



# Water Pollution Control Loan Fund

## 2018 Final Program Management Plan



Division of Environmental and Financial Assistance (DEFA)  
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*Cover photo – Tunnel boring machine named “Rosie” during the beginning of Akron’s Ohio Canal Interceptor Tunnel project.*

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## **INTRODUCTION**

The Ohio Environmental Protection Agency (Ohio EPA) was created in 1972. It combined environmental programs that previously had been scattered throughout several state departments. Ohio EPA's Central Office is located in Columbus, and five district offices manage the Agency's programs throughout the state. The director of Ohio EPA is appointed by the governor and serves as a cabinet member.

Ohio EPA establishes and enforces standards for air, water, waste management and cleanup of sites contaminated with hazardous substances. We also provide financial assistance to businesses and communities; environmental education programs for businesses and the public; and pollution prevention assistance to help businesses minimize their waste at the source.

The 2018 Water Pollution Control Loan Fund (WPCLF) Program Management Plan (PMP) describes how Ohio EPA proposes to prioritize projects, distribute funds, and administer the fund during Program Year 2018. The WPCLF program year runs from January 1<sup>st</sup> to December 31<sup>st</sup>.

### **Public Participation**

To allow interested persons to review and comment on Ohio's draft 2018 PMP, a public meeting was held on November 20, 2017. In addition to testimony received during the public meeting, written comments were submitted during the 30-day public comment period. Testimony and comments were considered before preparing the final 2018 PMP. Those comments along with Ohio EPA's responses are located in Appendix O.

## Benefits of the WPCLF

The WPCLF is a revolving fund designed to operate in perpetuity to provide low interest rate loans and other forms of assistance for water resource protection and improvement projects. In addition, specialized services are provided for small and hardship communities.

Examples of projects that can be financed through the WPCLF are:

- Publicly-owned wastewater treatment plant and sanitary sewer system construction projects, combined sewer overflow controls, sewer system rehabilitation and correction of infiltration/inflow;
- Publicly-owned septage receiving facilities, brownfields, landfill closure or remediation, septic system improvements, urban storm water runoff, stream corridor restoration, forestry best management practices (BMPs), development BMPs, agricultural runoff controls, source water/wellhead protection, “green” infrastructure, and other nonpoint source pollution control projects as allowed under the Clean Water Act.

Using the WPCLF to fund water resource improvement projects has many advantages, including:

- Below-market interest rates provide significant cost savings compared to a market interest rates. For example: a \$1,000,000 20-year loan at the WPCLF September 2017 standard rate of 1.88% compared to a 20-year loan at the September 2017 market rate of 3.13% results in a savings of approximately \$147,937 over the life of the loan.
- Ohio EPA staff have extensive experience providing advice and assistance in identifying sound technical and financial solutions to local governments. The types of assistance include creating facilities planning information, reviewing projects for potential cost saving measures, providing technological, administrative and/or performance information, helping to develop user charge systems, and working with other funding programs.
- The extensive experience and proven procedures of the Ohio Water Development Authority (OWDA) benefit the financial management of the WPCLF program and the development of individual projects.
- The WPCLF program can fund a wide variety of water pollution control projects.
- Although the WPCLF program must follow certain federal requirements, it is a state program. Project procedures and funding requirements are streamlined since the program is administered completely by state personnel.
- The WPCLF, through its discount incentives, procedures, and project assistance, is able to be more than just a funding program. It helps provide applicants greater assurance that their projects will be economically sound, technically appropriate, and environmentally effective.
- The WPCLF can benefit small communities throughout the Appalachian counties of Ohio in partnership with the Appalachian Regional Commission (ARC). The WPCLF administers ARC grants awarded to Ohio communities in conjunction with WPCLF low interest rate loans. This provides small communities with local match money required for the ARC grants, simplifying the delivery of needed grant dollars and allowing rapid processing of invoices for construction costs.

## Noteworthy Items of this PY 2018 PMP

### 1. Regionalization Discount

Starting in PY 2018, Ohio EPA is making \$50 million available at a 0% interest rate for regionalization projects. Regionalization is defined as at least two independent entities working together to share the responsibility of providing services to their residential, commercial, and industrial customers by physically connecting their sewage collection systems or by using a centralized waste water treatment system. The focus of this interest rate discount is 1) to reduce the number of incapable/failing waste water treatment plants that have a permitted discharge or 2) to eliminate community-wide failing unsewered systems. In either case, the incapable system or community-wide unsewered systems must be decommissioned.

### 2. Nutrient Reduction Discount

In response to harmful algal blooms (HABs) and their potential effect on drinking water systems, Ohio EPA made \$100 million available at a 0% interest rate in PY 2015, PY 2016, and PY 2017 for equipment to reduce phosphorus and other nutrients. In PY 2018, Ohio EPA is offering \$50 million at a 0% interest rate for these types of projects. The discounted rate will be available for the portion of the project directly attributed to the nutrient reduction. Standard, below-market interest rate loan funds will be offered for the balance of a proposed project (See Appendix E).

For PY 2018, Ohio EPA will accept nutrient reduction discount (NRD) project nominations for planning, design or construction projects throughout the program year. Applicants who nominated projects for NRD funding in PY 2017, but did not proceed with projects, and subsequently provided updated schedules during the nomination period to Ohio EPA, will be grandfathered into PY 2018.

### 3. Affordability Criteria and Principal Forgiveness

Changes to the Clean Water Act required Ohio EPA to develop and use “affordability criteria,” as a primary determiner in the distribution of principal forgiveness. These criteria are described in Appendix J. The maximum amount of principal forgiveness that Ohio is permitted to offer for PY 2018 is approximately \$29.8 million. Approximately \$13.3 million will be reserved for replacement or repair of failing home sewage treatment systems (HSTS) or for connecting abandoned HSTS to existing sewers. Ohio EPA is setting aside up to \$500,000 to fund energy efficiency upgrades (i.e. efficient pumps, variable frequency drives, etc.) and up to \$500,000 to fund backup power facilities. The remaining funds will be allocated to eligible municipal wastewater collection and treatment projects.

### 4. Extended Term Financing

In May 2016, the Ohio General Assembly passed House Bill 512 which, among other items, revised Ohio Revised Code (ORC) Section 6111.036 in several ways. The primary revisions included:

- a. Alignment of the WPCLF eligibilities with those of the Clean Water Act,
- b. Allowing for structured repayments,

- c. Extending the term of direct loans up to 30 years, and
- d. Allowing for even longer repayment terms (perhaps as long as 45 years) using the bond purchase vehicle that Ohio EPA had previously been using for 30-year terms. Ohio EPA recently received concurrence from U.S. EPA on the use of this program feature and it is now available as described in Appendix D.

5. Combined Sewer Overflow (CSO) Discount

Starting in PY 2017 and extending to PY 2019, Ohio EPA is committing a total of \$300 million at 0% interest for that three-year timeframe for CSO projects.

Each community that nominated projects for this discount was allotted up to \$13 million dollars at 0% interest rate for their listed CSO projects over the next three years. Some communities requested less than the \$13 million while others requested far more. Communities who nominated less than \$13 million worth of projects will be fully funded at 0% interest. They will not, however, be able to add additional projects to their list during future PMP nomination cycles. Communities who nominated more than \$13 million worth of projects can finance one or more projects at 0% interest rate up to the \$13 million cap. The remainder of the loan(s) can be financed at the community's regular rate at the time of the loan. The CSO Table in Appendix B lists the communities that received the discount in 2017, while also listing the outstanding projects.

Further information on the CSO Discount is provided in Appendix E.

6. There will be no principal forgiveness funding for stand-alone planning or design projects. Fundable projects that meet all program requirements will be awarded 100% principal forgiveness, except as noted in Appendix J.

7. Available Funds

As of November 30, 2017, the total available funds for PY 2018 are estimated to be \$840,000,000. To meet the demand for assistance during PY 2018 and beyond, Ohio EPA intends to borrow against the WPCLF's loan repayments by issuing revenue bonds or notes. The total requested amount on the Intended Projects List (IPL) is over \$1.7 billion, although the actual amount which will be awarded will be based on readiness-to-proceed. Ohio EPA intends to fund all eligible projects in the upcoming program year.

8. Limits to Borrowers

As in the last few program years, there is no maximum amount that applicants can request ("proportionate share limits"). WPCLF financing that a borrower can receive is only limited by the projects it nominated.

9. Water Resource Restoration Sponsor Program (WRRSP) Funding for PY 2018-2019

For PY 2018–2019, Ohio EPA is allotting up to \$15 million. See Appendix B for a list of projects within fundable range and Appendix L for information about the program.

#### 10. Loans for Planning Activities and Design Projects

Starting in PY 2018, all planning and design loans with terms of five years or less will receive a 0% interest rate. Furthermore, all planning and design nominations will be accepted throughout the program year as part of an “open” cycle.

#### 11. Principal Forgiveness for Back-up Power

In PY 2018, Ohio EPA will make up to \$50,000 of principal forgiveness available per project to facilitate the procurement and installation of back-up power for wastewater treatment facilities. Ohio EPA is setting aside a total of \$500,000 of principal forgiveness funds for this discount. See Appendix E for more details.

#### 11. Principal Forgiveness for Energy Efficiency

In PY 2018, Ohio EPA will make up to \$50,000 of principal forgiveness available per project to install energy efficient upgrades at wastewater treatment facilities. Ohio EPA is setting aside a total of \$500,000 of principal forgiveness funds for this discount. See Appendix E for more details.

### **GOALS AND OBJECTIVES OF THE WPCLF**

The purpose of the WPCLF program is contained in its mission statement: *To benefit Ohio’s water resources and public health by providing lower cost financing, economic incentives, and project assistance for public and private organizations and individuals.*

#### **Short-Term Goals**

1. Provide sufficient funding to allow communities to finance major water pollution control capital improvement projects.
2. Provide principal forgiveness to disadvantaged Ohio communities to address public health and water quality issues.
3. Provide local health departments assistance through principal forgiveness to address home sewage treatment system (HSTS) issues.
4. Provide assistance to projects in Ohio which will help address the issues (e.g. harmful algal blooms) caused by excessive nutrient loading of streams, rivers, and lakes that feed into Ohio waterways.
5. Develop tools to assist Ohio’s CSO communities by offering discounted funds, extended term financing (up to 45 years), and structured repayments to those that qualify.
6. Continue implementation of the extended term financing option and the Green Project Reserve discount, as these features will enhance and improve the WPCLF.

7. Continue implementation of relevant portions of the Water Resources Reform and Development Act during PY 2018.
8. Establish a financial incentive to promote regionalization efforts.

### **Long-Term Goals**

1. Assist a broad range of water quality improvement actions that help fulfill the objectives of the Clean Water Act.
2. Facilitate the development and implementation of technically appropriate and financially sustainable projects by small communities.
3. Continue to proactively develop assistance opportunities to encourage implementation of priority water quality improvement projects and Agency priorities.
4. Manage the Fund to ensure appropriate levels of financing and adequate funds to administer the program are available.
5. Monitor the environmental results of awarded projects and modify the WPCLF as necessary to increase the environmental benefits achieved through WPCLF-funded activities.
6. Continue to assist in the development and implementation of innovative and non-traditional projects that benefit water resources.

### **PROGRAM MANAGEMENT SYSTEM**

#### **WPCLF Funds and Program Financing**

The following table describes all the sources and uses of WPCLF funds during this program year. A more detailed explanation of each of the line items is included.



# Table 1

## Sources and Uses of Funds for Program Year 2018

SOURCES		
1. Federal Capitalization Grant	\$ 74,638,000	Exactly
2. State Match	\$ 14,927,600	Exactly
3. Net Loan Repayments (P+I)	\$ 105,000,000	Projected, based on loan portfolio
4. Investment Earnings	\$ 12,000,000	Projected, based on 2017 earnings
5. Carryover from PY 2017	\$ 840,000,000	Actual, as of 11/30/2017
6. Leveraged Funds (Bonds)	As needed	
USES		
7. Administrative Costs	\$ 4,000,000	Projected, based on 2017
8. Discount Program (WRRSP)	\$15,000,000	Up to
9. Principal Forgiveness	\$ 29,850,000	Up to
10. Loans (Discounted Rate)	\$ 200,000,000	Up to
11. Loans (Standard Rate)	As needed	

1. Source – Federal Capitalization Grant

For PY 2018, the federal government has allotted \$74,638,000 towards Ohio’s Clean Water State Revolving Loan Fund (a.k.a. the WPCLF program). Every year since the inception of the WPCLF program, the federal government has appropriated funds. These capitalization grants are distributed to all states using a formula outlined in the Clean Water Act Amendments of 1987. Since 1989, Ohio has received over \$1.2 billion in federal capitalization grants.

2. Source – State Match

As part of the Federal Capitalization Grant, Ohio is required to provide at least 20% in matching funds for the program. For this program year, this equates to an additional \$14,927,600. To finance Ohio’s match portion, we plan on selling match bonds. Once sold, we plan to spend the match portion before drawing down the federal capitalization grant.

3. Source – Net Loan Repayments

Since the WPCLF is a revolving loan program, it regularly receives repayments from loans issued in previous years. This line item represents the projected “net” repayments Ohio will receive for PY 2018. Of the total amount received, the program subtracts all outstanding debt obligation and loan commitments. The repayments include principal and interest.

4. Source – Investment Earnings

Investment earnings are generated from interest payments, dividends, capital gains collected upon the sale of a security or other assets, and any other profit made through an investment

vehicle of any kind. The Ohio Water Development Authority maintains both of Ohio's revolving loan funds and manages all loan transactions and payments. Their role also includes managing any investments. The earnings from those investments are rolled back into the respective program. Since the PMP is prospective, we estimate the investment earnings based on the previous program year. For 2018, Ohio EPA estimates an additional \$12,000,000 for the WPCLF.

5. Source – Carryover from PY 2017

This line item represents the total unobligated funds that were left over from the previous program year. This total may include remaining monies from the following:

- Federal capitalization grant,
- State matching grant,
- Net loan repayment money,
- Investment earnings, and
- Leveraged funds.

Most of the carryover funds come from remaining balances of bond and note sales and bank funding commitments. As of November 30, 2017, the WPCLF program has about \$840,000,000 remaining from the previous program year.

6. Source – Leveraged Funds (Bonds)

The interest and principal components of WPCLF loans are leveraged with the issuance of State Match Bonds and Leverage Bonds, respectively. As such, Ohio can issue loans that total far more than the annual federal capitalization grant. Whenever the program's cash balances run low, OWDA issues bonds on behalf of the program to cover anticipated loan awards. Based on recent fund modeling, Ohio currently has the capacity and capability to fund all the projects expected to be awarded in 2018. A dollar amount is not identified in the table above because it's directly related to the actual needs of our customers, which varies from month to month. In 2017, OWDA issued \$700 million in bonds and notes to cover loans awarded under the WPCLF program.

7. Use – Administrative Costs

These are the total costs related to administering the WPCLF program. This includes personnel and fringe benefits, contract services, travel, equipment and supplies, rent and utilities, and other indirect costs. Since the PMP is prospective, we estimate the administrative costs based on the previous program year. For 2018, we estimate about \$4,000,000 in costs to administer the WPCLF.

8. Use – Discount Program (WRRSP)

As loans are repaid to the WPCLF, the principal portion of the repayment goes primarily towards outstanding debt service and other bond obligations. Any remaining funds can either be revolved back into the loan fund or be used for other projects. As part of the WPCLF program, in 2000, Ohio developed the Water Resources Restoration Sponsor Program (WRRSP).

The WRRSP addresses a limited and under-assisted category of water resource needs in Ohio through direct WPCLF loans. While significant progress has been made in reducing the impact of municipal wastewater treatment on water quality, the best available data indicate that impacts from non-point source run-off, habitat degradation, and watershed disturbances may be impeding overall rates of water resource improvements and threatening much of the progress that has been made. The goal of the WRRSP is to counter the loss of ecological function and biological diversity that jeopardize the health of Ohio's water resources. The program works by providing funds, through WPCLF loans, to finance implementation of projects that protect or restore water resources, by ensuring either maintenance or attainment of General Warmwater Habitat or higher designated aquatic life uses under Ohio Water Quality Standards. Since its inception, the program has awarded over \$170 million. See Appendix L for further details.

#### 9. Use – Principal Forgiveness

The structure of Principal Forgiveness for 2018 will be essentially the same as it was in the previous year. We anticipate making up to \$29.8 million available in 2018. This money will primarily focus on distressed communities for installation or repair of household sewage treatment systems, addressing unsewered areas, and addressing CSO areas. A small amount will be reserved for energy efficiency upgrades and backup power at wastewater treatment facilities. See Appendix J for more details.

#### 10. Use – Loans at a Discounted Rate

Starting in 2015, Ohio EPA has offered \$100 million in loans at 0% interest rate per year for projects that reduce nutrient discharges at wastewater treatment plants. For 2018, we will offer \$50 million at 0%.

Starting in PY 2018, Ohio EPA is making \$50 million available at a 0% interest rate for regionalization projects.

In 2017, Ohio EPA offered a new discount for CSOs. Because of the high demand for CSO funds and the typical construction schedules associated with these projects, we have structured this discount slightly differently to better meet the needs of communities. Instead of an annual offering, Ohio EPA is dedicating a lump sum of \$300 million at 0% interest rate over the next three-year period to communities to address CSO projects. However, since this table only reflects a one-year window, the CSO allotment is \$100 million at 0%. The actual annual awards may total less than or more than \$100 million for each year. The overall total award will equal about \$300 million over the three-year timeframe.

#### 11. Use – Loans at the Standard Rate

Because the WPCLF is a leveraged program, Ohio can issue loans that total far more than the annual federal capitalization grant. When cash balances run low, OWDA can issue bonds on behalf of the program to cover anticipated loan awards. Based on recent fund modeling, Ohio currently has the capacity and capability to fund all the projects expected to be awarded in 2018. A dollar amount is not identified in the table above because it's directly related to the actual needs of our customers, which varies from year to year.

## **Project Priority System and Project Priority List**

### Overview

For PY 2018, Ohio EPA will continue to use a modified scoring procedure for all project nominations except those requesting Principal Forgiveness, which were scored using the traditional Integrated Priority System (IPS) procedures. All the other projects were scored just on the basis of the Human Health metrics and a portion of the Aquatic Life Use metrics (i.e., Importance of Resource and minimum Effectiveness of Action numbers) described below. These scoring changes did not impact any project's chances of receiving funding in PY 2018.

The Project Priority System ranks the assistance proposals ("projects") nominated to the WPCLF. The Project Priority System is composed of the IPS, which numerically rates each project on the basis of its estimated relative direct contribution to protecting public health or improving water resources, and the Economic Need Factor, which assigns four points to a publicly-owned treatment works project nominated by an applicant which qualifies for the Hardship Interest rate set forth in Appendix D. Each project's factor scores are then added together and all projects are ranked on the Project Priority List (PPL) based on the scores received.

Projects receiving priority system scores greater than zero are considered priority projects; those which receive zero points are those that, while providing facilities that optimize or improve wastewater treatment or address a nonpoint source of pollution, have not been shown to address a potential public health problem, measurably improve or protect the quality of water resources, or provide assistance to a hardship entity.

The assignment of zero IPS points to a project does not mean it has no connection to better water quality. Projects with zero IPS points still contribute to maintaining and improving Ohio's water pollution control infrastructure, and some may address National Pollutant Discharge Elimination System (NPDES) permit requirements. Instead, the receipt of zero IPS points indicates such projects do not address a potential public health problem or a known source of threat or impairment to water resources.

### Integrated Priority System

In response to the Clean Water Act's objective of restoring and maintaining the chemical, physical, and biological integrity of the Nation's waters, and Ohio EPA's desire to see an increase in the number of stream miles attaining designated uses, Ohio EPA developed a system which can be used to rank, on a single priority list, actions addressing both point and nonpoint sources of impacts on water resources. This system is the IPS and is used to prioritize projects on the 2018 WPCLF PPL.

The IPS rates a project by considering: 1) the potential uses of the water resources benefiting from the project; 2) the restorability of the water resources to their potential uses or the protection of existing uses; and 3) the effectiveness of the project in addressing identified sources of impairment or threat.

There are two priority categories: a) the protection of human health; and b) the protection or restoration of water resources, including: i) aquatic life uses of surface water resources; ii) ecological integrity of wetlands; and iii) quality of ground water resources for human use. If a project ranked under the protection of human health would receive a higher score under the protection or restoration

of water resources, it will be ranked based on protection or restoration of water resources. The different IPS categories are described below.

### 1. Human Health Category

Actions addressing documented human health concerns arising from waterborne pathogens or pollutants form the first level of priority within the IPS, reflecting the importance of protecting public safety. Within the Human Health category, there are four levels of priority. The top level of priority is those cases where there is a confirmed disease outbreak. The second level of priority is those cases where a documented human health risk is present. The third level of priority is specific to the presence of dry weather overflows of sewage in the environment and the fourth level of priority is specific to the presence of wet weather overflows in the environment. Actions are rated as follows under Human Health:

- a. First Priority - (40 points) addressing a documented disease outbreak.
- b. Second Priority - (35 points) addressing a documented human health threat from either:
  - failing household sewage treatment systems,
  - sewage backing up into basements or onto residential properties (due to inadequate capacity of the sewer system), or
  - other risk to a human-related water use (from either drinking water contamination, bathing beach closures, or fish contamination resulting in consumption advisories) which is documented by data.
- c. Third Priority - (30 points) eliminating dry weather overflows from either sanitary sewers or combined sewers due to inadequate capacity of the sewer system.
- d. Fourth Priority - (9 points, plus 0.2 point for each overflow eliminated) addressing wet weather overflows from either sanitary sewers or combined sewers by either:
  - eliminating the overflows;
  - for combined sewers only, reducing the volume of overflows by either:
    - replacing combined sewers with separate sanitary sewers,
    - providing additional storage, or
    - installing an express sewer to route sanitary flow out of the combined sewer system directly to the treatment facility; or
  - for combined sewers only, providing at least advanced primary treatment for overflows.
- e. No Human Health Priority - (0 points) an action which does not qualify under any of the above categories.

### 2. Water Resources Protection and Restoration Category

Actions addressing Water Resources constitute the second major category of the ranking system. Within this category, actions are ranked in relation to their protection and restoration

of: i) Rivers and Streams, Inland Lakes, Lake Erie, and the Ohio River; ii) Wetlands; and iii) Ground Water.

Actions affecting Rivers and Streams, Inland Lakes, Lake Erie, and the Ohio River are ranked using the same system of factors, which is based on the aquatic life use of these resources. Actions affecting Wetlands are ranked using a system that considers wetland quality and function. Actions affecting Ground Water resources are ranked using a system that considers factors influencing ground water quality for human use. While each of these three major water resource types has its own system for assigning rank, all of the systems provide final scores that range from zero to 30 points. After they are scored, actions affecting these resource types form a second level of priority below actions addressing human health. In those cases where a proposed action receives scores in more than one category, the highest single category score is used to rate the action. The rating systems for the different water resource types are described below.

a. Rivers, Streams, Inland Lakes, Lake Erie and the Ohio River

This portion of the IPS focuses on aquatic life and how actions can protect or restore water resources so that full attainment of the potential aquatic life use designation can be realized. An aquatic life use-based priority rating system was developed consisting of three factors: 1) Importance of Resource, 2) Restoration Potential, and 3) Effectiveness of Action. In this system, the three factors are summed to yield scores for the actions being ranked.

- Importance of Resource Factor

The Importance of Resource factor refers to the potential for a water body to support a healthy biological community. In general, those resources that have the potential to support a high diversity of aquatic organisms will rate higher than those resources that can only support pollution-tolerant organisms. This is determined by using the aquatic life habitat use designations in Ohio's Water Quality Standards. For watershed projects, all of the water body segments in the watershed will be rated. The sum of these scores will be divided by the total number of segments in the watershed to get an average watershed score for Importance of Resource.

- Restoration Potential Factor

The Restoration Potential factor uses different sets of criteria for: 1) rivers, streams and watersheds; 2) inland lakes; and 3) Lake Erie. However, the point scale used for scoring this factor (0-8 points) is the same for all water bodies addressed. For rivers, streams, and watersheds the ultimate aquatic life use restorability factor described in the Appendices to Volume I of the 2000 305(b) Report is used to rate the restorability of these resources. For inland lakes, the Ohio Lake Condition Index is used to assess the overall ecosystem health of Ohio's public lakes. For Lake Erie, this factor relies upon the "Aquatic Habitat Indicator Metric" as contained the Lake Erie Quality Index, published by the Ohio Lake Erie Commission in its State of the Lake Report, 2004. This index uses information gathered on 14 different parameters to allow assessment of the overall condition of lake ecosystems.

- Effectiveness of Action Factor

The factor reflects whether the action being rated will improve the quality of its associated water resource. This is determined based on: 1) what the sources of impairment or threats to attainment are for the water body, 2) which of the identified impairments or threats the action will address, and 3) the degree to which the action will address the sources of impairment or threats. In rating actions using this factor, both the primary and secondary environmental effects of actions are taken into consideration in determining scores. The causes and sources of impairments or threats are contained in the Ohio EPA water quality assessment database for all monitored streams, rivers, and lakes of the state. For those segments that have not been monitored, watershed information is used to identify sources of impairment or threats. This factor also rates actions as to whether they will protect water resources from declines in current quality. If an action scores 0 points for this factor, it receives 0 points for rank in the Rivers, Streams, Inland Lakes, Lake Erie, and the Ohio River portion of the IPS regardless of scores it receives in the other two factors.

b. Wetlands

The system used to rank wetlands projects is different from the other ranking systems for water resources in that it rates wetlands on the basis of their ecological integrity using the same rating criteria to evaluate both actions to protect and actions to restore wetlands.

The system evaluates wetlands using the Ohio Rapid Assessment Method for Wetlands v. 5.0, dated February 1, 2001 (Ohio EPA Technical Report WET/2001-1). A raw score is determined by using the "ORAM v. 5.0 Field Form Qualitative Rating," developed by Ohio EPA. Wetland scoring must be done by persons who have taken Ohio EPA's ORAM training. This assessment methodology provides a means to rate wetlands based upon their ecological integrity.

Using a field data form, points are assigned to each wetland project based on six metrics. Additional points are added when reasonably achievable restoration activities are proposed as part of the project, and bring the score for the wetland up to the score it would be expected to achieve after restoration. The ORAM score is then converted to a 30-point scale to make it comparable with the other resource types. Scores for high quality wetland projects are comparable to high quality streams with rare or declining aquatic species, reflecting the importance of these high-quality water resources.

c. Ground Water

Actions affecting ground water are evaluated since ground water resources are a part of Ohio's water resources and because actions connected to surface water programs can also affect ground water resources. The ranking system for ground water was developed with advice from Ohio EPA's Division of Drinking and Ground Waters (DDAGW).

An initial determination is made as to whether actions affecting ground water are intended to protect or restore the quality of ground water resources. Depending on the answer to this question, the action is rated using either a system that rates actions protecting ground water resources or a system that rates actions restoring ground water resources. Within both of these systems, actions are rated based on the sensitivity of the ground water resource to pollution, and its use as a source of drinking water supply. DRASTIC mapping done by the Ohio Department of Natural Resources or Agriculture to identify the sensitivity of ground water resources to pollution is being used to identify ground water resource sensitivity.

#### Rating WPCLF Loan Projects Which Benefit Water Bodies with Multiple Sources of Impairment

Where multiple sources of impairment are present, WPCLF nominations will be rated under the IPS in the following manner:

1. If the project provides full restoration to the designated aquatic life use of the water resource, the project will be rated based upon full restoration of the water resource.
2. If the project provides partial restoration to the designated aquatic life use of the water resource and funding has been secured by the responsible parties to address the other sources of impairment, the project will be rated based on full restoration of the benefited water resource.
3. If the project provides partial restoration to the designated aquatic life use of the water resource and funding has not been secured by the responsible parties to address the other sources of impairment, the project will receive a score based on the degree of restoration of the water resource that is attributable to the WPCLF-nominated project and any other improvement actions for which funding has been secured.

#### Economic Need Factor

Publicly-owned treatment works projects that qualify under the Hardship Interest Rate guidelines as outlined in Appendix D for either 0% or 1% percent will receive an additional 4 points in their project rating scores.

#### Rating WRRSP Projects

WRRSP projects will be ranked in two categories: the Water Resource Protection Category and the Water Resource Restoration Category. Funds allocated for this year's WRRSP projects will be divided equally between the two categories (see the WRRSP Project List found in Appendix B).

- Water Resource Protection Category - This category consists of projects that protect the aquatic habitats of water resources that are fully attaining their designated aquatic life uses.
- Water Resource Restoration Category - This category consists of projects that restore and protect the aquatic habitats of water resources that are not fully attaining their designated aquatic life uses.



WRRSP projects will be rated using only the IPS, or equivalent information, since they do not provide residential service and are therefore not eligible to receive the WPCLF's Economic Need Factor rating.

Projects nominated for the WRRSP that qualify under one of the above categories will be rated in the following manner:

1. If the project provides full restoration to, or full protection of, general warmwater habitat or better water quality standards, the project will be ranked on its respective WRRSP category priority list and will be rated based upon full restoration of the water resource.
2. If the project provides partial restoration of a waterbody with multiple sources of impairment to general warmwater habitat or better, and funding has been secured by the responsible parties to address the other sources of impairment, the project will be rated based on full restoration of the water resource.
3. If the project is located in an area where either a total maximum daily load (TMDL) or watershed action plan (WAP) has been approved and the project provides partial restoration of a waterbody with multiple sources of impairment to general warmwater habitat or better, and funding has not been secured by the responsible parties to address the other sources of impairment, the project will be rated based on partial restoration of the water resource which is attributable to the project and any other improvements for which funding has been secured.
4. If the project provides partial restoration of a waterbody with multiple sources of impairment to general warmwater habitat or better, and funding has not been secured by the responsible parties to address the other sources of impairment, and the project is not located in an area where either a TMDL or WAP has been approved, then the project will not be eligible for ranking unless the project benefits a high quality but impaired waterbody where habitat protection is an immediate need to prevent habitat loss.
5. WRRSP-nominated projects benefiting limited restoration waterbodies (i.e., "urban streams" and other waterbodies currently unable to achieve at least warmwater habitat aquatic life use water quality standards) will be ranked in the Water Resource Restoration category if they are located in an area where either a TMDL or WAP has been approved. Those projects will be rated in the same manner as 2 or 3 above.
6. WRRSP projects that receive an IPS score of zero will not be eligible for ranking on the PPL.
7. For any projects that are tied after the above process, the lower funding request amounts will be given priority over the higher funding request amounts.

#### Ranking Projects with Identical Rating Scores

For projects that receive identical priority rating scores, projects that qualify for a hardship interest rate will be ranked ahead of projects that do not qualify for a hardship interest rate. If ties remain between projects after ranking based on qualification for a hardship interest rate, then projects with smaller estimated project costs will be ranked ahead of projects with larger estimated project costs.

### Ineligible and Unapprovable Nominations

Where Ohio EPA determines that a nominated project does not qualify as eligible for assistance, or is otherwise unallowable or unapprovable, the project will be excluded from rating and ranking on the PPL and IPL. Excluded projects may not be revised for resubmission for the same program year.

### 2018 Project Priority List (PPL)

The PPL is a compilation of all projects currently nominated by their appropriate representatives for consideration for WPCLF financing at various times. The projects are presented in alphabetical sequence in Appendix B. New projects may be added to the PPL as outlined in the *Program Management System* Section, above.

### **Intended Projects List (IPL)**

The IPL is composed of projects that are candidates for funding in 2018 (see the lists contained in Appendix B).

1. The 2018 IPL includes those WPCLF projects that submitted 2018 PPL nominations or pre-award schedules by August 31, 2017 and those WRRSP projects that submitted 2018 PPL nominations by July 31, 2017.
2. The IPL has been established by identifying those nominated projects that submitted schedules showing a loan award during calendar year 2018.
3. The fundable projects for 2018 will be composed of only the projects on the Intended Projects List. To the extent that projects from this list become ready to enter into a loan agreement during the 2018 program year, funds will be made available to finance the projects. Different projects may not be substituted for the projects included in the Intended Projects List, even if the substitute project(s) requires less funding.
4. With the exception of any planning or design projects or construction projects that request the nutrient reduction discount (NRD), no additional projects will be added to the PPL or the IPL during 2018. NRD, planning, and design loan projects may be added to the PPL and IPL any time during the program year.
5. The Ohio EPA will accept qualifying nominations to the PPL and the IPL for planning or design loan assistance (including Fiscal Sustainability Planning) throughout the 2018 calendar year.
6. To be assured of funding during calendar year 2018, applicants with projects on the IPL and applicants requesting supplemental loans must submit complete loan applications to Ohio EPA by August 1, 2018.
7. Projects included in the IPL that do not make timely progress towards receiving a loan award may be deferred for funding consideration at a later date or in another program year.
8. New projects may be added to the IPL in accordance with the *Program Management System* section, below.

## **Program Administration Costs**

In accordance with WRRDA (see Appendix M, Number 6), Ohio EPA can use three different methods to calculate the administrative expenses which can be drawn from the capitalization grant: 4% of all grant awards, \$400,000 per year, or 0.2% per year of the total valuation of the Fund. Ohio EPA has traditionally used the 4% method, and intends to use that method in PY 2018. Further, any unused amount of this 4% may be banked for future use. Ohio EPA intends to utilize this provision from PY 2018 and moving forward. Furthermore, Ohio EPA intends to retroactively compare the administrative expenses drawn from the previous capitalization grants and the total of the amount allowed as a means of calculating previously banked administrative funds.

