



Drinking Water Assistance Fund (DWAF)

2018 Program Management and Intended Use Plan



Effective July 1, 2017 – June 30, 2018
Division of Environmental and Financial Assistance

June 30, 2017

TABLE OF CONTENTS

Section	Page
INTRODUCTION	1
2018 INTENDED USE PLAN	5
Drinking Water Assistance Fund Long-Term Goals	5
Drinking Water Assistance Fund Short-Term Goals	5
Sources and Uses of Funds for PY2018	6
Structure of the Fund	10
Water Supply Revolving Loan Account	10
WSRLA Award Structure	17
Drinking Water Assistance Fund Administrative Account	20
Small Systems Technical Assistance Account	20
Public Water Supply Supervision (PWSS) Account	21
Local Assistance and Other State Programs Account	21
DWAF MANAGEMENT PRACTICES	22
Project Responsibilities of DWAF Applicants and Recipients	23
DEFINITIONS	25

APPENDIX A	Public notice of DRAFT PY2018 Plan
APPENDIX B	Public notice of FINAL PY2018 Plan
APPENDIX C	Ineligible costs
APPENDIX D	Project priority ranking system
APPENDIX E	Interest rate criteria
APPENDIX F	Disadvantaged community loan program
APPENDIX G	Final project priority list/intended project list
APPENDIX H	Public water systems supervision plan
APPENDIX I	Small systems technical assistance work plan
APPENDIX J	Local assistance and other state programs set aside work plan
APPENDIX K	Response to Public Comments

INTRODUCTION

The Drinking Water Assistance Fund (DWAFF) Program Management and Intended Use Plan for Program Year (PY) 2018 describes how the Ohio Environmental Protection Agency (Ohio EPA) intends to administer and distribute funds in the Drinking Water Assistance Fund (DWAFF) as authorized and required by Section 1452 of the Safe Drinking Water Act (SDWA), and Ohio Revised Code (ORC) Section 6109.22.

Public Review and Comment Procedures

Ohio EPA held two public meetings on June 16, 2017 to allow interested parties to comment on Ohio's Draft PY2018 Program Management and Intended Use Plan. A public notice announcing the meetings was published on May 15, 2017 (see Appendix A). The Plan is available on the Ohio EPA Division of Environmental and Financial Assistance webpage. Information regarding the public comment period was also sent via e-mail to interested parties on our listserv.

During both public meetings, only one comment/testimony was provided. The comment/testimony was in support of the program and incentives outlined in the Plan. No other comments were received during the meetings. A few comments were submitted via email during the comment period. Those comment and Ohio EPA's responses can be found in Appendix K.

Highlights of the Drinking Water Assistance Fund

The following lists the highlights of this year's Program Management and Intended Use Plan (PMIUP):

1. Open Nominations. Ohio EPA will accept nominations at any time throughout the program year for the following activities:
 - a. All planning loans. All planning loans will be awarded at a 0% interest rate. Planning loans can include the following:
 - i. In response to concerns about lead in public drinking water, planning loans for conducting corrosion control studies and mapping the location of lead service lines. Additionally, planning and development of public notification systems is also eligible. This may include software and servers as needed for automated notification systems;
 - ii. Planning loans for the treatment of unregulated contaminants which U.S. EPA has established health advisory levels.

- b. Construction loans to implement the recommendations of a corrosion control study or to replace lead service lines. These loans will be available at the applicant’s normal interest rate.

- 2. Principal Forgiveness. The Safe Drinking Water Act authorizes states to award up to 30% of our annual capitalization grant as principal forgiveness to disadvantaged communities. The federal appropriation also authorizes states to award an additional 20% of the capitalization grant as principal forgiveness. Ohio EPA’s priorities and strategies for awarding principal forgiveness in this program year include the following:
 - a. Regionalization Projects. Projects which consolidate disadvantaged communities into larger systems that exhibit capability will be eligible for up to 75% principal forgiveness. The remaining project costs are eligible for a 0% interest rate loan. Funds for the regionalization projects identified Appendix G will be reserved for this program year.
 - b. Human Health Projects. Projects where expansions of drinking water systems are necessary to address disadvantaged communities where wells are known to be impacted with contamination will be eligible for up to 75% principal forgiveness. The remaining project cost are eligible for a 0% interest rate loan. Funds for the human health projects identified Appendix G will not be reserved for this program year. These projects will get funded on a “first come, first serve” basis until available funds are expended.
 - c. Other Disadvantaged Projects. Projects that do not qualify as regionalization or human health projects are eligible for up to 50% principal forgiveness. The remaining project cost are eligible for a 0% interest rate loan. Funds for the disadvantaged projects identified Appendix G will not be reserved for this program year. These projects will get funded on a “first come, first serve” basis until available funds are expended.
 - d. Stand Alone Design Loans for Regionalization and Human Health Projects. Design loans that correspond to qualified regionalization and human health construction projects are eligible for up to 75% principal forgiveness. The remaining project cost are eligible for a 0% interest rate loan. Certain restrictions apply (see Page 18).

- 3. Targeted Funds. Ohio EPA is offering targeted funds for specific activities that are necessary to meet the state’s overall needs and goals. The specific activities for this program year include the following:
 - a. Auxiliary power. As part of a construction loan, applicants can request 50% of the of the cost to install auxiliary power at their facility up to \$25,000 as principal

forgiveness. The remainder of the cost can be added to the loan amount at the applicant's normal interest rate. A total of \$100,000 will be made available for this program year.

- b. Asset Management. As part of a planning loan, applicants can request up to \$10,000 as principal forgiveness to develop an asset management plan. The remainder of the loan is eligible for a 0% interest rate. A total of \$150,000 will be made available for this program year.
 - c. Water Meters. As part of a construction loan, applicants can request 50% of the cost to replacement/upgrade their water meters up to \$20,000 as principal forgiveness. The remainder of the cost can be added to the loan amount at the applicant's normal interest rate. A total of \$100,000 will be made available for this program year.
 - d. Emergency Connections. As part of a construction loan, applicants can request 50% of the cost for emergency connections to adjacent public water systems up to \$50,000 as principal forgiveness. The remainder of the cost can be added to the loan amount at the applicant's normal interest rate. A total of \$300,000 will be made available for this program year.
4. Harmful Algal Blooms (HAB). Any portion of a planning, design, or construction loan that includes infrastructure improvements at surface water treatment plants to address HAB issues is eligible for a 0% interest rate for that portion.
5. Requirements contained in Federal Fiscal Year (FFY) 2016, The Consolidated Appropriations Act, (P.L. 114-113) and guidance provided by U.S. EPA for the FFY2016 capitalization grants are included:
- a. Continuation of American Iron and Steel (AIS) requirements.
 - b. Continuation of the Davis-Bacon Act Wage Requirements including the waiver from the requirement of the two-week interview process with labor wage earners contained in U.S. EPA's standard SRF Davis-Bacon Terms and Conditions.
6. Training requirements are still mandatory for all systems obtaining principal forgiveness in this program year. A minimum of 50% of the council members or governing board members for the water system must complete the following Rural Communities Assistance Program (RCAP) Courses prior to loan award: 101 Utility Management for Local Officials and 201 Financial Management for Local Officials within the last five years. Both courses are offered free of charge and are available online or in a classroom setting. Ohio EPA will reassess and determine the final loan terms including disadvantaged community eligibility at the time of loan award.

7. Project planning information is required with the nomination form for a design and/or construction loan. A formal general plan is required for all design and/or construction projects involving water treatment plants and their components.
8. Systems which do not meet the project planning requirement for a design and/or construction loan are offered a planning loan at 0% interest for a 5-year term. This loan can be rolled into a DWAFF design and/or construction loan at a later date. A system may apply for a design loan the same program year upon approval of the project planning information.
9. In accordance with federal capability requirements, applicants will be screened for their overall capability, and areas of concern must be addressed prior to or as part of the loan award.

THE 2018 INTENDED USE PLAN

The State of Ohio has established financial and technical assistance programs under the DWAF to help Ohioans improve their drinking water systems. The DWAF follows provisions of Section 1452 of the SDWA, and ORC Section 6109.22.

The DWAF helps protect public health by providing financial assistance to eligible public water systems to attain and maintain compliance with the requirements of the SDWA and Ohio statutes and regulations. Its ranking system prioritizes helping communities correct public health issues in their systems, helping communities meet or maintain state and federal SDWA requirements and providing financing to economically disadvantaged communities.

Drinking Water Assistance Fund Long-Term Goals

The long-term DWAF program goals are to:

1. Maximize below-market rate loans and subsidies to eligible public water systems for improvements that eliminate public health threats and ensure compliance with federal and state drinking water laws and regulations.
2. Target technical assistance to public water systems serving fewer than 10,000 people.
3. Target small and disadvantaged community assistance to reduce the financial impact of capital improvements on customers of small systems and systems serving poorer communities.
4. Encourage the consolidation and/or regionalization of small public water systems so they may take advantage of economies of scale available to larger water systems.
5. Support extensions of public water systems to address areas of contaminated private water systems.
6. Promote the development of the technical, managerial and financial capability of public water system owners and operators to maintain compliance with the state and federal SDWA requirements.
7. Update source water assessments and provide technical assistance to promote locally developed source water protection plans.

Drinking Water Assistance Fund Short-Term Goals

For this program year, the short-term DWAF program goals are to:

1. Provide subsidies to meet the requirements of FFY2016, The Consolidated Appropriations Act, (P.L. 114-113), and subsequent Congressional appropriations;
2. Support the identification of necessary actions to reduce lead levels in public water supplies through 0% interest rate planning loans for corrosion control studies and the mapping of lead service lines.

3. Encourage projects that result in the consolidation of water systems (i.e. regionalization as discussed in Appendix D). Within the limits of additional subsidies, principal forgiveness may be available.
4. Support the production of asset management plans by offering additional subsidies.
5. Continue a fund to include auxiliary power in PY2018.
6. Support the replacement and upgrading of water meters.
7. Support the installation of emergency connections to adjacent public water systems.
8. Continue to provide a special incentive for infrastructure improvements for surface water systems to address HAB issues.

Sources and Uses of Funds for PY2018

Table 1 below summarizes the sources and available uses of funds for PY2018. This table includes estimates for the FFY2017 capitalization grant which Ohio EPA will apply for in the summer of 2017. The primary sources of funds available for PY2018 will come from capitalization grants, loan repayments, state matching funds, and leveraged bond funds.

Table 1
Sources and Uses of Funds for Program Year 2018

SOURCES		
1. Federal Capitalization Grant	\$22,900,000	Estimated
2. State Match	\$4,580,000	20% of est. capitalization grant
3. Net Loan Repayments (P+I)	\$25,000,000	Projected, based on loan portfolio
4. Investment Earnings	\$1,500,000	Projected, based on PY2017
5. Carryover from PY2017	\$170,000,000	As of March 30, 2017
6. Leveraged Funds	As needed	
USES		
7. Set Aside – Administrative	\$ 0	
8. Set Aside – Small Systems TA	\$ 458,000	2% of est. capitalization grant
9. Set Aside – Public Water Systems	\$ 1,145,000	5% of est. capitalization grant
10. Set Aside – Local Assistance	\$ 1,145,000	5% of est. capitalization grant
11. Principal Forgiveness	\$27,800,000	Up to (0-30% + 20% + remainder)
12. Loans	As needed	

1. Source – Federal Capitalization Grant

As of the date of this DRAFT PMP, the federal government has not yet allotted the final figures for the upcoming capitalization grant. The figure in this table is a reflection of Ohio’s estimated award; this amount will most likely change once the allotment is issued. Every year since the inception of the program, the federal government has appropriated funds. These capitalization grants are distributed to all states using a formula outlined in the Safe Drinking Water Act.

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. To finance Ohio’s match portion, we plan on selling match bonds or notes. Once sold, we plan to spend the match portion before drawing down the federal capitalization grant.

3. Source – Net Loan Repayments

Since the Drinking Water Assistance Fund (DWAFF) 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 this program year. Of the total amount received, we subtract 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 (OWDA) 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.

5. Source – Carryover from PY2017

This line item represents the total unobligated funds that was on balance from the previous program year. This total may include monies from the following sources:

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

A majority of the carryover funds come from remaining balances of bond and note sales and bank funding commitments.

6. Source – Leveraged Funds (Bonds)

The interest and principal components of DWAF loans are leveraged with the issuance of State Match Bonds and Leverage Bonds, respectively. As such, Ohio has the ability to issue loans that total far more than the annual federal capitalization grant. Whenever the program’s cash balances begin to 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 this program year. 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.

7. Use – Administrative Set Aside

These are the total costs related to administering the DWAF program. This includes personnel and fringe benefits, contract services, travel, equipment and supplies, rent and utilities, and other indirect costs. Currently, Ohio EPA does not plan to pull money from the capitalization grant to fund administrative costs. However, if financial circumstances change in the future, we will consider the use of this set aside for program administration.

Notes on Set Asides:

The set asides were originally authorized by the 1996 Amendments to the SDWA. Ohio EPA will continue to use the set-asides when necessary to supplement existing state programs and funds, and not as substitutes for existing funding. This will allow the maximum amount of funds to be provided for infrastructure improvements.

8. Use – Small Systems Technical Assistance Set Aside

This program specifically targets public water systems that serve less than 10,000 people. These funds support technical assistance efforts to help these systems achieve and maintain compliance with applicable state and federal drinking water standards. For this program year, 2.0% of the capitalization grant will be set aside to fund these activities.

In order to minimize set-aside unliquidated obligations, Ohio EPA uses the oldest set-aside funds first. When accounts contain funds that are more than two years old, the funds are transferred into the loan account to be available for projects.

9. Use – Public Water System Supervision Set Aside

This program is designed to assist all public water systems. These funds will support efforts to 1) help failing systems return to compliance, 2) identify and assist systems nearing failure, and 3)

implement Ohio's Harmful Algal Bloom Strategy. For this program year, 5.0% of the capitalization grant will be set aside to fund these activities.

10. Use – Local Assistance and Other Program Set Aside

These funds will support efforts to help local governments and special district build capability in their public water systems. This includes the following:

- Development of a capability assurance program,
- Completing source water assessments and updating information for new drinking water sources,
- Assisting public water systems in implementing their source water protection plans,
- Conducting public outreach and education regarding source water assessments, and
- Providing general administrative, data management, and geographic information support to all the programs.

For this program year, 5.0% of the capitalization grant will be set aside to fund these activities.

11. Use – Principal Forgiveness (PF)

Under Section 1452 of the Safe Drinking Water Act, a state may award up to 30% of the capitalization grant to projects as principal forgiveness (PF). This money will primarily focus on 1) disadvantaged communities, 2) communities with a known contamination in drinking water wells, and 3) communities in need of regionalization. Small amounts will be reserved to promote asset management and installation of auxiliary power systems. Ohio plans to offer the full 30% of this capitalization grant as PF.

The Consolidation Appropriation Act dated May 5, 2017, authorizes states to award an additional 20% of the capitalization grant as principal forgiveness. Like above, Ohio plans to offer all the additional 20% of this capitalization grant as PF.

In addition to this year's allotment, remaining PF funds from previous program years may be applied to this year. Based on this year's allotment and currently remaining PF levels from previous years

Accounting for the three principal forgiveness options outlined above, Ohio EPA plans to offer a minimum of \$9.2 million with a maximum of up to \$27.8 million.

12. Use – Project Loans

Because the DWAF is a leveraged program, Ohio has the ability to 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 this program year. 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.

Cross-collateralization

The Director of Ohio EPA and the Ohio Water Development Authority (Authority) have implemented cross-collateralization between the Water Pollution Control Loan Fund (WPCLF) and the DWAF by providing for the investment of surplus funds available in the WPCLF to enhance the security for state match and leveraging bonds for the DWAF and by providing for the investment of surplus funds available in the DWAF to enhance the security for Water Quality Bonds and State Match Bonds issued for the WPCLF. Cross-collateralization aids both programs by enhancing bond ratings and lowering borrowing costs without increasing risks.

Proportionality

Proportionality between state matching funds and Request of Reimbursement for federal funds is tracked by the Ohio Water Development Authority (OWDA) and reconciled by Ohio EPA Division of Environmental and Financial Assistance on a quarterly basis. Ohio EPA intends to expend all of its state match monies first during PY2018 prior to making any federal draws.

Structure of the Fund

To accomplish its short and long-term goals, the DWAF will be composed of the following five accounts in PY2018:

1. The Water Supply Revolving Loan Account (WSRLA).
2. The Drinking Water Assistance Administrative Account.
3. The Small Systems Technical Assistance Account.
4. The Public Water Systems Supervision (PWSS) Account.
5. The Local Assistance and Other State Program Account.

Each of these five accounts and their operation are described in the following sections.

Water Supply Revolving Loan Account

The WSRLA provides financial assistance for the planning, design, and construction of improvements to community water systems, and nonprofit non-community public water systems. The assistance is in the form of below-market interest rates for compliance-related improvements to public water systems.

WSRLA Application Process

In January, Ohio EPA announces by email the availability of the nomination form, attachments, and instructions on the Ohio EPA webpage. WSRLA funds are available to eligible applicants that submit a complete nomination package for each project by March 1 for the next program year.

WSRLA Project Priority Ranking System

The WSRLA Project Priority Ranking System (Appendix D) follows federal and state requirements and provides the structure and methodology for rating and ranking systems. Proposed projects are reviewed by Ohio EPA and placed on the Project Priority List according to these factors:

1. Human health risk
2. Compliance with federal and state SDWA requirements
3. Economic affordability
4. Effective management structure
5. Population of the area served
6. Regionalization / consolidation

All projects on the PPL have been ranked using the system described in Appendix D. For PY 2018, the fundability of a project is determined by the availability of WSRLA base funds, the project priority ranking, and the readiness to proceed during this program year.

