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**State of Ohio**  
**Drinking Water Assistance Fund**

**Program Management**  
and  
**Intended Use Plan**

Amended  
Program Year 2009

Effective February 10, 2009  
through  
June 30, 2009

I certify this to be a true and accurate copy of the  
official documents as filed in the records of the Ohio  
Environmental Protection Agency.

By: Dan Kasser Date: 2-10-09

Final Amended 2009  
January 23, 2009

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**Ohio Drinking Water Assistance Fund  
Amended Program Management Plan  
for Program Year 2009**

**PART I: INTRODUCTION**

The Drinking Water Assistance Fund Program Amended Management and Intended Use Plan for Program Year (PY) 2009 has been developed for implementation of the State's Drinking Water Assistance Fund (DWAF) efforts that are authorized by Ohio Revised Code (ORC) Section 6109.22 and Section 1452 of the Safe Drinking Water Act (SDWA). This program management and intended use plan describes how Ohio EPA intends to distribute funds and administer the DWAF through June 30, 2009.

**Public Review and Comment Procedures**

On June 6, 2008, two public meetings were held to allow interested parties to present their comments and suggestions on Ohio's Draft PY 2009 Program Management and Intended Use Plan. A public notice was published on May 6, 2008 to advertise the availability of the Draft Management and Intended Use Plan and announce the public meetings (see Attachment A). A copy of the public notice was sent to all public water systems on the project priority list (PPL). The draft plan and public notice were available on Ohio EPA Division of Drinking and Ground Waters Web site. Information regarding the public comment period was also sent via an email Listserv. No public comments were received on the Draft Management and Intended Use Plan.

For the amendment of this intended use and management plan, two public meetings were held on January 23, 2009 to allow interested parties to present their comments and suggestions on Ohio's PY 2009 Draft Amended Program Management and Intended Use Plan. A public notice was published on December 23, 2008 to advertise the availability of the Draft Amended Management and Intended Use Plan and announce the public meetings (see Attachment A1). A copy of the public notice was sent to all public water systems on the project priority list (PPL). The draft plan and public notice were made available on Ohio EPA Division of Drinking and Ground Waters Web site. No comments were received during the comment period.

**Summary of Changes to the Drinking Water Assistance Fund**

The amendments noted below are changes for PY 2009. Amendments 8 and 9 are specific to the amended plan noticed in December 2009.

1. During PY 2009, Ohio EPA will continue development of sustainable infrastructure and planning initiatives for public water systems receiving a loan from the Water Supply Revolving Loan Account (WSRLA). Further information of the final initiatives will be included in the PY 2010 Intended Use and Management Plan.

2. During PY 2009, PY 2008 projects making timely progress toward loan award that have bid schedule requirements that must extend past June 2008, will be carried forward and considered fundable. Further information regarding the carryover projects can be found on page 13 of this plan and on the draft PPL in Appendix G.
3. Starting in PY 2009, if a community qualifies for disadvantaged community assistance in the form of principal forgiveness due to a portion of the overall service area, then 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. Further information is included on page 24 of this plan.
4. Each system serving a population of more than 10,000 people can take up to 10 percent of the available funds designated for projects this year as their proportionate share of funding. Therefore since \$120 million is being made available for loans during PY 2009, systems serving a population of more than 10,000 people may receive up to \$12 million. The proportionate share does not apply to systems serving 10,000 or less population.
5. Ohio EPA has removed the PPL fundable line for PY 2009. Projects totaling approximately \$190 million have submitted a pre-application to receive funds during PY 2009. Given past history, an average of 23% of projects will receive loan funds. Therefore, the \$120 million being made available will be sufficient to fund all projects requesting loan funds for this program year rendering the PPL fundable line unnecessary.
6. In Appendix F, "WSRLA Project Priority Ranking System", points were modified under the public health category to increase points for acute contaminants and add point categories for source contamination, enforcement/public health issues and meter installation for unmetered systems. Points were also added for systems completing a project in accordance with a Sustainable Growth Plan. An explanation of the Sustainable Growth Plan points are described on page 12.
7. In Appendix E, "Interest Rate Criteria," a new category was added to give interest rate reductions for systems removing gaseous chlorine from their treatment and replacing it with sodium hypochlorite or like treatment.
8. **Amended Plan-** The Disadvantaged Community Program has been changed to allow additional extended term and principal forgiveness funds to be awarded to projects. Information about the Disadvantaged Community Program is available starting on page 19.
9. **Amended Plan-** If additional capitalization funding is received during the program year, the director reserves the right to make the additional funds available immediately. More information is available starting on page 11.

