



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

August 1, 2014

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

Re: 2015 Water Pollution Control Loan Fund Project Nominations

Dear Sir or Madam:

Once again, we invite you to nominate projects for assistance from the Ohio Water Pollution Control Loan Fund (WPCLF) in 2015. As in the past, we expect to make funds available to equal the total of all amounts requested.

We are continuing to offer principal forgiveness subsidies in Program Year (PY) 2015, although we anticipate a modest amount to be available due to reduced Congressional appropriations.

PLEASE NOTE: PROJECT NOMINATIONS MUST BE RECEIVED BY SUNDAY, AUGUST 31, 2014 TO BE CONSIDERED. ONLY ELECTRONIC SUBMISSIONS WILL BE ACCEPTED.

1. Project Nominations

The following summarizes the major requirements for project nominations for PY 2015:

a. Nominating New WPCLF Projects

All projects that you wish to have considered for assistance must be nominated to appear on the 2015 WPCLF Project Priority List. If you have a project that does not appear on the 2014 Priority List, and you wish to receive a WPCLF award of assistance in 2015, you must complete and electronically submit the 2015 WPCLF Project Nomination Form to our office by August 31, 2014. You must complete a separate form for each project request.

b. Re-nominating Current 2014 WPCLF Projects for 2015

Applicants who have projects on the 2014 WPCLF Priority List that will not be awarded by December 31, 2014, and who wish to carry those projects over to the 2015 WPCLF Priority List with their current priority ratings must complete and electronically submit a revised schedule on the appropriate WPCLF Project Schedule Form (Construction, Design, or Planning) to our office by August 31, 2014. **Any project that has not electronically submitted a revised schedule by that date will not be carried forward to the Priority List for 2015, and will not be fundable during program year 2015.** If your project's scope or costs have changed significantly, or you wish us to re-rate your 2014 project for ranking in 2015, please complete and submit the WPCLF Project Nomination Form identified in 1.a. above.

c. Nominating Water Resource Restoration Sponsor Program (WRRSP) Projects

For the upcoming program year, which will include the 2015-2016 two-year cycle for the WRRSP program, the nomination window was July 1st through July 31st, 2014.

d. Nominating Projects for Principal Forgiveness

The structure of Principal Forgiveness for 2015 will be essentially the same as it was in 2014 (see Appendix J). We anticipate making approximately \$6 million available during PY 2015.

- If you have a new WPCLF loan project for consideration of principal forgiveness, you must complete a WPCLF Nomination Form and the Principal Forgiveness Nomination Form, and submit it by August 31, 2014.
- If you nominated a project for principal forgiveness for 2014, and wish to be considered for principal forgiveness in 2015 (with the current priority ratings), you need to submit an updated WPCLF construction schedule and Principal Forgiveness Nomination Form.
- If you wish us to re-rate your 2014 project for ranking in 2015, please complete and submit the WPCLF Project Nomination Form and the Principal Forgiveness Nomination Form.

The award of principal forgiveness in any amount will be determined solely by an evaluation of the information that is requested by, and provided on, the Principal Forgiveness Nomination Form.

2. Proposed Changes for Program Year 2015

To assist the development of your WPCLF nominations, below are some of the proposed changes for 2015. Further information will appear in the draft WPCLF Program Management Plan later this year.

a. 30-year loan term

In 2014, Ohio EPA began to offer extended-term financing (through the *purchase of debt obligations*) to projects which met certain programmatic criteria. In 2015, Ohio EPA intends to offer *direct loans* for extended terms (up to 30 years) to a potentially larger group of projects. The criteria for 30-year loan term eligibility will be outlined in the Draft Program Management Plan. Applicants that wish to be considered for a 30-year loan term should check the box on page 2 of the WPCLF nomination form.

b. Program Changes related to WRRDA

On June 10, 2014, the President signed into law P.L. No: 113-121, the Water Resources Reform and Development Act of 2014 (WRRDA). Among many other things, WRRDA enacted changes to Title VI of the Clean Water Act which will directly impact the WPCLF. Ohio EPA staff are reviewing these changes, and participating in the dialog with U.S. EPA regarding their implementation. However, applicants should be aware that the Draft PMP will contain more information with regard to these new requirements:

1. Federal Procurement for Contracts – certain new provisions will apply to any A/E contracts that request to be included in the WPCLF loan amount.
2. Fiscal Sustainability Plans – for construction loans involving publicly-owned treatment works, applicants will be required to prepare and implement a “Fiscal Sustainability Plan”.
3. Additional Subsidization – for PY 2016, in order to comply with new criteria in the amended Title VI, Ohio EPA will review and possibly revise the affordability criteria used to make principal forgiveness determinations.
4. Cost-effectiveness and Water/Energy Efficiencies – for PY 2016, in order to comply with amended the Title VI, Ohio EPA will develop a process for accepting the applicant’s certification that it has met this requirement.

c. Expanded Eligibilities

A positive aspect of the CWA Title VI changes created through WRRDA is the expansion of Clean Water SRF eligible projects, particularly in regard to

stormwater projects. A wider array of water quality related stormwater projects are now potentially eligible in the WPCLF. In addition to these newer project eligibilities, the WPCLF continues to encourage and support all conventional point source and nonpoint source projects, as well as our newer initiatives such as the Green Project Reserve (GPR) discount which began in 2014.

d. Water Resource Restoration Sponsor Program

As mentioned above, the nomination deadline for WRRSP projects to be considered for the 2015-2016 two-year cycle was July 1 – July 31, 2014. Ohio EPA anticipates that each year WRRSP nominations will be accepted during the month of July.

e. Projects Related to Re-use of Dredged Materials and Nutrient Reduction

Ohio EPA has been concerned with potential water quality impacts of dredged materials in Lake Erie, as well as the effects of excess nutrients in Lake Erie and in critical watersheds. To address these concerns, Ohio EPA would like to encourage the submission of WPCLF project nominations that will address these impacts. Ohio EPA may develop additional incentives for projects that meet these objectives, which may be included in the 2015 PMP.

We must receive all WPCLF nominations, schedules, and comments no later than the close of business, August 31, 2014. Please note that beginning this program year, only electronic submissions will be accepted. If you have questions regarding the WPCLF or this letter, please do not hesitate to contact Becky McKinney at (614) 644-3636, or email us at epa.defamail@epa.ohio.gov

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

Sincerely,



Alauddin A. Alauddin, Chief
Division of Environmental and Financial Assistance