A portion of the annual interest rate charged for each loan, 0.2%, is deposited to an account dedicated solely to help defray the costs of administering the WPCLF program. These funds are used to fund the administration expenses of the WPCLF, with the exception of equipment purchases that are funded directly from the WPCLF under the provisions of Clean Water Act Title VI, Section 603, paragraph (d)(7) that allows for the Fund to be used for reasonable costs of its administration.

## **Program Management System**

One of the purposes of this PMP is to facilitate the planning and administration of the WPCLF. The following describes the method by which available funds and projects are managed.

### **1. The PPL.**

As previously discussed, Ohio EPA has developed a system for ranking assistance proposals (“projects”) that will be used for the WPCLF program in 2018 (see *Integrated Priority System* Section, above). The PPL represents the relative ranking of all nominated projects based upon their ratings under the current Integrated Priority System.

Except for planning and design projects which may be added to the PPL throughout the year, projects not included in the 2018 PPL (Appendix B) will be considered for addition to subsequent PPLs when an applicant submits an acceptable nomination form. We will receive nominations to the PPL at any time. Except for planning and design loans, Emergency Assistance Projects (as defined in Appendix A), and (for PY 2018) nominations for NRD projects, projects will not be added to the PPL during the program year. If the PPL needs to be revised to add a planning or design loan, an Emergency Assistance Project loan, or a NRD, it will be public noticed, and entered into the Director’s Journal.

### **2. The IPL.**

The IPL is composed of projects which are candidates for funding in the 2018 program. Any project not making timely progress may be deferred from consideration for funding from the 2018 IPL. No projects will be added to the IPL during the program year, except as described above.

## Principal Forgiveness and Interest Rate Determinations

### 1. Principal Forgiveness

The WPCLF uses funds to offer incentives to disadvantaged communities for the protection of public health and attainment of State water quality standards. In the past, the WPCLF has offered a variety of subsidies and discounts in addition to the interest rates for the projects that it funds.

In 2018, the WPCLF is able to offer a reduction to the amount of principal that an applicant would otherwise need to repay for its project. This reduction is called “principal forgiveness,” according to federal statute. Although the name is different, in practical application principal forgiveness functions much like a grant: the eligible capital costs of the project are reduced by the principal forgiveness amount, thereby eliminating a portion of the principal (and interest) that the borrower must repay.

Principal Forgiveness assistance awards will follow the terms outlined in Appendix J.

### 2. Final Interest Rates and How They’re Determined

Table 2 describes the general loan types that Ohio EPA is offering in PY 2018. Tables 3 and 4 summarize the typical and special loan products that Ohio EPA is offering in PY 2018. Tables 5 and 6 summarize additional adjustments that may apply to the final interest rate.

## Table 2

### General Loan Types Offered in PY2018

Loan Type	Max. Term	Interest Rate and Limitations
Construction	45 years	See Tables Below
Design	5 years*	0%*
Planning	5 years*	0%*

\*Starting in PY 2018, all planning and design loans are eligible for a 0% interest rate only if the loan term is five years or less. Loans that extend beyond five years will receive the applicable rate at the time of the loan.

### Table 3

#### Typical Loan Products Offered in PY2018

Loan Product	Eligible Applicants	Interest Rate	Other Limitations
Standard Rate (Std.)	All municipal entities and special districts	See below	No annual limits
Small Community	Communities or districts with ≤5,000 population	Std. – 0.5%	No annual limits
Hardship Community	Communities or districts with ≤2,500 population and with MHI ≤\$50,547	0.0%	No annual limits
Hardship Community	Communities or districts with 2,501-10,000 population and with MHI ≤\$46,948	1.0%	No annual limits

### Table 4

#### Special Loan Products Offered in PY2018

Loan Product	Eligible Applicants/Projects	Interest Rate	Other Limitations
Nutrient Reduction Discount (NRD) projects	All municipal entities and special districts reducing phosphorus and other nutrients	0.0% <b>ONLY</b> for NRD portion	\$50 million/year maximum for all NRD projects
Combined Sewer Overflow (CSO) projects	All municipal entities and special districts that are implementing CSO reduction projects.	0.0% <b>ONLY</b> for CSO portion	\$300 million/3-years maximum for all CSO projects
Regionalization projects	All municipal entities and special districts that are implementing a regionalization project	0.0% <b>ONLY</b> for Regionalization portion	\$50 million/year maximum for all regionalization projects
Failed Non-Conventional Technologies	For communities or districts that have implemented non-conventional treatment systems that have failed.	0.0% <b>ONLY</b> for the failed portion.	No annual limits
Local Loan Program	For counties and cities that want an initial capital investment to create their own revolving loan fund.	0.0%	No annual limits
Septage Receiving Facilities	For communities or districts that install stand-alone facilities designed for receiving, treating, and disposing of septage.	0.5%	No annual limits

## Table 5

### Special Loan Discounts Offered in PY2018

Discount Type	Eligible Projects	Discount	Other Limitations
Linked Deposit	For private organizations and individual borrowers for nonpoint source projects (home sewage, agricultural BMPs, storm water runoff controls, restorations, etc.)	See App. E	No annual limits
WRRSP Discount	For communities or districts that have loans which include a WRRSP sponsored project.	Up to 0.1% discount. See App. E	No annual limits, discount depends on relative size of WRRSP project.
Class A Sludge	For communities or districts that are converting from Class B to Class A sludge	0.2% discount.	No annual limits
Green Project Reserve	For communities or districts that include a “green” component at least 25% of total project costs.	0.25% discount.	No annual limits

## Table 6

### Special Loan Adjustments Applied in PY2018

Loan Product	Applicable Projects	Adjustment	Other Considerations
Structured Payment Loans	For communities or districts that need to structure a loan using un-equal payments throughout the term	Applicable rate + 0.25%	No annual limits, case-by-case evaluation.

### 3. Standard Rate Determinations

On a monthly basis, the OWDA recalculates the standard interest rate described in Table 3 above.

If a community or special district receives a loan for a particular construction project, and that project later incurs cost overruns that are beyond the original loan, then they may apply for a supplemental loan to cover those extra costs. However, the interest rate associated with the supplemental loan will be based on when that loan is issued. It may or may not correspond to the rate of the original loan.

The standard rate is based on the Municipal Market Data (MMD) Index. This index represents high grade municipal bonds that offer lower interest rates that, in turn, Ohio EPA transfers to our customers in the form of below-market rate loans. See Appendix D for interest rate determinations.

## Distribution of WPCLF Funds

The initial distribution of available funds among the various funding reserves and project categories is as follows:

1. An amount not to exceed 4.0 percent of the total of all grants awarded to capitalize the WPCLF, \$400,000 per year, or 1/5 percent per year of the current valuation of the fund, whichever amount is greatest, is reserved and may be utilized as determined necessary for the reasonable costs of administering the Fund and to conduct activities required under Title VI of the Clean Water Act.
2. All Title II construction grant program funds that are available at the time an application is made by the State for a Title VI capitalization grant will be transferred and for use in the WPCLF.
3. Up to \$10,000,000 will be made available for interest advances to applicants implementing the Water Resources Restoration Sponsor Program projects that were identified on the PY 2018-2019 two-year funding cycle list.
4. Up to \$29.9 million of principal forgiveness will be made available to disadvantaged communities based on Affordability Criteria. Of that, \$13.3 million is reserved for local health departments to address critical issues caused by failing home sewage treatment systems. The remainder will be used to address issues caused by unsewered or CSO areas.
5. Ohio's FFY 2017 capitalization grant contains a requirement that the State identify and fund "green projects" in an amount at least 10% of the capitalization grant. This equates to \$7,463,800. Approximately \$23.3 million may be counted toward the requirement of green project assistance in 2018 through the award of the 2017-2018 allocation of \$10 million for Water Resources Restoration Sponsor Program projects, and \$13.3 million in principal forgiveness funds for HSTS projects. Ohio EPA is encouraging additional "green projects" through the implementation of the Green Project Reserve (GPR) Discount.
6. There will not be a proportionate share limitation for projects or applicants in 2018. Qualifying candidate projects will be limited to the amounts identified in their respective project nominations.

## Management Actions

As a part of its management of the WPCLF program Ohio EPA may, without limitation, take the following actions:

1. Add projects to the IPL during the program year in accordance with the *Program Management System* section, above.
2. Add projects to and delete projects from the PPL, and revise the priority rating of a project in future years in accordance with the PMP in effect at that time.
3. Principal forgiveness is meant to help disadvantaged communities fund and complete projects that otherwise could not get completed. The demand for this money far outweighs the

availability. Therefore, during PY 2018, Ohio EPA is strongly emphasizing “readiness to proceed” for these projects.

For any eligible construction project that requires a permit-to-install (PTI), detailed plans must be submitted to Ohio EPA by March 15, 2018. For all other construction projects that don't require a PTI, detailed plans must be submitted to Ohio EPA by June 1, 2018. If the applicant fails to meet these initial deadlines, then the project may be bypassed, and the allotted principal forgiveness may be granted to the next eligible project.

Ohio EPA staff will be working very closely with eligible projects throughout the year to give them every opportunity to develop a project that can be awarded by the end of September 2018. Starting in April 2018 and continuing throughout the year, Ohio EPA will regularly evaluate the status of available principal forgiveness funds and the outstanding projects listed on the priority list. The intent of this evaluation is to determine if the projects currently identified as receiving principal forgiveness actually are capable of applying for and entering into a loan agreement with Ohio EPA by September 30, 2018. If, during this evaluation, a project is determined to be incapable of meeting the requirements of the program, then that project may be bypassed. Funds made available through bypassing may be awarded to other eligible projects on the IPL/PPL list.

In addition to readiness, a project may be bypassed due to an applicant's inability to meet all other WPCLF requirements, failure to develop an approvable, implementable project, or for other reasons applicable 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 this PMP or program requirements are also subject to this bypass procedure.

Any 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.

4. Establish submission deadlines for WPCLF application materials including, without limitation, revisions to facilities plans, revisions to plans and specifications, or portions thereof, either individually or collectively. Generally, individual project submission deadlines will be based on NPDES permit compliance schedules, Federal or State court ordered compliance schedules, grant budget periods, or Ohio EPA's review schedules. Failure to meet a submission deadline can result in either the deferral of the project and/or enforcement action for NPDES permit, or Federal or State court order event violation.
5. Defer any project on the IPL from active consideration for funding that is not ready to proceed (e.g., when the facility plan and/or detailed plan approval cannot be projected prior to the project specific dates established by Ohio EPA) or is otherwise not complying with the PMP.
6. Limit the total amount of WPCLF funds awarded to a recipient (including supplemental loans) during a program year based on eligibility of project elements and/or an applicant exceeding the Proportionate Share of available funds for its project(s).



7. Segment and fund a portion of a project if the loan applicant agrees to complete subsequent segments according to an acceptable schedule consistent, if applicable, with the National Municipal Policy, and regardless of additional financial assistance. If it is a treatment works project as defined in Section 212 of the Clean Water Act, one of the following must also apply:
  - a. Remedy an environmental or public health emergency as determined to exist by the director, or;
  - b. Realize significant cost savings, or;
  - c. Effectively coordinate the assistance proposal with other construction activities, or;
  - d. The treatment works construction would require a disproportionate share of the funds identified in the PMP that includes the treatment works as a fundable project, or;
  - e. The treatment works will take three or more years to complete, or;
  - f. The treatment works must be segmented to meet the requirements of a Federal or State court order. A segmented project also must meet all pertinent program requirements, including the state environmental review process. Additionally, the applicant must demonstrate it is financially capable of constructing, according to the approved schedule, subsequent segments without funding assistance. Ohio EPA reserves the authority to negotiate the scope of the segmentation based on available WPCLF funds as well as engineering, financial, and environmental considerations.
8. Limit the amount of funding, principal forgiveness subsidies and interest rate subsidies made available to individual projects within specified categories, and limit the aggregate amount of funding and subsidies to be awarded in the program year to specified categories, based on program effectiveness. For WRRSP projects, funding will be limited to either the amount requested in the WRRSP project(s) nomination(s) or the maximum amount of interest available for the WRRSP project(s) within the sponsor's project, whichever is less.

In some cases, a WRRSP project may be sponsored by more than one entity that is scheduled to receive construction loan financing during the program year. Sponsored amounts for these projects can be shifted from one sponsoring entity to another if: a) the total cost of the WRRSP project does not exceed the originally nominated total amount for that WRRSP project, and b) Ohio EPA receives notification from the affected sponsors no later than 90 days prior to the estimated WPCLF loan award dates.

If a sponsoring entity has more than one loan project on the Intended Projects List, in keeping with the restrictions noted herein, the sponsor may request to shift its sponsorship from one loan to another, but must request from Ohio EPA in writing any such change a minimum of 120 days, and receive concurrence for the change no later than 90 days, prior to the estimated dates for all affected loans. Ohio EPA's decision whether to concur with the request will be based on the sponsoring projects' loan award schedules, timely progress of WRRSP project development, and the sponsoring projects' priority rankings.

9. Establish deadlines for document submissions to satisfy the provisions of this PMP.

10. Establish interest rates and principal forgiveness subsidies for WPCLF loans in accordance with the procedures outlined in Appendices D, E, and J.
11. Provide WPCLF funds as outlined in each PMP at a lower interest rate (Appendix E) or as principal forgiveness (Appendix J) for communities of high economic need, in accordance with the procedures outlined in the respective appendices.
12. Award WPCLF assistance for preparing project planning documents and detailed plans and specifications. Ohio EPA may also set a limit on the amount of funds that are available for this purpose without additional public notice. The terms, conditions, and rates are outlined in Appendices E and F.
13. Deposit a portion of the interest charged on each loan into an administrative account dedicated solely to the cost of administering the WPCLF. The amount currently utilized is 0.2 percent. This amount may be adjusted during the program year if necessary with adequate public notice.
14. Transfer funds, and/or jointly collateralize or issue debt obligations, of the Drinking Water Assistance Fund and the WPCLF between the two Funds in accordance with current state and federal limitations.
15. In accordance with the revisions of the WRRSP program which began in PY 2014, funds will not be re-allotted to contingency projects when fundable projects are unable to proceed. However, when such funds do become available, they may be re-allotted to qualifying WRRSP projects (within the same two-year cycle) that are listed as being partially fundable.
16. With public notice and opportunity for comment, amend the PMP during the program year.
17. Make additional funds available to borrowers that are subject to the proportionate share limitation on the Final IPL at the standard interest rate if another proportionate-share borrower's awards are less than its proportionate share during the program year.
18. Unilaterally disencumber undisbursed funds from any WPCLF loan where no disbursements have been made for more than one year.
19. At any time, add Emergency Assistance projects to the PPL and, based on their priority rankings and the available funds, to the IPL as fundable projects.
20. Deny the award of financial assistance to any applicant that is in significant violation of a previous WPCLF loan agreement.
21. Consider additional program features which may enhance the WPCLF or improve the administration of the WPCLF. These program features may be implemented before the beginning of the next program year without further public notice if determined to be minor improvements. For example, Ohio EPA may consider features during PY 2018 which may assist Ohio's CSO communities so that the water quality benefits can be realized sooner. Concepts which may be explored, and possibly implemented during the program year, might include additional discounts, combined funding with other programs, structured payments, and other ideas.

## Program Administration Conditions

Although WPCLF staff is available to assist applicants with project administration, the applicant carries the responsibility for managing its project before, during, and after assistance award. It is essential that the applicant be aware of its responsibilities, commitments, and obligations.

Ohio EPA has formulated the following conditions, in part, to assist both this Agency and the applicant to effectively manage their respective tasks. These conditions highlight areas of particular concern to Ohio EPA.

Some of these are essentially the responsibility of the applicant; in general, the applicant is responsible for negotiations of necessary and reasonable costs, effective management of funds, and adequate project monitoring.

The dates after the title of each condition indicate the fiscal year PMP in which the condition was introduced followed by the dates of any subsequent revisions. Except where otherwise indicated, conditions do not apply to assistance awarded prior to the fiscal year in which the condition was introduced.

Additional conditions pertaining to the award of WPCLF assistance may be developed as a result of the review and approval of an individual project's application. These additional project-specific conditions may modify, supplement, or supersede the administrative conditions in this Section.

1. Facility Plan/Detailed Design Consistency (1989, rev. 1998, 2003)

Every publicly-owned treatment works project eligible for WPCLF construction financing must have the project's facilities plan approved by Ohio EPA prior to award of a construction loan. Recipients of WPCLF design and/or construction loans are ultimately responsible for assuring consistency between approved facilities plans and detailed design. Therefore, potential recipients of design and/or construction loans should maintain close contact with Ohio EPA to assure that the detailed design of the project accurately reflects the project described in the approved facilities plan.

2. WPCLF Eligible Costs (1990, rev. 1998, 2005)

Ohio EPA may provide WPCLF funds for the purposes eligible under the ORC Section 6111.036, the Clean Water Act, and the current PMP. Each applicant's project will undergo an eligibility review prior to loan award from the WPCLF. Ohio EPA attempts to provide assistance with as few eligibility restrictions as possible. However, certain costs are prohibited from WPCLF funding because of federal law, while others do not provide water quality benefits. Ineligible WPCLF costs include, but are not necessarily limited to, those listed in Appendix C.

3. Private Applicant Pre-Application Fee (2000, rev. 2001)

Ohio EPA has awarded WPCLF direct loans to private borrowers for NPS projects for a number of years. As with any loan, a review of the applicant's ability to generate sufficient revenue to repay the loan must be completed. When the applicant is a private person or business, the review of the ability to repay the loan and the acceptability of the proposed security requires a

set of information very different from that of the typical municipal borrower. Review of that information requires a level of effort beyond that normally involved with the review and approval of a municipal project. Additionally, in some instances, private applicants request review and approval of their application materials, but then choose not to enter into loan agreements. To help assure that the expenses for the review of private applications are at least partially recovered, Ohio EPA charges a pre-application fee.

As of January 1, 2001, a pre-application fee of 0.5% of the requested loan amount for each project application received from an individual or for-profit organization for a direct loan from the WPCLF is due and payable upon the initial submission of documentation in support of the applicant's proposed repayment plan and source of security. Ohio EPA will not proceed with the review until the fee is submitted. This fee is non-refundable, but it will be applied to the applicant's loan if the applicant enters into the WPCLF loan agreement within six months of Ohio EPA's completion of the application review. If the applicant does not enter into a WPCLF loan agreement for the project within six months of Ohio EPA's completion of the application review, the pre-application fee will be credited to the WPCLF administrative account.

#### 4. Appeal of WPCLF Actions (2001)

The formal appeal process for WPCLF decisions is provided in ORC Section 6111.036(P). The appeal must be in writing and must specify the action by Ohio EPA that is the subject of the complaint. It must also identify the grounds upon which the appeal is based. It must be filed with the Environmental Review Appeals Commission (ERAC) within 30 days after notice of the Director's action. A copy of the appeal must be served on the Director within three days of filing with ERAC. An appeal may be filed with ERAC at the following address: Environmental Review Appeals Commission, 30 East Broad Street, 4th Floor, Columbus, Ohio 43215.

#### 5. Funding of Projects for Applicants with Past Due or Incomplete Performance Certifications (2007)

Applicants for WPCLF financial assistance that have projects previously financed through the WPCLF, for which there are past due or incomplete Performance Certifications, may be deferred until complete Performance Certifications have been received and evaluated by Ohio EPA.

### **Federal Assurances**

Ohio EPA provides the following assurances and certifications to the U.S. EPA as a part of the PMP. Ohio EPA agrees to the following as required by the Clean Water Act, the WPCLF Operating Agreement with the U.S. EPA, and as conditions of the grants to capitalize the WPCLF.

#### 1. 602(a) Environmental Reviews

The Ohio EPA will conduct environmental reviews for all projects as specified in its Operating Agreement with the U.S. EPA. No Supplemental Studies are anticipated to be necessary for projects covered by this PMP.

#### 2. 602(b)(4) Expeditious and Timely Expenditures

Ohio EPA will expend all funds in the WPCLF in a timely and expeditious manner.

3. 602(b)(5) First Use for Enforceable Requirements

The first use requirement has been met in Ohio.

4. 603(f) Consistency with Planning Requirements

Projects constructed in whole or in part with funds directly made available by Federal capitalization grants will be required to comply with the following Sections of the Clean Water Act, as applicable: 205(j), 208, 303(e), and 319.

5. Program Benefits Reporting

Ohio EPA will annually report aggregate program information derived from project data.

6. Wage Rates and Standards

In order to meet a Federal capitalization grant condition, the Ohio EPA will require WPCLF projects to comply with the federal wage and employment standards under the federal Davis-Bacon Act.

7. Archaeological and Historic Preservation Act of 1974, PL 93-291 et. seq.

U.S. EPA has determined that the provisions of PL 93-291, also known as the National Historic Preservation Act (NHPA), must be applied to activities of state revolving loan funds where their activities are supported by funds directly made available by federal capitalization grants.

8. On January 30, 2015, the President signed Executive Order (E.O.) 13690, Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input. E.O. 13690 amended E.O. 11988, Floodplain Management, issued in 1977. For projects funded under the provisions of the PMP for 2018, the Ohio EPA will comply with the requirements of E.O. 11988 as they are amended by E.O. 13690.

9. U.S. EPA has produced a document titled Guidelines for Enhancing Public Awareness of State Revolving Fund (SRF) Assistance Agreements (dated June 3, 2015), which outlines the requirement for increased awareness of federal funding through the DWSRF and CWSRF. These guidelines include options for project "signage". Ohio EPA will satisfy this requirement by modifying our Notice of Application of Loan Agreement public notice language to include that the project is wholly or partially funded with joint funding from Ohio EPA and U.S. EPA.

10. U.S. EPA now requires that states identify a pool of projects that will be used to meet federal equivalency requirements. These projects will be in an amount made directly available by the 2016 CWSRF capitalization grant (\$75,217,000). Equivalency projects must comply with the Federal Funding Accountability and Transparency Act (FFATA), the Single Audit Act, Federal Crosscutters, Disadvantage Business Enterprise, and 40 USC Chapter 11 Procurement for A/E contracts – the equivalent of which is under R.C. 153.65-153.73 apply to all "public authorities" as defined in Section 3345.011 of the Revised Code. At this time, the following projects are being designated as equivalency projects: (City of Columbus– Lockbourne Intermodal Subtrunk; and Northeast Ohio Regional Sewer District - Doan Valley Storage Tunnel). Should one or more

of these projects not close on a loan during the program year, they will be replaced with another project on the PPL that can meet all of the federal equivalency requirements.

# Appendix A

## Definitions

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

1. Bypass – an action by Ohio EPA to remove a project from funding consideration in a program year.
2. Construction - Means any one or more of the following: preliminary planning to determine the feasibility of treatment works, engineering, architectural, legal, fiscal, or economic investigations or studies, surveys, designs, plans, working drawings, specifications, procedures, field testing of innovative or alternative wastewater treatment processes and techniques meeting guidelines promulgated under Section 304(d)(3) of the Clean Water Act, or other necessary actions, erection, building, acquisition, alteration, remodeling, improvement, or extension of treatment works, or the inspection or supervision of any of the foregoing items.
3. Contaminated Site Project - any action to assess and remediate materials on a property whose physical and/or chemical characteristics either have, or have the potential to have, an adverse effect on surface or groundwater quality.
4. Defer – an action by Ohio EPA to delay the scheduled date of loan award for a project to a later month in the program year and to continue to reserve funds for the project.
5. Emergency Assistance Project – As determined by Ohio EPA, an action that requires immediate implementation by the borrower to prevent the occurrence of a waterborne condition, or to reduce or eliminate, a documented water-borne condition, that is of such magnitude or importance that it constitutes an immediate threat to the public health. Examples include but are not limited to broken sewers and pump stations that are damaged to the point of inoperability.

Emergency Assistance Projects may also include the following situations:

- a. Actions taken in response to natural disasters, which may include the planning, design, or construction of facilities to repair or replace those that were damaged or lost due to flood, tornado, earthquake, or other natural disasters,
  - b. Actions taken in response to damage caused by terrorist actions.
  - c. Actions taken in response to unforeseen environmental conditions encountered during construction activities that may threaten public health or water quality. This may include encountering contaminated soils or ground water during construction that produces an imminent threat to human health or water quality.
6. Initiation of operation – the date that the funded treatment works are in full and sustained operation as planned and designed.

7. Market Rate - for direct WPCLF loans, market rate is calculated as the average of 20 year AA GO MMD Index plus 30 basis points. This average will be the eight-week daily average taken on the Friday six weeks prior to each OWDA board meeting. For the WPCLF 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 Bond Buyer 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.
8. Principal Forgiveness – The portion of a loan’s principal for which there is no repayment obligation, consistent with the terms of the project’s loan agreement.
9. Proportionate share – the defined maximum amount of WPCLF funds that may be obligated in a program year to any one recipient at a subsidized interest rate. The proportionate share amount does not include funds received for linked deposit loans or for loans made for the purpose of establishing local loan programs for making loans to individuals for abandonment of septic systems, or for “green infrastructure” to control storm water run-off.
10. Readiness to proceed - timely progress toward achieving a binding commitment during the program year and initiating project activities. This is measured by an applicant's success in meeting all applicable pre-award WPCLF program requirements.
11. Treatment Works:
  - a. Any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature to implement Section 201 of the Clean Water Act, or necessary to recycle or reuse water at the most economical cost over the estimated life of the works. This includes intercepting sewers, outfall sewers, sewage collection systems, pumping power, and other equipment, and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof; elements essential to provide a reliable recycled supply such as standby treatment units and clearwell facilities; and any works, including site acquisition of the property that will be an integral part of the treatment process (including property used for the storage of treated wastewater in land treatment systems prior to land application) or is used for ultimate disposal of residues resulting from such treatment.
  - b. In addition to the contents of paragraph 1. of this definition, any other method or system for preventing, abating, reducing, storing, treating, separating, or disposing of municipal waste, including storm water and sanitary sewer systems.
  - c. For the purpose of this definition, replacement means the expenditures for obtaining and installing equipment, accessories, or appurtenances during the useful life of the treatment works necessary to maintain the capacity and performance for which such works are designed and constructed.



# **Appendix B**

## **Project Lists**

The following tables are included in this Appendix:

1. 2018 Project Priority and Intended Projects List
2. 2019+ Project Priority and Intended Projects List
3. 2018-2019 WRRSP Anticipated Project Lists
4. 2018 NRD Project List
5. 2018 Projects Eligible for Principal Forgiveness with Rankings
6. 2018 HSTS Project List
7. 2017-2019 CSO Project List

# Project Priority and Intended Projects List for PY 2018

December 7, 2017

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Aberdeen	Stivers and River Roads Sewer	Design	\$16,980	H-0%	03/29/18
Aberdeen	WWTP Improvements	Design	\$75,000	H-0%	03/29/18
Aberdeen	Stivers and River Roads Sewer	Constr.	\$230,043	H-0%	09/27/18
Aberdeen	WWTP Improvements	Constr.	\$600,000	H-0%	12/13/18
Akron	Hackberry Trunk Sewer Area Improvements	Constr.	\$1,400,000	STD	01/25/18
Akron	Hawkins, Hackberry, Grand Park Study	Design	\$297,795	STD	01/25/18
Akron	Mayfield Avenue Sewer Improvements (Sewer System I/I Study)	Constr.	\$799,164	STD	01/25/18
Akron	LCI Lining from Case to Hazel	Constr.	\$2,400,000	STD	02/22/18
Akron	Ohio Canal Interceptor Tunnel OCIT-1CS	Constr.	\$7,000,000	STD	03/29/18
Akron	Sanitary Sewer Reconstruction 2017	Constr.	\$4,842,110	STD	03/29/18
Akron	Trunk Sewer Rehabilitation - Sevilla	Constr.	\$4,750,000	STD	03/29/18
Akron	Uhler Conveyance (Rack 27 and 29)	Constr.	\$6,855,000	STD	03/29/18
Akron	Cuyahoga Street Storage Facility Control Gate	Design	\$1,000,000	STD	04/26/18
Akron	Kelly Conveyance Rack 3	Constr.	\$1,800,000	STD	04/26/18
Akron	Kelly Green Project Rack 3	Constr.	\$3,650,000	STD	04/26/18
Akron	Sourek Road Pump Station Replacement	Constr.	\$1,496,000	STD	05/31/18
Akron	Hazel Storage Basin (Rack 10 and 11)	Constr.	\$29,331,356	STD	06/28/18
Akron	Sanitary Sewer Reconstruction 2018 - Small Diameter Lining	Constr.	\$1,700,000	STD	06/28/18
Akron	Sanitary Sewer Reconstruction 2018-Large Diameter Lining	Constr.	\$4,600,000	STD	06/28/18
Akron	Cuyahoga Street Storage Facility Control Gate	Constr.	\$8,500,000	STD	07/26/18
Akron	Hampton Ridge Pump Station	Constr.	\$1,109,136	STD	07/26/18
Akron	Sanitary Sewer Reconstruction 2018 - Point Repairs	Constr.	\$1,500,000	STD	07/26/18
Akron	CSO Program Management Team 2018	Plann.	\$5,000,000	STD	08/30/18
Akron	Hawkins Trunk Sewer Area Improvements	Constr.	\$6,100,000	STD	08/30/18
Akron	Duane Green Project (CSO Rack 3)	Constr.	\$2,575,000	STD	12/13/18
Akron	Grand Park Avenue Sewer Improvements	Constr.	\$1,305,000	STD	12/13/18
Akron	Northside Interceptor Sewer Rehabilitation	Constr.	\$5,000,000	STD	12/13/18
Akron	WRF BioCEPT - NRD	Constr.	\$53,200,000	STD	12/13/18
Akron	WRF SRT Rehabilitation	Design	\$1,300,000	STD	12/13/18
Akron	WRF SRT Replacement	Constr.	\$30,800,000	STD	12/13/18
Antwerp	Collection Pump Station and WWTP Improvements NRD	Constr.	\$325,262	H-0%	01/25/18

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Ashland County	2018 Ashland County HSTS Project	Constr.	\$200,000	H-0%	03/29/18
Ashtabula	WPC Plant Digesters & Final Settling Tanks Upgrades	Constr.	\$1,200,000	STD	03/29/18
Ashtabula County	2018 HSTS Repair/Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Athens County	2018 HSTS Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Avon Lake	Curtis Sanitary Sewer Rehabilitation	Constr.	\$3,000,000	STD	02/22/18
Barberton	WWTP Phase 3A Improvements	Constr.	\$800,000	STD	04/26/18
Barberton	WWTP Phase 3B Improvements	Constr.	\$4,000,000	STD	04/26/18
Barberton	Norton Acres Package Plant Elimination	Constr.	\$3,600,000	STD	07/26/18
Beaver	Wastewater Treatment Plant Improvements	Constr.	\$150,610	H-0%	03/29/18
Belmont County	Belmont County HSTS Program 2018	Constr.	\$200,000	H-0%	03/29/18
Belpre	SR 7 North Sewer Service Extension	Constr.	\$3,208,900	H-1%	07/26/18
Board of Commissioners of Hamilton County	Hamilton County HSTS Repair/Replacement Project 2018	Constr.	\$200,000	H-0%	03/29/18
Board of Commissioners of Hamilton County	Quebec Road Sewer Separation CSO	Constr.	\$9,000,000	STD	05/31/18
Board of Commissioners of Hamilton County	CSO 217/483 Phase C CSO	Constr.	\$5,746,484	STD	06/28/18
Board of Commissioners of Hamilton County	Prospect Woods Pump Station Upgrade	Constr.	\$1,182,236	STD	06/28/18
Board of Commissioners of Hamilton County	Queen City Ave Sewer Separation Phase 2b CSO	Constr.	\$12,700,000	STD	06/28/18
Board of Commissioners of Hamilton County	CSO 125 CSO	Constr.	\$11,290,593	STD	07/26/18
Board of Commissioners of Hamilton County	CSO 21 CSO	Constr.	\$3,495,167	STD	07/26/18
Board of Commissioners of Hamilton County	CSO 217/483 Phase B CSO	Constr.	\$14,446,322	STD	07/26/18
Board of Commissioners of Hamilton County	Glenview Pump Station Upgrade	Constr.	\$1,290,694	STD	07/26/18
Board of Commissioners of Hamilton County	Mill Creek Electrical Substation	Constr.	\$6,354,900	STD	09/27/18
Board of Commissioners of Hamilton County	CSO 217/483 Source Control Phase A & A2 CSO	Constr.	\$12,550,000	STD	12/13/18
Board of Commissioners of Hamilton County	Main Sewer Renewal Program 2016	Constr.	\$6,477,297	STD	12/13/18
Board of Commissioners of Hamilton County	SSO 700 Facility Improvements	Constr.	\$9,600,000	STD	12/13/18
Bowling Green	Campbell Hill Sewer & Force Main CSO	Constr.	\$1,500,000	STD	04/26/18
Brown County Health Department	WPCLF HSTS Funding 2018	Constr.	\$168,000	H-0%	03/29/18
Bucyrus	Southern and Hopley Avenues S3 CSO	Design	\$410,000	STD	03/29/18
Bucyrus	Southern and Hopley Avenues S3 Group 1 and 2 CSO	Constr.	\$2,627,050	STD	06/28/18
Burton	WWTP Refurbishment	Constr.	\$11,382,600	H-0%	03/29/18
Butler	Wastewater Treatment Plant Replacement	Constr.	\$3,552,000	H-0%	07/26/18
Butler County	2018 HSTS Repair/Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Cadiz	Collection System Improvements	Constr.	\$8,200,000	H-1%	05/31/18
Caldwell	Sewer Separation Project - Area F	Design	\$127,000	H-0%	01/25/18
Caldwell	Sewer Separation - Area F	Constr.	\$1,120,000	H-0%	12/13/18

