015 Needs Survey.

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 Equivalent (FTEs)

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

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 (SWDA) 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.

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.

1. Monthly reports
 - 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
 - Provide a list of training conducted, attended and other staff activities.
2. Quarterly reports
 - Report on the small systems assisted with:
 - Preparation of DWSRF and other funder’s applications
 - Determining the most cost effective option to access safe drinking water
 - Readiness to proceed issues
 - Capacity development
 - Report on the “RCAP Team Approach”:
 - Name of community
 - Identification of community need include violations occurring and capacity development needs
 - Description of assistance provided and benchmarks accomplished
 - Description of the effectiveness of pilot project
 - Recommendations for next steps for the community
 - Report on the Demonstration Project – “RCAP Asset Management”:
 - Name of community
 - Description of assistance provided and benchmarks accomplished

- Description of the effectiveness of demonstration project
- Report on classroom and online training provided, including:
 - Date and location of training
 - Name of course
 - Number of participants
 - Number of water systems
 - Communities that have met training requirements for principal forgiveness

3. Annual Reports

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

4. Progress statements

- Statements with details about the status of a particular project or community. These are submitted as needed.
- Statements regarding the effectiveness of the pilot study.
- 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 DDAGW staff to overview 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, periodically, RCAP 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 their technical assistance.

APPENDIX K
FY 2016 DWSRF
Local Assistance and Other State Programs Set Aside Work Plan
SDWA Section 1452 (k)(1)(B)

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

1. Capability

Strategize new opportunities to re-energize the capability assurance (capacity development) program and maintain efforts to improve compliance assurance throughout the state. 4 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.

2. 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.