



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

**January 24, 2017**

**Notice of issuance of a Limited Environmental Review and  
Final Finding of No Significant Impact To All Interested  
Citizens, Organizations, and Government Agencies**

**2017 HSTS Program, Direct Financial Assistance for the  
Repair/Replacement of Failing Household Sewage Treatment Systems under the  
2017 WPCLF Program Management Plan**

The purpose of this notice is to advise the public that Ohio EPA has reviewed the above referenced program and finds that neither an Environmental Assessment (EA) nor a Supplemental Study (SS) is required to complete the environmental review of the program. Instead, this program meets the criteria for a Limited Environmental Review (LER). These criteria are summarized below in this document and in the attached LER.

The LER was completed for this program as it will not individually, cumulatively over time, or in conjunction with other Federal, State, local, or private actions have a significant adverse effect on the quality of the human environment. Consequently, a Finding of No Significant Impact can be issued now for this program.

The Water Pollution Control Fund (WPCLF) program requires the inclusion of environmental factors in the decision-making process for project approval. Ohio EPA has done this by incorporating an analysis of the environmental effects of the proposed action in its review and approval process. Environmental information was developed as a part of the planning process. A subsequent review by this Agency has found that the proposed action does not require the preparation of an EA or an SS.

Our environmental review concluded that because the proposed program is limited in scope and meets all applicable criteria, a Limited Environmental Review is warranted. Specifically, the program constitutes an action in unsewered areas where on-site technology is proposed. Furthermore, the proposed program:

- has no significant environmental effect;
- does not require extensive specific impact mitigation;
- has no effect on high value environmental resources;

- is of reasonable cost;
- is not a controversial action;
- does not create a new, or relocate an existing discharge to surface or ground waters;
- will not result in substantial increases in the volume of discharge or the loading of pollutants from an existing source or from new facilities to receiving waters; and
- will not provide capacity to serve a population substantially greater than the existing population.

The LER presents information on the proposed program, its costs, and the basis for our decision. Further information can be obtained by calling or writing the contact person listed on the back of the LER.

Upon issuance of this determination, loan awards may proceed without being subject to further environmental review or public comment, unless information is provided which determines that environmental conditions for the proposed projects have changed significantly.

Sincerely,



Jerry Rouch, Assistant Chief  
Division of Environmental and Financial Assistance

cc: OWDA

Attachment

## LIMITED ENVIRONMENTAL REVIEW

### A. Project Identification

Name: 2017 HSTS Program  
Direct Financial Assistance for the Repair/Replacement of Failing  
Household Sewage Treatment Systems  
Administered by 51 Local Government Agencies

WPCLF No.: See Table 5

### B. Background

The State of Ohio has approximately 1 million homes utilizing home sewage treatment systems (HSTS) for sewage treatment. The Ohio Department of Health indicates that approximately 25% of these systems are failing, and another 13% of the systems have a high probability of failing in the next five years. Thus, there is a tremendous need for HSTS repair and replacement and for financial assistance for the work.

Ohio EPA, through its Water Pollution Control Loan Fund (WPCLF), has provided special financing to local governments since 2009 for repair and replacement of failing HSTS (Table 1). For Program Year 2017, the WPCLF will make available \$13,200,000 of principal forgiveness for the repair, replacement or connection to existing centralized sanitary sewer systems of failing HSTS.

Besides their threat to public health, failing HSTS contribute to nutrient enrichment of surface water. Nutrient enrichment is believed to be the primary cause of harmful algal blooms (HABs) that have cost millions of dollars for water treatment, lost commercial and recreation opportunities, and implementing further safeguards to protect water resources and public health.