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Carey	Wastewater Treatment Plant Improvements NRD	Constr.	\$9,303,035	H-1%	12/13/18
Carroll County	Carroll County HSTS Repair Program 2018	Constr.	\$200,000	H-0%	03/29/18
Chardon	Railroad Trunk Sewer	Constr.	\$3,318,585	STD	04/26/18
Clark County	Clark County Combined Health District HSTS Program 2018	Constr.	\$200,000	H-0%	03/29/18
Clermont County General Health District	2018 Septic Rehabilitation Program HSTS	Constr.	\$200,000	H-0%	03/29/18
Columbiana County Health Department	2018 Home Sewage Treatment Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Columbus	Williams Rd/Castle Rd Sanitary Pump Station Upgrades	Constr.	\$3,500,000	STD	01/25/18
Columbus	Woodward Ave Detention Basin Improvements; CIP 610792-100002	Constr.	\$650,000	STD	01/25/18
Columbus	Alum Creek Trunk (Middle) Rehab - Phase B	Constr.	\$5,000,000	STD	02/22/18
Columbus	JPWWTP Biosolids Land App Improvements	Constr.	\$15,300,000	STD	02/22/18
Columbus	3rd Ave Increased Capture & Green Infrastructure - CSO	Constr.	\$3,015,000	STD	03/29/18
Columbus	Blueprint Clintonville 1 Area - Lateral Lining	Constr.	\$21,500,000	STD	03/29/18
Columbus	Portage Grove Area Assessment Sanitary Sewer - CIP 650700	Constr.	\$2,000,000	STD	03/29/18
Columbus	Southwesterly Compost Facilities Odor Control (Design)	Design	\$1,500,000	STD	03/29/18
Columbus	Blueprint Linden GI - Agler & Berrell	Constr.	\$3,500,000	STD	04/26/18
Columbus	Blueprint Linden GI - Hudson / McGuffey	Constr.	\$5,000,000	STD	04/26/18
Columbus	Blueprint Linden GI - Oakland Park / Medina	Constr.	\$3,500,000	STD	04/26/18
Columbus	Fairwood Facilities Stormwater Improvements	Constr.	\$2,000,000	STD	04/26/18
Columbus	Holt Ave/Somersworth Stormwater System Improvements	Constr.	\$1,300,000	STD	04/26/18
Columbus	Rathbone Ave. Stormwater System Improvements	Constr.	\$1,900,000	STD	04/26/18
Columbus	Windsor Ave Stormwater System Improvements	Constr.	\$600,000	STD	04/26/18
Columbus	Bethel Road Culvert Rehabilitation Project	Constr.	\$1,525,000	STD	05/31/18
Columbus	Fountain Square Stormwater System Improvements	Constr.	\$3,200,000	STD	05/31/18
Columbus	JPWWTP Cogeneration Facilities (DESIGN)	Design	\$962,020	STD	05/31/18
Columbus	Lehnert Farms/Bolton Field CIP 610788-10000	Constr.	\$1,000,000	STD	05/31/18
Columbus	Southerly WWTP Cogeneration Facilities (Design)	Design	\$660,230	STD	05/31/18
Columbus	SWWTP Digestion Process Expansion	Constr.	\$18,600,000	STD	05/31/18
Columbus	Blueprint Clintonville 3 Area: Lining	Constr.	\$10,000,000	STD	06/28/18
Columbus	Brimfield Area Sanitary Sewer Repair	Constr.	\$1,300,000	STD	06/28/18
Columbus	JPWWTP Digester Cover Rehabilitation	Constr.	\$5,934,000	STD	06/28/18
Columbus	Blueprint Linden 1 Area - Sump Pump Project	Constr.	\$5,000,000	STD	07/26/18
Columbus	Woodward Avenue Sanitary Sewers; CIP 650570-100000	Constr.	\$525,000	STD	07/26/18
Columbus	2018 Annual Lining Contract	Constr.	\$5,000,000	STD	08/30/18
Columbus	Alum Creek Trunk (Middle) Rehab - Phase C	Constr.	\$3,500,000	STD	08/30/18

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Columbus	Blueprint Linden GI - Artane & Parkwood	Constr.	\$4,120,000	STD	08/30/18
Columbus	Facilities & Equip Upgrade - Whittier St Storm Tanks - CSO	Constr.	\$18,000,000	STD	08/30/18
Columbus	Franklin Main Interceptor Rehab, Sec 6 - King to W.2nd Ave	Constr.	\$2,000,000	STD	10/25/18
Columbus	Lockbourne Subtrunk Air Quality Improvements	Constr.	\$3,500,000	STD	10/25/18
Columbus	Meeklynn Drive Sanitary Sewers	Constr.	\$2,000,000	STD	10/25/18
Columbus	Summit View Detention Basin Modifications	Constr.	\$650,000	STD	10/25/18
Columbus	Alum Creek Storm Tank Project - Real Time Control CSO	Constr.	\$1,500,000	STD	12/13/18
Columbus	Blueprint Hilltop GI - Eureka / Fremont	Constr.	\$4,694,500	STD	12/13/18
Columbus	Blueprint Hilltop GI - Palmetto / Westgate	Constr.	\$7,600,000	STD	12/13/18
Columbus	Blueprint Miller-Kelton GI - Kent / Fairwood	Constr.	\$3,090,000	STD	12/13/18
Columbus	Blueprint Miller-Kelton GI - Newton Bedford	Constr.	\$3,300,000	STD	12/13/18
Columbus	East Franklinton Sewer Improvements	Constr.	\$1,300,000	STD	12/13/18
Columbus	Linden Area Stormwater Improvements	Constr.	\$1,000,000	STD	12/13/18
Columbus	Lockbourne Subtrunk - Canal Road Area (DESIGN)	Design	\$750,000	STD	12/13/18
Columbus	Olde Beechwood Area Stormwater System Improvements	Constr.	\$2,500,000	STD	12/13/18
Columbus	Rickenbacker Intermodal Sanitary Extension (Design)	Design	\$750,000	STD	12/13/18
Columbus Public Health	2018 HSTS Repair/Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Crawford County General Health District	2018 HSTS Repair & Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Cuyahoga County	Broadrock Drill Drop	Constr.	\$2,100,000	STD	01/25/18
Cuyahoga County Board of Health	Cuyahoga County HSTS Repair/Replacement Program 2018	Constr.	\$200,000	H-0%	03/29/18
Darke County General Health District	2018 HSTS Repair/Replacement Project	Constr.	\$200,000	H-0%	03/29/18
Dayton	Phosphorus Removal Treatment NRD	Design	\$475,000	STD	02/22/18
Dayton	Phosphorus Removal Treatment NRD	Constr.	\$4,325,000	STD	10/25/18
Defiance	East High St. (Group 19) Inflow Reduction Project CSO	Constr.	\$3,500,000	STD	03/29/18
Defiance	College Place (Group 11.1) Inflow Reduction Project CSO	Constr.	\$1,500,000	STD	05/31/18
Defiance County General Health District	2018 Defiance County General Health District HSTS Project	Constr.	\$200,000	H-0%	03/29/18
Delphos	Delphos WWTP MBR Buildout	Design	\$175,000	H-0%	03/29/18
Delphos	Delphos WWTP MBR Buildout	Constr.	\$2,685,000	H-0%	12/13/18
Dexter City	Wastewater System Improvements NRD	Constr.	\$2,889,844	H-0%	08/30/18
Doylestown	WWTP Improvements Phase 2 NRD	Design	\$200,000	SC	12/13/18
Dupont	Dupont Wastewater Improvements	Constr.	\$3,757,639	H-0%	08/30/18
Eastlake	Waverly Relief Sewer	Constr.	\$3,667,500	STD	06/28/18
Elida	UV Disinfection Improvements	Constr.	\$307,420	SC	10/25/18
Elyria	Wet Weather Screening Facilities Phase 1 CSO	Constr.	\$550,000	STD	01/25/18

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Elyria	East Side Relief Sewer Phase 1B South CSO	Constr.	\$5,347,000	STD	03/29/18
Elyria	Final settling Tank Improvements CSO	Constr.	\$1,070,000	STD	03/29/18
Elyria	Wet Weather Screening Facility Phase 2 CSO	Constr.	\$3,467,000	STD	10/25/18
Erie County Health Department	Erie County 2018 WPCLF HSTS Replacement	Constr.	\$150,000	H-0%	03/29/18
Fairfield County Department of Health	2018 WPCLF HSTS Program	Constr.	\$200,000	H-0%	03/29/18
Fayette Soil and Water Conservation District	Fayette County HSTS Program 2018	Constr.	\$200,000	H-0%	03/29/18
Fort Recovery	WWTP Lagoon Addition NRD	Constr.	\$969,000	SC	10/25/18
Fostoria	CSO #2 and #3 Elimination Project CSO	Design	\$695,000	STD	01/25/18
Franklin	Franklin Area WWTP Improvements	Constr.	\$7,300,000	STD	07/26/18
Franklin County	Century Acres Wastewater Treatment Plant Upgrades	Design	\$236,355	STD	01/25/18
Franklin County	Oakhurst Knolls WWTP	Constr.	\$685,806	STD	03/29/18
Franklin County	Mon-E- Bak & Brown Rd East Sanitary Sewer Lateral Project	Constr.	\$4,911,812	H-0%	08/30/18
Franklin County	Century Acres Wastewater Treatment Plant Conversion Project	Constr.	\$144,988	STD	12/13/18
Franklin County Public Health	FCPH HSTS Repair/Replacement 2018	Constr.	\$200,000	H-0%	03/29/18
Fremont	Water Reclamation Center Sand Road Pond Lagoon Cleaning CSO	Constr.	\$1,060,000	STD	08/30/18
Fulton County Health Department	2018 HSTS Repair/Replacement Program	Constr.	\$170,000	H-0%	03/29/18
Gallia County	2018 HSTS Repair/Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Gallia County	Green Township Phase II Sanitary Sewers	Constr.	\$5,560,310	H-0%	09/27/18
Geauga County	Aquilla Wastewater Treatment Plant Upgrade Project	Constr.	\$1,500,000	STD	10/25/18
Geauga County	Chardon Township Sewer Project	Constr.	\$3,600,000	STD	10/25/18
Geauga County	Wintergreen WWTP Replacement	Constr.	\$600,000	STD	12/13/18
Geauga County Health District	Project Helping Hand 2018	Constr.	\$200,000	H-0%	03/29/18
Geneva	Secondary Sludge Holding Tank - WWTP Salmonella Elimination	Constr.	\$750,000	H-1%	02/22/18
Geneva	U.S. Route 20 Sewer Replacement	Design	\$350,000	H-1%	02/22/18
Geneva	WWTP Screening and Grit Removal Improvements	Design	\$469,000	H-1%	02/22/18
Geneva	WWTP Screening and Grit Removal Improvements	Constr.	\$5,349,000	H-1%	10/25/18
Geneva	U.S. Route 20 Sewer Replacement Phase 1	Constr.	\$2,500,000	H-1%	12/13/18
Genoa	Wastewater Treatment Plant Improvements NRD	Design	\$75,000	SC	03/29/18
Genoa	Wastewater Treatment Plant Improvements NRD	Constr.	\$1,321,600	SC	12/13/18
Girard	WWTF Peak Flow Treatment & Equalization Improvements CSO	Constr.	\$19,000,000	H-1%	01/25/18
Gnadenhutten	WWTP Preliminary Treatment and Process Optimiz NRD	Constr.	\$4,000,000	H-0%	06/28/18
Grafton	Oak Street Improvements	Constr.	\$1,520,247	STD	05/31/18
Grafton	Chestnut Street Improvements	Constr.	\$1,092,936	STD	12/13/18
Gratis	Back-Up Power and Lift Station Replacement Design	Constr.	\$300,000	H-0%	02/22/18

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Greenwich	Greenwich Combines Sewer Evaluation Study	Plann.	\$199,000	H-0%	05/31/18
Grover Hill	Wastewater System Improvements Project	Design	\$400,000	H-0%	02/22/18
Grover Hill	Wastewater System Improvements Project	Constr.	\$1,995,000	H-0%	12/13/18
Hamilton	2017 Miscellaneous Sanitary Sewer Replacement	Constr.	\$1,435,950	STD	01/25/18
Hancock County	2018 HSTS Repair/Replacement in Hancock County	Constr.	\$147,000	H-0%	03/29/18
Harrison County General Health District	2018 HSTS Pollution Abatement Project	Constr.	\$200,000	H-0%	03/29/18
Henry County	2018 HSTS Repair/Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Highland County General Health District	2018 Household Sewage Treatment System Repairs/Replacement	Constr.	\$200,000	H-0%	03/29/18
Hillsboro	Comprehensive Storm Sewer Project Planning	Plann.	\$87,600	H-1%	01/25/18
Hillsboro	Belt Press Project	Design	\$40,800	H-1%	02/22/18
Hillsboro	Comprehensive Storm Sewer Project	Design	\$74,347	H-1%	06/28/18
Hillsboro	Belt Press Project	Constr.	\$601,500	H-1%	08/30/18
Hocking County	2018 WPCLF HSTS Assistance Program	Constr.	\$200,000	H-0%	03/29/18
Hocking County	Carbon Hill Sewer Facilities Project	Constr.	\$1,867,610	H-1%	09/27/18
Hocking County	Murray City Sewer Facilities	Constr.	\$3,695,950	H-0%	09/27/18
Holgate	Lift Station Replacement Project	Constr.	\$1,882,466	H-0%	03/29/18
Holmes County	2018 HSTS Repair/Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Ironton	Batham Lane CSO	Constr.	\$475,200	STD	04/26/18
Ironton	Phase V CSO	Design	\$637,118	STD	06/28/18
Jackson	Parkview to West Main Sanitary Sewer	Constr.	\$633,285	H-1%	03/29/18
Jackson	WWTP Sludge Drying / Storage Improvements	Constr.	\$1,500,000	H-1%	12/13/18
Jackson County Health Department	2018 HSTS Repair & Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Jefferson County	Amsterdam	Design	\$1,188,227	H-0%	01/25/18
Jefferson County	Jefferson County Clean Water Initiative 2018	Constr.	\$200,000	H-0%	03/29/18
Jefferson County	Smithfield Sewer System	Design	\$735,000	H-0%	03/29/18
Jefferson County	Ridgeland Sewage Treatment Plant (STP) Replacement	Design	\$283,140	STD	05/31/18
Jefferson County	Amsterdam	Constr.	\$2,535,148	H-0%	09/27/18
Kent	Southwest Sanitary Sewer Pump Station Replacement	Constr.	\$2,000,000	STD	05/31/18
Kenton	Downtown Sewer System Improvements - Phase 1	Plann.	\$80,000	H-1%	04/26/18
Kenton	Downtown Sewer System Improvements - Phase 1	Design	\$190,000	H-1%	12/13/18
Knox County	Knox-Amity Wastewater Improvements	Design	\$100,000	STD	02/22/18
Knox County	Knox-Amity Wastewater Improvements	Constr.	\$1,608,640	STD	07/26/18
Lake County General Health District	2018 HSTS Repair/Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Lakengren Water Authority	Lakengren WWTP Upgrade	Constr.	\$5,000,000	STD	07/26/18

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Lakewood	High Rate Treatment (HRT) Facility CSO	Constr.	\$25,100,000	STD	10/25/18
Lawrence County Health Department	2018 WPCLF HSTS Project	Constr.	\$200,000	H-0%	03/29/18
Licking County Health Department	2018 Licking County HSTS Assistance Project	Constr.	\$200,000	H-0%	03/29/18
Lima	Segmented Block Sewer Rehabilitation CSO	Constr.	\$4,500,000	STD	02/22/18
Lima	Storage Basin and Dewatering Pump Station CSO	Constr.	\$46,000,000	STD	04/26/18
Lindsey	Sanitary Sewer Rehabilitation Project-Phase II	Constr.	\$453,000	SC	07/26/18
Logan County Health District	2018 Household Sewage Treatment System Nuisance Abatement	Constr.	\$84,000	H-0%	03/29/18
Lorain	Martin Run Pump Station Improvements	Design	\$500,000	STD	02/22/18
Lorain	Black River Wastewater Treatment Plant Mechanical Bar Screen	Constr.	\$3,000,000	STD	06/28/18
Lorain County	2018 HSTS Repair/Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Lucas County	2017 Sanitary Sewer No. 500 Cleaning and Repair	Constr.	\$1,012,375	STD	12/13/18
Madison County	Lafayette Sanitary Sewer System Design	Design	\$500,000	H-0%	01/25/18
Madison County	Summerford Sewer Design	Design	\$200,000	STD	01/25/18
Madison County/London City Health District	Madison County HSTS Repair/Replacement 2018	Constr.	\$84,500	H-0%	03/29/18
Mahoning County District Board of Health	WPCLF HSTS Funding 2018	Constr.	\$200,000	H-0%	03/29/18
Manchester	Sewer Collection System Rehabilitation Phase II	Design	\$100,000	H-0%	09/27/18
Manchester	Sewer Collection System Rehabilitation Phase II	Constr.	\$2,151,168	H-0%	09/27/18
Marion County Public Health	2018 HSTS Replacements	Constr.	\$200,000	H-0%	03/29/18
Matamoras	Sewer System Improvements	Plann.	\$100,000	H-0%	03/29/18
Matamoras	Sewer System Improvements	Design	\$350,000	H-0%	05/31/18
Medina County	2018 Household Sewage Treatment System Funding Project	Constr.	\$200,000	H-0%	03/29/18
Meigs County General Health District	2018 HSTS Repair/Replacement Project	Constr.	\$80,000	H-0%	03/29/18
Mercer County	Carthagen Sanitary Sewer System NRD	Constr.	\$830,000	STD	08/30/18
Miami County Public Health	2018 HSTS Repair/Replacement in Miami County	Constr.	\$200,000	H-0%	03/29/18
Miamisburg	CCTV and Sewer Rehabilitation Year 3	Design	\$255,000	STD	03/29/18
Miamisburg	CCTV and Sewer Rehabilitation Year 2	Constr.	\$330,000	STD	04/26/18
Miamisburg	Small Pump Station Improvements	Constr.	\$600,000	STD	05/31/18
Middleport	Main Street Area Sewer Separation CSO	Constr.	\$694,301	H-1%	04/26/18
Mingo Junction	Phase 1 - Grit System Improvements	Design	\$70,000	H-1%	04/26/18
Mingo Junction	Phase 1 - Grit System Improvements	Constr.	\$550,000	H-1%	10/25/18
Mingo Junction	Phase 2 - Flow Monitoring and CSO Improvements - CSO	Design	\$470,000	H-1%	12/13/18
Montgomery County	Montgomery County 2018 HSTS Upgrade Program	Constr.	\$128,100	H-0%	03/29/18
Morgan County	Morgan County HSTS Improvements 2018	Constr.	\$200,000	H-0%	03/29/18
Morrow County	Iberia Area Sewer System	Design	\$225,000	SC	01/25/18



Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Morrow County	Morrow County HSTS Assistance 2018	Constr.	\$200,000	H-0%	03/29/18
Morrow County	Iberia Area Sewer System	Constr.	\$225,000	SC	12/13/18
Muskingum County	Home Sewage Treatment System (HSTS) 2018	Constr.	\$200,000	H-0%	03/29/18
Napoleon	VanHying Pumping Station Replacement Project	Design	\$100,000	H-1%	04/26/18
Napoleon	Williams Pump Station Improvements	Constr.	\$1,200,000	H-1%	04/26/18
Nelsonville	Nelsonville WWTP & Regional Sanitary Sewer Improvements	Design	\$918,200	H-1%	01/25/18
Nelsonville	Nelsonville WWTP & Regional Sanitary Sewer Improvements	Constr.	\$13,513,800	H-1%	12/13/18
New Boston	Sewer Improvements Phase 7 CSO	Design	\$100,000	H-0%	01/25/18
New Boston	CSO Improvements Phase 7	Constr.	\$1,820,000	H-0%	09/27/18
New Concord	Backup Power Wastewater Treatment Plan	Constr.	\$194,890	H-1%	06/28/18
New Lexington	Wastewater Treatment Plant Improvements NRD	Constr.	\$2,825,000	H-1%	12/13/18
Newark	Anaerobic Digester Rehabilitation Project	Constr.	\$7,500,000	STD	03/29/18
Newark	Interceptor Siphon and Operational Optimization CSO	Constr.	\$1,500,000	STD	12/13/18
Northeast Ohio Regional Sewer District	Easterly Chemically Enhanced HRT Facility CSO	Constr.	\$125,000,000	STD	02/22/18
Northeast Ohio Regional Sewer District	Westerly Storage Tunnel CSO	Constr.	\$160,000,000	STD	02/22/18
Northeast Ohio Regional Sewer District	Dugway Regulators & Relief Sewers (DRRS)	Constr.	\$5,000,000	STD	05/31/18
Northeast Ohio Regional Sewer District	Southerly Electrical Infrastructure Improvements SEII/1401A	Constr.	\$89,300,000	STD	05/31/18
Northeast Ohio Regional Sewer District	Doan Valley Relief and Consolidation Sewer (DVRCS) CSO	Constr.	\$20,800,000	STD	07/26/18
Northeast Ohio Regional Sewer District	London Road Relief Sewer (LRRS) CSO	Constr.	\$56,500,000	STD	07/26/18
Northeast Ohio Regional Sewer District	Southerly Second Stage Settling Improvements	Constr.	\$40,812,000	STD	07/26/18
Northeast Ohio Regional Sewer District	Westerly Trickling Filter Media	Design	\$5,500,000	STD	10/25/18
Northeast Ohio Regional Sewer District	Morgana & Burke System Improvements (MBSI) CSO	Constr.	\$10,000,000	STD	12/13/18
Northeast Ohio Regional Sewer District	Shoreline Storage Tunnel (SST)	Design	\$19,885,000	STD	12/13/18
Northeast Ohio Regional Sewer District	W 3rd & Quigley / Westerly Miscellaneous CSO Control	Constr.	\$10,500,000	STD	12/13/18
Northeast Ohio Regional Sewer District	Westerly Chemically Enhanced High Rate Treatment CSO	Constr.	\$65,000,000	STD	12/13/18
Northwestern Water & Sewer District	Millbury Area Sanitary Sewer Improvement Phase 2	Constr.	\$1,000,000	SC	07/26/18
Northwestern Water & Sewer District	Huffman and Kramer Roads Sanitary Collection	Constr.	\$1,023,024	H-0%	12/13/18
Northwestern Water & Sewer District	McComb Sanitary and Storm Sewer Separation	Constr.	\$350,000	H-0%	12/13/18
Northwestern Water & Sewer District	McComb Sanitary Sewer Interceptor Replacement	Constr.	\$400,000	H-0%	12/13/18
Northwestern Water & Sewer District	McComb WWTP & Sanitary Sewer Rehabilitation NRD	Constr.	\$7,612,122	H-0%	12/13/18
Northwestern Water & Sewer District	Perrysburg Service Area Sewer Lateral Rehabilitation	Constr.	\$750,000	STD	12/13/18
Northwestern Water & Sewer District	SS-300 & SS-400 Area Sanitary Sewer Improvements Phase 2	Constr.	\$1,500,000	STD	12/13/18
Northwestern Water & Sewer District	Sugar Ridge and Mercer Road Area Sanitary Sewers	Constr.	\$1,237,500	SC	12/13/18
Oak Harbor	Church Street Sewer Separation Improvements Project CSO	Design	\$400,000	H-1%	02/22/18

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Oak Harbor	Church Street Sewer Separation Improvements Project CSO	Constr.	\$5,602,068	H-1%	12/13/18
Oak Hill	WWTP Improvements	Constr.	\$2,012,000	H-0%	01/25/18
Ontario	Equalization Basin - NRD	Design	\$200,000	STD	08/30/18
Ontario	Wastewater Treatment Plant - NRD	Design	\$1,225,000	STD	08/30/18
Oregon	Sanitary Sewer Rehabilitation Project, Phase 4, Part c	Constr.	\$2,500,000	STD	06/28/18
Ottawa	WWTP Headworks Screening Facility Improvement Project	Design	\$124,000	SC	01/25/18
Ottawa	Screening Facility Project	Constr.	\$2,500,000	SC	03/29/18
Ottawa County Health Department	2018 Nutrient Reduction Assistance for Low Income Homeowners	Constr.	\$200,000	H-0%	03/29/18
Palestine-Hollansburg Joint Sewer District	Centralized Wastewater System	Constr.	\$5,800,000	H-0%	08/30/18
Paulding	Phase 3 Combined Sewer Separation Project CSO	Constr.	\$4,120,000	H-1%	07/26/18
Paulding County Health Department	Paulding County Repair/Replacement of Failed HSTS Funds 2018	Constr.	\$200,000	H-0%	03/29/18
Peninsula	Sanitary Sewer System	Design	\$400,000	SC	04/26/18
Perry County	Rehoboth Sanitary Sewers	Constr.	\$1,020,400	STD	09/27/18
Perrysville	Wastewater Treatment Improvements NRD	Design	\$180,000	H-0%	03/29/18
Perrysville	Wastewater Treatment Plant Improvements	Design	\$86,000	H-0%	03/29/18
Perrysville	WWTP Improvements NRD	Constr.	\$2,900,000	H-0%	12/13/18
Pickaway County General Health District	2018 Pickaway County HSTS Repair/Replacement Project	Constr.	\$200,000	H-0%	03/29/18
Pike County General Health District	2018 Pike County WPCLF HSTS Upgrade Project	Constr.	\$200,000	H-0%	03/29/18
Pomeroy	State Route 7 Sewer Extension	Design	\$400,000	H-0%	02/22/18
Pomeroy	State Route 7 Sewer Extensions	Constr.	\$2,500,000	H-0%	09/27/18
Port William	Village of Port William Sanitary Sewer	Constr.	\$2,487,187	H-0%	07/26/18
Portage County Combined General HD	Portage County 2018 HSTS Repair/Replacement Project	Constr.	\$200,000	H-0%	03/29/18
Powhatan Point	Lift Station Replacement Project	Constr.	\$350,000	H-0%	03/29/18
Preble County General Health District	2018 Preble County HSTS Nuisance Abatement Project	Constr.	\$100,000	H-0%	03/29/18
Putnam County Health Department	2018 Putnam County Repair/Replacement of Failed HSTS	Constr.	\$200,000	H-0%	03/29/18
Richwood	WWTP Improvements and Sewer Collection System Upgrade	Design	\$645,000	H-0%	01/25/18
Rockford	WWTP Improvements NRD	Constr.	\$2,000,000	H-0%	02/22/18
Ross County	Ross County HSTS Repair and Replacement Project 2018	Constr.	\$200,000	H-0%	03/29/18
Saint Henry	Wastewater Treatment Plant Improvements NRD	Design	\$255,000	SC	03/29/18
Saint Henry	Wastewater Treatment Plant Study	Plann.	\$28,500	SC	03/29/18
Saint Henry	WWTP Improvements NRD	Constr.	\$5,260,000	SC	12/13/18
Sandusky	Pier Track and Farwell Pump Station Upgrades CSO	Design	\$250,000	STD	12/13/18
Sandusky	Pier Track and Farwell Pump Station Upgrades CSO	Constr.	\$2,500,000	STD	12/13/18
Sandusky County	Wightmans Grove Sanitary Sewer and Treatment NRD	Constr.	\$2,282,868	H-0%	07/26/18

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Sandusky County Health Department	2018 Sandusky County HSTS Funding	Constr.	\$200,000	H-0%	03/29/18
Sarahsville	Sarahsville Sanitary Sewer & WWTP	Design	\$350,000	H-0%	02/22/18
Sarahsville	Sarahsville WWT & Collection System	Constr.	\$3,565,229	H-0%	06/28/18
Scioto County	2018 HSTS Repair/Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Scioto County	Briarcliff WWTP Elimination New Pump Station and Force Main	Constr.	\$380,000	STD	03/29/18
Seneca County General Health District	2018 Seneca HSTS Repair/Replacement	Constr.	\$200,000	H-0%	03/29/18
Sheffield Lake	Pump Station Rehabilitation	Constr.	\$541,625	STD	05/31/18
Shelby	WWTP Improvements	Constr.	\$9,512,000	H-1%	01/25/18
Shelby	2018 Shelby City HSTS Repair/Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Shiloh	Sewer Treatment Plant Upgrade NRD	Constr.	\$4,721,611	SC	06/28/18
Sidney	WWTP Improvements Phase II	Constr.	\$8,200,000	STD	03/29/18
Silver Lake	2016 Sanitary Sewer Replacement Project	Constr.	\$1,945,163	SC	04/26/18
Springfield	Buck Creek Interceptor CSO	Constr.	\$2,000,000	STD	10/25/18
Springfield	Miscellaneous Sanitary Sewer Lining CSO - Phase 2	Constr.	\$1,000,000	STD	10/25/18
Stark County Health Department	2018 Stark County Septic Repair & Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Summit County	Columbine Sanitary Sewer Collection System	Constr.	\$2,310,000	H-0%	01/25/18
Summit County	Wyoga Lake Pump Station # 19 Replacement	Design	\$367,853	STD	01/25/18
Summit County	Pump Station No. 6 Pump Replacement	Design	\$213,500	STD	02/22/18
Summit County	Failing HSTS Replacement Program 2018	Constr.	\$200,000	H-0%	03/29/18
Summit County	Q-959, WWTP No. 36 RBC Replacement	Design	\$995,000	STD	03/29/18
Summit County	Renninger/Caston Rd Sanitary Sewer System	Constr.	\$2,500,000	H-0%	03/29/18
Summit County	Abandonment of Aurora Shores WWTP #29	Constr.	\$2,100,000	STD	04/26/18
Summit County	Manchester WWTP and Outfall	Design	\$600,000	STD	04/26/18
Summit County	Manchester WWTP and Outfall	Constr.	\$9,800,000	STD	04/26/18
Summit County	Q-169 Hines Hill Trunk Sewer Replacement	Design	\$300,000	STD	04/26/18
Summit County	Zelray Pump Station and Vacuum System	Design	\$340,000	H-0%	04/26/18
Summit County	Zelray Pump Station and Vacuum System	Constr.	\$2,800,000	H-0%	04/26/18
Summit County	Renninger/Caston Rd Sanitary Sewer	Design	\$696,000	H-0%	05/31/18
Summit County	Catalina Drive Vacuum Sewer System	Design	\$300,000	H-0%	06/28/18
Summit County	Manchester/Center Road Sanitary Sewer	Design	\$123,000	H-0%	06/28/18
Summit County	Q-453, WWTP #25 Digester, Clarifier and Sludge PS Rehab	Design	\$500,000	STD	07/26/18
Summit County	Q-959, WWTP No. 36 RBC Replacement	Constr.	\$10,000,000	STD	07/26/18
Summit County	Pump Station No. 6 Pump Replacement	Constr.	\$1,800,000	STD	08/30/18
Summit County	Wyoga Lake Pump Station #19 Replacement	Constr.	\$1,800,000	STD	08/30/18

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Summit County	Manchester/Center Road Sanitary Sewer	Constr.	\$1,050,000	H-0%	10/25/18
Summit County	Clinton Sanitary Sewer System	Constr.	\$8,600,000	SC	12/13/18
Summit County	Q-453, WWTP #25 Digester, Clarifier and Sludge PS Rehab	Constr.	\$5,000,000	STD	12/13/18
SW Licking Community Water & Sewer District	Apple Blossom Lift Station Rehabilitation	Constr.	\$339,000	STD	03/29/18
SW Licking Community Water & Sewer District	Deeds Road Lift Station Replacement	Constr.	\$271,000	STD	03/29/18
Swanton	Project 7 Sewer Separation	Constr.	\$1,441,700	SC	06/28/18
Toledo	Paine and Fassett Regulator Modifications CSO	Constr.	\$4,900,441	STD	10/25/18
Toledo-Lucas County Health Department	HSTS Repair/Replacement Program 2018	Constr.	\$200,000	H-0%	03/29/18
Toronto	South and North Sewage Lift Station Replacement	Plann.	\$2,072,000	H-1%	03/29/18
Toronto	South and North Sewage Lift Station Replacement	Design	\$2,216,000	H-1%	09/27/18
Trumbull County	2018 Home Sewage Treatment System Reserve Program	Constr.	\$200,000	H-0%	03/29/18
Trumbull County	South Bedford Road Sanitary Sewer Improvements Project	Constr.	\$619,737	H-0%	03/29/18
Trumbull County	Belmont Park Sanitary Sewer Improvements	Constr.	\$2,071,225	H-0%	04/26/18
Trumbull County	Little Squaw Creek Interceptor Phase 5	Constr.	\$1,700,000	H-0%	04/26/18
Trumbull County	Heaton Chute Sanitary Sewer Improvements	Constr.	\$1,269,234	H-0%	09/27/18
Trumbull County	Mosquito Creek WWTP Capital Improvements	Constr.	\$24,787,937	STD	09/27/18
Trumbull County	Swift Drive Sanitary Sewer Improvements Project	Constr.	\$500,000	H-0%	10/25/18
Union County Health Department	2018 Union County Septic System Repair Project	Constr.	\$200,000	H-0%	03/29/18
Upper Sandusky	WWTP Upgrades Design CSO	Design	\$950,000	H-1%	01/25/18
Upper Sandusky	WWTP Upgrades CSO	Constr.	\$22,000,000	H-1%	06/28/18
Van Wert	Pump Station and Retention Basin CSO	Constr.	\$6,898,000	STD	03/29/18
Van Wert County	2018 HSTS Repair/Replacement Project	Constr.	\$100,000	H-0%	03/29/18
Vinton County	Residential Septic System Repair/Replacement 2018	Constr.	\$120,000	H-0%	03/29/18
Warren	WWTP and Pump Stations Refurbishment Phase 1	Design	\$2,500,000	STD	01/25/18
Warren	WWTP and Pump Stations Refurbishment Phase 2	Design	\$2,500,000	STD	10/25/18
Warren	WWTP and Pump Stations Refurbishment Phase 1	Constr.	\$21,000,000	STD	12/13/18
Warren County Combined Health District	2018 Warren County HSTS Repair & Sewer Connection Project	Constr.	\$200,000	H-0%	03/29/18
Washington County Health Department	2018 WPCLF HSTS Upgrades	Constr.	\$200,000	H-0%	03/29/18
Washington Court House	Wastewater Treatment Plant Improvements	Constr.	\$29,000,000	STD	12/13/18
Wayne County Health Department	2018 Household Sewage Treatment System Replacement	Constr.	\$200,000	H-0%	03/29/18
Wayne Lakes	Sanitary Sewer System NRD	Design	\$715,000	H-0%	07/26/18
West Alexandria	West Alexandria WWTP Upgrade Design	Design	\$398,400	H-0%	01/25/18
West Alexandria	WWTP Upgrade Construction	Constr.	\$1,500,000	H-0%	09/27/18
West Farmington	West Farmington Sanitary Sewer	Constr.	\$6,662,000	SC	12/13/18