Additional Program Requirements

Additional Subsidies - FFY 2016, The Consolidated Appropriations Act, (P.L. 114-113) specifies that 20% of the funds must be used for additional subsidies. Ohio can make available up to 30% additional subsidy through the disadvantaged community program. See the *Principal Forgiveness* section on page 6 for more detail.

Reporting - All projects funded will be maintained in the Drinking Water State Revolving Fund Project Benefits Reporting (DWSRF PBR) system on an ongoing basis, as required by U.S. EPA. In addition, Ohio EPA will meet the reporting requirements set forth by the Federal Funding Accountability and Transparency Act (FFATA) and will report annually into the National Information Management System (NIMS) database.

Compliance - Ohio EPA agrees to demonstrate compliance with the capacity development authority, capacity development strategy and operator certification provisions to avoid withholdings. Ohio EPA does not identify equivalency projects as all loans are reviewed to meet FFATA requirements.

Project Priority List and Intended Projects List

Appendix G contains both the PPL and IPL lists. The PPL lists all the submitted projects in priority order for this program year, while the IPL lists the projects anticipated to receive funding if they proceed on schedule and meet all other regulatory and program requirements.

Additionally, Ohio EPA will fund in this program year IPL projects originally scheduled in the most recent program year if the projects were ready to proceed but were not processed by Ohio EPA by the close of the program year. Each applicant must have completed all program requirements in the most recent program year and must take the loan within three months of the issue being resolved but no later than March 1. The loan terms and conditions of the most recent program year will apply.

The PPL and IPL contain information specific to each project including:

1. Project Rank or Position Number
2. Name of Public Water System
3. Brief Description of the Proposed Project
4. Public Water System Identification Number
5. Population of System Service Area
6. Total Project Priority Points
7. Potential Terms of Financial Assistance*
8. Expected Funding Schedule of Project

* Potential terms of financial assistance are based on the best information available at the time of the development of this IUP. Terms listed in table 2 may not reflect the actual terms of financial assistance to be offered to the public water system at the time the financial arrangements are finalized.

Targeted Funding

Lead Initiatives - In response to concerns about lead in public drinking water, Ohio EPA will accept nominations throughout the year for planning loans to conduct corrosion control studies and to map the location of lead service lines. These loan funds are available at a 0% interest rate. Additionally, Ohio EPA will accept nominations throughout the year for loans to implement the recommendations of a corrosion control study or to replace lead service lines. These loans will be available at the applicant's normal interest rates.

Auxiliary Power – For PY2018, Ohio EPA has established a fund of \$100,000 to include auxiliary power in PY2018 construction loan projects. Auxiliary power includes emergency generators and additional appurtenances required by the auxiliary power generator and transfer switches. Secondary feeds from an electric provider are excluded from this fund. Systems with construction projects on the PY2018 PPL are eligible to receive 50% of the auxiliary power cost up to \$25,000 in principal forgiveness. If matching funds for the auxiliary power portion of the project are not available, the 50% match can be added to the loan portion of the project.

Asset Management - Targeted funding will be available for asset management planning. For PY2018, Ohio EPA will make \$150,000 available for asset management planning. Loans can be awarded with up to \$10,000 in principal forgiveness, and the remainder as a 0% loan.

Metering – Targeted funding will be available for replacement or upgrading water meters. For PY2018, Ohio will make \$100,000 available; eligible applicants can request 50% of the replacement/upgrade cost up to \$20,000 as principal forgiveness. The remainder of the cost can be added to the loan amount at the applicant's normal interest rate. The project must provide a metering project that either replaces/upgrades all the meters currently in the system or provides new meters to an un-metered system.

Emergency Connections – For PY 2018, Ohio EPA has established a fund of \$300,000 to promote installation of emergency connections. Systems with construction projects on the PY2018 PPL are eligible to receive 50% of the construction cost up to \$50,000 in principal forgiveness. If matching funds for the emergency connection portion of the project are not available, the 50% match can be added to the loan portion of the project. The remainder of the cost beyond the match can be added to the loan amount at the applicant’s normal interest rate.

HAB Infrastructure Improvements – In PY 2015, Ohio EPA established a fund of \$50 million at 0% for the planning, design and construction of infrastructure improvements at surface water treatment plants to address Harmful Algal Bloom (HAB) issues. This funding was continued with another \$50 million made available in PY2016 and in PY2017. For PY2018, Ohio will continue to offer 0% interest rate loans for eligible projects. The targeted entities are public water systems that use surface water as a direct source. Priority will be given to water systems in the Lake Erie watershed, and those that have already experienced an algal bloom or a detection of toxins. Qualifying projects will include components at water treatment facilities that treat HAB toxins, as well as projects that implement avoidance strategies such as interconnections with other water supplies, new elevated storage facilities, and the installation of alternative water sources.

The following scoring criteria will be used to prioritize the projects for HAB funding (points are cumulative):

Scoring Criteria	Points
“Do not drink” advisory due to HABs	100
In Lake Erie Basin	75
Experienced HAB bloom at intake	50
Project provides regional solution	50
Vulnerability to HABs	25
Surface water system w/o alternate sources	25
Surface water system with multiple sources or reservoirs	20
Satellite of a surface water system	15
Readiness to proceed (plans approved by Ohio EPA)	20
Population > 100,000	20
10,000< Population <100,000	10
Population <10,000	5

Human Health Projects

For situations where residential wells are contaminated, connection to an existing water system or the expansion or construction of a new water system may be eligible for up to 75% principal forgiveness.

For rare situations where the contamination is fully attributed to a ground water plume from a source that is either currently identified on the National Priorities List (NPL) or has the potential to be listed, Ohio EPA may offer up to 100% principal forgiveness to correct, expand, or construct a new drinking water system. Depending on the site-specific conditions, either of these situations may qualify as an “emergency project”.

Eligibility, WSRLA Planning and Capability

Capability Assurance Plans – In accordance with the Safe Drinking Water Act, federal/state rules and guidance, a system must be determined technically, managerially and financially capable prior to loan award. This evaluation includes, at a minimum, the capability screening tool and a review of the capability assurance plan and areas of deficiency that need to be addressed. Submission of an asset management plan may be required in future program years. Failure to demonstrate capability, unless the project will correct the deficiency, will jeopardize funding.

The capability assurance plan, complete loan application, water rate ordinance and water system regulations/ordinances must be submitted to Ohio EPA at least 90 days prior to loan award. A screening will be performed by the district office inspector after which the system will be expected to address areas of concern.

Planning – For a design and/or construction loan in PY2018, submission of project planning information was required to be included with the nomination form that met the requirements specified in the nomination instructions.

An Ohio EPA approved general plan for the proposed project is required to be submitted with the nomination for design and/or construction loans for new, replaced, rehabilitated, upgraded or expanded water treatment plants and their components. The general plan approval is required prior to detail design work. The general plan submitted must ensure consistency with all SDWA requirements and address the substance of the proposed project. Detailed information regarding general plan and project planning requirements was included in the PY2018 nomination form instructions.

Ohio EPA’s review of planning documentation will determine funding eligibility. The proposed project included in the plan will address all deficiencies noted in the prioritization of the project. It should also improve a system’s overall capability and minimize total life cycle costs through the use of appropriate technology and the selection and implementation of the most cost-effective alternative. Cost effectiveness includes both monetary and non-monetary factors. Additionally, subject to available funds, design loans can be obtained during the program year contingent upon planning documentation approval.

Regionalization/Shared Services – Based on the benefits to users and the economies of scale, for the purpose of increasing system capability, the agency reserves the right to evaluate alternatives and fund projects that result in consolidation or shared services.

Essential Water Supply System Components

WSRLA funding is limited, so its resources must be directed toward essential drinking water improvements. Ohio EPA will accept as allowable only costs for facilities and components necessary to the proper function and/or capital costs directly resulting in improved operation and maintenance of the water system. This determination will be made during the review of general and detailed plans and specifications.

A public water system supplying bulk water to an Ohio EPA regulated consecutive system that has exceeded or is exceeding a primary drinking water standard shall have its eligibility for WSRLA funds determined in the same manner as the consecutive system with the exceedance if the proposed project is expected to correct the exceedance experienced by the consecutive system.

WSRLA Eligible and Ineligible Costs

Ohio EPA will provide WSRLA funds as defined in ORC Section 6109.22 and the SDWA. Each project will undergo an eligibility review prior to any commitment of funds from the WSRLA. As such, each applicant must submit the approved general plan or project planning documentation, a full set of detailed plans and specifications and contract documents. Detailed plan review is required for all projects including projects that do not require Ohio EPA detailed plan approval due to self-certification or unsubstantial change as described in Ohio Administrative Code (OAC) 3745-91.

Certain costs are prohibited from WSRLA funding because of federal limitations, while others do not provide safe drinking water benefits. Ineligible WSRLA costs include, but are not necessarily limited to, those listed in Appendix C.

Project Bypass Procedure

In December 2017, Ohio EPA will conduct a mid-program year evaluation where we will review the 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 within this program year. If, during this mid-program year evaluation, a project is determined to be incapable of meeting the requirements of the program, that project will 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 WSRLA requirements, failure to develop an approvable, implementable project, or for other reasons appropriate 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 the DWAF management plan or program requirements are also subject to this bypass procedure.

Projects bypassed during the program year may reapply and be considered for funding during the next program year in which they anticipate being ready to proceed. All applicants for projects scheduled for an April, May or June 2018 award are strongly encouraged to re-nominate their project by March 1st for the following program year.

Plant Construction – If a plant construction project (including upgrade, replacement, new construction or expansion of water treatment facilities) has not submitted detail plans by October 1st of a program year, then the project may be bypassed until the next program year.

Distribution System – If a distribution related project (including mains, pump stations, finished water storage, like kind replacement, meters) has not submitted detailed plans or planning documents by January 1st of a program year, the project may be bypassed until the next program year.

Disadvantaged Community

Disadvantaged community determination and the subsequent award of the rates and terms are determined in accordance with Ohio Administrative Code (OAC) rules 3745-88-01 and 3745-88-02 and are described in detail in Appendix F.

Systems eligible to apply for the Disadvantaged Community Loan Program (DCLP) are all systems eligible for the WSRLA program with the exception of some privately owned systems. For a privately owned system to be eligible, it must be a system regulated by the Public Utilities Commission of Ohio (PUCO), a system considered a political subdivision as defined by ORC 6119.011 or a non-profit public water system. All eligible applicants to the DCLP are evaluated using the following criteria:

1. Health Related Factors (mandatory score of one or more points)
2. Economic Affordability (mandatory score of one point)
3. Population
4. Median Household Income
5. Poverty Rate

To be considered for the DCLP, a public water system must have submitted a complete application for the DCLP with all required documentation (including a general plan or planning information) to Ohio EPA by March 1st. Only systems specifically requesting an evaluation to determine if the system meets the definition of disadvantaged community will be reviewed for eligibility. Ohio EPA will reassess and determine the final loan terms including disadvantaged community eligibility at the time of loan award.

Additionally, a minimum of 50 percent of the council members or governing board members for the water system must complete the following Rural Communities Assistance Program (RCAP) Courses prior to loan award: 101 Utility Management for Local Officials and 201 Financial Management for Local Officials within the last five years. Both courses are offered free of charge and are available online or in a classroom setting.

Due to limited funds available for principal forgiveness, systems will be required to address areas of concern identified in the capability screening process. Failure to do so may result in forfeiture of principal forgiveness and, possibly, funding.

Emergency Projects

Emergency projects may be submitted at any time during the program year, and included on the PPL and IPL based upon the applicant's successful demonstration of an emergency situation. Emergency projects may be added to the PPL or IPL at any time, and if all applicable requirements have been met, they may be funded at any time. Emergency projects may be scored using the procedures outlined in Appendix D.

Small Systems Minimum Assistance

The Statute (ORC 6109) requires a minimum of 15% of all funds credited to the DWAF in any program year be made available to provide loan assistance to fund small systems with a population of fewer than 10,000 customers to the extent there is a sufficient number of eligible projects. Fundable small system loans in excess of the 15% minimum during the program year may be credited toward future program years. Ohio EPA routinely meets this requirement, and has credited projects toward future years. If the designated level of assistance cannot be awarded within the program year, steps will be taken in the PMIUP for the next program year to ensure a sufficient number of projects are funded to meet this requirement in future years. Ohio EPA anticipates being able to meet the above-mentioned 15% requirement in PY2018.

Unexpended WSRLA base funds will remain in the fund for the next program year.

WSRLA Award Structure

ORC Section 6109.22 (I) (7) authorizes the Director of Ohio EPA to provide assistance as authorized by the SDWA. The FFY 2016, The Consolidated Appropriations Act, (P.L. 114-113) requires States to provide 20 percent of the 2016 capitalization grant funds in additional subsidies including principal forgiveness, negative interest, and grants.

Additional subsidies and extended loan repayment periods may be available to public water systems qualifying for disadvantaged community status.

The following section details specific provisions for principal forgiveness and loan rates WSRLA PY2018 funds.

PY2018 Available Financing

During PY2018, the WSRLA will offer the following finance structures: standard long term (STD), small system long term (SML), any system long term that receives affordability ranking points (EA), short term, negotiated linked deposit, supplemental loan, regionalization, human health, and disadvantaged community interest rates.

In addition to the available financing outlined in Table 2, PY2018 will again include 0% financing for qualifying projects that address the planning, design or construction of improvements related to HABs.

A system may qualify for more than one interest rate. A system qualifying for more than one interest rate will receive the lowest interest rate for which the system qualifies. For example, a system qualified as eligible for the EA rate (economic affordability) will receive the small system rate if the small system rate is less than two percent for the month of loan award. Appendix E describes the procedure for determining interest rates. Generally, rates are based on the term of the loan, size of the service area and the affordability needs of the water system users for non-disadvantaged communities. Appendix F describes the disadvantaged community program procedures and interest rates.

The principal forgiveness amount for an intended project will be based on the actual loan amount and adjusted up or down based on bids at the time of loan award, with the principal forgiveness amount included in the loan exhibit calculated based on its percentage of principal forgiveness. However, the maximum amount that principal forgiveness will be increased is 10% more than the principal forgiveness amount calculated from the IPL project cost.

Planning

All planning loans are 0% interest for a five-year term in order to incentivize project planning through the DWAF program. Planning loans will not include principal forgiveness.

Design

Interest rates for design loans are determined by the applicant's eligible rate. Design loans will not include principal forgiveness except for the following circumstance.

Because of their high priority, Ohio EPA will consider making stand-alone design loans for Regionalization and Human Health projects that are projected to receive principal forgiveness construction loans during the program year. These stand-alone design loans can include up to 75% as principal forgiveness, with the remainder as a 0% loan over a five-year term. The design loan must be paid off according to its amortization schedule, and will not be rolled into the construction loan. These design loans will only be awarded when Ohio EPA has assurance that the applicant has the ability to, and intends to proceed to construction within this program year. All other conditions of design loans apply.

TABLE 2

FUNDING CATEGORIES, INTEREST RATES, AND LOAN TERMS

Funding Category or Type of Loan	Funding Category	Interest Rate and Term
Regionalization Loan to Incorporate one or more Disadvantaged Communities	REG	Up to 75% of project awarded in principal forgiveness. The balance in a 0% interest rate loan for five to 30 years.
Human Health	HH	Up to 75% of project awarded in principal forgiveness. The balance in a 0% interest rate loan for five to 30 years.
Disadvantaged Community	DIS	Up to 50% of project awarded in principal forgiveness. The balance in a 0% interest rate loan for five to 30 years.
Non Disadvantaged Community with Affordability Ranking Points	EA	Economic Affordability Rate for 2% interest rate (or the small system rate if it is less than 2% during the month of loan award) loan for a term of five to 20 years.
Small System Long Term [Small System ($\leq 10K$) with no Affordability Ranking Points]	SML	Small System Long Term Rate for a term of five to 20 years.
Standard Long Term [Large System ($> 10K$) with no Affordability Ranking Points]	STD	Standard Long Term Rate for a term of five to 20 years.
Short Term Loan (Planning)	PLN	A term of no more than five years with a 0% interest rate.
Short Term Loan (Design, Engineering)	Can be any of the above.	A term of no more than five years with the same interest rate as the long term rate as the construction project is eligible for during the month of loan award.
Linked Deposit Loan	Not notated on the PPL. Part of loan documents.	Linked Deposit Rate determined by commercial lender, rate will be discounted below the normal discount rate, as determined at time of loan, program stipulations, and system specifics.
Supplemental Loan	Can be any of the above.	The interest rate will be determined as appropriate rate in effect at the time of the Supplemental loan award.
Withdraw	W/D	Projects withdrawn from review.

Ineligible	INELG	Projects not eligible for funding.
Targeted Funds	TF	Priority projects targeted for subsidy
Loan Funds	LF	Fund set aside to award design loans during.

Drinking Water Assistance Fund Administrative Account

The Drinking Water Assistance Administrative Account (DWAFAA) will be used to ensure the long-term administration of the program by funding Ohio EPA personnel including management of the DWAF and district office coordinators. Administrative activities will also be paid by the administrative fees collected by Ohio EPA from WSRLA funding recipients. Ohio EPA will require a loan origination fee of 1% of the principal of each loan originated from the WSRLA. Subsidized portions of projects (as a result of principal forgiveness) will not be assessed the origination fee. The administrative fee collected by Ohio EPA will be deposited into the DWAFAA.

The Ohio Water Development Authority (OWDA) will require a fee of 0.35% of the principal of the loan amount. The fee collected by OWDA will be deposited into the DWAFAA to be utilized by the OWDA for administrative costs related to the program.

These fees are due at the time of the loan award and are an eligible project cost. There is no minimum fee for Ohio EPA or OWDA per WSRLA loan amount.