Ohio EPA will administer the 2017 HSTS Program Direct Financial Assistance for the Repair / Replacement of Failing Household Sewage Treatment Systems under the 2017 WPCLF Program Management Plan (hereafter referred to as “2017 HSTS Program”) to provide the one-time award of principal forgiveness loans to certain qualifying local government agencies (LGAs), typically county health districts, to fund repair, replacement or connection to existing centralized sanitary

sewer systems of a limited number of failing HSTS. The framework for executing the 2017 HSTS Program includes: notifying LGAs about this funding opportunity, identifying LGAs and HSTS that are eligible for assistance, reviewing contracts, processing payments, and ensuring compliance with program requirements. The WPCLF requires an environmental review as part of the decision-making process. This document summarizes Ohio EPA’s environmental review of the proposed 2017 HSTS Program.

<b>Table 1 Historical Allocation of Grant Funds For HSTS Repairs and Replacements</b>	
<b>Program Year</b>	<b>Amount of Funds</b>
2009	\$3,471,000
2011	\$6,000,000
2012	\$2,500,000
2013	\$2,000,000
2015	\$1,000,000
2016	\$13,300,000
2017	\$13,200,000
<b>Total</b>	<b>\$41,471,000</b>

C. Program Description

Under the proposed 2017 HSTS Program, each interested LGA has submitted a project nomination form identifying the total dollars requested, the estimated number of systems to be repaired / replaced / connected, the estimated costs per upgrade, and a map of the general locations for systems repair / replacement / connection. Each LGA with a qualified nomination is required to prepare and submit a draft model contract for approval by Ohio EPA, and will enter into a WPCLF principal forgiveness loan agreement with Ohio EPA. The loan agreement will specify the amount of funds that will be available to the LGA for the repair / replacement / connection of HSTS. Upon review and approval by Ohio EPA, the LGA will draw upon the approved loan for eligible HSTS repairs / replacements / connections that have been completed. These funds, made available as a principal forgiveness loan, require no repayment of the loan.

Once the loans are awarded to the LGAs, the general process for LGAs will be as follows:

- Review homeowner (applicant) information; determine eligibility using local, accepted income verification criteria; select applicants and issue awards.
- Obtain verification from the local health district that the applicant's HSTS is failing and that repair or replacement is needed.
- Review the site/soil evaluation and the proposed system design, and issue a permit for installation, as appropriate.
- Advertise for bids from contractors for HSTS work, review and select bids, and return the HSTS Contract Document packet to Ohio EPA.
- Oversee the implementation of the agreements between the LGA, the system owner, and the contractors hired for HSTS installation, and ensure that the homeowner has obtained a service agreement for maintenance of the HSTS by a qualified service provider, if required based on the type of HSTS installation.
- Submit payment request forms to Ohio EPA for payment of the HSTS installation work, including any soil evaluation or system design work.
- Process payments to the contractor(s) performing the eligible repair or replacement of the HSTS.

Eligibility factors also include:

- The homeowner(s) receiving the assistance has provided documentation that they are the titled owner(s) of the property where the sewage system will be improved.
- The home in question must be the primary residence of the homeowner(s).
- Rental properties and new build homes are ineligible for assistance.
- Only construction performed under the contracts between the LGA and its installers is eligible for WPCLF funding under this program. Contracts between installers and homeowners are ineligible for assistance under this program.

Ohio EPA will coordinate and review contractual and reporting requirements for the funds, review payment requests and supporting documentation, and authorize the disbursement of funds to the LGAs.

The Ohio Department of Health will provide technical support, as needed, with system evaluations, designs, permitting and inspection, and coordinate with Ohio EPA, as appropriate, to administer the program.

Principal forgiveness funds are to be applied to the eligible improvements on a 100%, 85% or 50% basis. That is, for the 100% principal forgiveness recipients, there will be no homeowner “local share;” for the 85% and 50% principal forgiveness recipients, the homeowner will be responsible for 15% and 50% of the eligible project costs, respectively<sup>1</sup>. The determination of whether the homeowners qualify for 100%, 85% or 50% will be made by the LGA based on U.S. Department of Health and Human Services poverty guidelines, as described in Tables 2-4.

