



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

January 13, 2016

Mayors, County Commissioners,
Regional Authority Officials, Consulting Engineers,
And Other Interested Parties

Re: Program Year 2017 Water Supply Revolving Loan Account Project Nominations

The Ohio Environmental Protection Agency (Ohio EPA) invites all interested parties to nominate potential drinking water projects for funding through the Water Supply Revolving Loan Account (WSRLA) for program year 2017 (July 1, 2016 - June 30, 2017). **PLEASE NOTE: PROJECT NOMINATION FORMS AND SUPPORTING DOCUMENTATION MUST BE RECEIVED BY TUESDAY, MARCH 1, 2016 TO BE CONSIDERED. ONLY ELECTRONIC SUBMISSIONS WILL BE ACCEPTED.**

To assist you with your WSRLA nomination, below are updates and highlights for program year 2017 (PY 2017). More details will be included in the draft WSRLA Program Management Plan, issued later this year.

1. Total Available Funds

Ohio EPA anticipates being able to make at least \$200 million available for WSLRA projects during PY 2017. As such, we want to encourage nominations for the full use of these funds.

2. Continuation of Harmful Algal Bloom (HAB) Discount

In Program Year (PY) 2015 and 2016, Ohio EPA offered up to \$50 million each year at a 0% interest rate for projects that addressed Harmful Algal Bloom (HAB) issues at surface water treatment plants. Ohio EPA will continue this in PY 2017, making up to \$50 million available at 0% for planning, design, and construction projects that will improve treatment for toxins produced from HABs, 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 of source water.

3. Principal Forgiveness

We anticipate the amount of principal forgiveness available to be approximately \$6 - \$8 million. Priority areas for principal forgiveness during PY 2017 include:

- a. Targeted Regionalization: Disadvantaged communities are strongly encouraged to nominate projects for consideration of principal forgiveness funds. Ohio EPA will continue to place a high priority on funding projects that consolidate small disadvantaged community systems into larger systems.
- b. Emergency Power Sources: Systems with construction projects on the PY 2017 Project Priority List are eligible to receive 50% of the auxiliary power cost up to a maximum of \$10,000 in principal forgiveness.
- c. Asset Management Planning: During PY 2017, Ohio EPA may offer a limited amount of principal forgiveness for asset management planning. The exact amount of funding has not been determined, but the award of principal forgiveness will probably be for a portion of the total planning cost (for example, 25% of the estimated amount up to a \$5,000 maximum). The remainder to the planning costs can be covered by a 0% interest planning loan.

4. Funding for Larger Systems

Larger water systems are encouraged to nominate large projects for funding consideration. If needed, a proportionate share maximum will be established after we evaluate the total demand on the Fund.

5. Loans for Planning Activities

Ohio EPA offers a 0% interest rate to all applicants for planning loans. These loans can be used for a wide variety of planning activities included traditional infrastructure planning, as well as more specialized planning, such as asset management or corrosion control studies.

6. Cyanotoxin Testing Equipment

Ohio EPA made \$1 million in grants available during PY 2015 and 2016 for cyanotoxin investigative monitoring equipment, to increase the capability of public water systems to detect the presence of cyanotoxins in water supplies. The initial \$1 million allocation has been awarded, but Ohio EPA is considering making additional grant money available to surface water systems that have not yet requested funds. Public water systems that are interested in receiving funds for this purpose can access the funding application here:

http://epa.ohio.gov/HAB_funding.aspx

Project Nominations

Nomination forms and the instructions can be found on both the Division of Environmental and Financial Assistance (DEFA) and the Division of Drinking and Ground Water (DDAGW) websites:

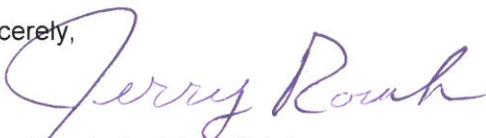
<http://epa.ohio.gov/defa/EnvironmentalandFinancialAssistance.aspx> or <http://epa.ohio.gov/ddagw/financialassistance.aspx>. For further assistance in filling out the nomination form or Disadvantaged Community Loan Program application, please contact Ohio EPA or the Ohio Rural Community Assistance Program (for systems with a population of 10,000 or less, contact Kurtis Strickland at 740-682-8414 or kmstrickland@wsos.org) prior to the deadline.

Please note an Ohio EPA-approved general plan addressing the proposed project must be submitted with the nomination for design and/or construction loans for new, replaced, rehabilitated, upgraded or expanded water treatment plants and their components. Design and/or construction projects that address distribution systems and their components must also have approvable project planning documentation related to the proposed project submitted with the nomination form. More information on the elements of a general plan and project planning documentation can be found in the attached instructions.

All nomination forms with supporting documentation must be submitted via email by March 1, 2016 to DWAF.mail@epa.ohio.gov. Paper copies and faxes are no longer accepted. Please attach the nomination form and one file of all the required documentation. Please also attach the Disadvantaged Community Loan Program Application, if applicable. The email can contain a maximum of three attachments. Please label the subject of the email with the system name followed by the project name. For systems submitting multiple projects, please send a separate email for each project. If the one file of all required documentation will exceed the 25MB Ohio EPA email capacity, please include the document file name in the body of your email and FTP the file to Ohio EPA. Instructions to self-register and send large files to Ohio EPA by FTP are attached, and can also be found on the DEFA and the DDAGW Financial Assistance websites referenced above.

If you have additional questions regarding the WSRLA, please contact Monica Hogan or Kevin Spurbeck at 614-644-2798 or at DWAF.mail@epa.ohio.gov. Thank you for your continuing interest in improving Ohio's drinking water infrastructure and resources.

Sincerely,



Jerry Rouch, Assistant Chief
Office of Financial Assistance
Division of Environmental and Financial Assistance