



John R. Kasich, Governor  
Mary Taylor, Lt. Governor  
Craig W. Butler, Director

July 29, 2016

Mayors, County Commissioners,  
Regional Authority Officials, Consulting Engineers, and Interested Citizens

**Re: Water Pollution Control Loan Fund (WPCLF)  
Call for Project Nominations for Program Year 2017 (January 1, 2017 – December 31, 2017)**

Dear Sir or Madam:

We again invite you to nominate projects for financial assistance from Ohio's Water Pollution Control Loan Fund (WPCLF) in 2017. As in the past, we expect to make loan funds available to all eligible projects. In addition, we anticipate administering approximately \$30 million in principal forgiveness funds this program year. These funds will be awarded to eligible projects based on a competitive ranking system to be further described in the Program Management Plan (PMP).

**The following describes the important milestones for Program Year 2017:**

1. For all general design and construction projects, nominations must be submitted to Ohio EPA by **August 31, 2016**. Planning projects may be nominated at any time during the program year. Also, any project associated with nutrient reduction (planning, design, or construction) may be nominated at any time as well. Only electronic submissions will be accepted.
2. Nominations of new projects – To be considered for funding in 2017, all design and construction projects must appear on the Project Priority List (PPL). If your project did not appear on the 2016 PPL, we consider it a new project. For these projects, you must complete and electronically submit the 2017 WPCLF Project Nomination Form to our office by the deadline. Each new project needs a separate form.
3. Re-nominations of 2016 projects – If your project was on the 2016 PPL but won't be ready for an award before the end of 2016, you must complete and electronically submit a revised schedule on the appropriate WPCLF Project Schedule Form to our office by the deadline.

Any project that has not electronically submitted a revised schedule by the deadline will not be carried forward to the 2017 PPL, and will not be funded in 2017. If your project's scope or costs have changed significantly, or you want us to re-rank your project for 2017, please complete and submit the WPCLF Project Nomination Form.

4. Water Resource Restoration Sponsor Program (WRRSP) Projects – For 2017, WRRSP is undergoing a comprehensive internal program evaluation that is not yet complete. Recommendations from the evaluation will be published as soon as possible with information about nominations.
  
5. Principal forgiveness – The structure of Principal Forgiveness for 2017 will be similar to the previous year (see Appendix J). The affordability criteria, developed under the Clean Water Act last year, will continue to determine which entities are potentially eligible for principal forgiveness. The prioritized areas of emphasis will be home sewage treatment system (HSTS) replacements and repairs, the western basin of Lake Erie, and projects in the remainder of the state. Unsewered areas and combined sewer overflow projects will continue to be focus areas. We anticipate making up to \$30 million available in 2017. If you want your construction project to be considered for principal forgiveness, the following apply:
  - a. For new construction projects, you must complete a WPCLF Nomination Form and check the Principal Forgiveness box on the Nomination Form and submit it by deadline.
  - b. For re-nominations of 2016 construction projects, you must submit an updated WPCLF construction schedule. You can either indicate carrying-over your previous ranking or request that we re-rank your project for 2017.
  - c. All applicants should note that a special emphasis will be placed on “readiness to proceed” for principal forgiveness projects in 2017, and Ohio EPA may develop interim deadlines and/or milestones for evaluating project readiness.

### **Highlights and Proposed Changes for Program Year 2017**

The following highlights some of the proposed changes for 2017. Additional detailed information will be included in the Draft PMP later this year.

- 30-year direct loans – In 2016, legislation was adopted that granted Ohio EPA the authority to make direct 30-year loans. Ohio EPA will offer these long-term loans in 2017. The criteria for these loans will be outlined in the Draft PMP. Applicants that wish to be considered for a 30-year loan term should check the box on page 2 of the WPCLF nomination form.
  
- Structured Repayments – In 2017, Ohio EPA may consider “structured” repayments of loans. These repayments are not uniform over the term of the loan. Depending on the needs of the customer, they may be structured to allow for larger payments toward the end or the beginning of the loan. Criteria will be developed for who may qualify for a structured amortization of their WPCLF loan.

- Household Sewage Treatment Systems (HSTS) – As a continued priority from 2016, Ohio EPA will continue to offer principal forgiveness funds for the repair and replacement of failing home sewage treatment systems.
- Combined Sewer Overflow (CSO) Discount – Ohio EPA will provide subsidized loan funds for combined sewer overflow projects during 2017. \$100 million will be available at a 0% interest rate during the program year. Criteria for the distribution of these funds will be included in the Draft PMP.
- Nutrient Reduction Discount – Ohio EPA has been concerned with the water quality impacts of excess nutrients in Lake Erie and in critical watersheds. To address these concerns, Ohio EPA will continue to offer funds at a 0% interest rate for nutrient reduction projects. The subsidized loan is applied to the portion of the project directly attributable to the nutrient reduction. Standard, below-market interest rate loan funds will be offered for the balance of a proposed project.
- Energy efficiency projects – In 2017, Ohio EPA anticipates allocating some principal forgiveness funds to projects for the installation of variable frequency drives and the replacement of inefficient blowers. These funds will be awarded as part of a larger WPCLF construction project.

We must receive all applicable WPCLF nominations and schedules no later than August 31, 2016. Please note that only electronic submissions will be accepted. If you have questions, please contact Kevin Spurbeck at (614) 644-3645, or email us at [epa.defamail@epa.ohio.gov](mailto:epa.defamail@epa.ohio.gov).

Thank you for your continuing interest in improving Ohio's water resources.

Sincerely,



Jerome Rouch, Assistant Chief

Division of Environmental and Financial Assistance