## **Foreword**

The management plan is divided into two main parts: the Intended Use Plan (IUP) describes the goals of the DWAF and its programs, the allocation of available monies, and the intended uses of that assistance, including a list of potential recipients that have been identified. The Administration System describes the terms, conditions, and criteria governing the award of assistance, including the method of prioritizing projects.

## **PART II: THE 2009 INTENDED USE PLAN**

### **Drinking Water Assistance Fund (DWAF) in Ohio**

Through grants from the United States Environmental Protection Agency (U.S. EPA), and matching funds provided by Ohio EPA, the State of Ohio is establishing financial and technical assistance programs under the DWAF to help Ohioans improve their drinking water systems. The DWAF follows the provisions of Section 1452 of the SDWA, and ORC 6109.22.

The main purpose of the DWAF is to provide financial assistance to eligible public water systems to attain and maintain their systems in compliance with the requirements of the SDWA and Ohio statutes and regulations.

In addition, Ohio EPA intends to use the set-asides provided for in the 1996 Amendments to the SDWA only 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.

### **Drinking Water Assistance Fund Long-Term Goals**

The long-term DWAF program goals are to:

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 less than 10,000 in population with a technical assistance program as provided for with the funds to be utilized from the technical assistance set-aside account;
3. Provide financial assistance for completing source water assessments and wellhead protection plans (delineation, inventory, susceptibility analysis and distribution of assessment information) with funds from the wellhead protection set-aside account

to promote locally developed source water protection plans;

4. Improve the types and quantity of small and disadvantaged community assistance to reduce the financial impact of capital improvements projects on smaller systems and systems serving less affluent populations;
5. Promote the development of the technical, managerial and financial capability of public water systems to maintain compliance with the state and federal SDWA requirements, and Ohio's Capability Assurance program;
6. 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 areas of contaminated private water systems; and
7. 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.

### **Drinking Water Assistance Fund Short-Term Goals**

The short-term DWAF program goals are to:

1. Continue implementation of the DWAF as an ongoing environmental assistance program. Continue implementation of assistance for disadvantaged community program.
2. Provide opportunities for meaningful public involvement in DWAF. Continue implementation by public notification of the intended use plan/management plan, PPL, and hosting two public meetings per program year.
3. Promote the fund as an effective means to provide financial assistance to systems developing capital improvements projects to address new regulations and are listed by Ohio EPA as a "priority" system.
4. Develop and implement sustainable infrastructure and planning initiatives for public water systems during program years 2009 and 2010.
5. Award interest rate incentives for drinking water projects that include a conversion from gaseous chlorine to another acceptable, safe alternative such as sodium hypochlorite during program years 2009 and 2010.

### **Structure of the Fund**

For PY 2009, the DWAF is composed of four accounts that will be used to provide assistance to accomplish its goals:

1. The Drinking Water Assistance Administrative Account will hold fees collected by

Ohio EPA from applicants as well as the four percent set-aside from the federal capitalization grants provided for in Section 1452 (g) (2) of the SDWA. This account will be used to ensure the long-term administration of the program.

2. The Wellhead Protection Account will provide for implementation of Ohio's approved Source Water Assessment and Protection program (SWAP) as required by Section 1453 of the SDWA and Wellhead Protection program (WHP) as required under Section 1428 of the SDWA.
3. The Small Systems Technical Assistance Account will fund technical and managerial assistance for public water systems serving 10,000 or less 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.
4. The Water Supply Revolving Loan Account will provide financial assistance for the planning, design, and construction of improvements to community water systems, and nonprofit non-community public water systems.

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

#### **Sources and Amount of Funds for the 2009 DWAF**

The primary sources of funds available during PY 2009 for the DWAF will come from capitalization grants and bonds that were issued during PY 2008. Ohio EPA leveraged the principal and/or interest repayments from loans made to the WSRLA as necessary to redeem the bond anticipation notes issued during PY 2007.