Funds in the DWAFAA at the conclusion of the program year will remain in the account to address program administrative costs in subsequent program years. Set-aside balances greater than two years old will be transferred into the WSRLA and Ohio EPA will bank these transferred amounts for use in future year grants.

Small Systems Technical Assistance Account

The Small Systems Technical Assistance Account funds technical and managerial assistance for public water systems serving fewer than 10,000 in population. Assistance from this fund will also be provided to WSRLA applicants for completing the documentation necessary to obtain financial assistance, and documents necessary for the Capability Assurance program. This assistance will be provided through a combination of outsourcing to qualified organizations and Ohio EPA staff support.

Ohio EPA will set aside 2% of the capitalization grant for this account. Appendix I contains the work plan for the Small Systems Technical Assistance program. These funds will be used to:

1. Support a technical assistance team or a qualified organization(s) to provide on-site technical assistance to help bring selected systems into compliance with applicable requirements of the SDWA and regulations promulgated under the Act; and/or

2. Support a technical assistance team or qualified organization(s) to help eligible public water systems prepare loan applications, develop supporting documentation for loans, develop capacity assurance documents and provide capability training.

Small Systems Technical Assistance Account funds not expended at the conclusion of the program year may remain in the account to address this type of assistance in subsequent program years. Set-aside balances greater than two years old will be transferred into the WSRLA and Ohio EPA will bank these transferred amounts for use in future year grants.

Public Water Supply Supervision Account

The Public Water Systems Supervision (PWSS) Account funds a variety of activities to help ensure Ohio's public water systems provide adequate quantities of safe drinking water and on-going implementation of Ohio's Source Water Protection and Capability Assurance Programs.

Ohio EPA will take 5% of the public water systems supervision set-aside (Appendix H) authorized under Section 1452(g)(2)(A) of the SDWA from the federal capitalization grant.

Local Assistance and Other State Programs Account

The Local Assistance and Other State Program Account funds technical assistance activities to public water systems using surface water to help prevent impacts from harmful algal blooms (cyanobacteria).

Ohio EPA will take 5% of the local assistance and other state programs set-aside (Appendix J) authorized under Section 1452(k)(1)(B) of the SDWA from federal capitalization grants. Ohio EPA will be using this for further development of the capability assurance program.

DWAF MANAGEMENT PRACTICES

This section describes how Ohio EPA administers the DWAF program.

Management Practices

To manage available DWAF funds and carry out the purposes of Section 1452 of the SDWA, and ORC 6109.22, Ohio EPA may, without limitation:

1. Establish interest rates for WSRLA loans in accordance with the procedures described in Appendices E and F of this plan.
2. Make available at least 15 percent of the WSRLA funds outlined in each IUP to projects identified in the IUP as small systems serving fewer than 10,000 in population that are ranked on the PPL.
3. Award WSRLA program assistance for preparing project planning documents, detailed plans, and specifications. Ohio EPA may also set a limit on the amount of funds that are available for planning and design loans without additional public notice.
4. Establish, increase, or decrease the available funds for the DWAF, the WSRLA, and set-aside uses.
5. Develop and implement with public notice and involvement a plan for the financial and programmatic administration of the DWAF and the long-term financial health of the fund.
6. Establish bypass, amendment and emergency funding procedures for the WSRLA program.
7. Add eligible systems to the WSRLA PPL and IPL in accordance with the management practices described in the emergency project procedure sections of the IUP.
8. Solicit, add and delete projects from the current program year PPL and IPL and change the relative priority of a project in future years in accordance with the management plan in effect at that time.
9. Determine projects eligible for disadvantaged community program assistance.
10. Bypass any WSRLA project in accordance with the project bypass procedure described previously in this document.
11. Segment and fund a portion of a WSRLA project if the loan recipient agrees to complete subsequent segments according to an acceptable schedule regardless of additional financial assistance, if at least one of the following applies:
 - a. The construction of the project will require more than the proportionate share of the funds identified in the annual IUP that includes the project as a fundable project; or
 - b. The project will take three or more years to complete.

A segmented project must meet all program requirements.

Additionally, the recipient must demonstrate it is financially capable of constructing, according to the approved schedule, subsequent segments without WSRLA funding assistance.

Ohio EPA reserves the authority to negotiate the scope of the segmentation based on available WSRLA funds as well as engineering, financial, capacity assurance, and environmental considerations.

13. Deposit at any time, funds available in other DWAF accounts or any portion thereof, into the WSRLA with public notice.
14. Establish definitions, terms, and conditions for WSRLA program assistance to disadvantaged communities in accordance with ORC 6109.22.
15. Establish definitions, terms, and conditions, for assistance from the small systems technical assistance account, including but not limited to, those related to agreements with third parties for the provision of that assistance.
16. Establish submission deadlines for DWAF application materials, WSRLA application materials, revisions to general plans, revisions to detailed plans and specifications, or portions thereof, either individually or collectively, or for the satisfaction of DWAF management plan criteria. Generally, individual project submission deadlines will be based on SDWA compliance schedules, federal or state court-ordered compliance schedules, or state review schedules. Failure to meet a submission deadline may result in bypassing a project in accordance with the project bypass procedure established in this plan.
17. Determine if projects are required to meet the American Iron and Steel requirement contained in P.L. 113-76, if applicable.
18. Require the application of the Davis-Bacon Act for all assistance agreements for construction under the WSRLA for the entirety of the construction activities financed by the assistance agreement through completion of construction, no matter when construction commences.
19. Develop and maintain operating agreements with other divisions and state agencies to meet program goals.
20. With public notice and opportunity to comment, the Program Management and Intended Use Plan (PMIUP) may be amended at any time during the year to add Emergency Projects. For the purposes of amending the PMP, Emergency Projects may also include those projects that request funding for the planning, design, or construction of enhanced treatment and back-up sources directly related to a PWS's response to a HAB.

Project Responsibilities of DWAF Applicants and Recipients

Ohio EPA is responsible for managing the DWAF program. The loan recipient is responsible for meeting WSRLA program requirements, managing a project and complying with the terms of the loan agreement.

FFY 2015 Funding Requirements

Under the FFY 2015, The Consolidated Appropriations Act, (P.L. 113-76), Davis-Bacon prevailing wage requirements apply to any construction project carried out in whole or in part with assistance made available by a drinking water revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act [42 U.S.C. 300j-12], a term and condition requiring compliance with the requirements of

section 1450(e) of the Safe Drinking Water Act [42 U.S.C. 300j-9(e)] in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. This term and condition applies to all agreements to provide assistance whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project where such agreements are executed on or after October 30, 2009.

Procedures for this provision are found in the U.S. EPA memorandums of May 20, 2011, subject: Application of Davis-Bacon Wage Act Requirements for Fiscal Year 2011 CWSRF and DWSRF Assistance Agreements and November 30, 2009, subject: Application of Davis-Bacon Wage Act Requirements to Fiscal Year 2010 CWSRF and DWSRF Assistance Agreements. Davis-Bacon Procedures and Contract Provisions, Poster and Davis-Bacon Labor Standards Interview Form can be found on the Ohio EPA website located at: <http://www.epa.ohio.gov/Default.aspx?tabid=2205>.

A class deviation has been granted providing a waiver from the requirement of the two-week interview process with labor wage earners contained in U.S. EPA's standard SRF Davis-Bacon Terms and Conditions. The memorandum "Class Deviation – Prevailing Wage Interview Requirement in Clean Water and Drinking Water State Revolving Funds 9CWSRF and DWSRF) Capitalization Grants" was signed on November 16, 2012.

DEFINITIONS

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

Initiation of operation - the date the funded facilities are in full and sustained operation as planned and designed.

Readiness to proceed - progress toward achieving a WSRLA binding commitment and initiating construction. This is a relative measure of an applicant's success in the expeditious achievement of compliance with all pre-award WSRLA program requirements, compliance with the schedule for initiating facilities construction, and submission and approval of general, detailed or other plans as necessary for Ohio EPA approval. (See the "Project Bypass Procedure" section of this plan for further information.)

Emergency Project - a project necessary to avoid or correct an imminent threat to public health. Examples include acute maximum contaminant level (MCL) violations and other contamination above established 10-day health advisory levels, new identified significant deficiencies, natural disasters or significant facility damage or failure. The project must be ready to proceed within 30 days of the loan commitment and must be completed in a timely manner in accordance with the construction schedule approved as a condition of the loan.

Project Priority List (PPL) - list of all nominated projects. All nominated projects are scored and ranked according to the project priority ranking system.

Intended Projects List (IPL) - fundable sub-list of the project priority list. List of projects that will receive funding during the program year if they proceed on schedule and meet all program requirements

Market Rate - for direct WSRLA loans, market rate is calculated as the average of 20 year AA general obligation 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 WSRLA 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 20 GO Bond Index 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.

Small System - for interest rate determination in the WSRLA program, a public water system with a specific project to serve a service area, or portion thereof, of fewer than 10,000 persons.

Capability Assurance - (also known as capacity assurance and capacity development) the process through which a water system plans for and implements action to ensure the system can meet its immediate and long term challenges. Capability assurance encompasses a water system's technical, managerial, and financial ability to achieve, maintain, and plan for compliance with applicable drinking water standards.

All elements of a water system's capability to effectively deliver safe water must be considered to meet current and projected needs of the water system.

Technical capability refers to the physical infrastructure of the water system, including but not limited to the adequacy of the source water, infrastructure (source, treatment, storage, and distribution), and the ability of system personnel to implement the requisite technical knowledge.

Managerial capability refers to the management structure of the water system, including but not limited to ownership accountability, staffing and organization, and effective linkages to customers and regulatory agencies.

Financial capability refers to the financial resources of the water system, including but not limited to revenue sufficiency, credit worthiness, and fiscal controls.

Public Water System - as defined in OAC rule 3745-81-01.

Community System- means a public water system that serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents.

Non-community System - means a public water system that is not a community water system.

Disadvantaged Community - means the service area, or portion thereof, of one of the following entities that applies for and is eligible for loan assistance pursuant to the affordability criteria established by the director:

- (a) A nonprofit public water system that operates or provides water to a community water system;
- (b) A public water system that is regulated by PUCO and that operates or provides water to a community water system;
- (c) A political subdivision, as defined by ORC Section 6119.011(B), that operates or provides water to a community water system; or
- (d) A nonprofit non-community public water system.

Project - a drinking water infrastructure activity that begins and ends within the DWAF program year with the purpose of meeting or maintaining compliance with Safe Drinking Water Act requirements, applicable regulations put forth in the ORC, and applicable rules of the OAC.

Scope - the specific work that needs to be accomplished to deliver the purpose of the proposed project submitted in the nomination form.

Eligible System – community water systems, both privately and publicly owned, and nonprofit non-community water systems.

APPENDIX A

PUBLIC NOTICE

Draft 2018 Drinking Water Assistance Fund Program Management Plan

Public Meeting – June 16, 2017

The Ohio Environmental Protection Agency is making available the Draft 2018 Drinking Water Assistance Fund (DWAF) Program Management Plan issued under authority of Ohio Revised Code 6109.22. The Draft Plan proposes how Ohio EPA will distribute funds, administer the DWAF, and prioritize projects during Program Year 2018. The Draft Plan is available at www.epa.state.oh.us/defa. Two public meetings with the opportunity to comment will be held on June 16 at 10:00 A.M. and 1:30 P.M. at Ohio EPA Conference Room A (Room Autumn) at 50 W. Town St., Suite 700, Columbus, Ohio. The complete public notice including instructions for requesting information or submitting comments may be obtained at: <http://www.epa.ohio.gov/actions.aspx> or: Hearing Clerk, Ohio EPA, PO Box 1049, 50 W. Town St. Columbus, Ohio 43216 Ph.: 614-644-3037 email: HClerk@epa.ohio.gov.

APPENDIX B

PUBLIC NOTICE

Final Program Management and Intended Use Plan

For the Drinking Water Assistance Fund

For Program Year 2018

Public notice is hereby given that the Director of the Ohio Environmental Protection Agency issued a “Final Action” effective July 1, 2017, adopting the 2018 Program Management and Intended Use Plan for the Drinking Water Assistance Fund that has been authorized by Ohio Revised Code Section 6109.22 and Section 1452 of the Safe Drinking Water Act. This action may be appealed, in writing, within thirty (30) days of this notice, to the Environmental Review Appeals Commission, 30 East Broad Street, 4th Floor, Columbus, Ohio 43215. Notice of any appeal shall be filed with the Director within three (3) days. This notice of appeal shall be sent to: Division of Environmental and Financial Assistance, Ohio Environmental Protection Agency, P.O. Box 1049, Columbus, Ohio 43216-1049. Consult ORC Chapter 3745 and OAC Chapters 3745-47 and 3746-05 for requirements.

Copies of the 2018 Final Program Management and Intended Use Plan are available from the Division of Environmental and Financial Assistance by calling our office at (614) 644-3636, and also through the Internet at www.epa.ohio.gov/defa/ofa.aspx.

APPENDIX C

Ineligible Projects or Costs

Based on limitations set forth by the SDWA, associated guidance and rules, and by this PMIUP, the following is a general summary of items ineligible for WSRLA funding. In general, due to limited funds available in the WSRLA, costs associated for residuals handling for publicly owned water treatment systems that discharge to sewers or receiving streams should apply for funding from the Water Pollution Control Loan Fund (WPCLF).

Ineligible Projects

1. Construction or rehabilitation of dams;
2. Purchase of water rights, unless 1) the water rights are owned by a system that is being purchased through consolidation as a part of a capacity assurance strategy; or, 2) it is necessary to acquire land or a conservation easement from a willing seller or grantor, if the purpose of the acquisition is to protect the source water of the system from contamination and to ensure compliance with National Primary Drinking Water Regulations (Section 1452(k) of SDWA);
3. Construction or rehabilitation of reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the water treatment facility is located;
4. Projects needed primarily for fire protection;
5. Projects needed primarily to serve future population growth;
6. Projects for systems in significant noncompliance (U.S. EPA Enforcement Tracking Tool (ETT) score greater than or equal to 11), where funding will not enable the system to return to compliance and the system will not maintain adequate technical, managerial and financial capacity to maintain compliance (refer to capacity assurance plan);
7. Projects for systems that lack technical, managerial, and financial capability, unless assistance will ensure compliance (refer to capacity assurance plan);
8. Projects that do not minimize costs by implementing the most cost effective alternative through conducting a cost effective analysis of all viable options; cost effectiveness considers both monetary and non-monetary costs;
9. Projects that have completed construction; and
10. Projects that have secured their entire funding outside of WSRLA funds, Ohio Water Development Authority loans, a private short-term loan or the entity's own funds.

Ineligible Costs

1. Laboratory fees for monitoring;
2. Operation and maintenance expenses;

3. Equipment, materials, supplies, and spare parts in excess of that shown to be reasonable, necessary, and applicable to the project;
4. Street restoration beyond that necessary for installing facilities directly related to constructing the drinking water system;
5. Ordinary governmental or personal operating expenses of the community or individual requesting the WSRLA assistance (e.g., administrative facilities or vehicles, salaries of elected officials, travel, costs of establishing departments or units of government, fines, and penalties levied by regulatory agencies, etc.);
6. Personal injury compensation or damages;
7. Permit costs, including water discharge permit (NPDES permit) and renewal discharge permit fees, and application fees, (excluding the origination fees associated with the project for which state revolving loan monies are requested);

APPENDIX D

Project Priority Ranking System

The purpose of the priority ranking system is to establish a list of eligible water systems and their proposed projects to be funded in a manner that allows the most serious risks to public health be given the highest priority. Eligible projects are capital improvement projects that are necessary to ensure compliance with the National Primary Drinking Water Regulations defined in the SDWA, all other applicable regulations of the SDWA, all applicable regulations put forth in the ORC, all applicable rules of the OAC, or as determined necessary by the director.

All eligible water systems that submit proposed projects will be rated with respect to six categories to determine their ranking and selection for funding under the WSRLA. These categories are:

1. Public health issues;
2. Continued compliance with federal and state SDWA requirements;
3. Bonus points for effective management;
4. Consolidation/regionalization;
5. Economic Affordability- systems in need on a per household basis; and,
6. Population

The overall ranking of projects is based on the sum of all points received in each category as described in the project scope. However, before any final funding is awarded, each project will be carefully evaluated to ensure the scope of the project has not changed and the project addresses the type of work, component types and project description needs addressed in the nomination form for which points were awarded. Where the scope of the project has changed, then either (1) the scope of the submitted project will need to be revised to adequately address the issues for which points were awarded, or (2) the project will be rescored to determine if it is still eligible for funding and the terms under which the project will be funded, if still eligible. Any project whose scope changes after submitting the nomination form will need to be rescored to determine eligibility and funding terms.

For projects involving consolidation/regionalization, priority points for the central system and each system being consolidated/regionalized, shall be summed for each separate ranking category. The total points for each sub-category shall not exceed the maximum amount listed for that sub-category. For example, a project consolidating three water systems with bacterial MCL violations would receive no more than 100 points for the bacterial contamination sub-category.

Each category is briefly described below.

Public Health Issues

The greatest emphasis will be placed on addressing public health issues related to the acute contaminants: microbial, groundwater rule, surface water treatment rule, nitrate/nitrite and cyanotoxins. The period of analysis will be the 24 months prior to inclusion on the priority list unless the system is under Director’s Final Findings and Orders to correct the issue, then the public health points will stand until the project is completed. MCL violations caused by failure to monitor or report will not be included in the analysis. The following are the points assigned to the referenced levels of contamination.