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
West Lafayette	Johnson Street Area Sanitary Sewer Extension Project	Design	\$125,000	H-0%	01/25/18
West Lafayette	Johnson Street Area Sanitary Sewer Extension Project	Constr.	\$650,000	H-0%	07/26/18
West Salem	WWTP Expansion	Constr.	\$4,995,000	H-0%	07/26/18
West Union	Additions to Sanitary Sewer System- Unsewered Areas	Design	\$450,000	H-1%	01/25/18
West Union	Improvements and Additions to Sanitary Sewer System- Rehab	Design	\$200,000	H-1%	01/25/18
West Union	Improvements and Additions to Sanitary Sewer System- WWTP	Design	\$300,000	H-1%	01/25/18
West Union	Improvements and Additions to Sanitary Sewer System- Rehab	Constr.	\$2,000,000	H-1%	09/27/18
West Union	Additions to Sanitary Sewer System- Unsewered Areas	Constr.	\$4,500,000	H-1%	12/13/18
West Union	Improvements and Additions to Sanitary Sewer System- WWTP	Constr.	\$3,000,000	H-1%	12/13/18
Williams County	Alvordton and Kunkle Sewer and Treatment System Design	Design	\$650,000	STD	09/27/18
Williams County Health Department	2018 HSTS Repair & Replacement Program	Constr.	\$200,000	H-0%	03/29/18
Williamsburg	SR 133 Sewer Expansion Project	Constr.	\$450,000	H-1%	05/31/18
Willoughby	WE-WPCC Capacity Enhancement Project	Constr.	\$1,285,000	STD	12/13/18
Wintersville	Sanitary Sewer System Rehabilitation Project - Phase 5	Design	\$200,000	H-1%	01/25/18
Wintersville	Sanitary Sewer System Rehab Project - Phase 5	Constr.	\$3,000,000	SC	10/25/18
Wood County Health District	2018 Failing Septic System Replacement Program HSTS	Constr.	\$200,000	H-0%	03/29/18
Woodville	Sanitary Sewer Improvements and CSO Closures CSO	Constr.	\$597,742	H-0%	06/28/18
Wyandot County General Health District	2018 Wyandot County Failed HSTS Replacement Assistance	Constr.	\$200,000	H-0%	03/29/18
Youngstown	WWTP Electrical Upgrades Contract A	Constr.	\$15,000,000	STD	01/25/18
Youngstown	84" Sewer Relocation Project CSO	Constr.	\$5,300,000	STD	02/22/18
Youngstown	West/Division Combined Sewer Replacement Phase 2 CSO	Constr.	\$6,266,000	STD	05/31/18
Youngstown	WWTP Electrical Upgrades, Contract B	Constr.	\$4,200,000	STD	05/31/18
Youngstown	WWTP PEPS Improvements and Microscreen System Replacement	Constr.	\$25,000,000	STD	06/28/18
Youngstown	West Division Combined Sewer Replacement Phase 1 CSO	Constr.	\$6,146,000	STD	08/30/18
Youngstown	WWTP UV Disinfection Improvements	Constr.	\$8,000,000	STD	09/27/18
Youngstown	WWTP Primary Settling Tanks Improvements	Constr.	\$8,000,000	STD	10/25/18
Zanesville	R-6 Basin Sewer Separation CSO	Design	\$300,000	STD	06/28/18
Zanesville	R-8 Through R-11 Basin Sewer Separation CSO	Constr.	\$3,000,000	STD	07/26/18
Zanesville	R-6 Basin Sewer Separation CSO	Constr.	\$2,500,000	STD	10/25/18

**\$1,782,924,907**

# Project Priority and Intended Projects List for PY 2019+

December 7, 2017

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Akron	WRF Headworks Improvements	Constr.	\$33,700,000	STD	12/12/19
Avon Lake	Overflow Mitigation and Storage Project CSO	Constr.	\$21,000,000	STD	12/12/19
Barberton	Brentwood Package Plant Elimination - Phase 3	Constr.	\$1,900,000	STD	07/25/19
Barberton	Frashure Park Package Plant elimination	Constr.	\$784,000	STD	07/25/19
Board of Commissioners of Hamilton County	SSO 603 and 704 Improvements	Constr.	\$8,100,000	STD	09/26/19
Bucyrus	Southern and Hopley Avenues S3 Group 3A and 3B CSO	Constr.	\$1,456,125	STD	06/27/19
Columbus	3rd Ave Relief Sewer Phase 3	Constr.	\$3,000,000	STD	08/29/19
Defiance	Group 9.1 & 9.3 Inflow Reduction CSO	Constr.	\$1,500,000	STD	05/30/19
Doylestown	WWTP Improvements Phase 2 NRD	Constr.	\$2,000,000	SC	12/12/19
East Palestine	Wastewater Treatment Plant and System Improvements	Constr.	\$5,400,000	H-1%	03/28/19
Elyria	East Side Relief Sewer Phase 1C CSO	Constr.	\$9,198,000	STD	01/31/19
Elyria	East Side Relief Sewer Phase 1D CSO	Constr.	\$11,337,000	STD	12/12/19
Euclid	CSO Part I - CSO 7 & 12; CSO 6 & 9; CSO 8	Design	\$930,000	STD	04/25/19
Fostoria	CSO #2 and #3 Elimination Project CSO	Constr.	\$9,510,000	STD	06/27/19
Hillsboro	Comprehensive Storm Sewer Project	Constr.	\$1,200,000	H-1%	04/25/19
Ironton	Phase IV CSO	Constr.	\$2,782,775	STD	12/12/19
Ironton	Phase V CSO	Constr.	\$8,282,538	STD	12/12/19
Jefferson County	Ridgeland Sewage Treatment Plant (STP) Replacement	Constr.	\$1,415,700	STD	04/25/19
Jefferson County	Smithfield Sewer System	Constr.	\$3,811,000	H-0%	05/30/19
Kenton	Downtown Sewer System Improvements - Phase 2	Plann.	\$20,000	H-1%	04/25/19
Kenton	Downtown Sewer System Improvements - Phase 1	Constr.	\$1,452,000	H-1%	10/31/19
Kenton	Downtown Sewer System Improvements - Phase 2	Design	\$443,000	H-1%	12/12/19
Kenton	Downtown Sewer System Improvements - Phase 3	Plann.	\$20,000	H-1%	04/30/20
Kenton	Downtown Sewer System Improvements - Phase 2	Constr.	\$3,358,000	H-1%	10/29/20
Kenton	Downtown Sewer System Improvements - Phase 3	Design	\$572,000	H-1%	12/10/20
Kenton	Downtown Sewer System Improvements - Phase 4	Plann.	\$20,000	H-1%	04/29/21
Kenton	Downtown Sewer System Improvements - Phase 3	Constr.	\$4,339,000	H-1%	10/28/21
Kenton	Downtown Sewer System Improvements - Phase 4	Design	\$436,000	H-1%	12/09/21
Kenton	Downtown Sewer System Improvements - Phase 5	Plann.	\$20,000	H-1%	04/28/22
Kenton	Downtown Sewer System Improvements - Phase 4	Constr.	\$3,309,000	H-1%	10/27/22

Entity	Project	Loan Type	Est. Loan Amount	Rate Type	Est. Award Date
Kenton	Downtown Sewer System Improvements - Phase 5	Constr.	\$4,242,000	H-1%	10/27/22
Kenton	Downtown Sewer System Improvements - Phase 5	Design	\$559,000	H-1%	12/08/22
Lancaster	CSO 1029 Sewer Replacement Project - CSO	Constr.	\$461,000	STD	05/30/19
Lancaster	Fifth Ave/ Sixth Ave/ Forest Rose Ave Sewer Separation CSO	Constr.	\$5,000,000	STD	12/12/19
Madison County	Lafayette Sewer System Construction	Constr.	\$4,717,400	STD	02/28/19
Madison County	Summerford Sewer System	Constr.	\$1,561,900	SC	02/28/19
Marion	WPC Treatment Enhancement Project CSO	Constr.	\$12,300,000	STD	03/28/19
Miamisburg	CCTV and Sewer Rehabilitation Year 3	Constr.	\$330,000	STD	04/25/19
Mingo Junction	Phase 2 - Flow Monitoring and CSO Improvements - CSO	Constr.	\$4,410,000	H-1%	12/12/19
Napoleon	South Side I/I Reduction CSO	Design	\$125,000	H-1%	01/31/19
Napoleon	South Side I/I Reduction CSO	Constr.	\$2,750,000	H-1%	01/31/19
Napoleon	Yeager & Union Street Sewer Separation CSO	Design	\$125,000	H-1%	01/31/19
Napoleon	Yeager & Union Street Sewer Separation CSO	Constr.	\$2,500,000	H-1%	01/31/19
Newark	Route 13 Interceptor Separation Project CSO	Constr.	\$10,000,000	STD	12/12/19
Peninsula	Sanitary Sewer System	Constr.	\$5,000,000	SC	04/25/19
Sandusky	Mills Street High Rate Treatment Facility CSO	Design	\$1,050,000	STD	07/29/21
Sandusky	Mills Street High Rate Treatment Facility CSO	Constr.	\$10,500,000	STD	12/09/21
Summit County	Catalina Drive Vacuum Sewer System	Constr.	\$2,800,000	H-0%	04/25/19
Tiffin	WWTP LTCP Upgrades CSO	Design	\$1,096,000	STD	01/31/19
Tiffin	WWTP LTCP Upgrades CSO	Constr.	\$13,700,000	STD	09/26/19
			<b>\$224,523,438</b>		

## Anticipated WRRSP Projects for the PY 2017 and PY 2018 Two-year Funding Cycle

December 5, 2017

Implementer	Project Name	Project Type	IPS Score	Eligible Award	Est. Award Year
The Nature Conservancy	Morgan Swamp- Metzner Property	Protection	28.5	\$774,000	2018
Cleveland Museum of Natural History	Sawdust Forest Expansion	Protection	27.25	\$347,566	2018
Stark Parks	Nimisila Creek Preserve Phase 2	Protection	27.2	\$1,675,500	2018
Appalachia Ohio Alliance	Big Darby Creek Conservation Corridor Initiative	Protection	26.5	\$920,500	2018
Natural Areas Land Conservancy	Bay Point	Protection	24.7	\$1,282,434	2018
The Nature Conservancy	Kitty Todd- Bettinger	Restoration	27	\$3,542,700	2018
Appalachia Ohio Alliance	Utzinger Bog	Restoration	26	\$473,000	2018
Twin City Water and Sewer District	Uhrichsville Lowhead Dam Removal	Restoration	23.5	\$714,695	2018
Port Clinton	Port Clinton Coastal Wetlands Restoration	Restoration	21	\$269,605	2018
				<b>\$10,000,000</b>	

Inclusion on this list does not guarantee WRRSP funds; projects must demonstrate they meet all program requirements prior to receiving funding awarded.



## Anticipated WRRSP Projects for the PY 2018 and PY 2019 Two-year Funding Cycle

December 5, 2017

Implementer	Project Name	Project Type	IPS Score	Eligible Award	Est. Award Year
Cleveland Metro Parks	Wetlands Protection in Chagrin River Watershed	Protection	29	\$4,150,000	2019
Ashtabula Co. Metro Parks	Conneaut Creek Conservation Project	Protection	27	\$810,600	2019
AOA	Cedar Run Watershed Initiative	Protection	26	\$404,000	2019
AOA	Maxwell Add. -- Big Darby Creek	Protection	25	\$1,122,000	2019
Black Swamp Conservancy	St. Joseph River	Protection	24	\$853,000	2019
Cleveland Museum	E. Branch Cuyahoga River Wetlands	Protection	23	\$0	2019
NALC	Plumb Creek Rookery	Protection	20	\$0	2019
Black Swamp Conservancy	Maumee River Floodplain Restoration	Protection	18	\$0	2019
TPL	Springfield Bog Expansion	Protection	14	\$0	2019
Toledo Metro Parks	Secor Metro Park Expansion	Restoration	27	\$2,923,000	2019
Cleveland Metro Parks	Bonnie Park Restoration	Restoration	24.25	\$1,880,240	2019
Akron	Eckert Ditch Restoration	Restoration	23	\$776,500	2019
Geauga Park District	Beaver Creek Restoration	Restoration	22.5	\$842,840	2019
City of Struthers	Struthers Dam	Restoration	21.5	\$1,237,820	2019
Lorain Co. Metro Parks	Rocky R./Black R. Headwaters Restoration	Restoration	21	\$0	2019
				<b>\$15,000,000</b>	

Inclusion on this list does not guarantee WRRSP funds; projects must demonstrate they meet all program requirements prior to receiving funding awarded.

## Nutrient Reduction Discount Projects in PY 2018

December 5, 2017

Entity	County	Project Name	Loan Type	Est. Loan Amount	Est. Award Date
Akron	Summit	WRF BioCEPT - NRD	Construction	53,200,000.00	12/13/2018
Antwerp	Paulding	Collection Pump Station and WWTP Improvements NRD	Construction	325,262.00	12/07/2017
Belmont County	Belmont	Fox-Shannon Wastewater Treatment Plant Improvements NRD	Construction	4,477,000.00	10/26/2017
Carey	Wyandot	Wastewater Treatment Plant Improvements NRD	Construction	9,303,035.00	12/13/2018
Danville	Knox	WWTF Upgrade NRD	Construction	2,650,000.00	12/07/2017
Dexter City	Noble	Wastewater System Improvements NRD	Construction	2,889,844.00	08/30/2018
Doylestown	Wayne	WWTP Improvements Phase 2 NRD	Design	200,000.00	12/13/2018
Fort Recovery	Mercer	WWTP Lagoon Addition NRD	Construction	969,000.00	10/25/2018
Genoa	Ottawa	Wastewater Treatment Plant Improvements NRD	Design	75,000.00	03/29/2018
Genoa	Ottawa	Wastewater Treatment Plant Improvements NRD	Construction	1,321,600.00	12/13/2018
Gnadenhutten	Tuscarawas	WWTP Preliminary Treatment and Process Optimiz NRD	Construction	4,000,000.00	06/28/2018
Mercer County	Mercer	Carthagena Sanitary Sewer System NRD	Construction	830,000.00	08/30/2018
New Lexington	Perry	Wastewater Treatment Plant Improvements NRD	Construction	2,825,000.00	12/13/2018
Noble County	Noble	Lashley Addition Wastewater System NRD	Construction	2,098,065.00	10/26/2017
Northwestern Water & Sewer District	Wood	McComb WWTP & Sanitary Sewer Rehabilitation NRD	Construction	7,612,122.00	12/13/2018
Ontario	Richland	Equalization Basinsm - NRD	Design	200,000.00	08/30/2018
Ontario	Richland	Wastewater Treatment Plant - NRD	Design	1,225,000.00	08/30/2018
Ottawa County	Ottawa	PCI WWTP & Collection System Improvements NRD	Construction	1,328,250.00	12/07/2017
Perrysville	Ashland	Wastewater Treatment Improvements NRD	Design	180,000.00	03/29/2018
Perrysville	Ashland	WWTP Improvements NRD	Construction	2,900,000.00	12/13/2018
Rockford	Mercer	WWTP Improvements NRD	Construction	2,000,000.00	02/22/2018
Saint Henry	Mercer	Wastewater Treatment Plant Improvements NRD	Design	255,000.00	03/29/2018
Saint Henry	Mercer	WWTP Improvements NRD	Construction	5,260,000.00	12/13/2018
Sandusky County	Sandusky	Wightmans Grove Sanitary Sewer and Treatment NRD	Construction	2,282,868.00	07/26/2018
Shiloh	Richland	Sewer Treatment Plant Upgrade NRD	Construction	4,721,611.00	06/28/2018
Wayne Lakes	Darke	Sanitary Sewer System NRD	Design	715,000.00	07/26/2018

**\$113,843,657**

## Projects Eligible for Principal Forgiveness in PY 2018 with Rankings

December 5, 2017

Several communities requested principal forgiveness for PY 2018. However, in order to be eligible, a community must meet the established affordability criteria. The following list ONLY includes those communities that meet that criteria.

Entity	Project Name	Score	Project Cost	Avail. Principal Forgiveness	Est. Loan Award	Notes
Oak Hill	WWTP Improvements	39	\$866,000	\$866,000	Jan-18	1
Perry County	Rehoboth Sanitary Sewers	39	\$1,020,400	\$1,020,400	Sep-18	1
Middleport	Main Street Area Sewer Separation	39	\$1,476,001	\$1,476,001	Apr-18	1
West Alexandria	WWTP Upgrade Construction	39	\$1,500,000	\$1,500,000	Sep-18	1
Hocking County	Murray City Sewer Facilities	39	\$1,695,950	\$1,695,950	Sep-18	1
Hocking County	Carbon Hill Sewer Facilities Project	39	\$1,867,610	\$1,867,610	Sep-18	1
New Boston	CSO Improvements Phase 7	39	\$1,920,000	\$1,920,000	Sep-18	1
West Union	Improvements & Additions to Sanitary Sewer System - Pump Station Rehab	39	\$2,200,000	\$2,200,000	Sep-18	1
Manchester	Sewer Collection System Rehabilitation Phase II	39	\$2,251,168	\$2,251,168	Sep-18	1
Pomeroy	State Route 7 Sewer Extension	39	\$2,900,000	\$726,471	Sep-18	2
Dexter City	Wastewater System Improvements	39	\$2,889,844	\$0	Aug-18	
Dupont	Dupont Wastewater Improvements	39	\$3,757,639	\$0	Aug-18	
Danville	WWTF Upgrade	28.5	\$2,209,048	\$0	Jan-18	
Hillsboro	Belt Press Project	25	\$642,300	\$0	Aug-18	
New Concord	Backup Power Wastewater Treatment Plan	22	\$194,890	\$0	Jun-18	
Aberdeen	Stivers and River Roads Sewer	22	\$247,023	\$0	Sep-18	
Aberdeen	WWTP Improvements	22	\$675,000	\$0	Dec-18	
Nelsonville	Nelsonville WWTP and Regional Sanitary Sewer Improvements	22	\$13,513,800	\$0	Dec-18	
Beaver	Wastewater Treatment Plant Improvements	15	\$149,100	\$0	Jan-18	
Grover Hill	Wastewater System Improvements Project	14	\$2,395,000	\$0	Dec-18	
West Salem	WWTP Expansion	14	\$4,995,000	\$0	Jul-18	
Butler	Wastewater Treatment Plant Replacement	13.2	\$3,552,000	\$0	Aug-18	
Perrysville	WWTP Improvements	8	\$2,900,000	\$0	Dec-18	
			<b>\$55,817,773</b>	<b>\$15,523,600</b>		

**Note 1:** These projects are fully fundable.

**Note 2:** Due to limited principal forgiveness, this project is only partially fundable.

# Projects Receiving Home Sewage Treatment System (HSTS) Funds in PY 2018

December 5, 2017

Applicant	Project Name	Est. Award	Est. Award Date
Ashland County	2018 Ashland County HSTS Project	\$200,000	03/29/18
Ashtabula County	2018 HSTS Repair/Replacement Program	\$200,000	03/29/18
Athens County	2018 HSTS Replacement Program	\$200,000	03/29/18
Belmont County	Belmont County HSTS Program 2018	\$200,000	03/29/18
Hamilton County	Hamilton County HSTS Repair/Replacement Project 2018	\$200,000	03/29/18
Brown County Health Department	WPCLF HSTS Funding 2018	\$168,000	03/29/18
Butler County	2018 HSTS Repair/Replacement Program	\$200,000	03/29/18
Carroll County	Carroll County HSTS Repair Program 2018	\$200,000	03/29/18
Clark County	Clark County Combined Health District HSTS Program 2018	\$200,000	03/29/18
Clermont County General Health District	2018 Septic Rehabilitation Program HSTS	\$200,000	03/29/18
Columbiana County Health Department	2018 Home Sewage Treatment Replacement Program	\$200,000	03/29/18
Columbus Public Health	2018 HSTS Repair/Replacement Program	\$200,000	03/29/18
Crawford County General Health District	2018 HSTS Repair & Replacement Program	\$200,000	03/29/18
Cuyahoga County Board of Health	Cuyahoga County HSTS Repair/Replacement Program 2018	\$200,000	03/29/18
Darke County General Health District	2018 HSTS Repair/Replacement Project	\$200,000	03/29/18
Defiance County General Health District	2018 Defiance County General Health District HSTS Project	\$200,000	03/29/18
Erie County Health Department	Erie County 2018 WPCLF HSTS Replacement	\$150,000	03/29/18
Fairfield County Department of Health	2018 WPCLF HSTS Program	\$200,000	03/29/18
Fayette Soil and Water Conservation District	Fayette County HSTS Program 2018	\$200,000	03/29/18
Franklin County Public Health	FCPH HSTS Repair/Replacement 2018	\$200,000	03/29/18
Fulton County Health Department	2018 HSTS Repair/Replacement Program	\$170,000	03/29/18
Gallia County	2018 HSTS Repair/Replacement Program	\$200,000	03/29/18
Geauga County Health District	Project Helping Hand 2018	\$200,000	03/29/18
Hancock County	2018 HSTS Repair/Replacement in Hancock County	\$147,000	03/29/18
Harrison County General Health District	2018 HSTS Pollution Abatement Project	\$200,000	03/29/18
Henry County	2018 HSTS Repair/Replacement Program	\$200,000	03/29/18
Highland County General Health District	2018 Household Sewage Treatment System Repairs/Replacement	\$200,000	03/29/18
Hocking County	2018 WPCLF HSTS Assistance Program	\$200,000	03/29/18
Holmes County	2018 HSTS Repair/Replacement Program	\$200,000	03/29/18

Applicant	Project Name	Est. Award	Est. Award Date
Jackson County Health Department	2018 HSTS Repair & Replacement Program	\$200,000	03/29/18
Jefferson County	Jefferson County Clean Water Initiative 2018	\$200,000	03/29/18
Lake County General Health District	2018 HSTS Repair/Replacement Program	\$200,000	03/29/18
Lawrence County Health Department	2018 WPCLF HSTS Project	\$200,000	03/29/18
Licking County Health Department	2018 Licking County HSTS Assistance Project	\$200,000	03/29/18
Logan County Health District	2018 Household Sewage Treatment System Nuisance Abatement	\$84,000	03/29/18
Lorain County	2018 HSTS Repair/Replacement Program	\$200,000	03/29/18
Madison County/London City Health District	Madison County HSTS Repair/Replacement 2018	\$84,500	03/29/18
Mahoning County District Board of Health	WPCLF HSTS Funding 2018	\$200,000	03/29/18
Marion County Public Health	2018 HSTS Replacements	\$200,000	03/29/18
Medina County	2018 Household Sewage Treatment System Funding Project	\$200,000	03/29/18
Meigs County General Health District	2018 HSTS Repair/Replacement Project	\$80,000	03/29/18
Miami County Public Health	2018 HSTS Repair/Replacement in Miami County	\$200,000	03/29/18
Montgomery County	Montgomery County 2018 HSTS Upgrade Program	\$128,100	03/29/18
Morgan County	Morgan County HSTS Improvements 2018	\$200,000	03/29/18
Morrow County	Morrow County HSTS Assistance 2018	\$200,000	03/29/18
Muskingum County	Home Sewage Treatment System (HSTS) 2018	\$200,000	03/29/18
Ottawa County Health Department	2018 Nutrient Reduction Assistance for Low Income Homeowners	\$200,000	03/29/18
Paulding County Health Department	Paulding County Repair/Replacement of Failed HSTS Funds 2018	\$200,000	03/29/18
Pickaway County General Health District	2018 Pickaway County HSTS Repair/Replacement Project	\$200,000	03/29/18
Pike County General Health District	2018 Pike County WPCLF HSTS Upgrade Project	\$200,000	03/29/18
Portage County Combined General Health District	Portage County 2018 HSTS Repair/Replacement Project	\$200,000	03/29/18
Preble County General Health District	2018 Preble County HSTS Nuisance Abatement Project	\$100,000	03/29/18
Putnam County Health Department	2018 Putnam County Repair/Replacement of Failed HSTS	\$200,000	03/29/18
Ross County	Ross County HSTS Repair and Replacement Project 2018	\$200,000	03/29/18
Sandusky County Health Department	2018 Sandusky County HSTS Funding	\$200,000	03/29/18
Scioto County	2018 HSTS Repair/Replacement Program	\$200,000	03/29/18
Seneca County General Health District	2018 Seneca HSTS Repair/Replacement	\$200,000	03/29/18
Shelby	2018 Shelby City HSTS Repair/Replacement Program	\$200,000	03/29/18
Stark County Health Department	2018 Stark County Septic Repair & Replacement Program	\$200,000	03/29/18
Summit County	Failing HSTS Replacement Program 2018	\$200,000	03/29/18
Toledo-Lucas County Health Department	HSTS Repair/Replacement Program 2018	\$200,000	03/29/18

Applicant	Project Name	Est. Award	Est. Award Date
Trumbull County	2018 Home Sewage Treatment System Reserve Program	\$200,000	03/29/18
Union County Health Department	2018 Union County Septic System Repair Project	\$200,000	03/29/18
Van Wert County	2018 HSTS Repair/Replacement Project	\$100,000	03/29/18
Vinton County	Residential Septic System Repair/Replacement 2018	\$120,000	03/29/18
Warren County Combined Health District	2018 Warren County HSTS Repair & Sewer Connection Project	\$200,000	03/29/18
Washington County Health Department	2018 WPCLF HSTS Upgrades	\$200,000	03/29/18
Wayne County Health Department	2018 Household Sewage Treatment System Replacement	\$200,000	03/29/18
Williams County Health Department	2018 HSTS Repair & Replacement Program	\$200,000	03/29/18
Wood County Health District	2018 Failing Septic System Replacement Program HSTS	\$200,000	03/29/18
Wyandot County General Health District	2018 Wyandot County Failed HSTS Replacement Assistance	\$200,000	03/29/18
		<b>\$13,331,600</b>	

## Combined Sewer Overflow (CSO) Discounted Projects (2017-2019)

December 5, 2017

Entity	Project	Loan Type	Est. Loan Request	Est. Award Date	Eligible for Discount	Discount Received	Notes
Akron	Howard Storage Basin-North Hill Sep. (CSO Rack 22)	Construction	\$18,000,000	04/27/17	\$13,000,000	\$13,000,000	3
Akron	Kelly Conveyance Rack 3	Design	\$400,000	04/27/17	\$0		3
Akron	Kelly Green Project Rack 3	Design	\$1,800,000	04/27/17	\$0		3
Akron	WRF Headworks Improvements	Design	\$3,500,000	05/25/17	\$0		3
Akron	CSSF Control Gate	Construction	\$7,000,000	02/22/18	\$0		3
Akron	Uhler Conveyance (Rack 27 and 29)	Construction	\$5,066,332	03/29/18	\$0		3
Akron	Kelly Conveyance Rack 3	Construction	\$1,500,000	04/26/18	\$0		3
Akron	Kelly Green Project Rack 3	Construction	\$8,400,000	04/26/18	\$0		3
Akron	Hazel Storage Basin (Rack 10 and 11)	Construction	\$48,500,000	04/26/18	\$0		3
Akron	WRF SRT Replacement	Construction	\$30,800,000	12/13/18	\$0		3
Akron	WRF Headworks Improvements	Construction	\$34,300,000	12/12/19	\$0		3
Akron	WRF Headworks Improvements	Construction	\$34,300,000	12/12/19	\$0		3
Avon Lake	Fairfield-Brookfield Combined Sewer Separation	Construction	\$15,000,000	06/29/17	\$13,000,000	\$9,500,000	3
Avon Lake	Stop 45 Area Combined Sewer Separation	Construction	\$25,850,000	09/28/17	\$0	\$3,500,000	3
Avon Lake	Overflow Mitigation and Storage Project	Construction	\$21,000,000	12/12/19	\$0		3
Bowling Green	Grit Removal System Improvements	Construction	\$6,656,300	08/31/17	\$6,656,300	\$5,517,219	
Bowling Green	Campbell Hill Sewer & Force Main	Construction	\$1,500,000	04/26/18	\$1,500,000		
Bucyrus	Southern and Hopely Avenues S3	Planning	\$70,000	03/30/17	\$50,000	\$70,000	
Bucyrus	Southern and Hopely Avenues S3	Design	\$360,000	08/31/17	\$360,000		
Bucyrus	Southern and Hopely Avenues S3	Construction	\$3,673,175	12/07/17	\$3,673,175		
Columbus	SWWTP Chem Enhance Prim Treat (CEPT) - Clarification	Construction	\$36,400,000	03/30/17	\$13,000,000	\$13,000,000	3
Columbus	SWWTP Chem Enhance Prim Treat (CEPT) - Disinfection	Construction	\$23,500,000	04/27/17	\$0		3
Columbus	Facilities & Equip Upgrade - Whittier St Storm Tanks	Construction	\$15,353,000	04/27/17	\$0		3
Columbus	3rd Ave Increased Capture & Green Infrastructure	Construction	\$3,000,000	06/29/17	\$0		3
Columbus	SWWTP Chem Enhance Prim Treat - Prelim Treatment	Construction	\$37,000,000	07/27/17	\$0		3
Columbus	Alum Creek Storm Tank Project	Construction	\$2,000,000	05/31/18	\$0		3
Defiance	East High St. (Group 19) Inflow Reduction Project	Construction	\$3,500,000	03/29/18	\$3,500,000		
Defiance	College Place (Group 11.1) Inflow Reduction Project	Construction	\$1,500,000	05/31/18	\$1,500,000		
Defiance	Group 9.1 & 9.3 Inflow Reduction	Construction	\$1,500,000	05/30/19	\$1,500,000		
Elyria	East Side Relief Sewer Phase 1A	Construction	\$4,941,000	03/30/17	\$4,941,000		
Elyria	Sludge Thickening Facilities Upgrade	Construction	\$2,782,000	04/27/17	\$2,782,000		
Elyria	East Side Relief Sewer Phase 1B North	Construction	\$5,216,000	04/27/17	\$5,216,000		
Elyria	Final Settling Tank Improvements	Construction	\$1,070,000	10/26/17	\$61,000		
Elyria	East Side Relief Sewer Phase 1B South	Construction	\$5,347,000	12/07/17	\$0		
Elyria	Wet Weather Screening Facilities	Construction	\$4,017,000	10/25/18	\$0		
Elyria	East Side Relief Sewer Phase 1C	Construction	\$9,198,000	01/31/19	\$0		