Funds generated by the 2004 DWAF State Match Revenue Bond issue will provide match for the 2008 capitalization grant and match monies for an additional three capitalization grants.

Ohio EPA will be submitting the Federal Fiscal Year (FFY) 2008 capitalization grant application to U.S. EPA in May 2008, with an anticipated award date in September 2008. Ohio EPA will make those funds available during the remainder of the 2009 program year. The FFY 2009 capitalization grant application will be submitted to U.S. EPA during May 2009.

Ohio EPA is limiting the funds to be used for the 2008 fundable projects to \$75.0 million plus other carryover funds from PY 2008. Therefore, the total fundable project amount is \$120.0 million. All funds not used during PY 2009 may be carried over for use in subsequent program years. If additional capitalization grant monies are received during program year 2009, they will be made available for the remainder of the program year.

Table 1 indicates the distribution of funds for the DWAF including the FFYs 2008 and

estimated 2009 capitalization grants and proceeds from bonds.

## Drinking Water Assistance Fund - Distribution of Funds Summary of Funds Available

Table 1

FFY 2008 & 2009 Appropriation Capitalization Grants		\$24,421,000	\$24,421,000	
Set-Asides Accounts (as of May 31, 2008)	Prior Year Balances	2008 Grant Amounts*	2009 Grant Amounts**	Totals for Each Account
Administrative	\$3,474,588	\$976,840	\$976,840	\$5,428,268
Wellhead Protection Program	\$3,414,082	\$1,221,050	\$1,221,050	\$5,856,182
Small Systems Tech Asst	\$1,710,519	\$488,420	\$488,420	\$2,687,359
<b>Revolving Loan Accounts (as of May 31, 2008)</b>				
WSRLA CAP Grant	\$31,672,258	\$21,734,690	\$21,734,690	\$75,586,638
State Match for New Grants	N/A	\$4,884,200	\$4,884,200	\$9,768,400
State Match Account - Overmatch	(\$23,658,374)	(\$4,884,200)	(\$4,884,200)	(\$13,889,974)
State Match Account - After New Grants	\$2,397,363	\$0	\$0	\$2,397,363
Subtotal WSRLA CAP grant (w/ State Match)	\$34,069,621	\$21,734,690	\$21,734,690	\$77,539,001
Leveraged Bond balance	\$15,125,065	\$0	\$0	\$15,125,065
Other Projects Fund (repayments)	\$31,361,781	\$0	\$0	\$31,361,781
Total estimated WSRLA Funds	\$80,556,467	\$21,734,690	\$21,734,690	\$124,025,847
Amount of funds being made available PY 2009				\$120,000,000
Proportionate Share (10 percent of PY 09 funds available)				\$12,000,000

\* Application for the FFY 2008 Capitalization Grant is being prepared for submittal to U.S. EPA by : 7/30/08

\*\* FFY 2009 Allotment is anticipated to be the same as FFY 2008

### Drinking Water Assistance Administrative Account

Ohio EPA will set-aside four percent of the FFY 2009 federal capitalization grant to provide for administration of the DWAF. These funds will pay for personnel costs within Ohio EPA including management of the drinking water assistance fund and district office compliance coordinators. This account will also contain the administrative fees collected by Ohio EPA from WSRLA funding recipients. Ohio EPA will require a loan origination fee of one percent of the principal of each loan originated from the WSRLA. Loans that are a part of the Disadvantaged Community Loan program will not be assessed a one percent loan origination fee for the portion of the loan that falls under the disadvantaged community program.

The administrative fee collected by Ohio EPA will be deposited into the Drinking Water Assistance Fund Administrative Account (DWAFAA) as it is part of the WSRLA program. The Ohio Water Development Authority (OWDA) will require its standard fee of point thirty five of one percent 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. Fees deposited into the DWAFAA will be used solely to defray the costs of administering 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. Administrative funds that remain in the account at the conclusion of the program year will remain in the account to address program administrative costs in subsequent program years.