Acute Contaminants (Time period inclusive of most currently available quarterly data)

Bacteriological Contamination (Addressable through infrastructure improvements) (select only one)	
No MCL violations	0 points
One acute MCL violation	60 points
Two or more acute MCL violations	100 points
Two or more monthly MCL violations	60 points

Groundwater Rule (See EPA The Ground Water Rule (GWR) Implementation Guidance (EPA-816-R-09-004) Section 3.9.8 – Treatment Technique Violations for more information).	
No treatment technique violations	0 points
One treatment technique violations	60 points
Two or more treatment technique violations	100 points

Surface Water Treatment Rule (turbidity and chlorine contact time)	
No treatment technique violations	0 points
One treatment technique violations	60 points
Two or more treatment technique violations	100 points

Nitrate / Nitrite (select only one)	
Level consistently less than 8.0 mg/L / 0.8 mg/L	0 points
Level >8.0 mg/L <10 mg/L / >0.8 mg/L ≤ <1 mg/L	60 points
Level >10 mg/L / 1 mg/L	100 points

Cyanotoxins (in finished water)	
Level <50% of the threshold	30 points
Level ≥50% of the threshold	60 points
One or more threshold exceedances	100 points

Chronic Contaminant Groups (per previous 24 months):

Chronic contaminants with MCLs are addressed as shown below with greater weight being given to exceedances of the Longer-term Health Advisories for a 10-kg Child (CHA), as published by U.S. EPA in the latest issue of “Drinking Water Regulations and Health Advisories.” For contaminants with no MCL, Drinking Water Equivalent Levels (DWELs) or 10⁻⁴ Cancer Risk Levels as listed in the same publication will be used to determine ranking points.

Inorganic Chemicals (IOCs), Volatile Organic Chemicals (VOCs), Radionuclides, Disinfection Byproducts, Arsenic	
No MCL violations	0 points
Level at least 50% of MCL	30 points*
≥ MCL or above Longer-term Child Health Advisories or DWEL or 10 ⁻⁴ Cancer Risk	60 points*

For contaminants without MCLs	
Above DWEL or 10 ⁻⁴ Cancer Risk or Longer-term Child Health Advisories	60 points*

*Multiply by the number of contaminants with violations or exceedances (of CHAs, DWELs, or Cancer Risk) averaged over the previous 24 months. TTHMs/HAA5s are a single contaminant. Disinfection byproducts and arsenic points are based on the running annual average. Points may also be assigned for this category if the project will address disinfection byproducts at satellites, including looping projects.

Lead and Copper	
In compliance	0 points
Exceedance of copper action level	25 points
Exceedance of lead action level	45 points

Boil Order/ Use Advisory (for previous 12 months). Points may only be assigned if the project will address the problem that caused the boil order or use advisory. No points awarded for type 25 or 26 violations.	
No boil order or use advisories	0 points
Boil advisory; 1-4 boil order/use advisory events	25 points
Boil advisory; 5 or more boil order/use advisory events	45 points

Disinfectant Residual (addressable through infrastructure improvements including looping)	
No violations	0 points
One to five violations	15 points
Six or more violations	30 points

Manganese and Strontium Health Advisory Levels (not restricted to the previous 12 months)	
No HAL exceedences	0 points
Level \geq 50% HAL for <u>either</u> Manganese or Strontium Health Advisory DWEL	30 points
Level \geq 50% HAL for <u>both</u> Manganese or Strontium Health Advisory DWEL	60 points

Contaminated or Inadequate Supply in Private Wells (not restricted to previous 12 months)*	
Project is to connect new customers with existing contaminated or inadequate sources	40 points

*Based on best estimate after consultation with local health department.

Source Contamination (Only if project replaces the contaminated source. For example, contamination due to salt piles, industrial contamination, underground storage tanks, and dry cleaners. Do not score points if system already received points in the bacteriological or GWR segments.)	
Project is to replace a contaminated drinking water source, or significant contamination exists within the one year time of travel as delineated by the source water protection program	60 points
Project is to replace a drinking water source with significant contamination within the five year time of travel that is expected to impact the wellfield as delineated by the source water protection program	30 points

Cyanotoxins Source Contamination	
Project is to replace a contaminated drinking water source or modify treatment at an existing water treatment plant where the drinking water source is Impaired. (Impaired: two or more exceedances of cyanotoxin thresholds in raw water at least 30 days apart.)*	60 points
Project is to replace a drinking water source or modify treatment at an existing water treatment plant where the drinking water source is on the Watch List. (Watch List: detection is >50% of cyanotoxin thresholds in raw water.)*	30 points

*The 2014 Integrated Water Quality Monitoring and Assessment Report identifies which waters are impaired or on a watch list due to cyanotoxins, based on sampling through 2012. Public water systems not listed in the report will also qualify for the cyanotoxin source contamination points if more recent source water sample results meet the impaired or watch list criteria.

PWS Elimination	
Project will eliminate the public water system with a public health issue or under enforcement orders	60 points

Significant Deficiencies	
Project will eliminate a significant deficiency as documented in the most recent sanitary survey or other written correspondence between the Ohio EPA and the system.	25 points

Continued Compliance with Federal and State Safe Drinking Water Act

The next category is continued compliance with federal and state SDWA requirements. The condition of the physical infrastructure has been selected as an indicator or predictor of the system's ability to remain in compliance. The rationale being that without adequate supplies of source water, with inadequate, undersized or deteriorated plants, and with inadequate finished water storage and/or distribution systems, a public water system will be unable to maintain compliance with SDWA requirements. Included in this portion of the evaluation are bonus points to reward systems that are taking steps to stay in compliance with state requirements and to reduce water usage. The following are the points assigned to the specified elements in this category.

Design Deficiencies

Source Quantity	
Adequate	0 points
Shortage during peak day demand	5 points
Shortage during peak season	10 points
Continual shortage	30 points

Source (if not included in Source Contamination section above, and to address a physical construction issue)	
Improper well construction	60 points
Inadequate intake structure	20 points

Plant	
Inadequate back-up power (average day)	10 points
Inadequate process*	5 points
Switching from gas to liquid chlorine**	5 points
No redundancy of critical components***	10 points
Insufficient plant capacity	30 points
Deteriorated plant	30 points

* Points for each inadequate process; please explain in comments. Processes to be considered are: chemical feed, rapid mix, clarification (flocculation/settling), filtration, disinfection control, aeration/stripping, ion-exchange, corrosion control, and pumping. Maximum - 45 points.

Inadequate processes and insufficient plant capacity projects will require a sufficiency evaluation to determine if operations are optimized prior to ranking.

** Points awarded for switching from gaseous to liquid chlorine may only be awarded if included in the project scope.

***Critical components are those which are necessary to treatment and without which, drinking water standards may not be met.

Storage System (select only one)	
Greater than or equal to 1 day based on design production	0 points
Greater than or equal to 1 day based on average production but less than 1 day at design production	5 points
Less than 1 day based on average production	10 points

Distribution System	
Bringing underground storage tank above grade	5 points
Bringing booster station above grade	10 points
Inadequate size	10 points
Looping dead end lines. Not eligible if points given In Disinfection Residual section or the Chronic Contaminants section	10 points
Project includes installation of meters to a public water system currently without residential meters	20 points
Deterioration of distribution system components	20 points

Bonus Points (Effective Management)	
Backflow prevention program – acceptable and active	5 points
Contingency plan – up to date and readily accessible	5 points
Emergency generator	5 points
Certified Operator that exceeds minimum staffing requirements	5 points
Endorsed Balanced Growth Plan	5 points
Endorsed Source Water Protection Plan*	5 points
Asset Management Plan	5 points
Preventative maintenance program	1 point
Water conservation program (unaccounted water loss of $\leq 15\%$)	5 points
Existing fully metered system	1 point
Completion of Utility Board/Financial Management training for at least half of Council/Board of Public Affairs	5 points

*Points are awarded for Ohio EPA Endorsed Source Water Protection Plan or an endorsed Wellhead Protection Management Plan.

Consolidation/Regionalization – This category is included to support the concept that larger systems are more apt to have managerial, financial and technical capabilities to ensure continued compliance with current and future requirements of both federal and SWDA laws and regulations. Points are given to the applicant of the consolidation/regionalization loan only, not to systems for which the points are earned. The following elements are considered.	
Projects which provide the potential for consolidation (existing public water systems which could connect to the project and the project’s system maintains adequate capacity to serve them	10 points
If the project involves the consolidation/regionalization of more than one community water system or an eligible non-community water system and there is a signed commitment letter to tie in or an ordinance mandating tie-in	10 points per additional system
If the project involves the consolidation/regionalization of more than one non-community water system (for-profit privately owned public water systems) and there is a signed commitment letter to tie in or an ordinance mandating tie-in	10 points per additional system
If the project will address contaminants to customers of other existing public water systems (i.e. provide water to master metered mobile home park, or satellite systems)	5 points per additional system (max. 30)

Affordability Criteria – One of the best indicators of affordability is the cost of water/sewer service. Per household analysis is relevant in that household costs of infrastructure improvements are a function of the population size of the community or service area.	
If entity is an eligible water system that does not have a rate structure (e.g. mobile home parks, schools) (By default)	20 points
If Combined Water and Sewer Benchmarks 2011) are < Annual Combined Water and Sewer Rates (2014)	20 points
If the Combined Water and Sewer Benchmarks (2011) are ≥ Annual Water and Sewer Rates (2014)	0 points
For systems with <u>only</u> an existing water system If the Water Benchmark (2011) is < Annual Water Rate (2014)	20 points
For systems with <u>only</u> an existing water system If the Water Benchmark (2011) is ≥ Annual Water Rate (2014)	0 points
For systems with <u>only</u> an existing sewer system If the Sewer Benchmark (2011) is < Annual Sewer Rate (2014)	20 points
For systems with <u>only</u> an existing sewer system If the Sewer Benchmark (2011) is ≥ Annual Sewer Rate (2014)	0 points

Sewer and Water Benchmark Values

The economic affordability analysis is performed through an economic screening that measures the financial impact of the rate structure on a residential user or household. This is accomplished through a comparison of the current annual cost per residential user to a sewer and/or water benchmark value.

The income value of \$40,924 represents the median of the 2011 MHI for Ohio governmental entities that provided water and/or sewer rates information as an attachment to complete the ARRA loan nomination form.

Sewer Benchmark

Of the Ohio communities that experienced a sewer rate increase during 2008 through 2009, the following sewer benchmark values were established by an analysis of the 75th and 90th percentiles for this group:

Income	Benchmark
2011 MHI ≤ \$40,924	1.7 % of MHI
2011 MHI > \$40,924	2.2 % of MHI

Water Benchmark

Of the Ohio communities that experienced a water rate increase during 2008 through 2009, the following water benchmark values were established by an analysis of the 75th and 90th percentiles for this group:

Income	Benchmark
2011 MHI ≤ \$40,924	1.5 % of MHI
2011 MHI > \$40,924	1.9 % of MHI

Population Distribution Points

As it is a goal of the program to give particular emphasis and assistance to smaller systems, more points are awarded to communities where the burden of paying for the project rests on relatively smaller populations.

For consolidation/regionalization projects and service to new areas to address contaminated private wells, the population distribution points shall be based on the population responsible for carrying the debt burden.

Population or Service Area	Points
0 – 500	24 points
501 – 750	22 points
751 – 1,000	20 points
1,001 – 2,000	18 points
2,001 – 3,000	16 points
3,001 – 5,000	14 points
5,001 – 10,000	12 points
10,001 – 30,000	8 points
> 30,000	3 points

APPENDIX E

Interest Rate Criteria

Interest rates will be determined based on the term of the loan, size of the service area and the affordability needs of the water system users. During PY 2018 the WSRLA offers the following interest rates (not including disadvantaged community rates – see Appendix F): standard long term, small system long term, any system long term that receives affordability ranking points, short term, negotiated linked deposit, and supplemental loan. Systems that may qualify for more than one of these interest rates will receive the lowest rate for which the system qualifies. For example, a system qualified as eligible for the EA rate (economic affordability) will receive the small system rate if the small system rate is less than 2% for the month of loan award to the system.

1. Disadvantaged Rates and Terms

Communities that qualify as “disadvantaged” are eligible for principal forgiveness and potentially reduced interest rate. These communities may also be eligible for loan terms from five years to up to 30 years.

2. Standard Long Term Interest Rate (Amortization period of at least five years but not more than 20 years)

The standard long term interest rate will be established based on an eight-week daily average of the Municipal Market Data (MMD) Index. The MMD benchmark will be established by taking the 20 year AA general obligation MMD Index and adding 30 basis points. The standard long term interest rate will be determined by taking the MMD benchmark and subtracting 125 basis points. In no case, however, can the standard long term rate be less than 0.50 percent.

3. Small System Long Term Interest Rate (Amortization period of at least five years but not more than 20 years)

The small system long term interest rate will be based upon the standard long term interest rate. As the standard long term interest rate is established, the small system long term interest rate is determined by subtracting 50 basis points from that rate. In no case, however, can the small system long term rate be less than 0.00 percent.

For the purposes of this interest rate, a small system is defined as a public water system with a specific project to serve a service area, or portion thereof, of 10,000 or fewer persons.

4. Systems that Receive Affordability Points Long Term Interest Rate (Amortization period of at least five years but not more than 20 years)

The interest rate for systems that receive affordability ranking points is 2%. Only projects that receive priority points under the affordability factor in the ranking system qualify for this rate.

If at the month of loan award, the small system rate is less than 2 percent, during that month all qualified eligible projects for the affordability rate will be awarded the project loan at the small system rate.

5. Short Term Interest Rate (Amortization period of five years or less)

The short-term interest rate for a planning loan is zero percent for a term of five years or less.

The short-term interest rate for a design loan is the same as the long-term interest rate for the same project with amortization periods of five years or less.

Short-term loans also are available for development of general plans and detailed design documents meeting WSRLA program requirements.

6. Linked Deposit Interest Rate

The linked deposit rate will vary, as it is determined by a commercial lender based upon its usual rates to its customers. It is used at the discretion of Ohio EPA and may be applied where the applicant is a private entity or where the applicant's ability to repay or its security varies significantly from the norm of a WSRLA applicant.

Under certain circumstances, the WSRLA can provide interest savings to a recipient by negotiating with a lending institution for a reduced interest rate on WSRLA funds placed on deposit, usually a certificate of deposit. The reduced interest rate paid to the WSRLA is then passed on to the borrower. The loan is made by the lending institution.

The interest rate charged by the bank for the loan will be discounted below the bank's normal interest rate by an amount equal to the difference between the U.S. Treasury Note and Bond interest rate* and the WSRLA linked deposit interest rate. The WSRLA linked deposit interest rate will be at least 300 basis points less than the reported Treasury Notes and Bonds yield.

*As reported in The Bond Buyer on the Friday of the preceding week, for notes and bonds with a term of years closest to the term of the applicant's loan.

7. Supplemental Loan Interest Rate (Amortization period of at least five years but not more than 20)

Supplemental loans will be awarded at the appropriate interest rate in effect at the time of the loan award.

APPENDIX F

Disadvantaged Community Loan Program

General Criteria

All eligible applicants will be evaluated using these criteria:

Health Related Factors (mandatory score of one or more points)

When a drinking water system applies to the WSRLA program, a priority ranking score is developed to enable the system to be ranked on the PPL. The PPL point evaluation factors include an evaluation of public health issues. The evaluation is performed to satisfy the purpose of the priority ranking system which is to establish the list of eligible water systems such that the most serious risks to public health are given the highest priority. Those indicators are:

- Bacteriological Contamination
- Nitrate / Nitrite
- Surface Water Treatment Rule
- Inorganic Chemicals (IOCs)
- Volatile Organic Chemicals (VOCs)
- Radionuclides
- Total Trihalomethanes (TTHMs)
- Lead and Copper
- Boil Order Status
- Disinfectant Residual in the Distribution System
- Contaminated Private Wells
- Groundwater Rule
- Cyanotoxins
- Significant deficiencies
- Tie-in of Systems with Public Health/Enforcement Issues

For the PPL, assessment points are assigned to each indicator based on various levels of contamination thresholds for each of the public health issues. For the health related factors criterion in the disadvantaged community program, possible scores are two, one, or zero points. Systems that receive a score for the PPL public health issues assessment of 60 points or more, receive two points for the health related factors in the disadvantaged community evaluation. Systems that receive a score for the PPL public health issues assessment of less than 60 points but more than zero points, will receive one point for the health related factors in the disadvantaged community evaluation. Projects that receive a score for the PPL public health issues assessment of zero points will receive zero points for the health related factors in the disadvantaged community evaluation. A score of either two or one point(s) is **mandatory**

for the DCLP. Projects that receive zero points for this criterion will not receive further consideration for disadvantaged community designation.

Economic Affordability (mandatory score of one point)

The PPL point evaluation factors include an evaluation of economic affordability which is an indicator of systems in need on a per household basis. This evaluation is performed to satisfy the particular emphasis of the DWAF to assist drinking water systems serving less affluent populations and to provide greater funding flexibility to those identified systems. A detailed description of the economic affordability criterion that is part of the PPL point assessment for the WSRLA program is found in Appendix D.

To evaluate the indication of economic stress present in a community, the economic affordability criterion in the disadvantaged community program compares the annual cost per household of drinking water (and cost of wastewater treatment if present) to benchmark values. For the economic affordability criterion, possible scores are one, or zero points.

DCLP projects will receive one point for the economic affordability criterion based upon an evaluation that demonstrates the annual cost per household exceeds the community specific benchmark value(s). Projects that receive a score of zero points for the economic affordability criterion will receive zero points in the disadvantaged community evaluation. A score of one point for this criterion is mandatory for the DCLP. Projects that receive zero points for this criterion will not receive further consideration for disadvantaged community designation.

Systems without a user cost, such as schools and some non-profit communities, will receive a default value of one point for this criterion. A default value for these types of drinking water systems is necessary since generally there are no user costs or standardized median household income values for these drinking water systems to enable the economic affordability analysis to be performed.