Entity	Project	Loan Type	Est. Loan Request	Est. Award Date	Eligible for Discount	Discount Received	Notes
Elyria	East Side Relief Sewer Phase 1D	Construction	\$11,337,000	12/12/19	\$0		
Euclid	08 Control Measure	Construction	\$800,000	01/25/18	\$800,000		
Euclid	06 & 09 Control Measure	Construction	\$7,860,000	01/25/18	\$7,860,000		
Euclid	07 & 12 Control Measure	Construction	\$9,740,000	01/31/19	\$4,340,000		
Fostoria	CSO #2 and #3 Elimination Project	Design	\$675,000	09/28/17	\$675,000		
Fostoria	CSO #2 and #3 Elimination Project	Construction	\$9,510,000	06/27/19	\$9,510,000		
Fremont	Water Reclam. Center Sand Rd Pond Lagoon Cleaning	Construction	\$1,060,000	08/30/18	\$1,060,000		
Girard	WWTF Peak Flow Treatment & Equalization Improv.	Construction	\$17,500,000	08/31/17	\$13,000,000		
Hamilton County	Wyoming and Minion Avenues Sewer Separation	Construction	\$3,500,000	03/30/17	\$3,500,000	\$2,918,967	3
Hamilton County	Lick Run Valley Conveyance System	Construction	\$139,500,000	05/25/17	\$9,500,000	\$10,081,033	3
Hamilton County	Queen City Ave Sewer Separation Phase 2b	Construction	\$12,700,000	08/31/17	\$0		3
Hamilton County	CSO 217/482 Source Control Phase A & A2	Construction	\$12,550,000	12/07/17	\$0		3
Hamilton County	Quebec Road Sewer Separation	Construction	\$9,000,000	12/07/17	\$0		3
Hamilton County	CSO 21	Construction	\$3,495,167	12/07/17	\$0		3
Hamilton County	CSO 181	Construction	\$4,218,463	12/07/17	\$0		3
Hamilton County	CSO 217/483 Phase C	Construction	\$5,746,484	12/07/17	\$0		3
Hamilton County	CSO 125	Construction	\$11,290,593	12/07/17	\$0		3
Hamilton County	CSO 217/483 Phase B	Construction	\$14,446,322	12/07/17	\$0		3
Ironton	Phase V	Design	\$637,118	07/27/17	\$637,118		
Ironton	Batham Lane	Construction	\$475,200	04/26/18	\$475,200		
Ironton	Phase V	Construction	\$8,282,538	12/12/19	\$8,282,538		
Ironton	Phase IV	Construction	\$2,782,775	12/12/19	\$2,782,775		
Lakewood	High Rate Treatment (HRT) Facility	Design	\$1,233,575	04/27/17	\$1,233,575		
Lakewood	High Rate Treatment (HRT) Facility	Construction	\$17,500,000	10/25/18	\$11,766,425		
Lancaster	CSO 1019 Express Sewer Project	Construction	\$205,000	10/26/17	\$205,000		
Lancaster	Cherokee Drive Drainage Improvements	Construction	\$1,426,911	10/26/17	\$1,426,911	\$779,572	
Lancaster	Fifth Ave/ Sixth Ave/ Forest Rose Ave Sewer Separation	Construction	\$5,000,000	01/12/19	\$5,000,000		
Lancaster	CSO 1029 Sewer Replacement	Construction	\$461,000	05/30/19	\$461,000		
Lima	Segmented Block Sewer Rehabilitation	Construction	\$8,000,000	10/26/17	\$8,000,000		
Lima	Storage Basin and Dewatering Pump Station	Construction	\$40,000,000	12/07/17	\$5,000,000		
Marion	WPC Treatment Enhancement Project	Design	\$3,300,000	06/29/17	\$3,300,000		
Marion	WPC Treatment Enhancement Project	Construction	\$22,000,000	07/26/18	\$9,700,000		
Middleport	Main Street Area Sewer Separation	Construction	\$3,088,301	09/28/17	\$3,088,301		
Mingo Junction	Flow Metering, PER and CSO Removal	Planning	\$28,000	03/30/17	\$28,000		
Mingo Junction	Flow Metering, PER and CSO Removal	Design	\$112,000	03/29/18	\$112,000		
Mingo Junction	Flow Metering, PER and CSO Removal	Construction	\$4,572,000	03/28/19	\$4,572,000		
Montpelier	Phase VI	Construction	\$1,649,900	07/26/18	\$1,649,900		
Napoleon	Yeager & Union Street Sewer Separation	Design	\$125,000	12/07/17	\$125,000		
Napoleon	South Side I/I Reduction	Design	\$125,000	12/07/17	\$125,000		



Entity	Project	Loan Type	Est. Loan Request	Est. Award Date	Eligible for Discount	Discount Received	Notes
Napoleon	Yeager & Union Street Sewer Separation	Construction	\$2,500,000	12/13/18	\$2,500,000		
Napoleon	South Side I/I Reduction	Construction	\$2,750,000	12/13/18	\$2,750,000		
Newark	Interceptor Siphon and Operational Optimization	Construction	\$1,500,000	12/13/18	\$1,500,000		
Newark	Route 13 Interceptor Separation Project	Construction	\$10,000,000	12/12/19	\$10,000,000		
Northeast Ohio Regional Sewer District	Kingsbury Run Preliminary Engineering Early Action	Construction	\$6,500,000	03/30/17	\$6,500,000	\$4,774,375	3
Northeast Ohio Regional Sewer District	Doan Valley Storage Tunnel (DVST)	Construction	\$150,000,000	05/25/17	\$6,500,000	\$8,225,625	3
Northeast Ohio Regional Sewer District	Kingsbury Run Culvert Repair (KRRCR)	Construction	\$10,000,000	05/25/17	\$0		3
Northeast Ohio Regional Sewer District	Southerly Optimized Parallel Treatment (SOPT)	Construction	\$73,000,000	12/07/17	\$0		3
Northeast Ohio Regional Sewer District	Morgana Run Relief Sewer (MRRS)	Construction	\$56,405,000	12/07/17	\$0		3
Northeast Ohio Regional Sewer District	Easterly Chemically Enhanced HRT Facility	Construction	\$125,000,000	01/25/18	\$0		3
Northeast Ohio Regional Sewer District	Westerly Storage Tunnel	Construction	\$171,000,000	04/26/18	\$0		3
Northeast Ohio Regional Sewer District	Westerly Chemically Enhanced HRT Facility	Construction	\$37,100,000	05/31/18	\$0		3
Northeast Ohio Regional Sewer District	Doan Valley Relief and Consolodation Sewer (DVRCS)	Construction	\$20,400,000	07/26/18	\$0		3
Northeast Ohio Regional Sewer District	London Road Relief Sewer (LNDN)	Construction	\$38,400,000	09/27/18	\$0		3
Northeast Ohio Regional Sewer District	Wade Avenue Relief and CSO	Construction	\$6,688,000	03/28/19	\$0		3
Oak Harbor	Church Street Sewer Separation	Design	\$400,000	07/27/17	\$400,000		
Oak Harbor	Church Street Sewer Separation	Construction	\$6,090,068	12/13/18	\$6,090,068		
Paulding	Phase 3 Combined Sewer Separation Project	Design	\$340,000	04/27/17	\$340,000	\$300,000	
Paulding	Phase 3 Combined Sewer Separation Project	Construction	\$4,500,000	12/07/17	\$4,500,000		
Sandusky	Pier Track and Farwell Pump Station Upgrades	Design	\$250,000	12/07/17	\$250,000		
Sandusky	Pier Track and Farwell Pump Station Upgrades	Construction	\$2,500,000	05/31/18	\$2,500,000		
Sandusky	Mills Street High Rate Treatment Facility	Design	\$1,050,000	07/29/21	\$0		1
Sandusky	Mills Street High Rate Treatment Facility	Construction	\$10,500,000	12/09/21	\$0		1
Springfield	Miscellaneous Sanitary Sewer Lining	Construction	\$1,500,000	08/31/17	\$1,500,000	\$418,422	
Springfield	Mill Creek Sewer Separation	Design	\$1,200,000	01/25/18	\$1,200,000		
Springfield	Northern Heights Sewer Rehabilitation	Construction	\$1,070,000	10/25/18	\$1,070,000		
Springfield	Buck Creek Interceptor	Construction	\$2,000,000	10/25/18	\$2,000,000		
Springfield	Mill Creek Sewer Separation	Construction	\$10,000,000	03/28/19	\$7,230,000		
Tiffin	WWTP LTCP Upgrades	Planning	\$275,000	05/25/17	\$275,000		
Tiffin	WWTP LTCP Upgrades	Design	\$1,096,000	01/31/19	\$1,096,000		
Tiffin	WWTP LTCP Upgrades	Construction	\$13,700,000	09/26/19	\$11,629,000		
Toledo	Downtown Storage Basin W4C	Construction	\$76,369,225	07/27/17	\$13,000,000	\$13,000,000	3
Toledo	Swan Creek North Sewer Separation S-1B	Construction	\$10,334,865	07/27/17	\$0		3
Toledo	Paine and Fassett Regulator Modifications	Construction	\$4,900,441	09/27/18	\$0		3
Upper Sandusky	Wastewater Treatment Plant (WWTP) Upgrades	Planning	\$175,000	04/27/17	\$175,000	\$175,000	
Upper Sandusky	Wastewater Treatment Plant (WWTP) Upgrades	Design	\$950,000	08/31/17	\$950,000		
Upper Sandusky	Wastewater Treatment Plant (WWTP) Upgrades	Construction	\$22,000,000	06/26/18	\$11,875,000		
Van Wert	Pump Station and Retention Basin	Construction	\$6,898,000	12/07/17	\$6,898,000		
Woodville	Sanitary Sewer Improvements and CSO Closures	Construction	\$597,742	04/27/17	\$597,742		

Entity	Project	Loan Type	Est. Loan Request	Est. Award Date	Eligible for Discount	Discount Received	Notes
Youngstown	WWTP Electrical Upgrades Contract A	Construction	\$15,000,000	07/27/17	\$0	\$0	2
Youngstown	West Division Combined Sewer Replacement Phase 1	Construction	\$6,146,000	08/31/17	\$6,146,000	\$0	3
Youngstown	WWTP Secondary Treatment Improvements	Construction	\$23,400,000	09/28/17	\$6,854,000	\$13,000,000	3
Youngstown	84" Sewer Relocation Project	Construction	\$5,300,000	10/26/17	\$0	\$0	3
Youngstown	West Division Combined Sewer Replacement Phase 2	Construction	\$6,266,000	05/31/18	\$0	\$0	3
Zanesville	R-6 Basin Sewer Separation	Design	\$300,000	08/31/17	\$300,000		
Zanesville	R-8 Through R-11 Basin Sewer Separation	Construction	\$3,000,000	12/07/17	\$3,000,000		
Zanesville	R-6 Basin Sewer Separation	Construction	\$2,500,000	12/13/18	\$2,500,000		
			<b>\$1,771,784,496</b>		<b>\$311,081,029</b>	<b>\$98,260,213</b>	

Each community that nominated an eligible CSO project for this special discount is awarded up to \$13,000,000 of loan money at a 0% interest rate. Several communities nominated multiple projects; those projects have been organized by estimated award date. While the list above does specify an eligible amount for a specific project, if the community wanted to re-order the sequence of some of those projects, then any remaining discount may be may also be re-ordered. But, the maximum cannot exceed the total requested or the \$13,000,000 per community limit, whichever is less.

During the annual WPCLF PMP nomination and review cycle, Ohio EPA will re-evaluate the schedule of the projects listed above. Based on the number of projects completed in 2017 and the updated schedules of all outstanding projects, Ohio EPA will evaluate whether eligible projects will be ready to proceed within the three-year program window. If not, Ohio EPA may bypass one or more projects and award the remaining discount to other projects.

**Note 1:** These projects are ineligible because their loan award date is after the three-year window.

**Note 2:** This project is ineligible because the activities described in the nomination are not related to CSO issues.

Note 3: This community has already received the maximum discount available. While additional discounted loans will not be awarded for these CSO projects, the projects themselves will remain on the list, and are eligible to receive a loan at the community's normal interest rate.

# Appendix C

## Ineligible Costs

The Clean Water Act (CWA) limits WPCLF funding to: 1) publicly-owned projects whose components meet the definition of "construction" and "treatment works" in Section 212 (see Appendix A), 2) publicly or privately-owned nonpoint source (NPS) management projects which implement a NPS management program under Section 319 (in Ohio, the Ohio Nonpoint Source Management Program), and 3) projects that implement Section 320 estuary plans. Additionally, ORC Section 6111.036 allows Ohio EPA to further limit assistance for program purposes. The Water Resources Reform and Development Act of 2014 expanded the eligible projects under Title VI of the CWA. During PY 2016, ORC Section 6111.036 was revised to include the expanded eligibilities so that the ORC and the CWA are now aligned with respect to program eligibilities.

The following is a summary of some of the more common items that are ineligible for WPCLF funding.

1. Equipment, materials, supplies, and spare parts in excess of that shown to be reasonable, necessary, and allocable to the treatment works.
2. Street restoration beyond that necessary for installing sewers and directly related to constructing treatment works.
3. Ordinary governmental or personal operating expenses of the applicant or individual requesting the WPCLF assistance (e.g., salaries of elected officials, travel, costs of establishing departments or units of government, fines, and penalties levied by regulatory agencies, etc.).
4. Personal injury compensation or damages.
5. Permit costs and application fees that are not allocable to the project. Permit-to-Install (PTI) fees for a project may be WPCLF eligible; NPDES permit fees are not WPCLF eligible.
6. Costs of NPS management projects not contributing to the prevention or abatement of impacts to water quality.
7. Refinancing construction debt for projects with long-term, permanent financing or any type of permanent long term financing and any project that has completed construction.
8. Any fees, charges, etc. paid to a WRRSP sponsor by a WRRSP implementer for a WRRSP project.
9. Construction of lateral sewer connections outside of the public right-of-way. However, if a community obtains an easement and agrees to own and operate the lateral, those connections can be considered for eligibility. The lining of privately-owned lateral sewer connections when necessary to eliminate infiltration/inflow into publicly-owned treatment system is an eligible cost.

10. Private entities are not eligible to receive WPCLF assistance for septage receiving and treatment facilities. Private entities that wish to receive WPCLF assistance for these type facilities are encouraged to seek a public entity with which to partner as their applicant.

## Appendix D

### Interest Rates and Terms

Interest rates will be determined for communities based on the term of the loan, population of the service area and the economic status of the applicant. The WPCLF offers various interest rates: standard (at various terms), small community, hardship, and negotiated linked deposit. Communities that qualify for more than one of these interest rates will receive the lowest rate for which they qualify.

In addition to the subsidized interest rate that is determined to be appropriate for a proposed project, the project may qualify for one or more of the interest rate discounts described in Appendix E. Twenty-year planning and design loans that are sponsoring WRRSP projects, “stand-alone” septage projects, linked deposit funding, and Index Interest Rate projects are not eligible for these discounts.

Ohio EPA reserves the right to adjust applicant or project interest rate determinations at any time during a program year when community or project conditions change to the extent that Ohio EPA no longer considers an initial interest rate determination valid. These situations include, but are not limited to, (1) when an applicant’s socio-economic conditions, as reflected in the American Community Survey data, change from one year to the next; or (2) when the communities participating in a project change to such an extent that the overall socio-economic characteristics of the project area are different from when the project was initially nominated for funding.

#### **Standard Interest Rates (for various terms)**

The standard interest rate will be established monthly on the Friday six weeks prior to each Ohio Water Development Authority board meeting. The standard interest rate will be based on an eight-week daily average of the applicable Municipal Market Data (MMD) Index. This index represents high grade municipal bonds that offer lower interest rates that, in turn, Ohio EPA transfers to our customers in the form of below-market rate loans. A benchmark is established by taking the applicable MMD Index and adding 30 basis points. The WPCLF standard interest rate will then be calculated by taking the MMD Benchmark and subtracting a discount as illustrated below.

The standard interest rates are determined by the following formula:

$$\text{Std.}_{\text{FINAL}} = (\text{MMD}_{\text{INDEX}} + 0.3\%) - D\%$$

where,

- Std.<sub>FINAL</sub> = Final standard interest rate
- MMD<sub>INDEX</sub> = 20 or 30-year MMD Index of General Obligation bonds that are rated “AA”. 45-year financing will use the 30-year MMD Index plus 20 basis points.
- D% = Discount (1.25% for 20-year loans, 1.30% for 30-year loans, 1.35% for 45-year financing).
- The 20-year rate applies to all loans up to 20 years in term, the 30-year rate applies to all loans with a term of 21-30 years, and the 45-year rate applies to all loans with a term of 31-45 years.

If a loan recipient has a loan for a particular construction project and that project later incurs cost overruns that are beyond the original loan, then they may apply for a supplemental loan to cover those extra costs. However, the interest rate associated with the supplemental loan will be based on when that loan is issued. It may or may not correspond to the rate of the original loan. A special exception is available under extremely limited circumstances: where the additional costs are associated with environmental mitigation for clearly unforeseen conditions, conditions that significantly threaten public health or water quality or represent an imminent environmental hazard that is of regional or state-wide concern, then the supplemental loan award may be awarded at a 0% interest rate.

The design life of the proposed facilities must meet or exceed the term of the loan. Based on historical data, many wastewater treatment plant upgrade projects do not demonstrate a useful life of over 20 years, and thus are not likely to qualify for financing beyond a 20-year term. Loans with terms beyond 30 years will not be common based on the design life requirement (examples of qualifying projects may include CSO conveyance tunnels or storage basins). Applicants that are interested in loans with terms exceeding 20 years should work with Ohio EPA staff in advance to determine which term might be appropriate based on the expected design life.

If an applicant qualifies for 30+ year financing, the applicant can also sponsor a WRRSP project. The interest rate discount that would apply for normal 20-year rate financing would apply for the 30+ year term financing.

### **Small Community Interest Rate**

The small community rate is based upon the standard interest rate. Once the standard interest rate is established, the small community interest rate is determined by subtracting 50 basis points from that rate and will apply to projects whose small community rate loan agreements are executed by their borrowers during that month.

For the purposes of this interest rate, a small community is defined as any incorporated area with a population of 5,000 or less, OR any applicant that has a current project service population of 5,000 or less and that charges the entire debt for the project solely to the project service population. Projects cannot be arbitrarily broken into smaller service areas for the purpose of receiving the lower interest rate.

### **Hardship Interest Rates**

To ease the cost of constructing and operating wastewater facilities that provide residential service, the following hardship interest rates are available:

<b>Current Service Population</b>	<b>2017 MHI Benchmark</b>
≤ 2,500	\$ 50,547
2,501 – 10,000	\$ 46,948

Communities with a current service population equal to or less than 2,500 and with a median household income (MHI) equal to or less than the above benchmarks will receive an interest rate of 0.0 percent.

Communities with a current service population between 2,501 and 10,000 and with a median household income equal to or less than the above benchmarks will receive an interest rate of 1.0 percent.

For the purposes of these interest rates, a community is defined as any incorporated area, or any applicant with a current project service population within the noted ranges that charges the entire debt for the project solely to the project service population. Projects may not be arbitrarily broken into smaller service areas for the purpose of receiving the lower interest rate.

An applicant's MHI will be determined from the American Community Survey (ACS) information.

Each year, Ohio EPA will obtain the most recent American Community Survey information (5-year estimates) for all places in Ohio. The data will be split between the places equal to or less than 2,500 in population, those between 2,501 and 10,000 in population, and more than 10,000 in population. For the first group ( $\leq 2,500$  population), the entities will be sorted by median household income to determine the 75th percentile. The number corresponding to the MHI for the 75th percentile will become the benchmark in the table above for that population range. Likewise, for the second group (2,501 – 10,000), the entities will be sorted by the MHI to determine the 50th percentile. The number corresponding to the 50th percentile will become the benchmark in the table above for communities in that population range. Since the census data is not static, and a new ACS 5-year dataset is available each year, this calculation will be made each year.

During Program Year 2018, Ohio EPA may evaluate the MHI percentiles that are currently being used to determine the benchmarks for hardship interest rates, and may change those percentiles for future years to better reflect the intent of the hardship interest rates.

### **Linked Deposit Interest Rate and Participating Lending Institution Requirements**

The WPCLF may arrange for reduced interest rate loans to be made available to applicants in qualifying watersheds, county areas, or other locations for eligible projects. To do this, the WPCLF invests funds, usually through certificates of deposit, with participating local lending institutions at rates of interest that are below market. In turn, the lenders then make loans to qualifying borrowers at interest rates that are lowered by the same amount as the interest rate reductions that the WPCLF takes on its investment. This gives the borrower funds with a significant cost savings to implement its water pollution control activities.

A Linked Deposit borrower will receive an interest rate from a participating lender that is equal to the lender's normal interest rate minus the same interest rate discount the WPCLF gives when it invests with the lender. For the current program year, the WPCLF will agree to invest its funds at a rate that is no greater than 5 percent less than the reported Treasury Notes and Bonds interest rate for a note with a term of years equal to the term of years of the loan. However, in no case will the WPCLF Linked Deposit investment rate be less than 0 percent. The effective rate to the borrower will depend upon the lender's normal rate structure.

Example of WPCLF Linked Deposit Loan Interest Rate Calculation	
U.S. Treasury Notes and Bonds interest rate	6%
WPCLF Linked Deposit investment rate	6% - 5% = 1%
WPCLF Linked Deposit Loan discount	6% - 1% = 5%
Normal interest rate charged by lending institution	8%
Borrower's WPCLF Linked Deposit Loan interest rate	8% - 5% = 3%

Participating lenders generally agree to: 1) report semi-annually on the status of WPCLF linked deposit loans, 2) collateralize certificates of deposit when the value of the WPCLF Linked Deposit Program certificates of deposit (collectively) exceed \$100,000, 3) not market the WPCLF linked deposit program loans to other institutions, and 4) repay semi-annually WPCLF Linked Deposit Program certificates of deposit to the Ohio Water Development Authority according to schedules established in each certificate of deposit.

Please note that different participating bank terms may be negotiated with different lending agencies in order to fit the linked deposit financing mechanism within the institutional banking structure of those agencies. However, the discount rates provided these lending agencies will never be greater than the discount rates indicated above.

**Interest Rate Determination for Eligible Project Cost Increases**

The WPCLF may provide additional financing in the event of an eligible project cost increase by awarding a supplemental loan at the appropriate interest rate in effect during the month the supplemental loan agreement is executed by the borrower. A special exception is available under extremely limited circumstances: where the additional costs are associated with environmental mitigation for clearly unforeseen conditions, conditions that significantly threaten public health or water quality, or represent an imminent environmental hazard that is of regional or state-wide concern, then the supplemental loan award may be awarded at a 0% interest rate.

**Household Sewage Treatment System Improvement and Inspection Program Local Loan Program Interest Rate.**

Counties, municipalities and sewer districts wishing to establish loan programs, either for providing loans to private individuals for upgrading home sewage treatment systems (in conjunction with their local health department) or lateral construction and septic system abandonment, or for financing green infrastructure improvements on the part of the local entities storm water pollution controls, will receive an interest rate of zero percent for loans with terms of up to 10 years to be used to capitalize their programs.



## Structured Repayments

Typically, WPCLF loans are amortized with equal payments of principal and interest over the life of the loan. Under very special circumstances, Ohio EPA may agree to an amortization of a WPCLF loan with unequal payments. In these instances, the payments will be “structured” by adjusting the principal and interest amounts in the amortization schedule. In general, this feature is intended for those communities that have an existing debt service from a series of projects that have already been implemented, and additional projects whose debt service will add to the amplitude of the overall debt service if the payments cannot be structured. This WPCLF program feature will only be offered to applicants under special circumstances, including, but not limited to the following:

1. The applicant has demonstrated that, through structured repayments, the applicant’s cash flow is improved to the extent that it eliminates the need for a user charge rate increase (or minimizes a rate increase) during the amortization period.
2. The applicant can submit information to substantiate their existing debt service, and a proposed amortization with structured payments, that will show how the structured debt service of the new loan(s) around the existing debt service will achieve stable user charge system rate increases.
3. The applicant must propose the structure of the payments for Ohio EPA to review and approve or disapprove.
4. If approved, the structured amortization of the loan will be included as an exhibit to the loan agreement. As such, it becomes a formal part of the loan agreement, and the terms upon which financial assistance is offered. Ohio EPA will not “adjust” the terms of the amortization schedule once the loan has been awarded.
5. The latest date of the first “regular” principal and interest payment will commence with the 11th semi-annual payment. During this initial period of time, for the first 10 semi-annual payments, the minimum amount of principal payment will be 0.25% of the original loan principal.
6. The maximum amount of WPCLF funds that will be available as structured repayments will be limited to no more than \$150 million in any one program year.

## **Appendix E**

### **Interest Rate Discounts**

The WPCLF offers discounts to encourage certain actions or projects which provide benefits to water quality. These discounts are subject to review every year based on availability of funds, water quality priorities, and the past effectiveness of discounts offered. The WPCLF will offer the following discounts to its Standard, Small Community, 30+ year, and Hardship interest rates. An applicant may receive more than one discount on a construction loan; the order of their application is:

1. CSO Discount Program,
2. Nutrient Reduction Discount,
3. Regionalization Discount
4. Septage Facilities,
5. Class B to Class A Sludge,
6. Failed Non-Conventional Technology,
7. Green Infrastructure Discount,
8. Sanitary Lateral Rehabilitation or Replacement Program Discount, and
9. WRRSP.

Except for the following two circumstances, stand-alone septage projects, and linked deposit funding are not eligible for these discounts.

- 20-year planning and design loans that are sponsoring a WRRSP project.
- Planning and design loans associated with an NRD project.

Furthermore, communities may not use any interest rate discounts to offset all or a portion of the cost of an enforcement-related Supplemental Environmental Project (SEP).

#### **Septage Facilities**

Since Program Year 1997, the WPCLF has offered an interest rate discount to public entities to encourage the construction of septage receiving and treatment facilities to help meet the demand generated by the Federal Part 503 Biosolids Rule (effective March 22, 1993). This discount is intended to: (1) increase the availability of proper septage receiving and treatment facilities so septage receives appropriate treatment prior to disposal, and (2) make septage receiving and treatment facilities widely available across the state, to minimize the hauling costs of septage pumpers/haulers and consequently the costs to the approximately one million citizens of Ohio using home sewage treatment systems for wastewater treatment and disposal.

An interest rate discount will be offered to projects that propose to construct new septage facilities or expand or upgrade existing septage facilities. The facilities can be funded either as a part of a larger project to be financed through the WPCLF, or as a separate proposal for WPCLF financing. Septage facilities include equipment designed to receive, treat, and dispose of septage, including such things as sampling, metering, preliminary treatment, storage, equalization, odor control and solids handling.

The recipient will, as a condition of the loan, provide assurance that it will operate the septage facilities for the life of the loan and not unduly restrict access to the septage facilities.

For qualifying entities proposing septage facilities work as a part of a larger proposal for WPCLF assistance, the cost of facilities for which the primary purpose is to receive, treat, and dispose of septage will be added to the requested WPCLF loan amount. "Primary purpose" is defined as a minimum of 75 percent of the design capacity of the equipment or treatment units that will be used to receive, treat, or dispose of septage. Construction management and inspection fees are not included in this definition. The applicant's loan interest rate will be reduced to a percentage that reflects a savings to the applicant equal to the as-bid principal and interest costs of the septage facilities. Additional capitalized interest costs or loan fees associated with the septage facilities will not be covered by the interest rate discount.

Projects that consist solely of facilities with the primary purpose of receiving, treating and disposing of septage shall receive an interest rate of 0.5 percent.

### **Conversion from Class B to Class A Sludge Production**

The purpose of the discount is to encourage municipalities to convert from the production of Class B sludge to Class A sludge, or to Exceptional Quality (EQ) sludge [see OAC Rule 3745-40-01(A)(23)]. These sludges are more protective of public health because they offer the advantage of being essentially pathogen free, and in the case of EQ sludge, having lower levels of heavy metals with improved vector control. In addition, they provide more avenues for uses that serve to recycle associated nutrients back into the environment and result in decreased disposal costs.

Applicants with no existing sludge production facilities which construct new EQ or Class A sludge facilities or applicants with existing Class B sludge production facilities which convert to EQ or Class A sludge facilities will receive an up to 0.2% discount from their loan interest rates, with the exception that the total value of the discount cannot exceed the cost of the incremental facilities needed to produce EQ or Class A sludge.

### **Failed Non-Conventional Technology**

In the past, several types of non-conventional wastewater facilities have been successfully implemented in Ohio. Ohio EPA recognizes both the benefits and risks involved in using these newer technologies, so if the non-conventional treatment components fail, the WPCLF will:

- Forgive the interest on the remaining portion of the WPCLF loan attributable to the non-conventional technology; and
- Make available a zero percent loan for any qualifying facilities necessary to correct the non-conventional technology failure.

Technologies that qualify as non-conventional will be determined by Ohio EPA on a case-by case basis. It is expected that these technologies would be new or experimental and that current implementation of the technology would be limited or non-existent. Failure of non-conventional technologies will be determined at the discretion of Ohio EPA for this discount on a case-by-case basis.

The failure must occur within one year of initiation of operation or within a technology- specific period as determined in the performance criteria for the project. In addition, the failure cannot be attributable to negligence on the part of any person.

**WPCLF Water Resources Restoration Sponsor Program (WRRSP) Discount**

The intent of the WRRSP is to address a limited and under-assisted category of water resource needs in Ohio through direct WPCLF loans.

Funds for WRRSP projects will be made available by advancing a portion of the estimated amount of interest to be repaid by the sponsor over the life of the loan and is based upon the initial principal amount (less project contingency), the term of the loan and the interest rate.

A WPCLF loan applicant that is sponsoring a WRRSP project will receive a discount to its WPCLF loan interest rate based upon the ratio of the amount of the WRRSP project cost to the amount of the WPCLF loan principle. The chart below indicates the WPCLF loan interest rate discount that the sponsor will receive:

Percent of WRRSP/Principal	Interest Rate Discount
≥ 11.10%	0.10
≥ 9.87% up to 11.09%	0.09
≥ 8.64% up to 9.86%	0.08
≥ 7.41% up to 8.63%	0.07
≥ 6.17% up to 7.4%	0.06
≥ 4.94% up to 6.16%	0.05
≥ 3.71% up to 4.93%	0.04
≥ 2.47% up to 3.70%	0.03
≥ 1.24% up to 2.46%	0.02
< 1.24%	0.01

Example: \$375,000 (WRRSP project cost)/\$5,775,000 (principle amount for sponsoring project) = .0649. 0.0649 x 100 = 6.49%. Therefore, this sponsor would receive a .06% interest rate reduction on their loan.

For more information on the WRRSP program, please see Appendix L.

**Green Project Reserve (GPR) Discount**

The GPR discount will be available to all four GPR categories in the Federal guidance: 1) Green Infrastructure; 2) Water Efficiency; 3) Energy Efficiency; and 4) Environmentally Innovative. In order to determine eligibility, applicants should refer to the Federal guidance, which is located on the U.S. EPA website here: [http://water.epa.gov/infrastructure/greeninfrastructure/gi\\_what.cfm](http://water.epa.gov/infrastructure/greeninfrastructure/gi_what.cfm)

Projects which include a green component that composes 25% or more of the project construction cost will receive a 0.25% discount on the entire loan amount. This discount will be available only to WPCLF

eligible construction loans with a 20-year term, or CSO projects that qualify for a 30-year term that include green components.

### **Nutrient Reduction Discount (NRD)**

In response to the concerns regarding harmful algal blooms and their effect on drinking water systems, Ohio EPA has developed a multi-faceted funding approach to the treatment of harmful toxins and the reduction of pollutants that cause these algal blooms. As part of this approach, in PY 2018, the WPCLF is offering an additional \$50 million available at a 0% interest rate for projects that include equipment and facilities at publicly-owned wastewater treatment plants to reduce the levels of phosphorus and other nutrient pollutants. The discounted rate will be available for 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. The funds can be used for planning, design, and construction of qualifying projects. Priority will be given to public wastewater treatment systems that are in the Lake Erie watershed or in a watershed where Ohio EPA has identified (through a TMDL study) that nutrients are excessive.

Those WPCLF projects that qualify entirely for the NRD discount will receive an interest rate of 0% applied to the entire principal of the loan. Those projects that have a portion of their project that qualifies for the NRD discount interest rate will receive a blended interest rate whereby Ohio EPA will apply the interest rate a community would normally qualify for and the NRD interest rate to arrive at a “blended rate”. For example, if a community qualified for a 3% interest rate normally, but they had a portion of their project qualify for the 0% NRD interest rate, their interest rate would be adjusted to accommodate this. An example would be:

A total project cost of \$10,890,000 with a NRD component totaling \$890,000. \$890,000 at 0% blended with \$10,000,000 at 3% would equal a “blended rate” of 2.75%. This “blended rate” would be applied to the total principal of the loan to arrive at the semi-annual payment.

NRD Project nominations were initially received along with regular WPCLF project nominations up to August 31, 2017. The actual amount of the NRD eligible components will be calculated by Ohio EPA after a review of the as-bid project costs.

For PY 2018, Ohio EPA will accept NRD project nominations for planning, design or construction projects throughout the program year. These projects may be added to the Intended Projects List and funded during the year after following public noticing requirements.

### **Sanitary Lateral Rehabilitation, Replacement, or Construction Program Discount**

Counties, cities, and villages can obtain a direct loan from the WPCLF to establish a program for providing loan assistance to private individuals to rehabilitate, replace, or construct new sanitary sewer lateral lines. The WPCLF funds would be used to capitalize a local revolving loan program for this purpose.

To obtain a WPCLF loan for this purpose, the municipality will need to provide an acceptable management plan outlining a process for identifying qualified households and notifying them of the availability of the program, a dedicated source of repayment (generally repayments from the loans made to system owners) and a source of security for the loan (such as wastewater user charges, storm

water management user charges or fees, general obligation funds or other government securities). The management plan should explain how the program will operate on the local level, the goals for elimination of infiltration and inflow, and explain the institutional and/or legal arrangements for how the sanitary laterals will be replaced. The program may not provide financing for improvements to systems for buildings which are under construction or which are not in existence as of the date of the WPCLF loan award.

Funding will be provided to the municipality at an interest rate of 0.0%. The municipality may then charge from 0% up to market rates of interest for their loans to private individuals, and may use excess interest earnings to further capitalize the local revolving loan program for sanitary lateral replacement.

### **Combined Sewer Overflow (CSO) Discount**

Starting in PY 2017, Ohio EPA committed \$300 million at 0% interest for a timeframe of three years for projects addressing CSOs. On November 1, 2016, we issued a special one-time “call for nominations” to CSO communities for their CSO projects that are expected in calendar years 2017, 2018, and 2019.

Each community was allotted up to \$13 million dollars at 0% interest rate for their listed CSO projects over the next three years. Some communities requested less than the \$13 million while others requested far more. Communities who nominated less than \$13 million worth of projects will be fully funded at 0% interest. They will not, however, be able to add additional projects to their list during future PMP nomination cycles. Communities who nominated more than \$13 million worth of projects can finance one or more projects at 0% interest rate up to the \$13 million cap. The remainder of the loan(s) can be financed at the community’s regular rate at the time of the loan.

For communities that nominated multiple projects as shown in Appendix B; those projects have been organized by estimated award date. While the list does specify an eligible amount for a specific project, if the community wanted to re-order the sequence of some of those projects, then any remaining discount may also be re-ordered. However, the maximum cannot exceed the total requested or the \$13,000,000 per community limit, whichever is less.