Additionally, the LGA may take up to 3% of total eligible project costs associated with actual staff time for administration of the program. Administrative costs will be reimbursed through the normal invoicing process; Ohio EPA will not issue an up-front, lump sum for administrative costs. Costs for equipment, travel, overhead, or any other indirect costs are ineligible. The LGA is responsible for retaining all necessary documentation that these requirements are satisfied.

**Table 2**

**Principal Forgiveness for Households at or below 100% of the 2015 U.S. Dept. of Health & Human Services Poverty Guidelines**

<b>Persons in Household</b>	<b>Poverty guideline</b>
1-4	\$24,300
5	\$28,440
6	\$32,580
7	\$36,730
8	\$40,890
For families with more than 8 persons, add \$4,160 for each additional person.	

<sup>1</sup> Principal forgiveness is like a grant. Essentially, a principal forgiveness loan is a loan in which there is no interest charged, and the principal is “forgiven” (i.e., it is not paid back).

**Table 3**

**Principal Forgiveness for Households  
between 100% and 200% of the 2015 U.S.  
Dept. of Health & Human Services Poverty  
Guidelines**

<b>Persons in Household</b>	<b>Poverty guideline</b>
1-4	\$48,600
5	\$56,880
6	\$65,160
7	\$73,460
8	\$81,780

For families with more than 8 persons, add \$4,160 for each additional person.

**Table 4**

**Principal Forgiveness for Households  
between 200% and 300% of the 2015 U.S.  
Dept. of Health & Human Services Poverty  
Guidelines**

<b>Persons in Household</b>	<b>Poverty guideline</b>
1 - 4	\$72,900
5	\$85,320
6	\$97,740
7	\$110,190
8	\$122,670

A more complete description of the process and eligibility criteria is in “Appendix G – Direct Financial Assistance for the Repair/Replacement of Failing Household Sewage Treatment Systems” of the WPCLF Final 2017 Program Management Plan:

[http://epa.ohio.gov/Portals/29/documents/ofa/2017%20WPCLF%20PMP%20\(Bo dy%20Appendices%20Blank%20Pages\)%20rev%2012222016.pdf](http://epa.ohio.gov/Portals/29/documents/ofa/2017%20WPCLF%20PMP%20(Bo dy%20Appendices%20Blank%20Pages)%20rev%2012222016.pdf)

D. Estimated Program Costs

Ohio EPA will make available up to \$13,200,000 in principal forgiveness funds for the 2017 HSTS Program. A total of 51 LGAs submitted project nominations for the 2017 HSTS Program. Based on the nominations received, Ohio EPA determined that LGAs that requested \$300,000 or more will receive a maximum of \$300,000, and that LGAs requesting less than \$300,000 will receive the amount requested. Ohio EPA will enter into contracts with those LGAs supplying the required documentation, and payments will be made directly to the LGAs for eligible costs certified by the LGA. The LGA will disburse funds to the contractors that performed the HSTS work.

E. Program Schedule

The deadline for 2017 HSTS Program project nominations was December 16, 2016. Proposals were reviewed and recommendations for funding made, and the 2017 WPCLF Program Management Plan (PMP) was finalized on December 22, 2016. LGAs with qualified nominations are required to prepare and submit a draft model contract for approval, and will enter into WPCLF principal forgiveness loan agreements with Ohio EPA. These WPCLF assistance agreements must be signed by the LGAs by May 31, 2017, who will then have 18 months from the date of signing the agreements to complete their projects. The deadline for completion of all work funded by the 2017 HSTS Program is November 30, 2018.

F. Public Notification

Ohio EPA publicized the availability of the 2017 HSTS Program funds by contacting the health districts in all 88 Ohio counties directly by phone and/or email, as well as providing announcements on Ohio EPA and Ohio Department of Health websites. The Draft PMP was released for public review on October 21, 2016, a public hearing was held on November 21, 2016, and the final PMP was approved by the Director of Ohio EPA on December 22, 2016. That document

includes a description of the program for “Direct Financial Assistance for Repair/Replacement of Failing Household Sewage Treatment Systems,” and outlines the use of principal forgiveness funds for this purpose. Several newspapers have reported on the 2017 HSTS Program, and many of the entities that applied for funds have developed their own public information materials to notify residents about the availability of the funds.