Newly created drinking water systems, where sewer or wastewater service is not provided to the population or service area, will receive a default value of one point for this criterion. A default value is necessary since the economic affordability analysis cannot be performed when there is no existing user charge system. Use of the default value will not be necessary under circumstances where the population to be served is provided sewer or wastewater service, enabling benchmark analysis to be performed.

Population

This criterion evaluates the existing population served by the public water system applying for assistance or the specific service area of the project. This evaluation is performed to satisfy the particular emphasis of the DWAF to assist smaller drinking water systems and to provide greater funding flexibility to the identified systems.

The smaller the population or user base, the less likely it is for such a community to realize economies of scale in financing the costs of constructing, maintaining, and operating a drinking water system. These systems are targeted in the DCLP through evaluation of this criterion. For the population criterion, possible scores are one or zero points.

Systems that serve an existing population or are applying on behalf of a service area serving 10,000 or less population will receive one point in this criterion in the disadvantaged community evaluation. Systems that serve an existing population or are applying on behalf of a service area serving more than 10,000 people will receive zero points for this criterion in the disadvantaged community evaluation. Population data will be obtained from either the most recently completed (final) released U.S. Census Bureau information, or from the most recently completed sanitary survey for the drinking water system conducted by the Division of Drinking and Ground Waters (DDAGW), Ohio EPA, or from other sources as accepted by the director.

Median Household Income

This criterion evaluates the median household income (MHI) of the population of the drinking water system or service area (benefitted users) of a drinking water project. This evaluation is performed to satisfy the particular emphasis of the DWAFF to assist drinking water systems serving less affluent populations and to provide greater funding flexibility to those identified systems.

The population or service areas' MHI is an indicator of financial capacity or ability to pay. MHI data is obtained from the most recently completed (final) and released U.S. Census Bureau information. For the MHI criterion, possible scores are one, or zero points.

Systems that have an MHI value of less than the State of Ohio MHI will receive one point for this criterion in the disadvantaged community evaluation. Systems that have an MHI value that is greater than or equal to the State of Ohio MHI will receive zero points for this criterion in the disadvantaged community evaluation.

Systems that represent a public school and some non-profit communities, will receive the default value of one point for this criterion. A default value for these classifications of drinking water system is necessary since no standardized MHI values can be obtained for these drinking water systems to enable the evaluation to be performed.

Poverty Rate

This criterion evaluates the poverty rate of the population or service area of a drinking water system. The poverty rate or level of a population served by a drinking water system is also an indicator of the composite population's financial capacity or ability to pay. Poverty rates may indicate the percentage of the population that may potentially be dependent on fixed or low income levels, and may have increased probability to be disproportionately impacted by the existing or increased costs of the provided drinking water system. This evaluation is also performed to satisfy the particular emphasis of the DWAFF to assist drinking water systems serving less affluent populations and to provide more funding

flexibility to the identified systems. For the poverty rate criterion, possible scores are one or zero points. This data is obtained from the most recently completed (final) and released U.S. Census Bureau information, or from other sources accepted by the director of Ohio EPA.

One point will be given to systems that have a population or service area poverty rate that is more than the poverty rate of the State of Ohio for this criterion in the disadvantaged community evaluation. Systems that have a poverty rate that is equal to or less than the poverty rate of the State of Ohio will receive zero points for this criterion in the disadvantaged community evaluation.

For this criterion, systems that represent a public school and some non-profit communities, will receive the default value of one point. A default value for these classifications of drinking water systems was necessary since generally no system or service area specific poverty rates can be obtained to enable the evaluation to be performed.

Disadvantaged Community Determination

A drinking water system that is eligible to receive funding through the WSRLA program and desires to be evaluated to determine if the system is eligible for consideration as a disadvantaged community must complete the application for the DCLP and attach all required documentation. Required documentation includes the application, currently enabled water and sewer rate ordinance/bylaw, and a general plan or preliminary engineering report. Adequate and complete information must be submitted to Ohio EPA by March 1 of each year. Only systems that make application specifically requesting an evaluation to determine if the system meets the definition of disadvantaged community will be reviewed.

Systems eligible to apply for the disadvantaged community program are all systems that are eligible for the WSRLA program with the exception of some privately owned systems. For a privately owned system to be eligible, it must be a system regulated by the Public Utilities Commission of Ohio (PUCO), a system considered a political subdivision as defined by ORC 6119.011 or a non-profit public water system.

If a drinking water system is designated as a disadvantaged community, the determination is only valid for the specific program year for which that determination was made. If the system does not accept funding from the WSRLA program during the program year, its designation as a disadvantaged community will expire at the end of the program year. In all subsequent program years an annual application by the system will be required to determine if the system meets the disadvantaged community designation. All complete applications with required attachments must be submitted by March 1 of each year.

Additionally, a minimum of 50 percent of the council members or governing board members for the water system must complete the following Rural Communities Assistance Program (RCAP) Courses prior to loan award: 101 Utility Management for Local Officials and 201 Financial Management for Local Officials within the last five years. Both courses are offered free of charge and are available online or in a classroom setting. Ohio EPA will reassess and determine the final loan terms including disadvantaged community eligibility at the time of loan award.

Each criterion has a possible one or zero points score, with the exception of health related factors. For health related factors, possible scores are two, one, or zero point(s). Points are summed per each project and the total point score must be four or more to attain disadvantaged community designation. Financial assistance packages will be determined primarily by the total point score of each drinking water project and secondarily by the points received on the project priority list.

To be eligible, all drinking water projects determined to have a total point score of four or more **MUST** have received:

- at least one point in the health related factors criterion; **AND**,
- one point in the economic affordability criterion.

These criteria are mandatory for eligibility to meet the definition of disadvantaged community.

Eligible drinking water systems that are designated as a disadvantaged community may receive financial assistance in the form of principal forgiveness and/or reduced interest rate loan.

The total amount available for disadvantaged communities is directly related to the federal capitalization grant. Once an amount equal to the capitalization grant minus the set-asides has been obligated, no other disadvantaged community funds will be available for the remainder of the program year. The amount designated is specific to PY2018 and is subject to change in future program years. Systems that remain qualified as a disadvantaged community during the program year after all disadvantaged funds have been obligated will be offered project funding as defined by terms of the WSRLA interest rate criteria in Appendix E of this plan.

Systems receiving six points and have a project that will benefit portion of a larger service area, a financial benefit equal to the amount of principal forgiveness received must benefit the portion of the service area that qualified the project for disadvantaged community designation. Examples of this benefit include waiving or reducing tap or tie-in fees equal to the amount of subsidy received for the project.

Qualifying systems will receive DCLP funding based on the procedures as indicated above, and then in order using the current PPL. All other WSRLA program requirements must be met to receive disadvantaged community funding. Projects may still be bypassed in accordance with the project bypass procedure.

Any remaining funds in the DCLP at the end of the program year will remain in the WSRLA program for use by non-disadvantaged systems in the loan program. Alternatively, if additional funds become available via an additional capitalization grant during the program year, the director has the discretion to review additional disadvantaged community applications for designation or allot additional funds to systems designated as disadvantaged communities on the PY 2018 PPL.

APPENDIX G

**Final Project Priority List/Intended Projects List
Projects Eligible for Principal Forgiveness List
HAB Project List**

Project Priority and Intended Projects List for PY2018

June 26, 2017

PPL#	Entity	Project	PWS ID#	County	Total Project Cost	Est. Award Date	Popul.	Score	Class
1	Trumbull Co Braceville Twn PWS	Tie in West Farmington PWS	7806503	Trumbull	\$14,221,000	18-Jan	2,500	332	REG
2	Madison Water District	Altman Hts Tie In	7006712	Richland	\$696,000	18-Jan	1,600	320	REG
3	Conneaut	WTP Improvements	400411	Ashtabula	\$1,100,000	18-Jan	13,000	210	EA
4	Mt. Pleasant	Upg Bstr, New Well, Rplc Mtrs	4101712	Jefferson	\$50,000	17-Aug	478	179	SML
5	SW Licking Co W & S Dist	Summit Rd WL Ext	4505412	Licking	\$1,750,000	17-Sep	46	170	REG
6	Brilliant	New WTP Well WL Clr Well	4100412	Jefferson	\$3,094,035	17-Aug	2,100	158	DIS
7	New Waterford	Ph 1 WS Imprvs	1501722	Columbiana	\$2,653,600	17-Jul	1,238	140	DIS
8	Amesville	Rplc WTP	500112	Athens	\$868,725	17-Jul	255	135	DIS
9	Tuppers Plains Chester WD	Dist Syst Upgr Bster Stat & Tank Prj	5300612	Meigs	\$4,698,200	18-Jun	15,602	135	DIS
10	New Straitsville	Repl Wtr Lines Ph 2	6400504	Perry	\$1,534,000	18-Jun	838	131	DIS
11	Cadiz	Tank & Wtr Ln Rplc (dsgn)	3400214	Harrison	\$289,375	17-Sep	3,555	126	DIS
12	Cadiz	Tank & Wtr Ln Rplc (const)	3400214	Harrison	\$994,625	18-Apr	3,555	126	DIS
13	New Waterford	Ph 2 WS Imprvs (dsgn)	1501722	Columbiana	\$148,000	17-Sep	1,238	125	DIS
14	New Waterford	Ph 2 WS Imprvs (const)	1501722	Columbiana	\$2,290,000	18-Jun	1,238	125	DIS
15	Bowling Green	Rapid Sand Filter	8700311	Wood	\$1,810,000	17-Jul	30,028	120	STD
16	Leetonia	State St Wtr Ln Rplc	1501412	Columbiana	\$246,779	17-Oct	1,985	120	SML
17	Bowling Green	Micro Filt Membr Exps	8700311	Wood	\$2,200,000	18-Jun	30,028	120	STD
18	Crooksville	Rplc Wtr Line/Stor Tnk/Meters	6400111	Perry	\$6,864,000	17-Jul	2,538	117	DIS
19	Adams Co Reg WD	2017 Misc Wtr Lines (const)	100012	Adams	\$120,300	18-Feb	25,000	115	HH
20	Adams Co Reg WD	2017 Misc Wtr Lines (dsgn)	100012	Adams	\$29,700	18-Feb	25,000	115	HH
21	Muskingum Co Cmrs	SR 555 Ext Philo/Cnlvl/Rsvl Svcs	6000412	Muskingum	\$2,001,000	18-Jun	11,054	114	REG
22	Muskingum Co Cmrs	Chandlersville-Herron Rd WL Ext	6000412	Muskingum	\$850,000	18-Jun	11,054	114	REG
23	Glouster	Wtr Distrib Syst Imprvs	500703	Athens	\$4,275,000	18-Jan	1,797	108	DIS
24	Leading Creek Cnsvncy Dist	10.5 mile RW Line Rplc (dsgn)	5300012	Meigs	\$963,500	17-Jul	6,194	104	DIS
25	Leading Creek Cnsvncy Dist	10.5 mile RW Line Rplc (const)	5300012	Meigs	\$5,973,000	18-May	6,194	104	DIS
26	Northern Perry County Wtr	Ph III WL Exts & Ph I&II Tank	6402703	Perry	\$1,883,200	18-Jun	6,038	104	HH
27	Muskingum Co Cmrs	Rix Mills WL Ext	6000412	Muskingum	\$2,250,000	18-Jun	11,054	104	HH
28	Muskingum Co Cmrs	Barker's Run WL Ext	6000412	Muskingum	\$500,400	18-Jun	11,054	104	HH
29	Muskingum Co Cmrs	Ruraldale Wtr Mn Ext	6000412	Muskingum	\$150,000	18-Jun	11,054	104	HH
30	Paw Paw Lake	System Upgr	2802211	Geauga	\$214,415	17-Jul	120	100	EA
31	Gallia Rural Wtr Assoc	Rplc Kerr Bster Stat & Trns Mn	2700012	Gallia	\$1,240,000	17-Dec	20,995	100	DIS
32	Northwestern W&S Dist	Curtice Rd Loop (dsg)	8704203	Wood	\$55,000	17-Aug	8,445	99	SML
33	Northwestern W&S Dist	Curtice Rd Loop (const)	8704203	Wood	\$550,000	18-Jun	8,445	99	SML
34	Woodville	Upgr Chem Fd/Mtrs/Clarif/SCADA	7200912	Sandusky	\$782,700	18-Jun	2,102	98	EA
35	Jefferson Co W&SD	Smithfield Stor Tank Rplc	4100803	Jefferson	\$747,500	18-Mar	19,237	95	DIS

PPL#	Entity	Project	PWS ID#	County	Total Project Cost	Est. Award Date	Popul.	Score	Class
36	Wellston	WTP Upg & WL Rplc	4001912	Jackson	\$1,361,185	17-Jul	5,663	93	EA
37	Scioto Wtr, Inc	Rose Hill Stor Tnk/Bstr/Wtr Mn	7300303	Scioto	\$898,000	17-Jul	23,655	90	EA
38	Highland Ridge WA	Co Rd 9 WL Exts	8403203	Washington	\$1,720,000	17-Sep	3,022	90	HH
39	Canton	Canton South Reg (const)	7608112	Stark	\$2,195,960	18-May	107,500	90	REG
40	Canton	Canton South Reg (dsgn)	7608112	Stark	\$313,360	18-May	107,500	90	REG
41	Pike Water Inc	Pine Top WL Ext (dsgn)	6602412	Pike	\$213,800	17-Jul	18,490	85	HH
42	Adams Co Reg WD	US 52 WL Rplc	100012	Adams	\$100,000	17-Jul	25,000	85	EA
43	Marietta	WTP Upgrades (dsgn)	8400412	Washington	\$2,000,000	18-Jan	13,954	85	EA
44	Pike Water Inc	Pine Top WL Ext (const)	6602412	Pike	\$2,155,590	18-Mar	18,490	85	HH
45	Akron	Water Main Rplc Prgm	7700011	Summit	\$2,000,000	18-May	300,000	85	EA
46	Akron	Eastwood Pump Stat Impr	7700011	Summit	\$100,000	18-Jun	300,000	85	EA
47	Choctaw Utilities, Inc.	Rplc WTP (dsgn)	4900212	Madison	\$260,000	17-Aug	2,200	81	SML
48	Choctaw Utilities, Inc.	Rplc WTP (const)	4900212	Madison	\$2,600,000	18-Jun	2,200	81	SML
49	St. Marys	Rplc WTP	600612	Auglaize	\$21,894,800	17-Oct	9,356	80	SML
50	Miamisburg	Trans Mn Pkg A (dsg)	5701212	Montgomery	\$150,000	18-May	20,000	80	STD
51	Canton	Canton South WL Ext (const)	7608112	Stark	\$7,792,560	18-May	107,500	80	HH
52	Canton	Canton South WL Ext (dsgn)	7608112	Stark	\$1,298,760	18-May	107,500	80	HH
53	Cincinnati	Beech/Henkel/Latham (const)	3102612	Hamilton	\$2,100,000	17-Dec	1,215,612	75	EA
54	Cincinnati	Arborcrest Ct/Lngmdw Ln (const)	3102612	Hamilton	\$1,785,000	17-Dec	1,215,612	75	EA
55	Cincinnati	Gholson/Glenwood (const)	3102612	Hamilton	\$1,700,000	17-Dec	1,215,612	75	EA
56	Cincinnati	Indianwoods/Brandywine (const)	3102612	Hamilton	\$1,000,000	17-Dec	1,215,612	75	EA
57	Cincinnati	Beech/Henkel/Latham (dsgn)	3102612	Hamilton	\$120,000	17-Dec	1,215,612	75	EA
58	Cincinnati	Arborcrest Ct/Lngmdw Ln (dsgn)	3102612	Hamilton	\$100,000	17-Dec	1,215,612	75	EA
59	Cincinnati	Gholson/Glenwood (dsgn)	3102612	Hamilton	\$100,000	17-Dec	1,215,612	75	EA
60	Cincinnati	Indianwoods/Brandywine (dsgn)	3102612	Hamilton	\$100,000	17-Dec	1,215,612	75	EA
61	Akron	Hudson Wtr Mn Rplc	7700011	Summit	\$300,000	18-Jan	300,000	75	EA
62	Cincinnati	Jordan/Zion (const)	3102612	Hamilton	\$2,100,000	18-Jan	1,215,612	75	EA
63	Cincinnati	Robvern/Marbev/Gloria (const)	3102612	Hamilton	\$1,000,000	18-Jan	1,215,612	75	EA
64	Cincinnati	Jordan/Zion (dsgn)	3102612	Hamilton	\$150,000	18-Jan	1,215,612	75	EA
65	Cincinnati	Robvern/Marbev/Gloria (dsgn)	3102612	Hamilton	\$100,000	18-Jan	1,215,612	75	EA
66	Cincinnati	Langdon Farm Rd (const)	3102612	Hamilton	\$1,625,000	18-Mar	1,215,612	75	EA
67	Cincinnati	Ireland/Illona/Jennings (const)	3102612	Hamilton	\$1,350,000	18-Mar	1,215,612	75	EA
68	Cincinnati	Putnam/Salem Hills (const)	3102612	Hamilton	\$1,225,000	18-Mar	1,215,612	75	EA
69	Cincinnati	Ireland/Illona/Jennings (dsgn)	3102612	Hamilton	\$100,000	18-Mar	1,215,612	75	EA
70	Cincinnati	Langdon Farm Rd (dsgn)	3102612	Hamilton	\$100,000	18-Mar	1,215,612	75	EA
71	Cincinnati	Putnam/Salem Hills (dsgn)	3102612	Hamilton	\$100,000	18-Mar	1,215,612	75	EA
72	Akron	SR 43 Crossing Rplc	7700011	Summit	\$100,000	18-May	300,000	75	EA
73	Northwestern W&S Dist	Wtr Mtr Pit Instl/Rplc	8703211	Wood	\$600,000	18-Jun	21,859	75	EA
74	Akron	Middleton Rd WM Bolt Rplc	7700011	Summit	\$1,100,000	18-Jun	300,000	75	EA