During the annual WPCLF PMP nomination and review cycle, Ohio EPA will re-evaluate the schedule of the outstanding projects. The intent of this evaluation is to determine if the projects currently identified as eligible for the discounted rate are actually capable of applying for and entering into a loan agreement with Ohio EPA by December 2019. If, during any of these evaluations, a project is determined to be incapable of meeting the requirements of the program, then that project will be bypassed. Funds made available through the bypassing procedure may be awarded to other eligible projects on the priority list. Ohio EPA staff will work very closely with eligible applicants to give them every opportunity to develop a project that can be awarded within the three-year timeframe.

Using the above methodology and assuming all the awarded projects proceed as planned, approximately \$313 million worth of projects will be funded under this discount.

Towards the end of each calendar year, Ohio EPA will evaluate the status of the available funds and the outstanding projects listed on the priority list.

In addition to readiness to proceed, a project may be bypassed due to an applicant’s inability to meet WPCLF requirements or failure to develop an approvable, implementable project. 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 will not meet the dates established in the project's schedule. Projects otherwise not in compliance with the provisions of this PMP or program requirements may also subject to this bypass procedure.

# Appendix F

## Planning and Design Loans

### Requirements for a Planning Loan

To be considered for a planning loan, the applicant must nominate its project to the WPCLF priority list, and then request a pre-planning meeting with the Ohio EPA to determine the scope of work for the planning effort and a schedule for completion. Following the pre-planning meeting, the applicant may submit a WPCLF planning loan application showing the estimated cost of the planning, a draft agreement with its consulting engineer, and a repayment plan including legislative approval of a dedicated source of repayment.

### Requirements for a Design Loan

To be considered for a design loan, the applicant must nominate its project to the WPCLF priority list, and have completed, or be completing, a facilities plan that is approvable under Ohio Revised Code Section 6111.036.

The applicant must submit a WPCLF design loan application showing the estimated cost of the design effort, a schedule, a basis of design, a construction financing plan and a repayment plan that, if the applicant is a municipality, shows legislative approval of a dedicated source of repayment. Applicants that have received WPCLF planning loans may receive design loans as supplements to their planning loans. An applicant who has not received a WPCLF planning loan should schedule a pre-design meeting with Ohio EPA/DEFA prior to submitting an application.

### Repayment of Planning/Design Loans

WPCLF planning and design loan recipients will be required to repay the loan over the appropriate contract period of years on a semi-annual basis starting on a specific date mutually agreed to by the applicant, Ohio EPA, and the OWDA as part of the loan agreement. Applicants should have established a dedicated source of repayment early enough that they will have sufficient revenues available each semi-annual period to repay the loan. The approved repayment plan will detail the repayment method and schedule.

Should the borrower of a planning / design loan with a term of less than twenty years obtain construction financing, either through the WPCLF or from other sources, the borrower must repay in full the outstanding loan principal, and any accumulated interest, at the time the construction financing is established or with Ohio EPA's approval, continue to repay the loan in accordance with the provisions of the loan agreement.

### Interest Rates and terms for Planning/Design Loans

Planning and design loans with a typical five-year term will be offered a 0% interest rate. However, the term may be extended beyond the five years under the following circumstances:



- Applicants who qualify for a Standard Interest Rate may request a fixed repayment period of up to 20 years. However, these loans cannot be rolled into construction financing.
- If the applicant qualifies for either a zero (0) percent or one (1) percent interest rate as described in Appendix F, the repayment period can be extended to up to 20 years only if the applicant either uses property assessments as the primary dedicated source of repayment for the WPCLF loan or has an existing wastewater system with an existing rate structure.

For both of the above circumstances, the community's applicable interest rate will apply.

### **Nomination Period for Planning/Design Loans**

Starting in PY 2018, all planning and design loans can be nominated at any time during the program year under an "open" nomination cycle.

### **Planning loans may include, but are not limited to, the following:**

1. Fiscal Sustainability Plans (FSPs) – Ohio EPA believes that there is tremendous value for communities to prepare and follow Fiscal Sustainability Plans. To that end, WPCLF funds will be available for all communities that wish to borrow funds to prepare FSPs. The term of these loans will be five years. These loans are short-term loans, which cannot be rolled into construction loans, and must be paid off over a five-year period.
2. Energy Audits, Asset Management, Resilience, and Extreme Weather Planning – Continuing in PY 2018, Ohio EPA will offer planning loans to all owners and operators of publicly-owned treatment works in Ohio for energy audits, asset management, resilience and extreme weather planning. Ohio EPA encourages these planning activities because they improve the efficiency treatment works and/or increase the technical and administrative capacity of the municipality that operates the facilities. By identifying energy flows through wastewater systems, energy audits can help reduce the operating costs that are passed on to sewer users and the electricity use and carbon footprint of wastewater systems. Asset management is a tool to help utilities prioritize and classify assets related to the management and operation of a wastewater system. Asset management plans can include resilience and extreme wet weather planning, which are facets of risk management. Resilience refers to the ability of infrastructure to resist, absorb, recover from or successfully adapt to changes in environment or conditions. This requires the planning and design of features that allow wastewater infrastructure to continue operating, or quickly return to full operation, in the event of a catastrophe. Planning for extreme weather events, along with events such as an attack or regional infrastructure collapse, is a specific case of resilience planning.

# Appendix G

## Direct Financial Assistance for the Repair/Replacement of Failing Household Sewage Treatment Systems

The WPCLF is providing financial assistance in the form of principal forgiveness subsidies to counties and local health districts so that they can assist low to moderate income homeowners with the repair or replacement of failing household sewage treatment systems (HSTS) along with connections to existing centralized sanitary sewer systems. The principal forgiveness subsidies neither require a repayment of principal nor any payment of interest.

The principal forgiveness subsidies provided under this HSTS assistance program are subject to different terms and conditions than the principal forgiveness offered under other portions of the WPCLF. HSTS projects will be considered for principal forgiveness according to the terms and conditions of this Appendix only.

### What Funding is Available?

For PY 2018, approximately \$13,300,000 is available statewide for the eligible costs of HSTS repairs or replacements.

### How will the funds be distributed?

Qualified local government agencies have submitted a 2018 WPCLF HSTS Project Nomination/Application Form that identifies the total dollars requested, the estimated number of systems to be repaired/replaced, the estimated costs per upgrade, a map of the general locations for system repair/replacements, and the local government agency that will be overseeing the program. A local health district is eligible to apply directly for this funding and serve as the local government agency overseeing the program.

If approved, the local government agency will receive the requested amount up to \$200,000.

Ohio EPA will enter into a WPCLF assistance agreement with the local government agency (county or local health district) that establishes:

- How funds will be disbursed to the local government agency,
- Related terms and conditions, and
- Except in the case of a default due to a failure to abide by the terms of the WPCLF assistance agreement, no repayment of the funding assistance is required by the recipient.

Upon receipt of verification and approval by the local health district of the completion of the repair/replacement/connection work, the local government agency will submit a payment request to Ohio EPA for reimbursement of the eligible system repair/replacement costs. See Table H-1 for a list of eligible and ineligible costs. For PY 2018, up to 50% of the individual county's allotment may be used for the abandonment of failed HSTS systems and connections to existing centralized sanitary sewer systems.

Recipients of this funding will have 18 months from the time of entering into the WPCLF assistance agreement to expend their funds.

WPCLF funds in an amount equaling 50%, 85%, or 100% of the eligible HSTS repair/replacement/connection costs will be disbursed by OWDA to the local government agency, which will then be responsible for submitting payment directly to the HSTS contractors.

Eligible?	Typical Expenses
NO	Abandonment of drinking water well
YES	Administrative costs
NO	Annual Contractor permit fees
YES	Connecting a home with a failing HSTS to sewers (up to 50% of the total award)
YES	Connections and reconnections outside a home
YES	Correction of indoor plumbing issues <sup>1</sup>
YES	Demolition and abandonment of failing HSTS
YES	Design costs
YES	Health District plan review/permit fee
NO	Installation of an HSTS at a new home
YES	Installation of an HSTS at an existing home that never had a system installed
NO	Insurance costs
YES	NPDES permit fees <sup>2</sup>
NO	Operation and Maintenance permit fee
NO	Performance or payment bonds costs
YES	Site and soil survey
NO	Tax

1 Costs associated with correction of indoor plumbing issues are eligible in particular instances. Eligible indoor plumbing corrections must be necessary for an on-site system to receive health district approval and must be itemized on the health district's inspection report. Contractors must submit an itemized bid to the local government agency for these specific items. The local government agency must include the itemized bid with all other contract documents submitted to Ohio EPA for review and approval following bid opening and prior to contract execution. The itemized invoice from the contractor listing the indoor plumbing work must be included with a payment request.

2 NPDES permit fees are eligible for reimbursement only for the first occurrence after the disbursement of these funds.

### **What local government agencies are eligible to receive the funding?**

Counties and local health districts are eligible to receive the WPCLF HSTS assistance. The local government agency may elect to have a local program office such as a Community Housing Improvement Program (CHIP) agency, Community Action, or county regional planning commission administer the applications of homeowners, prepare contracts and payment requests, and distribute the HSTS funds.

The local government agency must pass a resolution authorizing an individual to enter into a WPCLF assistance agreement.

The local government agency must agree to perform all the HSTS repair and/or replacement actions that it funds pursuant to a contract between itself and an HSTS contractor. Only construction performed under contracts between the local government agency and its HSTS contractors will be eligible for reimbursement. Each contract must be submitted and approved by Ohio EPA prior to the execution of that contract. Improvements performed under contracts between HSTS contractors and individual homeowners are not eligible for assistance under this program.

### **How will local government agencies be selected to receive these funds?**

Ohio EPA will receive nomination/application forms, and will enter into WPCLF assistance agreements with eligible local government agencies. Local government agencies must demonstrate their legal, managerial, and financial capability, and agree, to:

- Use effective and efficient means to solicit eligible local homeowner applications;
- Evaluate and select local applicants, and confirm homeowner income;
- Work with local health districts and/or contractors on all aspects of systems permitting and installation;
- Certify and document that all funding conditions, and HSTS installation/permitting requirements will be met;
- Use generally accepted accounting practices to document the disbursement of payments to contractors; and
- Prepare and file all project documentation required as conditions for the award of assistance.

### **How will homeowners receive the financial assistance?**

The eligible local government agency will enter into a WPCLF assistance agreement with Ohio EPA wherein it agrees to administer the distribution of principal forgiveness funds to qualifying homeowners according to the terms of the agreement, this Guidance, and the operation of the 2018 PMP.

The local government agency/local health district will solicit and identify local homeowners that have failing HSTS in need of repair or replacement, and that meet the income eligibility criteria.

The local health district will certify that the HSTS is failing and will work with the homeowner, a site and soil evaluator, designer and HSTS installer as needed to determine a cost-effective solution that meets state and local rules to resolve the failure – either repair of the existing system, partial system replacement, total system replacement, or connection to existing sanitary sewer system.

The local government agency/local health district will select a HSTS appropriate for the property.

Upon verification of the successful and approved installation by the local health district, the local government agency will submit documentation and a payment request for the eligible system cost to Ohio EPA, Division of Environmental and Financial Assistance.

Ohio EPA will instruct OWDA to disburse payments to the local government agency. The local government agency will then be responsible for payment to the HSTS system installer, and any other contractors involved in the installation.

**What are the eligibility criteria for homeowners to receive funding?**

Homeowners may qualify for one of three tiers of funding, depending upon the size of their households, and their aggregate household incomes.

Homeowners whose household is composed of four persons or less, and whose incomes are at or below 100% of the U.S. Department of Health and Human Services 2016 Poverty Guidelines (\$24,300) will receive 100% of the eligible repair/replacement cost for the HSTS. The poverty guidelines are available at: <https://aspe.hhs.gov/poverty-guidelines>.

Homeowners whose household is composed of five or more persons, and whose aggregate household incomes are at or below the U.S. Department of Health and Human Services 2017 Poverty Guidelines shown in the following Table will receive 100% of the eligible repair/replacement cost for the HSTS.

**Principal Forgiveness for Households at or below  
100% of the 2017 U.S. Dept. of Health & Human  
Services Poverty Guidelines**

Persons in Household	Poverty guideline
1 – 4	\$24,600
5	\$28,780
6	\$32,960
7	\$37,140
8	\$41,320
For families with more than 8 persons, add \$4,180 for each additional person.	

Homeowners whose households contain four or fewer persons and whose aggregate household incomes are between 100% and 200% of the Poverty Guidelines (\$24,600-\$49,200) will receive 85% of the amount for the eligible repair/replacement costs.

Homeowners whose households are documented to include five or more persons, and whose aggregate household incomes exceed the maximum amounts shown in the Table above for the corresponding

number of persons, may receive 85% of the eligible repair/replacement costs as principal forgiveness if their aggregate household incomes are less than the amounts shown in the following Table.

**Principal Forgiveness for Households between  
100% and 200% of the 2017 U.S. Dept. of Health  
& Human Services Poverty Guidelines**

Persons in Household	Poverty guideline
1 – 4	\$49,200
5	\$57,560
6	\$65,920
7	\$74,280
8	\$82,640
For families with more than 8 persons, add \$4,180 for each additional person.	

Homeowners whose households contain four or fewer persons and whose aggregate household incomes are between 200% and 300% of the Poverty Guidelines (\$49,200-\$73,800) will receive 50% of the amount for the eligible repair/replacement costs.

Homeowners whose households are documented to include five or more persons, and whose aggregate household incomes exceed the maximum amounts shown in the following Table for the corresponding number of persons, may receive 50% of the eligible repair/replacement costs as principal forgiveness if their aggregate household incomes are less than the amounts shown in the Table below. Homeowners whose aggregate annual household incomes exceed \$123,960 are not eligible for HSTS Program principal forgiveness assistance.

**Principal Forgiveness for Households between  
200% and 300% of the 2017 U.S. Dept. of Health &  
Human Services Poverty Guidelines**

Persons in Household	Poverty guideline
1 – 4	\$73,800
5	\$86,340
6	\$98,880
7	\$111,420
8	\$123,960

The local government agency has conducted a documented verification of the homeowner's household size and income using established processes for similar grant programs. The local health district must document that the HSTS serving the home where the owner resides is failing or has failed. 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.

#### **What is the process and timeframe for funds distribution?**

A local government agency with an approved program application will be placed on the WPCLF draft IPL. Upon approval of the Intended Projects List as listed in the final 2018 PMP, Ohio EPA will make the principal forgiveness funds available to the local government agency via a WPCLF assistance agreement. As payment requests that document costs incurred for individual HSTS improvements are submitted by the local government agency, Ohio EPA will review the submissions and will direct the disbursement of approved amounts to the local government agency. Local health districts may include administrative costs not to exceed 3% of total eligible project costs for HSTS repair, HSTS replacement, or sewer connection construction projects. Administrative costs will be reimbursed as part of the typical invoicing process; we will not issue an up-front, lump sum for administrative costs. The eligible administrative costs can only be associated with actual staff time. Costs for equipment, travel, overhead, or any other indirect costs are not eligible. The county is responsible for retaining all necessary documentation that these requirements are satisfied.

Payment requests will not be approved by Ohio EPA unless they include final inspection certifications from the local health district.

#### **How will homeowners be made aware of the availability of these funds?**

The local government agency that applies for the assistance will be responsible for conducting effective advertising and outreach to unsewered area homeowners, and for coordinating with local health departments to identify and inform homeowners with failing HSTS.

#### **Where will local homeowners apply for these funds?**

A homeowner will apply to the local government agency that has entered into the WPCLF assistance agreement with Ohio EPA to receive WPCLF funds for this project.

#### **Who will determine if the HSTS is failing?**

The local health district where the system is located will evaluate the sewage system and document whether it meets the criteria for system failure established in the Ohio Revised Code, Ohio Administrative Code, and by the Ohio Department of Health

#### **What criteria will local government agencies use to verify homeowner income?**

Local government agencies must use methods accepted by federal government programs to verify income, and each homeowner(s) must demonstrate that their household income levels do not exceed the applicable program eligibility criteria.

### **What are some of the responsibilities of the local government agency?**

1. Enter into a WPCLF assistance agreement with Ohio EPA and administer the funds it receives according to the terms of the agreement.
2. Review applicants; determine eligibility using local, accepted income verification criteria; select applicants and issue awards.
3. Oversee the implementation of the agreements between the local government agency, the system owner, and the contractors hired for HSTS installation. These agreements must detail the terms and conditions for receipt and management of the principal forgiveness funds, including but not limited to:
  - a. obtain permission to enter property, conducting all site and soil evaluation work as needed;
  - b. participation in the design and HSTS selection process;
  - c. obtain all permits or permit coverage as required;
  - d. installation of the selected HSTS;
  - e. document payment of the homeowner's 15% cost share or 50% cost share for those homeowners qualifying for the 85% principal subsidy and 50% principal subsidy, respectively;
  - f. obtain an operation permit as locally required; and
  - g. obtain any maintenance or service contracts required by the local health department for the installed HSTS.
4. Maintain name, address and contact information of homeowners receiving assistance, along with records of the HSTS installation costs.
5. Obtain verification from the local health district that the HSTS of the applicant is failing and that repair or replacement or connection to an existing sanitary sewer system is needed.
6. Obtain copy of the final inspection certification from the local health district showing that the completed HSTS installation work has been approved.
7. 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.
8. Submit WPCLF HSTS payment request forms to Ohio EPA DEFA for payment of the HSTS installation work, including any soil evaluation or system design work. The payment requests must include the invoices from the installation contractors and/or the firms performing soil evaluation and system design work, and the final inspection certification from the local health district (payment requests which are for only soil evaluation and system design work are not required to include the final inspection certification). Local health districts may include administrative costs not to exceed 3% of total eligible project costs for HSTS repair, HSTS replacement, or sewer connection construction projects.
9. Process payment to the contractor(s) performing the repair or replacement of the HSTS.



10. Ensure that in the case of a replacement discharging HSTS, the applicant works with the local health district to obtain an Ohio EPA General NPDES permit prior to system installation.
11. Ensure that documentation related to the HSTS repair/replacement program is retained for a minimum of five years and in accordance with Ohio public records law. Documentation to be retained includes, but is not limited to, all documentation referenced in the *HSTS Owner Responsibilities/Requirements* question, below.

**What are some of the responsibilities/requirements of the HSTS owner?**

1. Own a failing on-site or discharging HSTS.
2. Make application to the local government agency that has a WPCLF assistance agreement with Ohio EPA for the HSTS funding.
3. For those homeowners receiving 85% or 50% principal forgiveness, document the expenditure of 15% or 50%, respectively, of the cost of the project by direct cash payment, loans or grants from other local, state or federal programs or charitable organizations.

If a cost is directly attributable and necessary for the HSTS improvements being installed, but is not eligible for principal forgiveness participation, the cost may be included as part of the 15% or 50% homeowner contribution to the project.

4. Obtain any required permits from the local health district in the case of a replacement discharging HSTS, the homeowner shall work with the local health district as needed to obtain an Ohio EPA NPDES permit.
5. Provide permission to the local government agency and the HSTS contractor for installation of a replacement HSTS or repair of an existing HSTS.
6. Obtain an operation permit as required by the local health district, and obtain a service contract for maintenance of the system, if required based on the type of system installation.

**What are some of the responsibilities of the Local Health Districts?**

1. When not acting as the primary local government agency, assist the local government agency with identifying failing systems and providing information to the system owners on the availability of these funds.
2. Issue a certification of failure of the homeowner's system, based upon an evaluation of existing, known data and/or site inspections.
3. Review the site and soil evaluation, proposed system design, and issue a permit for installation as appropriate.
4. Conduct reviews of proposed system designs, site inspections, and final inspections as necessary to ensure a system installation is compliant with local, state rules and permits, and the requirements of the WPCLF assistance agreement.

5. Ensure that each system improvement funded by the WPCLF is designed to maintain compliance with ORC Chapter 3718 and OAC Chapter 3701-29.
6. Certify to the local government agency that the system repair/replacement has been completed, that the proposed design and installation complies with all applicable local, state rules and federal requirements, and the terms of the WPCLF assistance agreement.
7. Issue an operation permit to the system owner and ensure, if applicable, that an appropriate maintenance contract is established between the system owner and a service provider with a maintenance schedule appropriate for the system installation and/or the manufacturer's requirements.
8. Implement an inspection program requiring operation and maintenance for HSTS (if not in existence already) to track these systems and ensure that regular system maintenance is conducted (the local health district may establish fee(s) for this purpose).
9. Conduct enforcement as necessary to ensure compliance during installation and for the life of the system.

#### **What is the role of the Ohio Department of Health (ODH)?**

ODH will provide technical support as needed with system evaluations, designs, permitting, and inspection. ODH will also assist and coordinate with Ohio EPA as needed with administration of the program.

#### **What are some of the responsibilities of Ohio EPA?**

Ohio EPA will receive the WPCLF HSTS nomination/application forms from the local government agencies, and will enter into WPCLF assistance agreements with qualified local government agencies. Ohio EPA will also coordinate and review contractual and reporting requirements for the funds, review payment requests and supporting documentation, and authorize the disbursement of funds to the local government agencies.

#### **What is the overall process?**

1. Local government agencies submit nomination/application forms to Ohio EPA for funding through the WPCLF HSTS Principal Forgiveness Program.
2. The 2018 WPCLF IPL is finalized with the total amount of HSTS funding set aside for each local government agency.
3. The local government agency passes a resolution authorizing a representative to enter into the WPCLF assistance agreement for the HSTS funding.
4. The local government agency identifies specific homeowners who are eligible for the HSTS funding.

5. The local government agency agrees to use the bid and construction contract template documents provided by Ohio EPA DEFA or submits a proposed contract and bid document template(s) for installers, designers, and/or soil analysts to Ohio EPA for approval. The approved contract is then used for all future contracts under this program or until such time that the program contract requirements change. (see HSTS Contract Guidance).
6. The local government agency signs and enters into the WPCLF assistance agreement with Ohio EPA.
7. After the WPCLF assistance agreement has been signed by all parties and OWDA has set up an account to encumber the funds, the local government agency advertises (formally or informally) for bids from contractors. Bid advertisement should include all the requirements for this program so that contractors can make an accurate bid.
8. The local government agency receives and opens bids. Once the successful bidder is chosen, the local government agency sends the HSTS Contract Document packet, including a completed HSTS Contract Cover Sheet, the materials outlined on the cover sheet and the successful bidder's complete bid, to Ohio EPA DEFA for review.
9. Upon Ohio EPA's approval of the HSTS Contract Document packet, the local government agency may execute the contract. The final signed contract is then sent to Ohio EPA DEFA for filing.
10. If any changes occur to the contract (monetary or non-monetary), a change order will need to be submitted to Ohio EPA. Changes will need to be approved prior to disbursement of funds. (see HSTS Contract Guidance).
11. Once the local health district inspects and approves the installation of the HSTS or the repair work, the local government agency can submit a payment request to Ohio EPA. Local health districts may include administrative costs not to exceed 3% of total eligible project costs for HSTS repair, HSTS replacement, or sewer connection construction projects.

# Appendix H

## Financing Opportunities for Nonpoint Source (NPS) Pollution Control Projects

ORC Section 6111.036 limits WPCLF funding to three main areas: 1) publicly-owned projects whose components meet the definition of "construction" and "treatment works" in Section 212 of the CWA (see Appendix A), 2) publicly or privately-owned nonpoint source (NPS) management projects which implement a nonpoint source management program under Section 319 of the CWA (in Ohio, the Ohio Nonpoint Source Management Program), and 3) projects that implement Section 320 estuary plans.

Ohio EPA has recognized the important role of nonpoint source pollution control projects in the overall goal of improving the state's water resources. Exclusively financing municipal wastewater treatment projects will not, in and of itself, result in the water resource improvements that the state needs. Beginning in the early 1990's, the Ohio EPA developed new programs and mechanisms, within the WPCLF, to be responsive to the NPS challenges presented to the state, and to encourage project applicants/implementers. Since that time, several new program features were added to the WPCLF, expanding the ability of the WPCLF to solve water resource problems. This Appendix combines the information that was previously housed in several appendices, and attempts to organize and clarify the financing opportunities that are available for NPS pollution control projects through the WPCLF.

Two NPS related program features have been intentionally excluded from this Appendix – storm water activities and the WRRSP program. Funding for storm water activities is covered in Appendix I, because it straddles the definition between a point source and nonpoint source, is better left as a separate Appendix. The WRRSP is also a separate Appendix, because the nature of the "sponsorship" mechanism is different, and because of a different project approval process.

### Linked Deposit Programs

A "Linked Deposit" is a funding mechanism more than it is a program. It is a way for the WPCLF to enable a subsidized interest rate to a borrower without having a direct loan agreement with that borrower. Instead, the connection between the WPCLF and the borrower is "linked" through an investment from the WPCLF and a loan from a commercial bank. As described in Appendix D, this can result in a subsidy of up to 5%, depending on market conditions. Ohio EPA's existing linked deposit programs are described below:

#### 1. Agricultural Best Management Practices

In 1993, Ohio EPA started to use the WPCLF for the purpose of providing incentives to farmers for the implementation of agricultural BMPs. The mechanism, now known as "linked deposits", was developed for this purpose. Since Ohio EPA believes that providing incentives for agricultural BMPs is most effective if implemented on a watershed-wide basis, individual "programs" were developed within several Ohio watersheds. The general process for creating a linked deposit program in a watershed is as follows: a WPCLF nomination form is submitted by one of the soil and water conservation districts (SWCD's) in the watershed; the watershed organization (typically comprised of the member SWCD's) develop a watershed management plan which identifies the needs and priorities within that watershed; Ohio EPA reviews and approves the watershed management plan; a Memorandum of Understanding between Ohio

EPA and each participating SWCD is signed; the SWCDs and Ohio EPA identify local area banks to participate in the program; and the local banks and Ohio EPA enter into Participating Bank Agreements.

When the above steps have occurred, the program is ready for implementation. During implementation, the SWCDs work with the farmers to identify the appropriate BMPs to be implemented on the farm; these BMPs are entered in to a comprehensive soil and water conservation plan; most items identified in the comprehensive soil and water conservation plan are eligible for WPCLF linked deposit assistance, and can be written into the Certificate of Qualification that the SWCD provides to the farmer; the farmer takes the CQ to a participating bank; the bank evaluates the farmers application using their normal credit evaluation tools; when the bank awards the farmer a linked deposit loan, the rest of the process occurs as described in Appendix D.

Special note: Beginning in PY 2013, the WPCLF no longer provides linked deposit financing of field tile. In its place, the WPLCF will offer linked deposit financing for drainage control structures and related improvements not associated with the installation or extension of tile drainage piping.

## 2. Western Lake Erie Basin Agricultural Best Management Practices

Beginning in PY 2013, Ohio EPA added a separate and specially focused agricultural linked deposit loan program project encompassing the entire Western Lake Erie Basin. This program will focus on nine management practices with proven water quality, and nutrient reduction benefits, such as drainage control structures, longer crop rotation cycles, field runoff and drainage filtration/detention, fertilizer application equipment purchases, soil testing, and improved manure handling. Mechanisms already developed under our agricultural linked deposit program, such as Memoranda of Understanding and Participating Bank Agreements, will be used to implement this project.

The concept is to provide funding for a select group of practices that will help in the reduction of nutrients to the Western Lake Erie Basin. Practices which are eligible include the following:

- a. Drainage control structures on tile outlets and improvements to tile system surface inlets. Items such as anti-seep collars and blind inlets are important components on drainage control structures. Also, edge of field or end of tile “bio-reactors” and cartridges (that include phosphorus binding materials), are being looked at by NRCS as a potential tool. This includes tile system retrofits that allow proper function of drainage control system (e.g., installing a header), but does not include the installation of new or intensified tile drainage systems.
- b. Purchase and planting of cover crop plant varieties including aerial seeding or conventional planting. Conservation cropping rotations that implement cover crops improves soil health---and likewise allows for more water storage (e.g., less runoff and less nutrient loading).
- c. Installation of more effective edge-of-field runoff and drainage filtration and/or detention. Wetlands, riparian forest buffer planting, dispersal of concentrated runoff

into a true filter-area that uses diversions and level-spreaders. This should include support for water recycling systems through surface or subsurface irrigation.

- d. Purchase of precision nutrient application equipment that allows for proper placement of nutrient, and/or proper timing (e.g., onto growing crop). This includes “high-boy” equipment that allows placement of nutrient onto a growing crop. Also includes equipment that allows fertilizer application below the soil surface (e.g. strip tillage equipment), such as using planters to supply fertilizer rather than surface broadcasting in the fall (post-harvest), and using equipment that can provide “banding” of liquid soluble fertilizers.
- e. Purchase of components that provides for a “controlled traffic” system (e.g., using GPS and RTK auto steer). This practice reduces compaction and allows for more precise nutrient application.
- f. Costs associated with soil testing.
- g. Purchase and handling systems for manure-amendments to reduce solubility of manure nutrients (e.g. gypsum and alum).
- h. Purchase of improved manure handling equipment and storage facilities. This includes: manure storage, composting facility, tankers, manure transfer equipment, hoses, incorporation equipment, and solids separation.
- i. Blind Inlets to reduce sediment loading from farmed depressional areas. A blind inlet, also known as a French drain, is a structure that is placed in the lowest point of farmed depressions or pot-holes to minimize the amount of sediment, and potentially other contaminants, that would be transported to receiving ditches or streams.

In order to participate in this Western Lake Erie Basin Linked deposit program, the County SWCD needs to have an active Memorandum of Understanding (MOU) with Ohio EPA which covers the implementation of the program. Eligible farmers can go to the SWCD office and ask for a Certificate of Qualification (CQs) for any of the above practices. Once the CQ is issued by the SWCD, the farmer can take it to a participating bank and begin the bank’s application process for a linked deposit loan. From this point on, the process is the same as for any other linked deposit loan.

### 3. HSTS Replacements and Upgrades

In 1997, Ohio EPA started to use the WPCLF for the purpose of providing incentives to homeowners for the replacement and repair of failing HSTSs. The mechanism was modeled after the already successful program for providing linked deposits for agricultural best management practices (1.A. above). Since Ohio EPA believes that providing incentives for HSTS repairs/replacements is most effective if implemented on a county-wide basis, individual “programs” were developed within several Ohio county health districts. The general process for creating a HSTS linked deposit program in a county is as follows: a WPCLF nomination form is submitted by local health district; the local health district develops a county-wide home sewage treatment management plan which identifies the needs and priorities within that health district;

Ohio EPA reviews and approves the county-wide home sewage treatment management plan; A Memorandum of Understanding between Ohio EPA and the health district is signed; the health district and the Ohio EPA identify local area banks to participate in the program; and the local banks and Ohio EPA enter into Participating Bank Agreements.

When the above steps have occurred, the program is ready for implementation. During implementation, the health district works with the homeowners to identify an approvable solution to repair or replace the failing HSTS; the health district will issue a permit and a Certificate of Qualification to the homeowner; the homeowner takes the CQ to a participating bank; the bank evaluates the homeowner's application using their normal credit evaluation tools; when the bank awards the homeowner a linked deposit loan, the rest of the process occurs as described in Appendix G.

This program started out exclusively for the repair and replacement of HSTS (specifically, "on-lot" systems only). However, by 2007, the eligibility had been expanded to include solutions involving state approved off-lot discharging systems (which obtain a valid NPDES permit through Ohio EPA), as well as the abandonment of failing HSTSs and connection to existing sanitary sewers (i.e. costs associated with lateral connections), as determined by the health district.

#### 4. HSTS Abandonment and Lateral Sewer Construction

Some entities have expressed an interest in developing a linked deposit program specifically for the purpose of abandoning existing HSTS and replacing them with central wastewater collection and treatment. Such programs need to be established through a Memorandum of Understanding (MOU) between the local entity(ies) planning and implementing the program and Ohio EPA.

Financing the abandonment of HSTS addresses the problems caused by failing HSTS or HSTS illicitly connected to storm sewers.

HSTS abandonment and lateral construction will be funded for only two situations: for connection of existing buildings to either 1) existing or 2) new central sewers. Financing will not be provided for the connection of buildings which are under construction, or which are not in existence as of the date of the establishment of the local program through the MOU.

When HSTS abandonment and lateral construction are being financed, the local entity(ies) planning and implementing the program must: 1) provide documentation from either the local health department or Ohio EPA district office that the area is experiencing HSTS failures and 2) demonstrate that the best means of addressing these failures is by abandoning the HSTS and providing a connection to a central sewer service, as opposed to HSTS repair or replacement. Such financing can also include funding for HSTS abandonment and lateral construction to eliminate illicit discharges of HSTS to municipal storm sewers, when done as part of an approved Phase II storm water management program.

The local program can be established and administered either by a local health department, the municipality who will own the wastewater treatment system, or both. The entity or entities responsible for managing the program will set up a process for identifying qualifying building

owners and notifying them of the availability of the program. This process will be identified in the MOU between the local implementers and Ohio EPA.

Under the MOU, the owner of the public sewer will be responsible for approving the plans for septic system abandonment and lateral construction and providing building owners with a certificate of qualification, which the building owners can take to a bank participating in the linked deposit program as a basis for applying to the bank for linked deposit financing of the improvements. The installation of the lateral sewers must be inspected by the owner of the public sewer (or a representative of the owner) to ensure that the construction materials and installation procedures meet Ohio EPA's requirements. An inspection log must be maintained and be made available for review by the Ohio EPA upon request.

The entities responsible for managing the HSTS linked deposit program will report quarterly on the number and locations of certificates issued to Ohio EPA. The local participating banks will report quarterly on the numbers and status of their linked deposit loans.