G. Planning Information

The planning information, background materials and Local Government Agency nomination forms for the proposed 2017 HSTS Program are available for review at:

Ohio EPA-DEFA  
50 West Town Street, Suite 700  
Columbus, Ohio 43215

H. Summary of Environmental Review

The WPCLF program requires that an environmental review be conducted for each construction project proposal that receives funding. However, performing an environmental review of each and every individual HSTS “activity” within the overall Program is impractical, primarily since the potential for adverse environmental impacts is very low, the individual applicants and the physical locations of improvements have yet to be identified, and the expected volume of applicants could be quite high. Therefore, the environmental review of the 2017 HSTS Program was done at an overall “program” level. If potentially adverse environmental impacts from individual project activities are anticipated during implementation, LGA staff will coordinate with Ohio EPA to adequately minimize and mitigate the impacts.

The types of improvements to be installed through the 2017 HSTS Program will be very limited in scope. The proposed improvements will be HSTS repairs, replacements or connection of existing HSTS to existing centralized sanitary sewer systems. These types of projects are fairly straightforward in their design, location and construction techniques. The projects receiving funding through this program will involve the installation of conventional HSTS (e.g., septic tanks and leach fields) where the soils are suitable, or mound systems, or other “on-lot” improvements. In situations where there is no other alternative, off-lot discharging

systems<sup>2</sup> or connection to existing centralized sanitary sewer systems may be considered. These systems will primarily be constructed within a homeowner's property, which is usually a grassed yard, with or without landscaping. Excavation, installation and restoration can be completed fairly quickly, minimizing the potential for significant erosion and sediment runoff. Since the focus of the WPCLF program is on correcting existing problems (as opposed to funding new installations), the sites where HSTS will be installed have been previously disturbed, are subject to health district siting criteria, and are unlikely to contain any high quality or significant environmental resources. Thus, the potential adverse environmental impacts to any high quality environmental resources can be reasonably evaluated as a category (rather than evaluating each individual project).

In summary, due to the nature of the proposed improvements, and the limited, previously-disturbed locations where they are typically sited, Ohio EPA has determined that these project activities should have no significant adverse effect on major land forms, terrestrial or aquatic habitat, rare or endangered species, surface water, ground water, wetlands, floodplains, land use patterns, agriculture, air quality, archaeological and historical resources, noise, traffic, aesthetics, energy resources, or the local economy. Significant beneficial effects on surface and ground water may be realized by upgrading, replacing or connecting to existing centralized sanitary sewer systems, failed, failing, or inadequate HSTS. Public health threats will be reduced by eliminating these existing sources of sewage discharge to the environment.

#### I. Conclusion

The proposed 2017 HSTS Program meets the project type criteria for a Limited Environmental Review (LER); namely, it is an action in unsewered areas where "on-site technology" is proposed. In rare cases, connections to existing centralized sanitary sewer systems may occur. However, these are expected to be the exception, and will primarily take place in previously-disturbed rights-of-way. Furthermore, the intended projects meet the other qualifying criteria for an LER, as follows:

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<sup>2</sup> In the case of a replacement discharging system, the homeowner must work with the local health district to obtain coverage under the Ohio EPA General Household National Pollutant Discharge Elimination Systems (NPDES) permit prior to system permitting and installation.