PPL#	Entity	Project	PWS ID#	County	Total Project Cost	Est. Award Date	Popul.	Score	Class
75	Cincinnati	Kinney/Hewitt (const)	3102612	Hamilton	\$2,600,000	18-Jun	1,215,612	75	EA
76	Cincinnati	Dexter/Annwood (const)	3102612	Hamilton	\$2,500,000	18-Jun	1,215,612	75	EA
77	Cincinnati	Pleasant/Green (const)	3102612	Hamilton	\$2,100,000	18-Jun	1,215,612	75	EA
78	Cincinnati	Fairfax/Cinnamon (const)	3102612	Hamilton	\$2,000,000	18-Jun	1,215,612	75	EA
79	Cincinnati	Clarewd/Daunr/Grantwd (const)	3102612	Hamilton	\$1,900,000	18-Jun	1,215,612	75	EA
80	Cincinnati	Elkton/Ambrose (const)	3102612	Hamilton	\$1,876,000	18-Jun	1,215,612	75	EA
81	Cincinnati	Glenway Ave (const)	3102612	Hamilton	\$1,800,000	18-Jun	1,215,612	75	EA
82	Cincinnati	Western Hills/Ralph (const)	3102612	Hamilton	\$1,800,000	18-Jun	1,215,612	75	EA
83	Cincinnati	Congreve/Dogwood (const)	3102612	Hamilton	\$1,600,000	18-Jun	1,215,612	75	EA
84	Cincinnati	Ashland/Fleming (const)	3102612	Hamilton	\$1,000,000	18-Jun	1,215,612	75	EA
85	Cincinnati	Kinney/Hewitt (dsgn)	3102612	Hamilton	\$225,000	18-Jun	1,215,612	75	EA
86	Cincinnati	Dexter/Annwood (dsgn)	3102612	Hamilton	\$200,000	18-Jun	1,215,612	75	EA
87	Cincinnati	Fairfax/Cinnamon (dsgn)	3102612	Hamilton	\$200,000	18-Jun	1,215,612	75	EA
88	Cincinnati	Clarewd/Daunr/Grantwd (dsgn)	3102612	Hamilton	\$150,000	18-Jun	1,215,612	75	EA
89	Cincinnati	Congreve/Dogwood (dsgn)	3102612	Hamilton	\$150,000	18-Jun	1,215,612	75	EA
90	Cincinnati	Elkton/Ambrose (dsgn)	3102612	Hamilton	\$150,000	18-Jun	1,215,612	75	EA
91	Cincinnati	Pleasant/Green (dsgn)	3102612	Hamilton	\$150,000	18-Jun	1,215,612	75	EA
92	Cincinnati	Western Hills/Ralph (dsgn)	3102612	Hamilton	\$150,000	18-Jun	1,215,612	75	EA
93	Cincinnati	Glenway Ave (dsgn)	3102612	Hamilton	\$125,000	18-Jun	1,215,612	75	EA
94	Cincinnati	Ashland/Fleming (dsgn)	3102612	Hamilton	\$100,000	18-Jun	1,215,612	75	EA
95	Chardon	E King St WL Rplc	2800412	Geauga	\$729,000	18-May	5,100	74	SML
96	DeGraff	Wtr Sply & Trmt	4600512	Logan	\$1,631,300	18-Jun	1,285	74	SML
97	Wellington	Adams St WL Rplc	4701511	Lorain	\$425,000	17-Jul	4,700	71	SML
98	North Baltimore	Elev Wtr Tank (dsgn)	8701611	Wood	\$95,000	17-Dec	3,432	71	EA
99	Lorain	Red Hill Trans Main (dsgn)	4700711	Lorain	\$400,000	17-Aug	64,097	70	EA
100	Lorain	S Lorain WL Rplc Ph 3	4700711	Lorain	\$3,685,000	17-Sep	64,097	70	EA
101	Lorain	E Lorain WL Rplc Prj	4700711	Lorain	\$4,000,000	18-Mar	64,097	70	EA
102	Athens	Upg WTP	500212	Athens	\$6,000,000	17-Dec	24,024	69	STD
103	Mt Victory	Wtr Sftnr Rplc Prj	3300912	Hardin	\$94,663	18-Jun	627	69	SML
104	Zanesville	Wtr Tank Improvements	6002712	Muskingum	\$2,394,200	17-Jul	29,381	68	EA
105	Grafton	Main St WL	4700511	Lorain	\$627,415	17-Jul	2,634	67	SML
106	Grafton	Oak St Wtr Ln Rplc	4700511	Lorain	\$1,150,247	17-Sep	2,634	67	SML
107	Northwestern W&S Dist	McComb Rplc Distrib Syst (dsgn)	3200411	Hancock	\$49,000	17-Aug	1,650	65	SML
108	Northwestern W&S Dist	McComb Rplc Distr Syst (const)	3200411	Hancock	\$400,000	18-Jun	1,650	65	SML
109	Franklin Co SD#4	Little Farms SD Wtr Ln Rplc (dsgn)	2501003	Franklin	\$1,000,000	17-Oct	8,575	64	EA
110	Trumbull Co-Howland Twn WS	Huntley Dr Imprs Prj	7806303	Trumbull	\$293,095	18-Jan	5,740	64	SML
111	Ripley	Elev Tank/Bster Stat/W Line Rplc	801112	Brown	\$1,400,000	18-Jun	1,780	64	SML
112	Ripley	Rehab GW Tank & 8 In Fill Ln	801112	Brown	\$350,000	18-Jun	1,780	64	SML
113	Woodsfield	Monroe Lake Raw Wtr Line (dsgn)	5600711	Monroe	\$359,000	17-Jul	2,598	63	EA

PPL#	Entity	Project	PWS ID#	County	Total Project Cost	Est. Award Date	Popul.	Score	Class
114	Woodsfield	Monroe Lake Raw Wtr Line (const)	5600711	Monroe	\$1,622,000	18-Mar	2,598	63	EA
115	Seville	Rplc 2 Elev Wtr Twrs & Wtr Main	5201412	Medina	\$4,081,495	18-May	2,296	63	SML
116	Georgetown	Tank Rplc & Inter Connect (const)	800503	Brown	\$1,460,000	18-May	4,488	61	EA
117	Columbus	Maize Rd Area	2504412	Franklin	\$3,650,000	17-Jul	1,152,993	60	STD
118	Columbus	Acton Rd Ar WL Impr	2504412	Franklin	\$2,900,000	17-Jul	1,152,993	60	STD
119	Columbus	Dewberry Rd	2504412	Franklin	\$5,000,000	17-Sep	1,152,993	60	STD
120	Columbus	Silver Dr Ar WL Impr	2504412	Franklin	\$3,800,000	17-Sep	1,152,993	60	STD
121	Columbus	Scottwood Rd	2504412	Franklin	\$3,600,000	17-Sep	1,152,993	60	STD
122	Columbus	Arcadia Ave Area	2504412	Franklin	\$3,800,000	17-Oct	1,152,993	60	STD
123	Lake Co Aquarius West SD	Generator, SwtcGr, MCC Rplc	4302411	Lake	\$2,500,000	18-Jan	78,386	60	STD
124	Columbus	Mound Dist Booster Stat	2504412	Franklin	\$3,000,000	18-Jan	1,152,993	60	STD
125	Columbus	Sale Rd	2504412	Franklin	\$3,500,000	18-Feb	1,152,993	60	STD
126	Columbus	Noe Bixby Rd	2504412	Franklin	\$4,500,000	18-Mar	1,152,993	60	STD
127	Columbus	Stephen Dr	2504412	Franklin	\$3,900,000	18-Mar	1,152,993	60	STD
128	Columbus	Auto Mtr Read Prj	2504412	Franklin	\$25,000,000	18-Apr	1,152,993	60	STD
129	Columbus	S. Broadleigh Rd Area	2504412	Franklin	\$4,300,000	18-Jun	1,152,993	60	STD
130	Columbus	Dundee Ave WL Impr	2504412	Franklin	\$3,500,000	18-Jun	1,152,993	60	STD
131	Columbus	Union Ave WL Impr	2504412	Franklin	\$3,500,000	18-Jun	1,152,993	60	STD
132	Northwestern W&S Dist	Rossford Tree Sts WL Rplc (dsgn)	8752812	Wood	\$35,000	17-Aug	6,500	59	SML
133	Northwestern W&S Dist	Curtice Rd WL Rplc (dsg)	8704203	Wood	\$25,000	17-Aug	8,445	59	SML
134	Northwestern W&S Dist	Rossford Tree Sts WL Rplc (const)	8752812	Wood	\$350,000	18-Jun	6,500	59	SML
135	Northwestern W&S Dist	Curtice Rd WL Rplc (const)	8704203	Wood	\$250,000	18-Jun	8,445	59	SML
136	Grafton	Elev Tank	4700511	Lorain	\$817,610	17-Jul	2,634	57	SML
137	Grafton	Bstr Station	4700511	Lorain	\$493,200	17-Jul	2,634	57	SML
138	West Unity	Elev Storage Tank (dsgn)	8601812	Williams	\$80,000	17-Aug	1,671	55	SML
139	Northwestern W&S Dist	Starbright Subdiv WLRplc (dsgn)	8752812	Wood	\$95,000	17-Aug	15,600	55	STD
140	Northwestern W&S Dist	Ampnt/Wht/Vyrd St WL Rplc (dsgn)	8752812	Wood	\$65,000	17-Aug	15,600	55	STD
141	Northwestern W&S Dist	Rockldg Hmlt Subd WL Rplc (dsgn)	8752812	Wood	\$50,000	17-Aug	15,600	55	STD
142	Northwestern W&S Dist	100 Area Lead Srv Elim/Rpl Ph 1	8752812	Wood	\$800,000	17-Oct	15,600	55	STD
143	Akron	Lead Srv Ln Rplc Prgm	7700011	Summit	\$250,000	17-Dec	300,000	55	EA
144	Cincinnati	Cox Smith Road (const)	3102612	Hamilton	\$1,700,000	17-Dec	1,215,612	55	EA
145	Cincinnati	Cox Smith Road (dsgn)	3102612	Hamilton	\$100,000	17-Dec	1,215,612	55	EA
146	West Unity	Elev Storage Tank (const)	8601812	Williams	\$1,108,500	18-May	1,671	55	SML
147	Northwestern W&S Dist	Starbright Subdiv WLRplc (const)	8752812	Wood	\$855,000	18-Jun	15,600	55	STD
148	Northwestern W&S Dist	Ampnt/Wht/Vyrd St WL Rplc (const)	8752812	Wood	\$650,000	18-Jun	15,600	55	STD
149	Northwestern W&S Dist	Rockldg Hlt Subd WL Rplc (const)	8752812	Wood	\$450,000	18-Jun	15,600	55	STD
150	Northwestern W&S Dist	Emrgcy InterCnct/Bckup	8752212	Wood	\$365,000	18-Jun	25,278	55	STD
151	Columbus	Hap Cremean WP Standby Pwr	2504412	Franklin	\$14,250,000	17-Jul	1,152,993	50	STD
152	Columbus	Dublin Rd WP Standby Pwr	2504412	Franklin	\$12,500,000	17-Aug	1,152,993	50	STD

PPL#	Entity	Project	PWS ID#	County	Total Project Cost	Est. Award Date	Popul.	Score	Class
153	Oregon	Navarre Ave WL Rplc Ph 1 (const)	4800911	Lucas	\$3,295,000	17-Oct	32,720	50	STD
154	Oregon	Navarre Ave WL Rplc Ph 1 (dsgn)	4800911	Lucas	\$171,750	17-Oct	32,720	50	STD
155	Continental	Elev Wtr Tank (dsgn)	6900212	Putnam	\$95,000	17-Dec	1,153	50	SML
156	Miamisburg	Byers Rd Evel Stor Tank (dsg)	5701212	Montgomery	\$150,000	18-May	20,000	50	STD
157	Hamilton	Columbia Hts SubD Wtr Mn Rplc	904012	Butler	\$2,289,913	18-Jun	62,477	50	STD
158	Grafton	North Tank mixer & painting	4700511	Lorain	\$312,900	17-Sep	2,634	47	SML
159	Fairfield Co	Grant/Hampton Dr WLne (dsgn)	2301912	Fairfield	\$80,830	17-Sep	12,882	45	STD
160	Fairfield Co	Gran/Hampton Dr WLne (const)	2301912	Fairfield	\$1,100,790	18-Feb	12,882	45	STD
161	Trotwood	Olive Rd Wtr Mn Rplc	5702403	Montgomery	\$450,000	18-May	24,096	45	STD
162	Trotwood	MacMillan St Wtr Mn Rplc	5702403	Montgomery	\$270,000	18-May	24,096	45	STD
163	Oregon	SW Wtr Dist Imprv (const)	4800911	Lucas	\$2,338,440	17-Aug	32,720	40	STD
164	Oregon	SW Wtr Dist Imprv (dsgn)	4800911	Lucas	\$119,425	17-Aug	32,720	40	STD
165	Columbus	Dublin Rd WP UV Disinfect	2504412	Franklin	\$20,500,000	17-Oct	1,152,993	40	STD
166	Columbus	Hap Cremean WP UV Disinfect	2504412	Franklin	\$14,500,000	18-Jan	1,152,993	40	STD
167	Miamisburg	WTP Sftng Well	5701212	Montgomery	\$1,500,000	18-May	20,000	40	STD
168	Northwestern W&S Dist	Oregon/Bays Rd Elev Tanks Rehab	8752812	Wood	\$1,750,000	18-Jun	15,600	40	STD
169	New Carlisle	Scarff Rd Wtr Twr Rehab	1203312	Clark	\$650,000	18-May	5,785	39	SML
170	Hamilton	Main St. Wtr Mn Rplc	904012	Butler	\$591,250	18-Jun	62,477	30	STD
PLN	Tuscarawas Water System	Asset Mgmt & Planning (pln)	7901512	Tuscarawas	\$34,750	17-Jul	1,056	0	PLN
PLN	Woodsfield	Monroe Lake Raw Wtr Line (pln)	5600711	Monroe	\$25,000	17-Jul	2,598	0	PLN
PLN	Georgetown	Asset Mgmt & Planning (pln)	800503	Brown	\$34,750	17-Jul	4,488	0	PLN
PLN	Leading Creek Cnsvncy Dist	10.5 mile RW Line Rplc (pln)	5300012	Meigs	\$563,500	17-Jul	6,194	0	PLN
PLN	Pike Water Inc	Pine Top WL Ext (pln)	6602412	Pike	\$3,100	17-Jul	18,490	0	PLN
PLN	Fairview	Fairview Wtr System (pln)	New Syst	Guernsey	\$25,000	17-Sep	83	0	PLN
PLN	Cadiz	Tank & Wtr Ln Rplc (pln)	3400214	Harrison	\$9,000	17-Sep	3,555	0	PLN
PLN	Adams Co Reg WD	2017 Misc Wtr Lines (pln)	100012	Adams	\$35,000	18-Feb	25,000	0	PLN
PLN	Canton	Canton South Reg (pln)	7608112	Stark	\$14,800	18-May	107,500	0	PLN
INELG	Bremen	Filter media replacment	2504412	Fairfield	\$0	n/a	n/a	0	Inelig
INELG	Fairview	Fairview Wtr System (dsgn)	new syst	Guernsey	\$0	n/a	n/a	0	Inelig
INELG	Fairview	Fairview Wtr System (const)	new syst	Guernsey	\$0	n/a	n/a	0	Inelig
INELG	Franklin Co Water Sys	WS Planning Imprvs (pln)	none	Franklin	\$0	n/a	n/a	0	Inelig
INELG	Madison Co. Commissioners	New Syst Prpsd Stor Tank & WLines (dsgn)	new syst	Madison	\$0	n/a	n/a	0	Inelig
INELG	Madison Co. Commissioners	New Syst Prpsd WTP/Wells/Stor Tnk (dsgn)	new syst	Madison	\$0	n/a	n/a	0	Inelig

\$347,774,992

PPL#	Entity	Project	PWS ID#	County	Total Project Cost	Est. Award Date	Popul.	Score	Class
------	--------	---------	---------	--------	--------------------	-----------------	--------	-------	-------

CLASS:

REG - Regionalization projects that incorporate one or more systems within in a disadvantaged communities.

HH - Human health projects that are necessary to address drinking water contamination in disadvantaged communities.

DIS - Previously, the program has categorized eligible projects into three tiers with varying principal forgiveness amounts and interest rates. The tier structure has been replaced with an overall "disadvantaged" designation. Projects with this designation may be eligible for 50-75% principal forgiveness. The balance may be at a 0% interest rate loan for five to 30 years. See the "Principal Forgiveness Table" for eligible projects.

EA - Communities that are not designated as disadvantaged, but score enough affordability points to qualify for a lower interest rate.

SML - Systems with a service polulation of less than 10,000; a discounted interest rate applies.

STD - Non-disadvantaged communities with a service polulation greater than 10,000; standard interest rate applies.

PLN - Short-term planning loan.

INELIG - The project is specifically designated as ineligible (see Appendix C).