The entities responsible for managing the HSTS linked deposit program will ensure the proper installation of lateral sewers by certifying the following:

- a. Lateral sewers are constructed of acceptable materials. The construction materials used (pipe, joints, wyes or tees, bedding, backfill, etc.) must be at least equal to that used in the public collection system. Specifications for materials and installation shall be approved by Ohio EPA as a part of the Memorandum of Understanding between Ohio EPA and the responsible entity(ies) establishing the local program.
- b. Lateral sewers are installed properly, including the tie-in with the collector sewers. New sewer laterals must be constructed from the house foundation to the public sewer - no parts of any existing lateral or septic system can be re-used. The lateral sewer must be installed with a minimum slope of 0.4 percent. If possible, leakage tests will be conducted prior to placing the lateral into use.
- c. The existing septic systems are properly abandoned. Septic tanks must be cleaned out and the contents disposed of in accordance with state and federal regulations. The abandoned tanks must be perforated and filled with clean fill with permeability no greater than the surrounding natural soils.

## 5. Forestry Best Management Practices

Ohio's Nonpoint Source Management Program has long recognized silviculture's NPS pollution potential. Similar to row crop agriculture, adverse impacts can occur to water resources if the harvest is not done properly. Research has shown that the cutting of the trees is not the primary cause of NPS pollution. Instead, it is the road system for extraction of logs from the woods that produces the vast majority of sediment in adjacent streams. The use of best management practices (BMPs) is one way to counter the impact of logging activities.

ODNR's Division of Forestry and Ohio EPA's Division of Environmental and Financial Assistance have developed a program which addresses the nonpoint source pollution problems associated



with silvicultural activities. The program is modeled after the existing linked deposit program for agricultural BMPs.

The forestry linked deposit program operates in a similar way. Master loggers (loggers who have received training in harvesting BMPs from ODNR) are able to obtain low-interest financing from participating banks through a linked deposit from the WPCLF. The Division of Forestry: 1) determines the items that are eligible for financing (in cooperation with Ohio EPA), 2) ensures that the logger is certified through the "Ohio Master Logger Program," 3) ensures that the logger has filed a Silvicultural Operation and Management Plan with the appropriate Soil and Water Conservation District(s), and 4) monitors the improvements and practices of the logger.

This program may also be developed to provide assistance for remediation of water quality impacts resulting from past logging activities.

The Division of Environmental and Financial Assistance: 1) has entered into a memorandum of understanding with the Division of Forestry on implementing the program, 2) works with local banks to participate in the program, 3) processes the individual linked deposit requests as they are received, and 4) provides overall program oversight.

### **Direct Loans for NPS Activities**

Ohio EPA can, and has, made direct loans to public and private entities for NPS pollution control activities. In some instances, using the linked deposit mechanism is not the most efficient or desirable way to deliver financial assistance for select NPS projects, and a direct loan is preferred.

1. Household Sewage Treatment System Improvement and Inspection Programs
  - a. County Revolving Loan Programs for Household System Upgrades

Counties, cities, and villages can obtain a direct loan from the WPCLF to establish programs in conjunction with their respective local health departments for providing loan assistance to private individuals to upgrade household sewage treatment systems.

To obtain a WPCLF loan for this purpose, the municipality will need to provide an acceptable management plan outlining a process for identifying qualified household sewage treatment system owners and notifying them of the availability of the program, a Memorandum of Understanding between the municipality and the health department detailing their respective responsibilities, a dedicated source of repayment (generally repayments from the loans made to system owners) and a source of security for the loan (such as general obligation funds or certain government securities). The Memorandum of Understanding must establish that the municipality will administer the program, and that the health department will provide technical approvals of the improvements. The program may not provide financing for improvements to systems for buildings which are under construction or which are not in existence as of the date of the WPCLF loan award.

Funding will be provided at an interest rate of 0.0 percent. The municipality may then charge from zero percent up to market rates of interest for their loans to private

individuals, and may use excess interest earnings to capitalize revolving loan programs for financing household sewage treatment system improvements.

b. Local Health District Inspection Program Start-Up

The WPCLF will consider requests from local health districts to provide 0% loans for up to 5 years to fund the “start-up” costs for local health districts associated with instituting an inspection program for household sewage treatment systems and semi-public disposal systems as authorized by House Bill 110. These costs can include system inventory, equipment, database development, training, and staffing costs for the program.

These direct loans are designed to help local health districts establish inspection programs by providing capital to cover initial costs until the fee system for inspections can support the program. The funds are not to be used for routine operation costs once fees being collected are sufficient to support the system. The applicant must submit an inspection program plan that outlines objectives, a methodology, and a budget (including personnel, software, and other equipment needs). The plan should also explain when the program is anticipated to become self-sufficient and how the loan will be repaid.

2. Direct Loans for Other NPS Projects

The Ohio EPA can consider awarding direct loans to other NPS project activities, provided that they are a Clean Water Act eligible activity (see Appendix D), and that they meet all program requirements. Some examples of potentially eligible NPS project activities are listed on the WPCLF project nomination form. Direct loans for NPS project activities can be awarded to either public or private entities, but all applicants should be aware that, as with all direct WPCLF loans, a dedicated source of repayment and security for the loan will be required. Full financial disclosure will be required, and unless otherwise excluded, those records will be considered public information. The interest rate assigned to these loans for public applicants will use the same methodology as described in Appendix H (WPCLF Interest Rates and Terms). The interest rate assigned to loans to private applicants will be the standard interest rate. Private applicants should also be aware of the Private Applicant Pre-Application Fee.

# Appendix I

## Funding for Storm Water Activities

Storm water can be a significant contributor to surface water pollution. Runoff from streets picks up gasoline, chemicals, trash, rocks and other solids. Improper storm water management increases flows which can erode streambanks, deposit sediment in lakes, and reduce infiltration into the groundwater table. To help Ohio communities address this source of water quality impacts, storm sewers and storm water related activities, including “green infrastructure” related to storm water controls, are eligible for funding through the WPCLF.

### Eligible storm water activities

WPCLF funding is available for the capital costs of storm water activities as long as those activities protect or improve water quality. Planning, design and construction or implementation activities are all eligible. However, WPCLF funding cannot be used for ongoing personnel, operation, and maintenance costs associated with storm water control and treatment. For example, planting trees and shrubs, equipment purchases, environmental cleanups, and the development and initial delivery of education programs are capital projects that are eligible for funding, but the salary of the person operating the purchased equipment is not eligible.

The WPCLF can provide financial assistance for the development and implementation of watershed projects meeting the following criteria:

- Watershed management of wet weather discharges: The management of municipal combined sewer overflows, sanitary sewer overflows, and stormwater discharges, on an integrated watershed or subwatershed basis for the purpose of demonstrating the effectiveness of a unified wet weather approach.
- Stormwater best management practices: The control of pollutants from municipal separate storm sewer systems for the purpose of demonstrating and determining controls that are cost-effective and that use innovative technologies to manage, reduce, treat, recapture, or reuse municipal stormwater, including techniques that utilize infiltration, evapotranspiration, and reuse of stormwater onsite.
- Watershed partnerships: Efforts of municipalities and property owners to demonstrate cooperative ways to address nonpoint sources of pollution to reduce adverse impacts on water quality.
- Integrated water resource plan: The development of an integrated water resource plan for the coordinated management and protection of surface water, ground water, and stormwater resources on a watershed or subwatershed basis.
- Municipality-wide stormwater management planning: The development of a municipality-wide plan that identifies the most effective placement of stormwater technologies and management approaches, to reduce water quality impairments from stormwater on a municipality-wide basis.
- Increased resilience of treatment works: Efforts to assess future risks and vulnerabilities or publicly owned treatment works to manmade or natural disasters, including extreme weather events and sea-level rise, and to carry out measures, on a systemwide or area-wide basis, to increase the resiliency of publicly owned treatment works.

Since information regarding the purpose and benefits of a project are often not provided in detail in a WPCLF Project Nomination form, projects that describe one or more of the above activities in their Project Nomination Form will be scored based on the information provided with the Nomination Form and placed on the PPL. However, this initial placement on the list does not guarantee that the project will ultimately be determined to be eligible for WPCLF funding. After detailed documentation on the scope, purpose, and benefits of the project are submitted and reviewed by Ohio EPA, part or all of the project may be determined not to be eligible for WPCLF funding.

# Appendix J

## Principal Forgiveness

The goal of providing principal forgiveness to WPCLF projects in this program year is to help the Ohio communities and homeowners that are least able to afford public health/water quality improvements. The objective of the WPCLF principal forgiveness subsidy is to help make these necessary projects more affordable. The newly-developed, federally-mandated Affordability Criteria is the primary determiner of the WPCLF applicants that are potentially eligible for principal forgiveness.

### Principal Forgiveness Distribution

For PY 2018, the maximum amount of principal forgiveness that Ohio EPA can offer is up to \$30 million. This number is derived from the limitations prescribed in the Clean Water Act (CWA) in conjunction with the amount of Ohio EPA's capitalization grant from U.S. EPA. It should be noted that for program year 2018, the range of principal forgiveness allowed under the CWA is anywhere from \$0 up to \$29.8 million.

Of the \$29.8 million, approximately \$13.3 million will be reserved for home sewage treatment system (HSTS) replacements and upgrades. HSTS principal forgiveness will be awarded under Section 603(i)(1)(B)(iv) of the Clean Water Act as sustainable projects, and as such, the Affordability Criteria is not used as a determiner of which local health districts are eligible. Appendix G outlines the provisions and requirements (including homeowner income limits) for the award of principal forgiveness for these projects in PY 2018. Completed, approved, and signed HSTS principal forgiveness loan agreements must be received by May 31, 2018. Any HSTS principal forgiveness funds that are not awarded by May 31st, 2018 will be applied to the municipal wastewater collection and treatments projects described below.

In PY 2018, up to \$500,000 of principal forgiveness will be available for installation of energy efficient components of treatment facilities.

- **Who is eligible?** Any applicant with a WPCLF construction project that includes energy efficient components as part of their treatment facilities may qualify for principal forgiveness. These projects cannot be stand-alone; they must be part of a larger WPCLF construction loan project.
- **What is eligible?** The goal of this offer is to encourage owner and operators of treatment facilities to install energy efficient components by offsetting some of the extra capital costs associated with these components. Typical efficient components include, but are not limited to, efficient blowers and pumps and variable frequency drives.
- **How is eligibility determined?** During Ohio EPA's technical and engineering review of the proposed treatment facilities, our staff will work with the applicant and their consultants to identify energy efficient components that are eligible for principal forgiveness. The WPCLF applicants are encouraged to identify components that potentially qualify for this offer. No other special notification or nomination will be required.
- **What are the funding limits, and how do I get it?** Ohio EPA is committing up to a total of \$500,000 for PY 2018. We are also establishing a "per project" maximum of \$50,000. As projects are evaluated, Ohio EPA will award this principal forgiveness on a "first come, first serve" basis until the \$500,000 limit is reached.

In PY 2018, up to \$500,000 of principal forgiveness will be available for the procurement and installation of back-up power for wastewater treatment facilities.

During Ohio EPA’s technical and engineering review of the proposed treatment facilities, our staff will work with applicants and their consultant to identify portions of a construction project that qualifies as backup power facilities. The WPCLF applicants are encouraged to identify components that potentially qualify for this offer. No other special notification or nomination will be required.

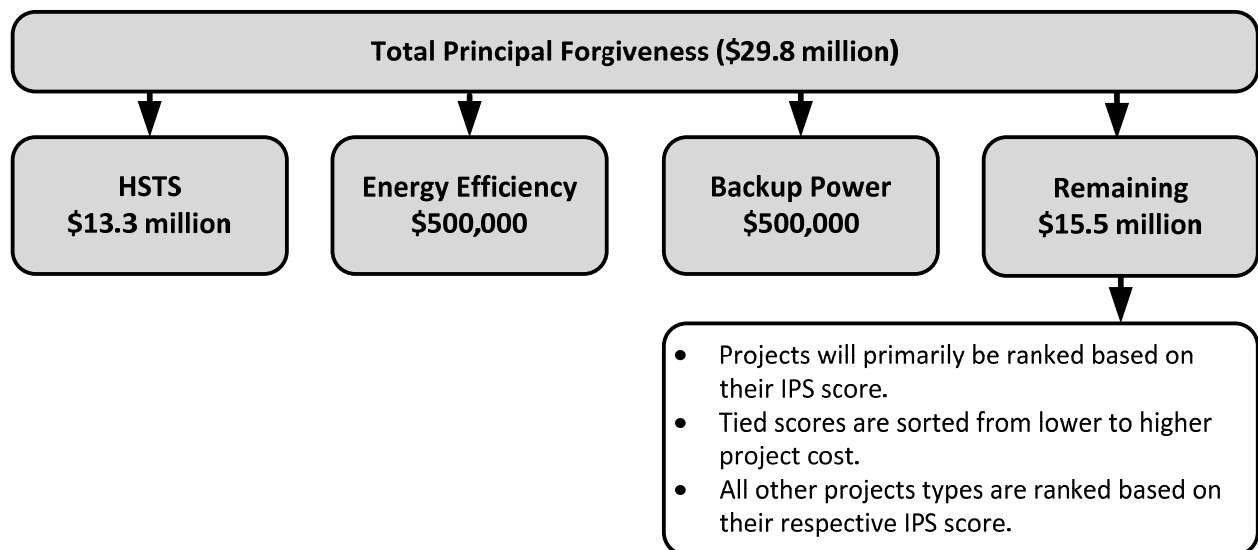
Ohio EPA is committing up to a total of \$500,000 for PY 2018. We are also establishing a “per project” maximum of \$50,000. As projects are evaluated, Ohio EPA will award this principal forgiveness on a “first come, first serve” basis until the \$500,000 limit is reached.

The remaining \$15.5 million will be allocated for eligible municipal wastewater collection and treatment projects.

For the principal forgiveness awarded to municipal wastewater collection and treatment projects, projects will first be sorted by their Integrated Priority System (IPS) score. If there are any ties in the IPS scores, they will then be sorted by least cost to highest cost.

Once Ohio EPA has scored and ranked the qualifying principal forgiveness candidates on the priority list, these projects will be identified on the list, starting with the highest priority project, and working down the list until the total amount of principal forgiveness made available has been allocated to fundable projects. All fundable projects will receive 100% principal forgiveness awards, with the exception that if the last fundable project can only partially be funded with principal forgiveness, then WPCLF loan funds will be offered at the applicant’s normal interest rate to cover the outstanding project costs.

The following chart illustrates the distribution of principal forgiveness for PY 2018:



During PY 2018, emphasis will be placed on readiness to proceed, and a process to ensure that the principal forgiveness funds are obligated during the program year. Ohio EPA staff will be working very

closely with fundable principal forgiveness projects during the year to give them every opportunity to develop a fundable project that can be awarded by the September deadline. If the highest ranked projects are not proceeding at a pace that forecasts a loan award by the September deadline, those projects will be bypassed, and the next project down the principal forgiveness list will have an opportunity to receive the funds.

If there are principal forgiveness funds remaining at the end of the year, Ohio EPA may offer the remainder to one of the following, in order of consideration:

- 1) The highest ranking project on the principal forgiveness list that received only partial principal forgiveness funding earlier in the year, or
- 2) The highest ranking project on the principal forgiveness list that received principal forgiveness funding earlier in the year; but, due to cost overruns, the community had to request a loan to cover the additional costs, or
- 3) The highest ranking project that proceeded with a loan earlier in the program year but without any principal forgiveness. That entity’s loan agreement may be modified to include a principal forgiveness amount.

**Affordability Criteria**

Statutory Basis - Based upon changes made in 2014 to the Clean Water Act [see Section 603 (i)(2)(A)], Ohio EPA is required to develop affordability criteria, and use that criteria to determine what communities or districts qualify for additional financial subsidy (i.e. principal forgiveness). These criteria must include, at a minimum, “...income and unemployment data, population trends, and other data determined relevant by the State...” Sections of the Water Resources Reform and Development Act of 2014 (WRRDA), plus Section 301 of the Public Works and Economic Development Act of 1965 (PWEDA) are also relevant.

Main Components – The following constitute the major elements of the new affordability criteria and build on our previous use of socio-economic statistics without over-evaluating the concept of “hardship”:

- Unemployment rate using data from the most recent 24-month period.
- Per capita income.
- Percent population change.

The following table details the four criteria proposed for use during Program Year 2018:

Proposed Criteria	Program Value for PY 2018
1a. MHI for 0% Hardship Interest Rate Type (based on 75th percentile for Ohio Incorporated Areas with populations ≤ 2,500)	≤ \$50,547*

1b. MHI for 1% Hardship Interest Rate Type (based on 50th percentile for Ohio Incorporated Areas with populations between 2,501 and 10,000)	≤ \$46,948*
2. Unemployment Rate	≥ 9.3% (> 1% over national average of 9.2%)*
3. Per Capita Income	≤ \$23,144 (80% or less of national average) *
4. Percent Population Change since 1900.	≤ 150% change
*Values determined using data collected from the American Community Survey for 2011-2015.	

Income surveys will no longer be accepted as a source of MHI information.

Each year, Ohio EPA will review the four listed criteria and apply them to determine which municipalities may qualify for additional subsidy, and will prepare a list of those that do. Counties and other non-municipality applicants (such as sewer districts) will be evaluated using a parallel approach, recognizing that the project area and service area populations paying for a project’s debt service likely won’t be known until after a project’s nomination form is received from a county or sewer district. In those few cases (like Northwestern Water and Sewer District) where individual municipalities are part of a sewer district, but are still responsible for paying for their own wastewater systems, these communities will be evaluated like other incorporated areas. In all other instances, county data will be used. A draft list of all qualifying entities will be prepared and made available for public review when the PMP is prepared each year. After public review and comment, a final list will be posted on Ohio EPA-DEFA’s website.

**General Provisions of Principal Forgiveness**

Each year, the projects that meet the applicable principal forgiveness criteria will be identified on the Intended Projects List with the eligible project costs that the WPCLF may provide in the form of principal forgiveness.

The amount, eligibility, and priorities of principal forgiveness funds are directly related to the annual capitalization grant issued to Ohio by U.S. EPA. Additionally, over the past few years, Congress has modified certain requirements and appropriations of the principal forgiveness funds through Continuing Budget Resolutions. This, combined with changing demographics of some communities as it relates to meeting the “affordability” criteria, introduces significant uncertainty and severely limits any Ohio EPA commitment beyond a given program year. As such, Ohio EPA will only structure the distribution of principal forgiveness funds within the current program year; we will not commit priorities or funds beyond that.

For projects that qualified for Principal Forgiveness during the current program year, the award of principal forgiveness must be made by the end of September of that program year. No funds will be “carried over” for a community beyond the current program year. If a community was listed as being eligible for principal forgiveness in the current program year, but did not receive the award of assistance in that program year, it will need to re-nominate for the following program year, and will be ranked



against other principal forgiveness projects that nominated themselves for that program year. The funds do not carry over from year to year, and the offer of principal forgiveness to a particular applicant does not carry over from year to year.

The principal forgiveness amount for an intended project will be based on the actual loan amount. If bids come in below estimate, the principal forgiveness amount will be reduced; if bids come in above estimate, the applicant will be offered WPCLF loan funds at the applicable rate to cover the additional cost. The amount of principal forgiveness will not exceed the nominated amount. The total amount of principal forgiveness that Ohio EPA will make available for PY 2017 will not exceed the identified total of \$30 million.

Based on cost adjustments during construction, the amount of principal forgiveness may be adjusted down at the project's closeout to reflect the current project costs for which the project now qualifies. This will include any loan supplements that may be necessary during the course of the project. Necessary scope increases will receive WPCLF loan assistance without a principal forgiveness subsidy.

A project's prior-incurred planning and design costs can only be considered for principal forgiveness as part of the project's WPCLF principal forgiveness-eligible construction loan, and if requested at the time of project nomination.

The approved 2018 WPCLF PMP will identify an approximation of funding to be offered as principal forgiveness to all qualifying projects, pending receipt of as-bid costs up to the maximum amount nominated. This will allow for some fluctuations from the as-bid costs of projects receiving principal forgiveness during design and construction. For example, this will ensure that if any intended principal forgiveness projects drop out, or receive additional non-WPCLF funding (and therefore need less WPCLF/principal forgiveness funding), or have as-bid decreases, the WPCLF's total principal forgiveness awards will remain within acceptable limits.

Only the information applicable to the principal forgiveness criteria will be considered in the determination of a project's qualifications for principal forgiveness.

Ohio EPA is requiring that all fundable principal forgiveness projects receive their awards by a specific time in the program year. For HSTS principal forgiveness, loan agreements must be signed and submitted by May 31st, 2018. For municipal wastewater principal forgiveness projects, awards must be made no later than September of the program year. In addition, applicants will be required to adhere to project milestones, and maintain an acceptable schedule leading up to the award of assistance, or they may be bypassed.

# Appendix K

## Integrated Priority System (IPS)

For detailed information on the Integrated Priority System, please download the PDF document titled *Ohio Water Pollution Control Fund (WPCLF) Integrated Priority System (IPS) – May 2014*.

<http://epa.ohio.gov/Portals/29/documents/ofa/PY%202015%20IPS-Updated%20Version.pdf>

If this link fails, please perform a web search using any popular search engine for this document.

# Appendix L

## Water Resource Restoration Sponsor Program (WRRSP)

The Water Resource Restoration Sponsor Program (WRRSP) was created by the Ohio EPA, and has been part of the Water Pollution Control Loan Fund (WPCLF) since 2000. The intent of the WRRSP is to address a limited and under-assisted category of water resource needs in Ohio through direct WPCLF loans. While significant progress has been made in reducing the impact of municipal wastewater treatment on water quality, the best available data indicates that impacts from nonpoint source runoff, habitat degradation, and watershed disturbances may be impeding over-all rates of water resource improvements and threatening much of the progress that has been made. The goal of the WRRSP is to counter the loss of ecological function and biological diversity that jeopardize the health of Ohio's water resources. The WRRSP will help achieve this goal by providing funds, through WPCLF loans, to finance the implementation of projects that protect or restore water resources, by ensuring either maintenance or attainment of General Warmwater Habitat or higher designated aquatic life uses under Ohio Water Quality Standards.

### Types of Eligible WRRSP Activities

All activities to be undertaken through the WRRSP must focus on biological habitat issues and may range from the preservation and protection of stream and other aquatic habitats to intensive repair and recovery of such impaired habitats. WRRSP funding cannot be used for activities outside the water quality-related goals of either preservation or restoration.

To assist applicants in developing successful WRRSP projects, we encourage them to meet with Ohio EPA – DEFA to discuss the program in general and their potential WRRSP projects in particular, prior to formally nominating projects for funding consideration. This allows DEFA to provide guidance on programmatic requirements, initial feedback regarding project development, identify issues and concerns early on, assist applicants in submitting nominations which contain all of the information required to properly score their project, and allows DEFA staff to become familiar with project elements prior to a complete, in-depth review at the time of nomination.

Please note that for PY2019's nominations (as part of the PY2019-2020 two-year cycle), pre-nomination meetings will be required in order for projects to be scored and ranked. Applicants, also known as project implementers, must also be current on Annual Report submittals for previously-funded WRRSP projects.

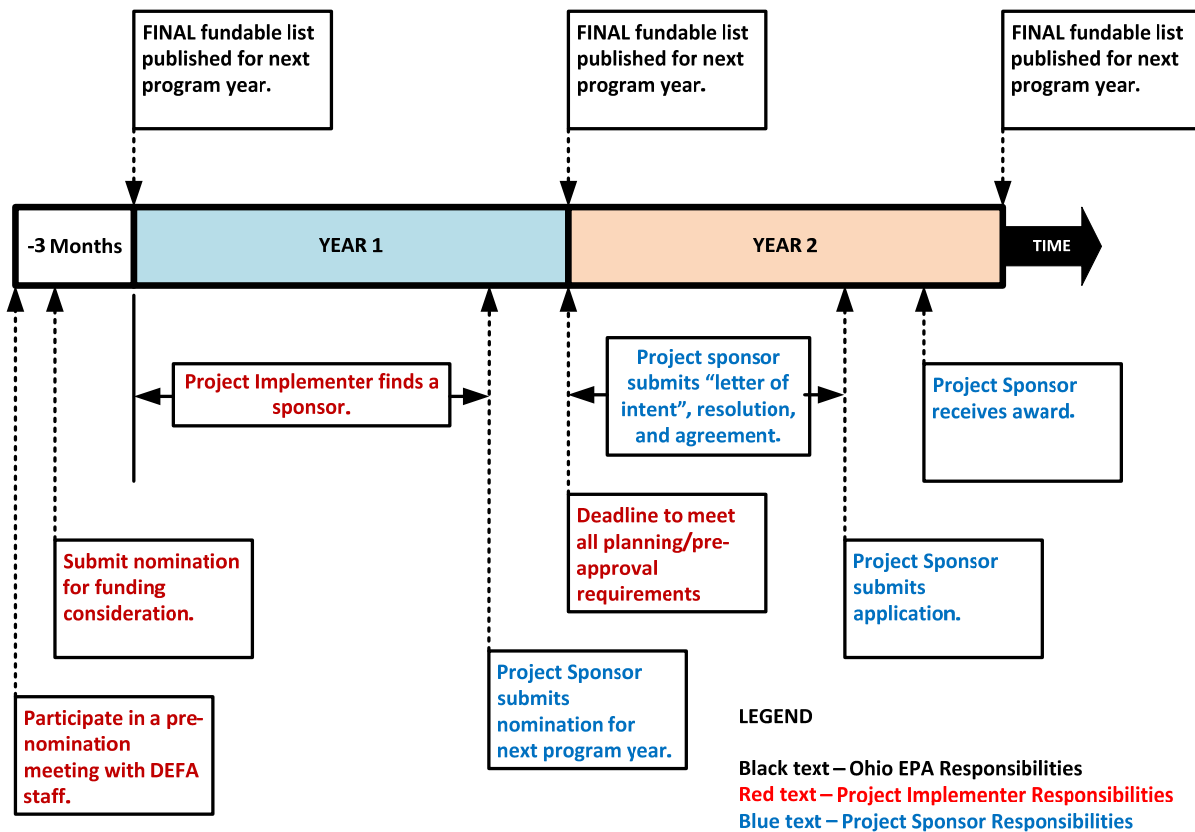
### Basic Concepts of Two-Year Funding Cycle for WRRSP

Through the years of administering and implementing the WRRSP, Ohio EPA has made modifications and improvements to enhance the program. Some of these improvements have been suggested through external feedback, and other improvements have been suggested from within Ohio EPA. One major observation has been that there is not enough time within the program year to do sufficient planning and review of projects prior to them being "awarded" with a sponsor loan. During the past "one-year" cycle of WRRSP projects, the implementer may have had only two to three months to complete all the necessary tasks prior to the sponsoring project's loan award. This can result in poorly-planned projects, frustration on the part of the implementers (and Ohio EPA staff), and sometimes

projects that cannot be awarded as conceived because there was not adequate time to complete the requisite work. Alternatively, projects were occasionally hastily awarded, and later found to be unimplementable (a huge waste of resources). The concept of a two-year funding cycle was quite simple – take the current processes for awarding WRRSP projects and spread them out over a two-year period instead of one. In essence, the first year is used for the implementer to prepare the Restoration/Protection Plan, Ohio EPA to review and approve the Plan, and for the implementer and Ohio EPA to complete the work on the Environmental Covenant(s), etc. All project approvals will be completed within the first year. At the end of the first year, the WRRSP program will have a group of projects that have been reviewed and approved, and are poised to be awarded with a sponsoring loan during the following year. If the project has not advanced to the point of receiving all of its approvals by the end of its first year, it will be removed from funding consideration.

The second year of the program is the year in which the WRRSP project will actually be awarded along with its sponsor’s loan. This could occur early or late in the year – and is entirely dependent upon when the sponsor loan will be awarded. Essentially it will not matter at what point in the program year that the sponsor’s loan is awarded because the WRRSP project approvals will have already occurred.

This two-year cycle is depicted in the figure below. During any given program year there will be two groups of WRRSP projects – those that are planning for the following year’s funding, and those that have completed their planning and other program requirements in the previous year, and are awaiting their sponsor’s loan award.



## **Schedules in the Two-Year WRRSP Funding Cycle**

Potential WRRSP projects are nominated by implementers, nominations are accepted in July, scored, ranked, and put on the project priority list/Intended Projects List (IPL). Only projects that are in the fundable range are considered for funding in the two-year cycle. There is no contingency list (contingency projects do not allow for sufficient planning/review time). For the 2018-2019 two-year funding cycle, \$15 million will be available.

Projects in the fundable range must meet all programmatic requirements within the first year of the two-year cycle. Any projects that do not meet programmatic requirements in the first year will be dropped from funding consideration. For restoration projects, this means either 60% design must be prepared, submitted to and approved by Ohio EPA along with all other program materials by the end of the first year (i.e., the classic approach), or in the case of design/build, a request for proposals (RFP) must be submitted to Ohio EPA – DEFA that is sufficiently detailed to enable potential contractors to successfully respond. Projects will not be awarded in the first year; awards will only occur in the second year of the two-year cycle. Implementers of the projects on the fundable list must find a sponsor by the end of the public comment period on the Draft PMP for the second, funding year of the WRRSP two-year cycle.

Please note that a one-year “fast track” funding option is currently under consideration for protection projects nominated for the 2019-2020 two-year cycle; all programmatic requirements must be met at the time of nomination and we anticipate announcing a submittal/review schedule early-2018.

## **WRRSP Project Schedule**

In previous years, the sponsoring WPCLF project’s schedule determined the amount of time available to complete the WRRSP project. Once the WPCLF project certified that it was complete, the WRRSP project was closed whether it had time to complete and receive the water quality results anticipated or not. The timeline of the sponsor loan would not provide the implementer enough time to complete the WRRSP project. What occurred was the WRRSP implementer would attempt to complete the project in a shortened time period which could be detrimental to the outcome expected. In an effort to more closely tie the WRRSP project to a realistic and effective timeline, Ohio EPA-DEFA has decided to require a project schedule based on the activities of the WRRSP project itself. This approach will help ensure the water quality outcomes expected by the WRRSP project will have sufficient time to be achieved.

When a project is listed on the final IPL as being fundable, the implementer must submit a schedule which identifies major pre-award milestones such as the date of the submittal of the preliminary plan, the date of the submittal of the final plan, and the date for the submittal of all environmental covenant materials. In addition, for restoration projects the schedule must include the date detailed plans or a Request for Proposals will be submitted to Ohio EPA-DEFA for review.

When an implementer submits a WRRSP project plan to the Ohio EPA, the plan must have a detailed implementation schedule to be considered a complete plan. For restoration project, the schedule should include (at a minimum) the date construction is estimated to occur, and the date of construction completion. For protection projects the schedule must include (at a minimum) the date of the first property purchase, and the date of the last property purchase. In addition, Ohio EPA-DEFA reserves the right to accept or reject a project schedule based on the reasonableness of the dates in the proposed schedule.

This approach may or may not allow the completion of the WRRSP in the same time period as the sponsoring WPCLF project. However, Ohio EPA-DEFA believes that this approach will allow for a better chance of success for the WRRSP project.

If a WRRSP project needs more time to accomplish the goals of the project, the implementer will submit a request to extend the budget period. Ohio EPA-DEFA will consider the request and approve or reject the extension based on the reasonableness of the request. Again, Ohio EPA-DEFA reserves the right to accept or reject a project schedule based on the reasonableness of the dates in the proposed schedule.

### **Funds Available and Where WRRSP Money Comes From**

Funds are allotted to each WRRSP project on the IPL in priority sequence in an amount not to exceed either the allowable amount requested in the WRRSP project nomination or the amount of interest available for WRRSP projects from the sponsor's WPCLF loan, whichever is less.

Where the distribution of available funds down the WRRSP priority list leaves a project at the end of the fundable range without sufficient WRRSP funds to cover the amount requested for the project, Ohio EPA will place that project on the WRRSP intended projects list and may provide partial funding for the project. The partial funding will only be provided if it is sufficient to enable achievement of the project's environmental benefit as reflected in the IPS score for the project, or the project sponsor or the project implementer has secured other sources of funding to pay for the balance of the project costs at the time of project award. There will be no contingency list.

Funds for WRRSP projects will be made available by advancing a portion of the estimated amount of interest to be repaid by the sponsor over the life of the loan and is based upon the initial principal amount (less project contingency), the term of the loan, and the interest rate. A WPCLF loan applicant that is sponsoring a WRRSP project will receive a discount to its WPCLF loan interest rate based upon the ratio of the WRRSP assistance amount to the amount of the WPCLF loan principal. For specifics on calculating the approximate interest rate discount that a sponsoring project/s may receive, see the chart in Appendix L.

The initial estimated amount of interest available for WRRSP projects from the sponsor's WPCLF loan is 80 percent of the total interest to be accrued, based on the Standard or Small Community interest rate (less applicable discounts) for which the sponsor and its WPCLF project qualify, and the estimated WPCLF loan amount as identified on the Intended Projects List. The actual amount of interest available for WRRSP projects from a sponsor's loan cannot exceed this amount, but may be reduced should the actual loan amount and/or interest rate be less. When a sponsoring project does receive any type of interest rate discount, the amount of WRRSP money available will be reduced.

### **Roles of Implementers and Sponsors**

WPCLF loan applicants who qualify as implementers may participate in the WRRSP program by undertaking projects themselves or by sponsoring an approved project that is undertaken by a second entity, such as a public body, land trust, park district, or other not-for-profit corporation that has the ability to protect and manage such resources.