- They will have no significant adverse environmental effect, as the 2017 HSTS Program will have very little overall ground disturbing activity, and will occur on previously disturbed areas. Improvements of this type will have no potentially significant adverse impacts on the quality of the human environment or on sensitive resources such as floodplains, wetlands, prime or unique agricultural lands, aquifer recharge zones, archaeological or historically significant sites, or threatened or endangered species;
- They do not require extensive specific impact mitigation, as they will involve repairs, replacements and connections of failed HSTS systems in previously-disturbed locations of very small size with only minimal, short-term disturbance readily controlled with standard construction best management practices;
- They will have no effect on high value environmental resources, as they will only affect small, discrete surface locations in residential lawns and rights-of-way where no such resources are present;
- They are of reasonable cost, as the program addresses failing HSTS where repair and replacement of HSTS and, in limited cases, connection to existing centralized sanitary sewer systems is the most cost-effective approach;
- They are not controversial actions, as principal forgiveness funds made available from the WPCLF will keep homeowner costs to a reasonable level; furthermore, participation in the 2017 HSTS Program is voluntary;
- They do not typically create new, or relocate existing, discharges to surface or ground waters, since the vast majority of the improvements will continue to treat home sewage on-lot;
- They will not result in substantial increases in the volume of discharge or loading of pollutants from an existing source or from new facilities to receiving water, since the proposed improvements are being designed to reduce the loading/discharge of pollutants from the failed HSTS; and
- They will not provide capacity to serve a population substantially greater than the existing population, since the program is restricted to existing homes that have failed systems, is not available to new development, and the HSTS systems to be installed are generally designed based on the number of bedrooms that the home currently has.

J. For further information, please contact:

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**Table 5: Counties Taking Part in 2017 HSTS Program**

Entity	Loan Number	Award Amount
Athens County	HS390005-0007	\$300,000.00
Board of County Commissioners of Hamilton County, Ohio	HS391525-0143	\$300,000.00
Butler County	HS390009-0015	\$300,000.00
Clermont County General Health District	HS391613-0003	\$150,000.00
Columbiana County Health Department	HS391691-0002	\$300,000.00
Crawford County General Health District	HS391595-0003	\$300,000.00
Cuyahoga County Board of Health	HS391558-0006	\$300,000.00
Darke County General Health District	HS391585-0003	\$300,000.00
Defiance County General Health District	HS391679-0003	\$300,000.00
Erie County Health Department	HS391683-0003	\$300,000.00
Fairfield County Department of Health	HS391696-0002	\$200,000.00
Fayette Soil and Water Conservation District	HS391716-0001	\$300,000.00
Franklin County Public Health	HS391654-0003	\$150,000.00
Fulton County Health Department	HS391680-0002	\$108,000.00
Gallia County	HS390027-0009	\$300,000.00
Geauga County Health District	HS391702-0002	\$300,000.00
Henry County	HS390035-0004	\$300,000.00
Highland County General Health District	HS391705-0002	\$300,000.00
Hocking County	HS390037-0009	\$300,000.00
Holmes County	HS390038-0008	\$300,000.00
Jackson County Health Department	HS391697-0002	\$300,000.00
Lake County General Health District	HS391596-0002	\$200,000.00
Licking County Health Department	HS391687-0002	\$300,000.00
Lorain County	HS390047-0021	\$300,000.00
Madison County/London City Health District	HS391708-0002	\$66,600.00
Mahoning County District Board of Health	HS391581-0003	\$300,000.00
Marion County Public Health	HS391695-0002	\$300,000.00
Medina County	HS390052-0025	\$300,000.00
Meigs County General Health District	HS391700-0002	\$180,000.00
Morgan County	HS390058-0009	\$150,000.00
Morrow County	HS390059-0014	\$300,000.00
Muskingum County	HS390060-0024	\$150,000.00
Ottawa County Health Department	HS391709-0002	\$300,000.00
Paulding County Health Department	HS391688-0002	\$300,000.00
Pickaway County General Health District	HS391704-0002	\$300,000.00
Pike County General Health District	HS391571-0004	\$240,000.00
Portage County Combined General Health District	HS391710-0002	\$300,000.00
Ross County	HS390071-0006	\$300,000.00
Sandusky County Health Department	HS391681-0003	\$250,000.00
Scioto County	HS390074-0004	\$300,000.00
Seneca County General Health District	HS391599-0004	\$180,000.00
Stark County Health Department	HS391526-0003	\$300,000.00
Summit County	HS390078-0089	\$300,000.00