HAB Project List for PY2018

June 26, 2017

HAB#	Entity	Project	PWS ID#	County	Total Project Cost	Est. Award Date	Popul.	Score	Class
1	Bowling Green	Rapid Sand Filters	8700311	Wood	\$1,813,000	17-Aug	30,028	200	HAB
2	Akron	Enhanced RW PreTreat Fclty (const)	7700011	Summit	\$2,024,000	18-Jun	300,000	195	HAB
3	Akron	Enhanced RW PreTreat Fclty (dsgn)	7700011	Summit	\$276,000	18-Jun	300,000	195	HAB
4	Put-In-Bay	HAB Treatment Syst (const)	6203311	Ottawa	\$722,962	17-Jul	700	180	HAB
5	Put-In-Bay	HAB Treatment Syst (dsgn)	6203311	Ottawa	\$42,575	17-Jul	700	180	HAB
6	New London	GAC & WTP Imprvs	3902611	Huron	\$1,471,518	17-Aug	2,461	180	HAB
7	Bowling Green	Micro Filt Membr Exps	8700311	Wood	\$2,200,000	18-Jun	30,028	180	HAB
8	Bellevue	Clarifier Improvements (const)	3900011	Huron	\$2,337,000	17-Jul	8,202	175	HAB
9	Bellevue	Clarifier Improvements (dsgn)	3900011	Huron	\$398,000	17-Jul	8,202	175	HAB
10	Avon Lake	Emrg Intrcnt (const)	4700311	Lorain	\$6,500,000	17-Jul	206,000	145	HAB
11	Avon Lake	Emrg Intrcnt (dsgn)	4700311	Lorain	\$1,000,000	17-Jul	206,000	145	HAB
12	Lake Co. West Subdistrict	Aquarius PAC Imprv	4302411	Lake	\$540,000	17-Jul	78,386	135	HAB
13	Wellington	Strg Tnk Rplc & Rsrv Pmp (const)	4701511	Lorain	\$915,200	18-Apr	4,700	130	HAB
14	NWWSD	McComb Finished Wtr Clrwl Imprv	3200411	Hancock	\$927,300	18-Jun	1,650	125	HAB
15	Woodsfield	Raw Wtr Ln Emgcy Source (dsgn)	5600711	Monroe	\$371,750	17-Jul	2,598	100	HAB
16	Woodsfield	Raw Wtr Ln Emgcy Source (const)	5600711	Monroe	\$1,622,000	18-Feb	2,598	100	HAB
17	Campbell	Interconnect Proj (const)	5000411	Mahoning	\$699,033	17-Aug	8,500	50	HAB
PLN	Woodsfield	Raw Wtr Ln Emgcy Source (pln)	5600711	Monroe	\$12,250	17-Jul	2,598	0	HAB
					\$23,872,588				

Projects Eligible for Principal Forgiveness in PY2018

June 26, 2017

PF#	Entity	Project	PWS ID#	County	Total Project Cost	Est. Award Date	Popul.	Score	Class	Eligible PF	Eligible Term
1	Trumbull Co Braceville Twn PWS	Tie in West Farmington PWS	7806503	Trumbull	\$14,221,000	18-Jan	2,500	332	REG	75%	30
2	Madison Water District	Altman Hts Tie In	7006712	Richland	\$696,000	18-Jan	1,600	320	REG	75%	30
3	SW Licking Co W & S Dist	Summit Rd WL Ext	4505412	Licking	\$1,750,000	17-Sep	46	170	REG	75%	30
4	Muskingum Co Cmrs	SR 555 Ext Philo/Cnlvl/Rsvl Svcs	6000412	Muskingum	\$2,001,000	18-Jun	11,054	114	REG	75%	30
5	Muskingum Co Cmrs	Chandlersville-Herron Rd WL Ext	6000412	Muskingum	\$850,000	18-Jun	11,054	114	REG	75%	30
6	Canton	Canton South Reg (const)	7608112	Stark	\$2,195,960	18-May	107,500	90	REG	75%	20
7	Adams Co Reg WD	2017 Misc Wtr Lines (const)	100012	Adams	\$120,300	18-Feb	25,000	115	HH	75%	30
8	Northern Perry County Wtr	Ph III WL Exts & Ph I&II Tank	6402703	Perry	\$1,883,200	18-Jun	6,038	104	HH	75%	30
9	Muskingum Co Cmrs	Rix Mills WL Ext	6000412	Muskingum	\$2,250,000	18-Jun	11,054	104	HH	75%	30
10	Muskingum Co Cmrs	Barker's Run WL Ext	6000412	Muskingum	\$500,400	18-Jun	11,054	104	HH	75%	30
11	Muskingum Co Cmrs	Ruraldale Wtr Mn Ext	6000412	Muskingum	\$150,000	18-Jun	11,054	104	HH	75%	30
12	Highland Ridge WA	Co Rd 9 WL Exts	8403203	Washington	\$1,720,000	17-Sep	3,022	90	HH	75%	30
13	Pike Water Inc	Pine Top WL Ext (const)	6602412	Pike	\$2,155,590	18-Mar	18,490	85	HH	75%	30
14	Canton	Canton South WL Ext (const)	7608112	Stark	\$7,792,560	18-May	107,500	80	HH	75%	20
15	Brilliant	New WTP Well WL Clr Well	4100412	Jefferson	\$3,094,035	17-Aug	2,100	158	DIS	50%	30
16	New Waterford	Ph 1 WS Imprvs	1501722	Columbiana	\$2,653,600	17-Jul	1,238	140	DIS	50%	30
17	Amesville	Rplc WTP	500112	Athens	\$868,725	17-Jul	255	135	DIS	50%	30
18	Tuppers Plains Chester WD	Dist Syst Upgr Bster Stat & Tank Prj	5300612	Meigs	\$4,698,200	18-Jun	15,602	135	DIS	50%	30
19	New Straitsville	Repl Wtr Lines Ph 2	6400504	Perry	\$1,534,000	18-Jun	838	131	DIS	50%	30
20	Cadiz	Tank & Wtr Ln Rplc (const)	3400214	Harrison	\$994,625	18-Apr	3,555	126	DIS	50%	30
21	New Waterford	Ph 2 WS Imprvs (const)	1501722	Columbiana	\$2,290,000	18-Jun	1,238	125	DIS	50%	30
22	Crooksville	Rplc Wtr Line/Stor Tnk/Meters	6400111	Perry	\$6,864,000	17-Jul	2,538	117	DIS	50%	30
23	Glouster	Wtr Distrib Syst Imprvs	500703	Athens	\$4,275,000	18-Jan	1,797	108	DIS	50%	30
24	Leading Creek Cnsvncy Dist	10.5 mile RW Line Rplc (const)	5300012	Meigs	\$5,973,000	18-May	6,194	104	DIS	50%	30
25	Gallia Rural Wtr Assoc	Rplc Kerr Bster Stat & Trns Mn	2700012	Gallia	\$1,240,000	17-Dec	20,995	100	DIS	50%	30
26	Jefferson Co W&SD	Smithfield Stor Tank Rplc	4100803	Jefferson	\$747,500	18-Mar	19,237	95	DIS	50%	30
DESIGN LOANS (Eligible as a stand-alone loan):											
	Adams Co Reg WD	2017 Misc Wtr Lines (dsgn)	100012	Adams	\$29,700	18-Feb	25,000	115	HH	75%	5
	Canton	Canton South Reg (dsgn)	7608112	Stark	\$313,360	18-May	107,500	90	REG	75%	5
	Pike Water Inc	Pine Top WL Ext (dsgn)	6602412	Pike	\$213,800	17-Jul	18,490	85	HH	75%	5
	Canton	Canton South WL Ext (dsgn)	7608112	Stark	\$1,298,760	18-May	107,500	80	HH	75%	5

PF#	Entity	Project	PWS ID#	County	Total Project Cost	Est. Award Date	Popul.	Score	Class	Eligible PF	Eligible Term
DESIGN LOANS (May be rolled into future construction loan):											
	Cadiz	Tank & Wtr Ln Rplc (dsgn)	3400214	Harrison	\$289,375	17-Sep	3,555	126	DIS	50%	
	New Waterford	Ph 2 WS Imprvs (dsgn)	1501722	Columbiana	\$148,000	17-Sep	1,238	125	DIS	50%	
	Leading Creek Cnsvncy Dist	10.5 mile RW Line Rplc (dsgn)	5300012	Meigs	\$963,500	17-Jul	6,194	104	DIS	50%	
					\$76,775,190						

CLASS:

REG - Regionalization projects to incorporate one or more disadvantaged communities.

HH - Human health projects that are necessary to address drinking water contamination in disadvantaged communities.

DIS - All other disadvantaged communities that meet the criteria in Appendix F.

DESIGN LOANS (Stand Alone):

Only under the following circumstance will stand-alone design loans include principal forgiveness:

Because of their high priority, Ohio EPA will consider making stand-alone design loans for Regionalization and Human Health projects that are projected to receive principal forgiveness construction loans during the program year. These stand-alone design loans can include up to 75% as principal forgiveness, with the remainder as a 0% loan over a five-year term. The design loan must be paid off according to its amortization schedule, and will not be rolled into the construction loan. These design loans will only be awarded when Ohio EPA has assurance that the applicant has the ability to, and intends to proceed to construction within this program year. All other conditions of design loans apply.

DESIGN LOANS (Other):

These loans are not eligible for principal forgiveness as stand-alone projects. They do, however, become eligible when the corresponding construction loan is awarded. At that time, the design loan may be rolled into the construction loan.

APPENDIX H

Public Water System Supervision (PWSS) Plan - SDWA Section 1452(g)(2)(A)

Ohio EPA will take 5 percent of the Public Water Systems Supervision Set-aside (PWSS) authorized under Section 1452(g)(2)(A) of the SDWA from the FFY 2015 capitalization grants. Ohio EPA will use this set-aside to fund a variety of activities to help ensure Ohio's public water systems provide adequate quantities of safe drinking water, including on-going implementation of Ohio's Source Water Protection and Capability Assurance Programs. The PWSS set-aside provides flexibility in utilization of the funds to support Ohio's public water systems. The funds will be used to support approximately 24 full-time equivalent (FTE) positions to complete the program activities described in this section.

Return to Compliance Activities for PWS

Provide assistance to PWS with compliance needs, i.e., systems with violations, to return the PWS to compliance. 6 FTEs

Schedule: After issuance of a violation, DDAGW takes appropriate measures to return the PWS to compliance and record such efforts in SDWIS. DDAGW will respond to ETT lists and complete Compliance and Enforcement Plans in accordance with the deadlines set by USEPA and the Agency's Compliance Through Assurance Strategy. Efforts will be taken prior to occurrence on the ETT list to return PWS to compliance including limited scope site visits. Schedules for database management and clean-up including violation rescission and SOXing will be developed and followed. These activities will occur throughout the program year.

Responsibility: The district office compliance coordinators, supervisors and managers, enforcement coordinators, Compliance Assurance supervisors and manager, and assistant chief will develop and implement programs to return PWS to compliance. The efforts will escalate to formal enforcement for the most non-compliant water systems, Violations will be SOX'd in SDWIS. Enforcement actions will be tracked for compliance. USEPA ETT lists will be responded to. State ETT lists will be tracked to address systems as early as possible. Phone calls, site visits, compliance meetings, enforcement meetings will be conducted as necessary. Ongoing maintenance of the database will occur through regular SOXing of violations by the District Offices and the Compliance Assurance Section.

Evaluation: The success of the return to compliance activities is generally measured by the SOXing of violations in SDWIS. Success is also captured through reporting on the ETT list and the shared goals track overall compliance. Enforcement actions are tracked and reported in state reports and in SDWIS. Compliance with enforcement actions are currently tracked through compliance schedules in SDWIS. Site visits are tracked.

Sanitary Survey Program

Evaluate PWS for compliance issues and provide technical assistance to return the PWS to compliance. 9 FTEs

Schedule: District office will complete sanitary survey activities on the scheduled frequency prescribed by USEPA. Activities will include both on-site and non-on-site evaluation of PWS compliance, limited scope site visits for special purposes, technical assistance, writing sanitary survey letters and completing follow-up activities to items noted in the sanitary survey letters, completing level 1 and level 2 assessments and tracking them in SWIFT, and review of contingency plans and backflow prevention programs.

Responsibility: The district office inspectors, compliance coordinators, supervisors and managers, will implement programs to maintain PWS compliance. Phone calls, site visits, compliance meetings, will be conducted as necessary.

Evaluation: The success of the sanitary survey program will be measured by improvements in PWS compliance and the number of sanitary surveys, LSSVs and other site visits conducted.

Harmful Algal Blooms

Implementation of Ohio Harmful Algal Blooms Response Strategy. 9 FTEs

Schedule: Outreach to surface water PWSs on the HABs Response Strategy and contingency planning will be provided during all times of the year. During HABs season (May-October), Ohio EPA staff will assist PWSs in responding to raw and finished water cyanotoxin detections and optimizing treatment. Staff will also provide backup on raw and finished water sampling.

Responsibility: The district drinking water staff and their managers, the Central Office drinking water staff and their managers, and the DDAGW Chief and drinking water Asst. Chief will have primary responsibility for outreach, preparedness and response, and sampling backup.

Evaluation: Success at implementing Ohio's Harmful Algal Blooms Response Strategy will be measured by the number of raw and finished water detections of cyanotoxins, the amount of days that confirmed detections persist, the number of Treatment Optimization Protocols and Cyanotoxin General plans submitted, and how quickly drinking water use advisories are lifted.

APPENDIX I

Small Systems Technical Assistance Work Plan

SDWA Section 1452 (g)(2)(D)

Goals and Objectives

The overall program goal is to provide technical assistance to public water systems serving fewer than 10,000 persons to enable such systems to achieve and maintain compliance with applicable state and national drinking water regulations. The SSTAP will address this type of assistance needed for the small public water systems of Ohio.

The objectives define a program to address the financial, managerial, regulatory and operational needs of the targeted public water systems. Listed below are the specific goals and objectives for the program.

Goals

1. Maximize below-market rate loans to eligible public water systems to fund improvements to eliminate public health threats and ensure compliance with federal and state drinking water laws and regulations.
2. Target technical assistance to public water systems serving 10,000 or fewer people with a technical assistance program provided by funds from the technical assistance set aside account.
3. Improve the types and quantity of small and disadvantaged community assistance to reduce the financial impact of capital improvement projects on smaller systems and systems serving less affluent populations.
4. Promote the development of the technical, managerial and financial capability of public water systems to maintain compliance with the state and federal Safe Drinking Water Act (SDWA) requirements, and Ohio's Capacity Assurance Program.
5. Fund the construction of extensions of public water systems, or if extensions are not economically feasible, the construction of new public water systems to address pockets of contaminated private water systems.
6. Encourage the consolidation and/or regionalization of small public water systems to allow them to take advantage of the economies of scale available to larger water systems.
7. Encourage communities to proactively manage their assets.

Objectives

1. Assist small systems with the preparation of applications for the DWSRF including determining the ability to repay.
2. Assist in meeting state and other crosscutting requirements of the application.

3. Assist with determining the most cost effective option for a public water supply to access safe drinking water.
4. Assist systems with readiness-to-proceed issues.
5. Assist with locating and procuring sources of funding in addition to the DWSRF.
6. Assist systems in the development and/or completion of all components of the capability assurance documentation.
7. Assist in increasing managerial and financial capability of small systems.
8. Assist systems by offering seminars and online training for small systems utility board training, rate setting training, and asset management training.
9. Assist communities identified by Ohio EPA that need intensive technical assistance referred to as the "RCAP Team Approach."
10. Assist local systems with priority on public health-based issues using the water use advisory list, the RCAP list and the ETT.
11. Assist in promoting consistency in small community project development across the state through training.
12. Assist communities identified by Ohio EPA that will work co-operatively with RCAP to develop and implement Asset Management Plans for the PWS. This is a two-year demonstration project.

The Work Plan

Ohio EPA will set-aside 2 percent of the FFY 2017 capitalization grant in addition to any previously obtained capitalization grants to fund a Small System Technical Assistance program (SSTAP) to aid public water systems serving fewer than 10,000 persons. This work plan outlines how funds set-aside for the SSTAP will be used to provide technical assistance to small systems. Specifically, this work plan addresses:

1. a brief description of organizations selected to provide services under the SSTAP;
2. the scope of work to be provided under the SSTAP;
3. the funding amount in dollars and as a percentage of the DWAF allocation;
4. the number of FTEs projected for implementing the program;
5. the goals, objectives, and deliverables for the program;
6. a schedule for completing activities during the program year;
7. the responsibilities of Ohio EPA and the providers of assistance; and
8. a description of the evaluation process to assess the success of work funded through SSTAP.

Organizations Providing Services

The grantee selected to provide services for PY2018 will be the W.S.O.S. Community Action Commission, Inc./Great Lakes Rural Community Assistance program (RCAP). This organization has served as a provider to the SSTAP for over ten years, working with small systems serving fewer than 10,000 in population. They provide managerial assistance to water systems and aid in obtaining financial assistance through a variety of funding sources. Services are handled through both office personnel and field representatives who visit water systems to discuss and remedy problems. They will assist in

making application for financing, obtaining engineering expertise, and selection of cost effective alternatives. With a staff of approximately 50 employees in the Great Lakes Region, they manage community and economic development services in various parts of Ohio, as well as environmental assistance in a seven-state region. They also assist with locating and procuring sources of funding in addition to the DWSRF. RCAP will coordinate financing packages for small systems with the following sources including but not limited to: The Ohio Department of Development's Community Development Block Grant program, The Ohio Water Development Authority, The Ohio Public Works Commission, Ohio's Appalachian Regional Commission Grants program, Ohio's Department of Development Local Government Initiative Fund, The United States Department of Agriculture Rural Development program and RCAP's Community Loan Fund program for water infrastructure development.