If a sponsoring entity has more than one loan project on the IPL, the sponsor may request to shift its sponsorship from one loan to another within the same year of award, but must request from Ohio EPA

in writing any such change a minimum of 120 days, and receive concurrence for the change no later than 90 days, prior to the estimated dates for all affected loans. Ohio EPA's decision whether to concur with the request will be based on the sponsoring projects' loan award schedules, timely progress of WRRSP project development and the sponsoring projects' priority rankings.

All WRRSP projects require the placement of an Environmental Covenant on the WRRSP property. This requirement is standard, regardless of whether or not the property is purchased through fee simple acquisition or through easements. This Covenant outlines use limitations on the property and stresses the overall protection of the property to preserve its conservation values. Parties to the covenant include the property owner, holder, (if applicable), implementer and the Ohio EPA. As part of Environmental Covenant review process, Ohio EPA reviews all existing encumbrances on the property. Ohio EPA's review of the existing encumbrances is done to determine if these encumbrances are (or could be) at odds with the conservation values that the WRRSP program is trying to protect. If so, then WRRSP funding for that particular property is not appropriate, and will be denied. Along those same lines, prior to the award of WRRSP funds, any new or recently added encumbrances to a property will be viewed unfavorably by Ohio EPA because of their potential to disrupt the conservation values of the property and because they have diminished the appraised value of the property. Further, once a property has been covered by an executed Environmental Covenant, no new easements or other interests may be granted by the property owner.

For the above reasons, it is in the Implementer's best interests to coordinate property specific Environmental Covenants (and the review of existing encumbrances) with Ohio EPA as soon as possible in the WRRSP review process.

The Environmental Covenant is required to be completely assembled, reviewed and agreed to by the owner/holder of specific properties by the end of the first year. To meet this schedule implementers need to review the Environmental Covenant template and work with the appropriate DEFA team. DEFA will then assemble the Final Covenant and send it to the implementer for signatures.

### **WRRSP Appraisals**

In the WRRSP program, Ohio EPA-DEFA requires implementers to provide, at a minimum, two appraisals:

1. At the time of nomination, a Restricted Appraisal Report ("windshield appraisal") on property they wish to purchase or place an easement upon. This allows the implementer to nominate a cost for the project and;
2. With the submission of the Restoration and Protections Plan, an Appraisal Report prepared by a certified appraiser from the Ohio Department of Natural Resources (ODNR) list of Fee Appraisers. The appraisal will be provided in the form of a Complete Appraisal Summary Report in conformance with the most recent edition of the Uniform Standards of Professional Appraisal Practice (USPAP) that has been prepared no earlier than 2 years prior to the nomination of the WRRSP project.

Please note that for PY2019's nominations (as part of the PY2019-2020 two-year cycle), Appraisal Reports may be prepared by a certified appraiser from the Ohio Department of Transportation's (ODOT) list of Pre-Qualified Appraisers.

Consideration of WRRSP participation will be limited to Conservation Use Value. The implementer must finance all costs in excess of this amount and identify the source of funding for the costs not covered by WRRSP funding.

For WRRSP purposes, the fair market value of any property that is not being sold with all rights intact will be decreased by an amount equal to those rights that are being retained by the owner. Thus, if mineral rights are not included with a proposed property purchase, then the purchase price will be reduced accordingly. Comparables within the appraisal must be similarly construed.

Costs that will be considered allowable as part of the property's acquisition expense may include reasonable and customary closing costs, but costs such as brokerage fees and appraisal report fees will not be reimbursable.

### **Timelines for WRRSP Projects**

Implementers of 2018-2019 fundable WRRSP projects (identified in the 2018 PMP) that will be awarded in 2019 will have the opportunity to associate their projects with direct WPCLF loan sponsors that has been identified as fundable through the ranking process for Program Year 2019, assuming successful completion of the first year's WRRSP requirements.

To receive consideration for funding, WRRSP project nominations must include sufficient documentation to: 1) enable Ohio EPA to determine whether or not the projects are eligible for financing, and 2) to score the project for ranking on the project priority list. This is accomplished by supplying the information requested in the Water Resource Restoration Sponsor Program Project Nomination Form.

### **How does Ohio EPA determine eligibility of WRRSP projects?**

Ohio EPA will determine the eligibility of projects for WRRSP assistance. In order to receive funding, a project must be consistent with the following general terms, and must meet other applicable portions of ORC 6111.036.

1. An entity that is required, as a part of a consent decree, to undertake a Supplemental Environmental Project may not use WRRSP funds as a source for the monetary contributions required under such consent decree for an otherwise eligible WRRSP project. However, WRRSP assistance may, for eligible WRRSP projects, be used in addition to such required monetary contributions in order to achieve the full restoration or protection of water resources. Similarly, WRRSP funds cannot be used to pay for projects required as mitigation, through the Clean Water Act's 404/401 program, for activities that adversely impact streams, wetlands, or other waters of the state.
2. The project will provide, either by itself or in conjunction with other projects that are committed to be undertaken, complete protection or restoration of aquatic habitat sufficient to meet or protect the designated uses of the benefited water resource as defined under Ohio Water Quality Standards.
3. In the case of rivers, streams, inland lakes and Lake Erie, the benefited water resource shall attain at least warmwater habitat standards or better unless the project benefits a high quality but impaired water body where habitat protection is an immediate need to prevent habitat loss.



4. In the case of wetlands, the benefit to wetlands from projects will be evaluated using the most current version of the Ohio Rapid Assessment Method (ORAM), version 5.0 or VIBI for wetlands and be rated according to categories established in the assessment method. If the project is for protection of the benefited water resource, then the wetland shall be Category 3 and will be evaluated on rarity and effectiveness of the proposed action, in addition to the wetland's quality. If the project is for restoring and protecting an impaired wetland, then the wetland shall attain Category 3, and will be evaluated/scored on the restoration potential and effectiveness of the proposed action in addition to its existing condition. The specific water resource concerns the project addresses should include the physical and/or biological factors that have been identified to be among the primary reasons for the water body not fully attaining its designated aquatic life use criteria, or that constitute a threat to full attainment with the designated aquatic life use criteria.
5. The project will implement Ohio's Nonpoint Source Management Program, and address specific water resource concerns identified either by Ohio EPA's Integrated Water Quality Monitoring and Assessment Reports (various years) and supporting database, an Ohio EPA Technical Support Document, a Remedial Action Plan for a Great Lakes Area of Concern, a TMDL report and/or comprehensive watershed management plan, a WAP or other similar document;
6. The project represents a long-term solution to the identified problems and the cost of the activity is reasonable considering monetary and non-monetary factors.
7. Implementers of WRRSP projects must either be political entities such as municipalities or park districts, or other qualifying not-for-profit organizations under the Internal Revenue Code.
8. Project plans must be completed and approved by the end of the first year, following a planning outline provided by Ohio EPA, identifying the measures to be implemented as a part of the WRRSP project, including land acquisition, remediation, re-vegetation, and long-term project management. Reasonable planning and design costs will be reimbursed through the WRRSP only as a part of funding project implementation.
9. Encumbrances associated with a property that conflict with the ecological and water quality goals of the WRRSP will make a project ineligible for WRRSP funding. For example, properties proposed for acquisition with WRRSP funds that do not include all subsurface mineral rights as part of the transaction will not be eligible for such funding, except under the following conditions:
  - a. Severance of the subsurface rights must have occurred prior to January 1, 2014.
  - b. For properties with existing active/formerly active oil/gas wells, such wells must be properly capped/sealed and the associated lease(s) either transferred to the WRRSP recipient for termination, or otherwise legally vacated to prevent any future exercise of surface exploration or drilling rights.
  - c. All new (i.e., not yet implemented or exercised) oil/gas leases shall prohibit any surface disturbance of the WRRSP property, including testing, exploration, production, or monitoring associated with oil/gas removal. This prohibition must be formally agreed to

and incorporated into the property deeds, in advance of WRRSP property purchase, by all parties involved (property owner, oil/gas company, mineral rights holder, etc.). Further, Ohio EPA may require documentation that this agreement has occurred as part of the Environmental Covenant review, which needs to be completed by the end of the first year of the two-year cycle.

- d. These “new” oil/gas leases shall be limited to exploration/production work of such a nature (e.g., deep well exploration accessed from remote locations) that they can be clearly shown to pose no possible threat (i.e., physical disturbance, dewatering, contamination, etc.) to the surface/near surface resource features that are the subject of the WRRSP acquisition.
- e. No other types of mineral or resource extraction (e.g., coal, peat, sand and gravel, etc.) are permitted on or under any WRRSP purchased property.

Similarly, properties with existing surface encumbrances that allow construction/expansion of roadways, pipelines, electric transmission lines, sewer and water lines, or other such surface-disturbing features will not be considered for WRRSP funding.

#### **Eligibility vs. Allowability**

WRRSP projects are funded as Clean Water Act Section 319 (nonpoint source) projects, which are defined as eligible projects in 40 CFR 35.3115 (“Eligible Activities of the SRF”). Ohio’s utilization of the WPCLF to fund nonpoint source projects is governed in Ohio law within the Ohio Revised Code (ORC 6111.036(Q)), which states:

“The director may provide financial assistance for the implementation of a nonpoint source management program activity only after determining all of the following.... (3)  
The cost of the activity is reasonable considering monetary and nonmonetary factors...”

Thus, while a large set of practices may potentially be eligible for WRRSP assistance under Section 319, Ohio EPA must also look at the allowability of the request, which may be more narrowly defined. Before Ohio EPA can provide cost reimbursement for any WRRSP project, the cost must be both eligible and allowable.

Recently, there have been a few WRRSP projects where allowability has been questioned. Therefore, Ohio EPA would like to clarify the position on WRRSP allowability for both “protection” and “restoration” projects. The guiding principal for making an allowable determination is that to be allowable, the cost must be directly related to the protection or restoration of the aquatic life uses of the water resource. Furthermore, the cost must be reasonable (i.e. non-excessive) to accomplish the project’s objective. The appraisal report, monitoring, and annual report preparation are not allowable.

For restoration projects, this means that the allowable costs are restricted to those necessary to address the sources of impairment for the water resource. Any costs that are not directly related (as determined by Ohio EPA) to the sources of impairment will be unallowable for WRRSP participation. For example, for a dam removal project on a stream where the dam is the only listed cause of impairment, restoration (or excessive landscaping) costs beyond the actual dam removal cost may be determined to be unallowable for WRRSP participation by Ohio EPA.

For protection projects involving land acquisition, this means that the allowable costs are restricted to the portion of the property that is needed to protect the water resource. Property unrelated or far removed from the protection of the water resource may be determined to be unallowable, even if it is all contained in one parcel. For example, an implementer may only receive partial funding for a project if it contains a large parcel of property that abuts a water resource and Ohio EPA determines that a portion of the property is so far removed from the water resource that it will have negligible value (i.e. large upland areas, far removed from streams).

Ohio EPA recognizes that a determination of unallowable costs will result in a partially fundable project. With this in mind, implementers should be aware that Ohio EPA must review projects for the “reasonable cost” provision of ORC 6111.036(Q), and design their project accordingly. Additionally, implementers are encouraged to provide as much detail as possible, upfront, in the nominating materials and in the Restoration and/or Protection Plan, so that Ohio EPA can make a preliminary determination of unallowable costs. Failure on the part of the implementer to provide detailed information on the project may lead to a later determination of unallowable costs.

For any restoration project sites with a potential presence of hazardous substances, pollutants or contaminants, a Phase 1 Environmental Site Assessment (ESA) must be submitted to Ohio EPA at the time of nomination. Ohio EPA may find the project unallowable if this assessment reflects site conditions which would conflict with the ecological and water quality goals of the project itself. If the submitted ESA identifies potential contamination of the site by hazardous materials, a Phase 2 must also be submitted to determine the project’s allowability.

# Appendix M

## Summary of Clean Water Act changes enacted through WRRDA

The Water Resources Reform and Development Act of 2014 (P.L. 113-121), better known as WRRDA, was signed into Law on June 10, 2014. Among many other items, WRRDA amends Title VI of the Clean Water Act, and creates several changes to the administration of the Clean Water State Revolving Funds (CWSRF). A summary of the changes affecting the WPCLF is provided below, along with Ohio EPA's approach for dealing with these changes. The information is paraphrased below, with the applicable citation to the Sections of CWA Title VI in parentheses. For exact language, please refer to the applicable Section of the amended CWA.

1. Beginning in federal fiscal year 2016 (October 1, 2015), SRF recipients must certify (in a manner determined by the Governor) that the project chosen is the most sustainable and cost-effective (Section 602(b) (13)). The recipient must also certify that they have selected, to the maximum extent practicable, the project that maximizes the potential for efficient water use, reuse, recapture, and energy conservation. Additional guidance is to be forthcoming from U.S. EPA on this provision. Ohio EPA will review that guidance, and develop a process/procedure for ensuring compliance with this provision.

Ohio Revised Code (ORC) Section 6111.036(K)(7) states that WPCLF funds can be made available only after determining that the applicant has submitted a facilities plan for the project which meets the applicable program requirements. In addition, ORC 6111.036(K)(4) requires that the proposed disposal system of which the project is a part be economically and non-monetarily cost-effective, based upon an evaluation of feasible alternatives that meet wastewater treatment needs of the planning area in which the proposed project is located.

Ohio EPA believes that its review and approval of facility plans supports applicants' certification of the selection of the most sustainable and cost-effective project. Ohio EPA staff will use best professional judgment in determining that applicants have selected projects that maximize the potential for efficient water use, reuse, recapture, and energy conservation.

2. Beginning with loan applications received after October 1, 2014, A/E contracts which are funded by federal capitalization grant funds, shall be negotiated in the same manner as a contract for A/E services under chapter 11 of title 40, United States Code, or an equivalent State qualifications-based requirement (Section 602(b) (14)). Ohio EPA has determined that the state statute is an equivalent qualifications-based requirement. Therefore, WPCLF applicants will simply be required to certify that they have met state law in this regard. This change has already been implemented via the certifications required with the loan application.
3. The types of projects that are eligible for SRF assistance has been expanded (Section 603(c) (1-11)). Previously, Clean Water SRF eligibility was limited to projects that qualified under Sections 212, 319, or 320 of the CWA. Through the years, many different types of projects (including the newly eligible projects) were funded under those Sections. However, through WRRDA, Congress decided to expressly expand the SRF eligible projects as follows:
  - a. For publicly owned treatment works as defined in Section 212;

- b. For the implementation of a management plan under Section 319;
- c. For development and implementation of a conservation and management plan under Section 320;
- d. For the construction, repair, or replacement of decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage;
- e. For measures to manage, reduce, treat, or recapture storm water or subsurface drainage water;
- f. To any municipality or intermunicipal, interstate, or State agency for measures to reduce the demand for publicly owned treatment works capacity through water conservation, efficiency, or reuse;
- g. For the development and implementation of watershed projects;
- h. To any municipality or intermunicipal, interstate, or State agency for measures to reduce the energy consumption needs for publicly owned treatment works;
- i. For reusing or recycling wastewater, storm water, or subsurface drainage water;
- j. For measures to increase the security of publicly owned treatment works; and
- k. To nonprofit entities to provide assistance to small and medium treatment works for planning and design and for compliance with the CWA.

In May 2016, the Ohio General Assembly passed HB512, in which ORC 6111.036 was revised to include the expanded eligibilities so that the ORC and the CWA are now aligned with respect to program eligibilities.

4. Maximum direct loan terms have been extended from 20 years to 30 years (Section 603(d)(1)(A)). The Clean Water Act previously did not allow direct loan terms to exceed 20 years, but did allow for the purchase of debt obligations of up to 30 years. This latter provision was called “extended term financing”, and Ohio was approved to offer this feature in 2013. The WRRDA changes now allow a more straight-forward direct loan option with a term of up to 30 years. In order to implement direct loans with a 30-year term, the Ohio Revised Code has been revised (May 2016).
5. A provision has been added that requires loan recipients to develop and implement a “fiscal sustainability plan” (Section 603(d)(1)(E)). This requirement was effective for all loans whose applications are received after October 1, 2014. Ohio EPA is meeting this requirement by requiring that all applicable loan recipients sign a certification that they have or will prepare and implement a fiscal sustainability plan.
6. The manner in which the State can calculate and use funds from the capitalization grant for program administration purposes has changed (Section 603(d)(7)). Previously the State was allowed up to 4 percent of the capitalization grant for administration expenses. Under the

revisions to the CWA, the State is now allowed three methods to calculate administrative expenses, and can choose whichever is greatest: 4 percent of all grant awards, \$400,000 per year, or 1/5 of one percent per year of the current valuation of the Fund.

7. Additional subsidization has been made a permanent part of the CWA (Section 603(i)). The federal capitalization grants from 2010 through 2014, approved by Congress through the federal budget process, contained language which required the award of a certain amount of assistance in the form of additional subsidy. This feature had never been part of the CWA, but was instead a year-to-year directive of Congress that was included in the federal budget bill. Through the changes included in WRRDA, language has now been permanently included in the CWA which describes the conditions and limitations of the award of additional subsidy. In addition, the WRRDA changes direct the State to establish affordability criteria no later than September 30, 2015. Ohio EPA has met this requirement by developing and implementing the affordability criteria as described in Appendix J.
8. Inclusion of the requirement for American Iron and Steel (AIS) in the Clean Water Act (Section 608). AIS was a requirement that was included in the Continuing Appropriations Act of 2014. This requirement is now a permanent part of the CWA. The definitions, applications, and processes of AIS as included in the CWA are essentially the same as the AIS requirement that was included in the Continuing Appropriations Act of 2014. For additional guidance on this requirement, applicants should contact their project team at Ohio EPA-DEFA.
9. Inclusion of the Davis-Bacon Wage Rates. The CWA amendments (Section 602(b)(6)) enacted through WRRDA permanently applies the prevailing wage (Davis-Bacon) provision of CWA Section 513 to any projects for treatment works that are funded through the WPCLF. The application of the Davis-Bacon requirements extends not only to assistance agreements funded with capitalization grants, but to all CWSRF-funded projects involving the construction of treatment works regardless of the source of funding.
10. While not an actual change to the CWA language, WRRDA included language (Section 5005) directing U.S. EPA to conduct a review of the allotment formula for CWSRF funds. The allotment formula has been used, since the beginning of the SRF, to determine what percentage of the national SRF allotment each state will get. Under the current formula, Ohio gets the third largest allotment nationally. This report was produced in May 2016, and is available here: <https://www.epa.gov/cwsrf/clean-water-state-revolving-fund-cwsrf-reports>
11. Recipient's use of Generally Accepted Accounting Principles (GAAP) accounting. The CWA has always required that CWSRF recipients maintain project accounts in accordance with generally accepted government accounting standards. The CWA amendments enacted through WRRDA added language for this to include "standards relating to the reporting of infrastructure assets." This provision is consistent with the Governmental Accounting Standards Board Statement No. 34 (GASB 34), which was issued in 1999. Most Ohio communities should already be following this requirement in their accounting standards.

# Appendix N

## Extended Term Financing (Beyond 30 years)

In an effort to help communities spread project costs among users and align the project's useful life with that of the constructed asset, the Water Pollution Control Loan Fund (WPCLF) has offered extended term financing since Program Year (PY) 2014 for limited projects. During PY2015 and PY2016, 30-year term financing was made available for all projects, regardless of cost, that meet the 30-year useful life criteria. During this period of time, state law limited direct loans to a maximum 20-year term, so 30-year financing was offered as "extended" term, and was done under a Bond Trust Agreement described below. Since that time, both state and federal law have changed, and now Ohio EPA can offer direct loans with a term of up to 30 years. Recognizing that some assets may have a design life that may exceed 30 years, Ohio EPA can now legally issue loans with terms of up to 45 years using the Bond Trust Agreement vehicle for projects that have a corresponding design life. In January 2017, U.S. EPA issued a concurrence on the use of this program feature.

The maximum amount of WPCLF funds that will be available as extended term financing will be limited to no more than \$300 million in any one program year.

As indicated above, "Extended Term Financing" occurs by the sale of a bond to Ohio EPA by the community but otherwise operates similar to a normal loan. In order to obtain extended term (31 – 45 year) financing, the project must be eligible for financing in the WPCLF program and a community must take the below steps:

- Nominate their project during the normal nomination period which occurs in August of each year for the following Program Year.
- Complete normal project reviews and programmatic requirements of the WPCLF which include the environmental review, Permit-To-Install, Plan Approval and loan application.
- Demonstrate that the design life of the financed facilities is at least as long as the term of the financing requested.
- Complete/sign a Bond Trust Agreement (as opposed to a loan agreement), the associated Exhibit, authorizing resolution, general certificate and legal letter which all refer to this agreement.
- Complete issuing legislation/a bond form for the bond itself.

The WPCLF directly purchases a bond from the community for the purpose of eliminating any fees or additional costs of a bonding agent as well as financing a portion of the project costs for the extended term.

While all other aspects of the project's review/approval parallel DEFA's traditional 20-year and 30-year financing, please note that the project's interest rate will be calculated using a commensurate Municipal Market Data (MMD) Index benchmark (see Appendix D).

Upon request, communities may receive examples of resolutions, the bond trust agreement and frequently asked questions for this project as well as document templates.

## Frequently Asked Questions

The State of Ohio, acting through the Director of Environmental Protection Agency (OEPA) and the Ohio Water Development Authority (OWDA), has obtained the requisite approvals to enable the State's Water Pollution Control Loan Fund (WPCLF) to offer financing with a term of up to 45 years (rather than the current limitation of 30 years for direct loans). To comply with federal and state legal requirements, however, the State will require different documentation for this Extended-Term Financing. This document seeks to anticipate and respond to questions that local governments considering obtaining Extended-Term Financing from the WPCLF may ask.

### **Q1: Why are the documents for the Extended-Term Financing (ETF) different from the loan documents that we signed for previous loans we made from the WPCLF with terms of 20 years?**

The relevant provisions of the federal Clean Water Act and the Ohio Revised Code (which generally replicates the Clean Water Act) define the permissible uses of money in the WPCLF. Those laws permit the WPCLF to make loans to local governments, but they limit the term of those standard-term loans (STLs) to 30 years. Another provision of those laws, however, allows the WPCLF to purchase debt obligations of local government borrowers. The Ohio EPA applied to U.S. EPA for permission to make use of the latter provisions to purchase bonds from local governments with a term of up to 45 years to finance projects that would otherwise be eligible for STLs. U.S. EPA is currently reviewing that request. Thus, the WPCLF anticipates being able to provide up to 45-year financing for eligible projects, but when it does so, the payment obligation of the local government must take the form of a bond, rather than the conventional WPCLF loan agreement under which the STLs have been and will continue to be made.

### **Q2: How do the documents for the new bond financings differ from the standard loan agreements?**

The OEPA and OWDA have tried to make the substance of the transactions (other than the longer term of the ETFs) substantively as similar to those of the STLs as possible. As with STLs, the obligations of the local government (referred to as the "Issuer" rather than the "Borrower") will be payable solely from the net revenues that the Borrower derives from its wastewater system, and those payment obligations will be subordinate to the Issuer's obligations to pay debt service on other debt it has issued or may in the future issue for its wastewater system. The covenants that the local government will be required to make regarding the completion of the project, operation of the system, maintenance of financial records and other such matters will be substantively identical to those in the STL loan agreements.

The differences will be in the form, not the substance. The new document that the ETFs will require is a short bond form that the local government Issuer will be required to deliver. That bond will refer to and incorporate a "Trust Agreement," which will closely replicate the standard STL loan agreement in its form and substance. Like STL agreements, it will include a term sheet that sets for the economic terms, including interest rate. The standard form of the resolution that the State will require the legislative authority of the local government Issuer to adopt in connection with the authorization of the issuance of the Bond and related matters will also differ from the standard resolution traditionally required for STLs to reflect the different terminology and form of the documentation required for the ETFs. The State will provide that form of standard resolution for ETFs just as it has for STLs.



**Q3: Will the process for disbursement of the bond proceeds be the same for the ETFs as it was for the disbursement of the loan proceeds under the STLs?**

Yes, in substance. Under STLs, a maximum loan amount is set at the time of loan approval. As project costs are incurred, the local government Borrower submits requisitions for payment. The OWDA disburses the requisitioned amount after review, and interest on the disbursed amount begins to accrue from the time of each disbursement. Upon the final disbursement, the final principal amount of the loan is determined and the final loan payment is scheduled (principal and interest) is fixed; prior thereto, a preliminary schedule is used once payments begin to be required, and then a "true up" occurs. The disbursement process for the proceeds of the bonds will be the same in substance. The maximum principal amount of the bond will be fixed at the time the OWDA approves the bond purchase. Each disbursement upon requisition will be treated as the State's purchase of that amount of the approved bond, and interest will begin to accrue from the time of the payment of the purchase price by the State to the local government Issuer.

**Q4: Will the State require more or different legal opinions to be delivered in connection with ETFs that it has in connection with STLs?**

In connection with entering into loan agreements for STLs, the State has always required each local government Borrower to deliver a letter from its chief legal officer to the effect (among other things) that the Borrower has duly authorized the loan agreement and that the loan agreement is a valid, binding and enforceable obligation of the local government Borrower. The State will continue to require the delivery of a comparable letter from the local government Issuer's chief legal officer in connection with the Issuer's issuance and delivery of the Bond that will evidence its payment obligation under the ETF. The State will not ordinarily require that the letter be delivered from a private bond counsel firm or attorney, though the State would of course not dissuade the local government Issuer from conferring with whatever legal counsel it thinks is appropriate in connection with its obtaining the ETF. The letter that the State will require for ETFs will, however, include an additional required representation: namely, that the Issuer's issuance of the Bond will not violate or be inconsistent with any trust agreement or other debt-related contract or obligation that the Issuer may have entered into, issued or incurred. If the local government Issuer does have outstanding wastewater system revenue bonds or other such debt obligations, then the local government Issuer may specifically want to enlist its outside bond counsel to enable it to provide that assurance to the State.

**Q5: Will the State require that the local government Issuer take the actions required in order to make the interest on its Bond exempt from federal income tax?**

No, the State will not require the local government Issuer to cause the interest on its Bond to be exempt from federal income tax. Accordingly, the State will not require the local government Issuer to file a Form 8038-G with the IRS as would be required in connection with the issuance of tax-exempt bonds, nor will the State require the local government Issuer to deliver the opinion of legal counsel on any tax-related matters. As it always has in connection with STLs, however, the State will require the local government Issuer to represent in the Trust Agreement that it will not permit the proceeds of the Bond to be used in a manner (e.g., by using the proceeds of the Bond for the benefit of private business) in a manner that might jeopardize the tax-exempt status of the bonds that the OWDA may have issued for the WPCLF.

**Q6: Will the local government Issuer be required to undertake any continuing disclosure obligations in connection with its issuance of the Bond?**

No, the State will be the sole purchaser of the local government Issuer's Bond, and it will not require the local government Issuer to undertake any continuing disclosure obligations in connection with the issuance of the Bond unless the State otherwise informs the local government Issuer, which it would do only in the event that the total amount of the local government Issuer's obligations under the WPCLF are so great that they trigger continuing disclosure obligations related to the OWDA's bond issues under federal securities laws.

# Appendix O

## Response to Public Comments

On October 21, 2017, Ohio EPA released the Draft 2018 WPCLF PMP for public comment. The public comment period concluded at the public meeting held on November 20, 2016. In addition to the written comments submitted during the comment period, testimony was also received at the public meeting.

This document reflects all the substantive comments that were received. The comments have been grouped and paraphrased, and Ohio EPA's responses have been included. Some comments were received that merely involved a minor change or correction or were specific to a project, and did not require a detailed a response. Ohio EPA responded directly to the commenter regarding projects specific comments. Also, several editorial comments were received that were corrected in the PMP document, but were not highlighted in this official response to public comments.

<b>Issue 1</b>	Regarding Principal Forgiveness funds, will Ohio EPA prioritize disadvantaged and unsewered communities with health and safety issues along with water quality issues?
<b>Commenter</b>	Hunt Engineering, LLC
<b>Response</b>	The final PMP will reflect the communities eligible for Principal Forgiveness funds for program year 2018 according to the 2018 Principal Forgiveness program criteria.
<b>Issue 2</b>	In Program Year 2017, one of the projects (Perry County's Rehoboth project) identified for Principal Forgiveness did not proceed. Why didn't Ohio EPA take that money and fund the next eligible project?
<b>Commenter</b>	Hunt Engineering, LLC
<b>Response</b>	As stated in the PMP, if a fundable Principal Forgiveness project does not proceed, the next project on the Principal Forgiveness list will be offered any funds not utilized by the identified project. In 2017, Perry County decided not to proceed with its fundable Rehoboth project. Since Perry County's Moore's Junction project was next on the list, it was offered Principal Forgiveness funding and proceeded to award in program year 2017.
<b>Issue 3</b>	In Program Year 2017, one of the projects identified for Principal Forgiveness did not proceed. That project was re-nominated in 2018 and was identified to receive Principal Forgiveness funds. Why was this project identified in the fundable range again in 2018?
<b>Commenter</b>	Hunt Engineering, LLC
<b>Response</b>	Any project identified for Principal Forgiveness funding in a given year that informed us they would not be able to accept an award in that program year is eligible to re-

nominate that same project in future program years. As noted in the response to Comment/Issue #2 above, Perry County re-nominated its Rehoboth project for program year 2018 after voluntarily removing it from funding consideration in 2017. The Rehoboth project was determined to be eligible – and within funding range – for Principal Forgiveness funding in program year 2018.

**Issue 4**

As stated in the PMP, one of the goals of Ohio EPA is to provide Principal Forgiveness funds to disadvantaged communities to address public health and water quality issues. The projects identified in the DRAFT PMP to receive Principal Forgiveness funds don't seem to meet this goal relative to the projects that fall below the funding line. Please clarify this discrepancy.

**Commenter**

Hunt Engineering, LLC

**Response**

The Integrated Priority System (IPS) has objectively and reliably been used to score different types of projects for nearly 20 years. All projects shown on the draft 2018 funding list were eligible to receive Principal Forgiveness and were scored in accordance with our current Program Management Plan's IPS.

**Issue 5**

The Village of Oak Hill's Waste Water Treatment Plant Improvement project seems to have excessive inflow and infiltration (I&I) issues. Why is Ohio EPA providing Principal Forgiveness funds to this project?

**Commenter**

Hunt Engineering, LLC

**Response**

This project is eligible to receive Principal Forgiveness and was scored in accordance with our current Program Management Plan's Integrated Priority System. While an I&I "sign-off" is no longer a statutory requirement, we will review this project, as with all others, to make sure it complies with all technical programmatic review requirements. The existence of I&I issues does not preclude consideration for receipt of Principal Forgiveness funds.

**Issue 6**

Will Principal Forgiveness funds from projects that don't proceed due to excessive inflow and infiltration (I&I) issues be transferred to eligible projects further down the list?

**Commenter**

Hunt Engineering, LLC

**Response**

All fundable projects will be reviewed to make sure they comply with all technical and programmatic requirements. The existence of I&I issues does not influence how Principal Forgiveness funds are distributed or how projects are ranked.

**Issue 7**

Will Ohio EPA evaluate projects with excessive I&I issues and make a final determination in a timely manner so eligible projects further down the funding list can receive Principal Forgiveness funds?

**Commenter**

Hunt Engineering, LLC

**Response** Ohio EPA will evaluate all WPCLF projects for compliance with programmatic requirements in a timely manner, though we have no reason to believe that any the Principal Forgiveness projects listed on the Intended Project List will be unable to receive funding in 2018.

**Issue 8** Why would Ohio EPA provide Principal Forgiveness funds to the Village of Pomeroy for their S.R. 7 Sewer Extension project when their Waste Water Treatment Plant cannot handle the additional customers?

**Commenter** Hunt Engineering, LLC

**Response** Ohio EPA accepts all project nominations, and those that qualify for potential WPCLF funding (which is almost all of them) are reviewed to make sure they meet statutory and programmatic requirements prior to funding. We have no reason to believe that this project cannot be constructed and operated as proposed.

**Issue 9** Why is the West Alexandria project scored at 39 points when their treatment plant is in compliance, the proposed project will not improve the receiving water body, and local health and safety isn't a concern?

**Commenter** Hunt Engineering, LLC

**Response** Like all the other Principal Forgiveness projects, this one was scored in accordance with our current Program Management Plan's Integrated Priority System (which resulted in a score of 39 points), and will be reviewed to make sure it meets all programmatic requirements.

**Issue 10, 11 & 12** Do Ohio EPA District Offices and Central Office have a standing policy to not fund small unsewered projects in disadvantaged communities due to concerns over long-term management and fiscal viability of any new systems or facilities?

**Commenter** Hunt Engineering, LLC

**Response** No.

**Issue 13** Is Ohio EPA aware that many small disadvantaged communities simply cannot afford to install adequate sanitary wastewater services without principal forgiveness funds?

**Commenter** Hunt Engineering, LLC

**Response** Yes, we understand that Principal Forgiveness and/or other sources of grant funding are necessary for many communities to proceed with installation of adequate, centralized wastewater treatment systems.

<b>Issue 14</b>	Project-specific comments.
<b>Commenter(s)</b>	Several individuals and organizations provided project-specific comments, such as changes in project specific information or schedules, or had very specific questions about their project's score.
<b>Response</b>	Responses were provided directly to the commenters.
<b>Issue 15</b>	Editorial comments.
<b>Commenter(s)</b>	Several individuals and organizations provided editorial comments, such as grammatical errors or inconsistencies within the DRAFT PMP document.
<b>Response</b>	We have made the necessary corrections.
<b>Issue 16</b>	Supportive comments.
<b>Commenter(s)</b>	Several individuals and organization provided letters and/or testimony in support of the draft WRRSP fundable projects list.
<b>Response</b>	We sincerely appreciate these supportive comments.