Description of the Scope of Work to be Provided

SSTAP services include financial, managerial, regulatory and operational assistance. These services will be performed by RCAP and Ohio EPA field staff. Financial and managerial assistance includes:

1. Assist small systems on the Intended Project List, Project Priority List and the Great Lakes RCAP List to increase financial, managerial and system technical capabilities;
2. Assist small systems with the preparation of applications for the Drinking Water Assistance Fund (DWAFF) including determining the ability to repay and meeting state and other crosscutting requirements;
3. Assist small systems with project planning and determining the most cost effective option for a public water supply to access safe drinking water, i.e. line extension from another community, restructuring, regionalization, retailer of water from another source, etc.;
4. Assist small systems with project development and/or readiness to proceed issues for funding by providing information and/or short course training that includes but is not limited to; hiring an engineer, developing project schedules, obtaining cost estimates, completing data collection for project (population impacted, median household income levels), defining the need and obtaining supporting documentation, description of the proposed project, project alternatives considered and why rejected;
5. Assist small systems with locating and procuring sources of funding in addition to the DWAFF. RCAP will coordinate financing packages with the following sources, including but not limited to: The Ohio Department of Development's Community Development Block Grant program, The Ohio Water Development Authority, The Ohio Public Works Commission, Ohio's Appalachian Regional Commission Grants program, Ohio's Department of Development Local Government Initiative Fund, The United States Department of Agriculture Rural Development program and RCAP's Community Loan Fund program for water infrastructure development;
6. Assist small systems applying for a WSRLA loan, and new and existing community and non-transient non-community water systems, in the development and/or completion of the technical, managerial and financial components of the capability assurance plan;
7. Assist small systems in increasing managerial and financial capability of their public water system. This will include issues relating to utility planning, identifying both direct and indirect operation and maintenance costs, developing budgets, cost recovery, types of financing

resources, financial plan development, and marketing utility products and services to customers; and

8. Provide two training sessions on *Utility Management for Local Officials*; two training sessions on *Financial Management for Local Officials*; two training sessions on *Asset Management for Local Officials*; two training sessions on *Applied Asset Management using CUPSS*; two training sessions on *Containing Costs 2*; six new training sessions on *Sustainable Infrastructure*; one new training session on *Controlling Your Project Development*; and five *Distribution System Field Days*. As part of this Grant Agreement, a total of 20 classroom training sessions will be provided to small systems.
9. Provide monitoring assessment and outreach services for the online training sessions on *Utility Management for Local Officials* and *Financial Management for Local Officials*, which includes identifying who the governing board is for a system who is required to take the course, obtaining a roster list along with term limits of that body, track who has completed the courses and notify OEPA when the system has fulfilled the training requirement.
10. Provide assistance to communities identified by Ohio EPA that need intensive technical assistance (ITA); the "RCAP Team Approach" which will assist communities that are lacking in capacity or are in violation status and need help to move them toward capacity and compliance status.
11. Provide technical assistance to communities on the RCAP Referral List and to those who request additional assistance as the result of training activities. The short course manual titled *The Art and Science of Utility Rate Analysis and Structure* will be provided to communities who need additional assistance with rate setting. A short course slide presentation on rate setting will be provided to community decision makers who cannot find time to attend our six-hour course on this topic. Likewise, a similar short course slide presentation has been developed for Asset Management. The CUPSS program serves as the platform for this community specific decision maker training.
12. Assist small systems which need special attention to help move water system improvement project(s) forward by offering a short course titled *Project Development – A short course for Water and Wastewater System Owners* to enrolled communities. This course is designed to help promote consistency in small community project development across the state. If resources allow, Ohio RCAP will work to address readiness to proceed issues and start building a base of projects to be included in future priority lists. Once communities are enrolled under the RCAP program, RCAP will continue to work with them in meeting their compliance needs even though they may be "dropped" from the funding list. This will be done on a limited basis only and reported to the Ohio EPA program manager.
13. RCAP has developed a worksheet and planning process for PWS (Public Water Systems) that currently do not have the resources to implement asset management using more sophisticated and labor intensive platforms. RCAP will test Asset Management Worksheets for Small Systems on PWS which RCAP, Ohio EPA and the PWS have determined need to complete asset management planning. Priority will be given to small water systems that are referred to RCAP for intensive technical assistance and systems seeking funding through the state drinking water revolving loan program. Additionally, small PWS seeking planning funds from the drinking water

state revolving loan program may be charged directly for asset management planning. RCAP will develop an index based on metrics of technical, managerial, and financial management factors to determine which systems should contract directly with WSOS CAC, Inc. for asset management planning. RCAP expects some of the systems trying to develop an Asset Management Plan will not be able to support a water utility as they have historically operated. In those situations, RCAP will advise Ohio EPA by the end of discovery and begin assisting these communities toward evaluating options. These options include but are not limited to shared services, contract services, restructuring, and transfer ownership and operations to a viable entity.

Funding Amount

The amount set-aside from the capitalization grant for this program is 2% of the grant, which is estimated to be \$458,000. The total contract for training and technical assistance will be \$522,000. There is enough carry-over funds from the previous year's set-aside to compensate for the contract amount beyond the \$458,000.

Projected Number of Full Time Equivalent (FTEs)

RCAP has submitted a line item budget for the current program year indicating their services will require 4.2 FTEs.

Deliverables

Highlighted below are the main deliverables that are to be provided by Ohio RCAP to Ohio EPA. The SSTA Annual Report will include a summary of these detailed reports.

Monthly reports

1. Provide a summary on assistance provided to small public water systems on the IPL, PPL, RCAP List, and communities requesting services, including the community need and the planned next steps; and
2. Provide a list of training conducted, attended and other staff activities.

Quarterly reports

1. Report on the small systems assisted with:
 - a. Preparation of DWSRF and other funder's applications
 - b. Determining the most cost effective option to access safe drinking water
 - c. Readiness to proceed issues
 - d. Capacity development
2. Report on the "RCAP Team Approach":
 - a. Name of community
 - b. Identification of community need include violations occurring and capacity development needs

- c. Description of assistance provided and benchmarks accomplished
 - d. Description of the effectiveness of pilot project
 - e. Recommendations for next steps for the community
- 3. Report on the Demonstration Project – “RCAP Asset Management”:
 - a. Name of community
 - b. Description of assistance provided and benchmarks accomplished
 - c. Description of the effectiveness of demonstration project
- 4. Report on classroom and online training provided, including:
 - a. Date and location of training
 - b. Name of course
 - c. Number of participants
 - d. Number of water systems
 - e. Communities that have met training requirements for principal forgiveness

Annual Reports

- 1. Summary compiled from the quarterly reports
- 2. Report on leveraged funds detail including:
 - a. Name of community
 - b. Loan amount
 - c. Source of loan funds
 - d. Grant amount
 - e. Source of grant funds
- 3. Report on customer satisfaction surveys, including:
 - a. Date of assistance or training
 - b. Location of assistance or training
 - c. Evaluation score

Progress statements

- 1. Statements with details about the status of a particular project or community. These are submitted as needed.
- 2. Statements regarding the effectiveness of the pilot study.
- 3. Statements regarding the effectiveness of the demonstration project including the development and presentation of a white paper to the Ohio Section AWWA.

Schedule for Completing Activities

Ohio EPA has targeted small public water systems that are on the PPL, IPL and RCAP List for financial and managerial assistance; however, it is not necessary that a system be on the PPL, IPL or RCAP List to receive assistance through this program. A report will be provided monthly and quarterly for assistance activities using the following criteria: progress that is made, including status of outputs and deliverables per community, and any changes in projected scheduling and completion of activities. The individual

schedules for each small public water system will be determined based on the type of assistance necessary, any compliance schedules that exist, and the proposed WSRLA schedule.

Specific to on-site technical assistance calls, the schedules for completing that type of assistance will be determined by the severity and nature the problem, and the identified solution. Multiple visits may need to be scheduled before each activity is considered completed. Issues identified through a sanitary survey or site visit will be followed through resolution of the identified issues.

Responsibilities of Ohio EPA and the Providers of the Program

Ohio EPA will be responsible for ensuring all assistance is provided in a timely manner based on the specific issues and type of assistance determined to be necessary.

Providers are responsible for completing assistance tasks as each individualized schedule requires, and completing deliverables and outputs per those schedules. Submission of quarterly reports describing their activities is required. The providers are responsible for providing assistance as they have described in their work plans as accepted by Ohio EPA, and fulfilling the requirements and responsibilities as defined in their individual program agreements. Providers will also comply with any and all federal requirements in effect and applicable to their actions as related to completion of all assistance projects.

Description of the Evaluation Process to Assess the Success of Work Funded

Reporting and evaluation methods will be used to assess success of the small systems technical assistance program. Ohio EPA will utilize the reported information to determine the level of success and measure the effects of the assistance. The reported information will be used to determine future program year goals, objectives, and program design to continue to provide effective technical assistance to small systems. The specifics of the evaluation and reporting process per type of assistance provided are described as follows:

Financial and Managerial Assistance Activities Reporting

RCAP staff will meet bimonthly, or as needed, with Ohio EPA staff to evaluate technical assistance results and identify additional needs of systems. Reports will contain demographic and performance based information. Specific outcomes per community will be identified in compliance with any developed schedule, and based on the reporting format as defined by DDAGW. RCAP provides an evaluation form after each training course. The information and scores from the evaluation are summarized and used to make improvements or changes to the training courses. In addition, RCAP periodically conducts a customer satisfaction survey of systems that have received technical assistance. The survey is used to develop improvements to types and specifics of assistance services provided. Annually, RCAP provides a summary of the customer satisfaction surveys completed during the year. This reporting and performance evaluation information ensures that RCAP can document the effectiveness of its technical assistance.

APPENDIX J

Local Assistance and Other State Programs Set Aside Work Plan

SDWA Section 1452 (k)(1)(B)

Ohio EPA seeks authorization to spend \$1.25 million dollars of the Local Assistance and Other State Program set aside to build capability at public water systems.

Capability

Strategize new opportunities to re-energize the capability assurance (capacity development) program and maintain efforts to improve compliance assurance throughout the state. 3 FTEs

Schedule: Capability and compliance assurance activities will continue throughout the program year including workgroup strategy meetings and regular planning meetings.

Responsibility: A workgroup will be meeting regularly to evaluate the success of the current capability assurance (i.e. capacity development) program and discuss new opportunities to identify ways to assist PWS's in complying with national primary drinking water regulations and enhance the technical, managerial, and financial capacity of systems. Other Ohio EPA staff may be asked to join the workgroup to promote the implementation of the effort. Staff will begin screening systems to identify gaps in capability. The compliance assurance team of Ohio EPA Central Office and District Office staff will engage in a multitude of activities including groundwater rule assistance, limited scope site visits, monthly operating report reviews, outreach, and small systems technical assistance. These activities are intended to follow-up on systems after a sanitary survey, address compliance issues including MCL violations and assist in improving operation deficiencies.

Evaluation: The success of the capability assurance activities is measured by completion of the workgroup findings in a summary report and a strategic plan to improve the program. The success of the compliance assurance activities is measured by the reduced number of systems entering enforcement during the program year.

Ohio EPA will use the set-aside funds to implement Ohio's approved Source Water Assessment and Protection Program. Specifically, these funds will be used to complete the following:

Source Water Assessment

Complete source water assessments for new public water systems and update delineations for new sources (well or water supply intakes). 4.2 FTE

Schedule: Source water assessments are to be completed for all new public water systems within 60 days of activation or notification from the public water supply program. Updates or revisions of existing

public water system assessments are completed when information is received regarding a new well pumping configuration, or when significantly improved site-specific data is obtained regarding flow directions and flow rates. This effort may include site visits to update inventories or investigations to determine aquifer susceptibility to specific types of contaminant sources (these may be site-specific or statewide in nature). Also, preliminary assessments are completed for the Public Drinking Water Program as part of a well siting evaluation.

Responsibility: Assessments are the responsibility of Ohio EPA's District staff, with assistance as requested from Central Office staff and direction from District managers and the Central Office Source Water Protection program.

Evaluation: The success of this task is evaluated by the number of assessments completed within deadlines.

Source Water Protection Planning

Encourage and provide direct technical assistance to public water systems in development and implementation of source water protection plans. 2.0 FTEs

Schedule: Locally developed Drinking Water Source Protection Plans will be reviewed within 60 days of receipt by Ohio EPA, and technical assistance will be provided promptly upon request. Also, staff will conduct local workshops across Ohio in accordance with District scheduling. No specific deadlines are proposed for these workshops, providing flexibility for partnering with other organizations and for tailoring outreach to specific groups. Additionally, staff will continue to collaborate with ORSANCO to conduct source water protection education and planning activities for public water systems (surface water and ground water sources) along the Ohio River. A greater emphasis will be placed on assisting surface water systems with source water protection planning. In particular, outreach will be provided to systems that trigger the development of a general plan to address cyanotoxins under the HAB monitoring rules. Also, information from the 2015 Source Water Protection Implementation Reports ("SWAP Survey") will be used to identify systems that require assistance or encouragement to complete their protection plans or continue implementation; it will also identify systems that deserve recognition for exceptional implementation. Upon verification by District staff via a site visit, certificates of recognition will be issued to those systems with exceptional implementation of local source water protection. These communities will also be featured in The Spigot (DDAGW's quarterly newsletter), the annual SWAP newsletter, and on the SWAP Web page.

Responsibility: Reviews of Drinking Water Source Protection Plans, on-site technical assistance/outreach, and provision of workshops are primarily the responsibility of Ohio EPA District staff, with assistance from Central Office staff and direction from District managers and the Central Office Source Water Protection program. Central Office staff are responsible for overview of protection plans to ensure review consistency across the state. They also are responsible for preparing, distributing and evaluating the SWAP Survey, developing reports that measure implementation from the survey data, issuing certificates of recognition, and recognizing the communities in newsletters and on the Web.

Evaluation: Success of Protection Plan reviews will be measured by timeliness of reviews and the number of systems that are endorsed. Success of the workshops will be evaluated by the development of an endorsable local protection plan as the outcome. Success of implementation outreach will be measured by the next SWAP survey, scheduled for 2018.

Coordination, Outreach/Education and Technical Assistance

Conduct public outreach and education, and disseminate source water assessments to public water systems and the public, via a secure web site and collaborate with federal and State environmental programs to develop and implement source water protection strategies. 0.5 FTEs

Schedule: Continue collaboration with federal and state programs to recognize and develop regulatory or management practices protective of source water protection areas. Evaluate revisions to proposed waste management rules during the program year as additional rule packages come up for comment (under the required five-year rule review). Continue outreach efforts via a secure web site that is maintained and updated on a monthly basis. Technical assistance requests for source water protection information are typically completed within five working days of the request. Updates to source water protection web pages will be made quarterly. Poster-sized maps and certificates of recognition will continue to be provided to communities that complete an endorsable source water protection plan; the presentations are typically made in a public setting, such as village council meetings. The Program's internal intranet site contains a comprehensive list of process documents for the Source Water Protection program, and this will continue to be updated to reflect changes in program procedures.

In addition, as part of the Program's efforts to provide better information about potential contaminant sources, in PY2018 the SWAP program expects to determine the best options for improving the regulation of above-ground storage tanks in Ohio to ensure that surface water PWSs are prepared to respond to spills.

Responsibility: Coordination with other programs' rules will be implemented by Ohio EPA Central Office staff, with direction from the Central Office Source Water Protection manager. Development and maintenance of the secure web site and the Source Water Protection intranet and internet web pages is the responsibility of Central Office Source Water Protection staff, with assistance from Ohio EPA's Public Interest Center staff, as needed. Technical assistance currently is also handled primarily by Central Office staff.

Evaluation: Success of coordination will be measured by our ability to have source water protection area strategies recognized and implemented by other environmental programs. Success of websites will be measured by the public visitation rates, and any comments received. Technical assistance will be measured by the numbers of requests received and processed within deadlines.

General Program Support

Provide administrative, computer and data management and geographic information systems support to program staff. 2.5 FTE

Schedule: Planning and budgeting is scheduled as a priority activity in February/March, but time accounting, personnel management, computer programming, network support, data management, geographic information systems support and information tracking are ongoing functions. At least one meeting will be held for training of Source Water Protection staff around the state with specific training for new GIS applications and ground water flow modeling as necessary. Preparation of the federal report is scheduled as a priority activity for August. The agency has upgraded to ArcGIS 10, which entailed substantial reprogramming of applications, remapping of links, retraining of staff, and revision of process documents. An all-day training session for District staff is held at least annually.

Responsibilities: Planning and budgeting, time accounting and personnel management are the responsibility of the Central Office Source Water Protection Program manager. Computer programming and network support are functions of Ohio EPA's Information Management Systems staff, and data management and information tracking is a function of Central Office Source Water Protection staff as well as management.

Evaluation: Completion of plans, budgets and reports within deadlines and routine update of geographic information data to support the source water assessment and protection program.

APPENDIX K

Responses to Public Comments

On May 15, 2017, Ohio EPA released the DRAFT 2018 DWAF Program Management Plan for public comment. The comment period concluded at the two public meetings held on June 16, 2017. Only one testimony was received at the meetings, and it was a general comment supporting the program and the incentives outlined in the PMP.

A few comments were submitted via email during the comment period. This Appendix reflects Ohio EPA's responses to those comments.

Issue 1:	Principal forgiveness eligibility for the Circle-Red Water Main, Booster and Tank Replacement project
Commenter:	Village of Ripley
Response:	Ohio EPA has re-evaluated your project's score. Your community did not meet the minimum threshold criteria for economic affordability. Furthermore, evidence of boil orders was not provided. As a result, the Village currently does not meet the overall criteria for disadvantaged, and, therefore, is not eligible for principal forgiveness funds.
Issue 2:	Principal forgiveness eligibility for the North Stephens Tank and Booster Station project
Commenter:	Village of Georgetown
Response:	Ohio EPA has re-evaluated your project's score. Your community did meet the threshold criteria for economic affordability, and is therefore eligible for a reduced interest rate. However, evidence of boil orders was not provided. As a result, the Village currently does not meet the criteria for disadvantaged, and, therefore, is not eligible for principal forgiveness funds.
Issue 3:	Incorrect references and minor clarifications
Commenter:	U.S. EPA – Region 5 Office
Response:	All the identified references have been corrected and additional clarifications have been made.