### **Wellhead Protection Account**

Ohio EPA will set-aside five percent of the FFY 2009 federal capitalization grant under Section 1452(k)(1)(D) of the SDWA. This section of the SDWA authorizes states to set-aside up to 10 percent of each year's federal capitalization grant to make expenditures for the establishment and implementation of WHP programs. Appendix I contains the intended use plan outlining how Ohio EPA will use those funds to complete wellhead protection work at public water systems consistent with Ohio's approved WHP and SWAP.

### **Small Systems Technical Assistance Account**

Ohio EPA will set-aside two percent of the FFY 2009 federal capitalization grant to provide technical assistance to public water systems serving 10,000 or less in population. Appendix J contains the work plan for the Small Systems Technical Assistance program. These funds will be used to:

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

The combination of these activities will be identified through an analysis of the needs of systems serving 10,000 or fewer in population. Small Systems Technical Assistance Account funds that are not expended at the conclusion of the program year may remain in the account to address this type of assistance in subsequent program years.

### **Water Supply Revolving Loan Account**

#### **Advantages of the WSRLA**

The WSRLA program has several advantages, including:

- Loans at an interest rate below market rate provide significant cost savings. The difference between a market rate loan and a below market rate loan can result in the equivalent of receiving a partial grant for the financing of the project. In addition, there are no bond issuance costs for the applicant.
- Ohio EPA staff has extensive experience providing advice and assistance to

communities in identifying sound technical and financial solutions. The types of assistance that Ohio EPA can provide include planning, reviewing projects for potential cost saving measures, providing technological, administrative and/or performance information, helping to develop cost recovery systems, and coordinating with other funding programs.

- The WSRLA program can fund a wide variety of water supply capital improvements to improve and maintain the quality of Ohio's drinking water systems.
- Although Ohio EPA and communities must meet certain federal requirements in the loan program, it is essentially a state program. Procedures and program requirements are streamlined since the program is administered completely by the state.

### **Currently Available Funds for WSRLA Projects**

Table 1 illustrates the total funds for the program year. The available funds to fund capital improvements to community and nonprofit non-community public water systems through loans and other types of assistance for qualifying projects is limited to \$120 million for PY 2009 that includes a portion of other available funds that have been carried over and designated as fundable on the PY 2009 PPL. During the past four years an average of 23% of projects have been funded in comparison to the comprehensive list, for an average annual amount of \$70 million. The PPL for PY2009 includes approximately \$190 million of projects requesting funds during the current program year. Given past performance of the program, Ohio EPA has determined that all projects on the PY 2009 PPL will be considered fundable with the expectation that at least \$70 million of projects will not move forward for funding during the program year. Therefore, no more than the \$120 million allotted will be awarded.

The award of this assistance may be offered to projects that qualify under the terms set forth in ORC 6109.22 and other state requirements, applicable federal requirements, and are fundable according to the funding criteria and the WSRLA Project Priority Ranking System (see Appendices C and F). Each public water system will qualify for a maximum amount annually based on the proportionate share.

The proportionate share amount for PY 2009 applies to systems serving a population of 10,000 individuals or more. They are eligible to receive up to 10 percent of the available funds. The proportionate share does not apply to systems serving a population of less than 10,000.

### **Additional Capitalization Funding**

If an additional capitalization grant is received during PY 2009 due to economic stimulus/recovery efforts, the new monies may be made available for the remainder of the program year. Interest rates and terms will be established consistent with federal

authorizing legislation and guidelines. Based on the amount of funding received, the director may also decide to designate all or part of the remaining FFY 2008 and 2009 capitalization grants eligible for the same interest rate and term offered under the economic stimulus/recovery efforts, as allowed by law. If additional funding is allotted, the specific amount, rate and terms of each project will be reported in the 2009 Drinking Water Assistance Fund Annual Report.

The director may elect to provide additional disadvantaged assistance if an additional capitalization grant is received. If the director elects to provide additional disadvantaged assistance, he may provide an application period to be public noticed statewide for submission of a disadvantaged community application. If the director does not advertise for new applicants for the disadvantaged community program, then the additional capitalization grant monies may be used to enhance the amount awarded to existing disadvantaged communities on the 2009 PPL.

If an additional capitalization grant is received, the director may elect to allow additional systems entry to the PPL for the remainder of PY 2009. If the director elects to provide additional entry to the PPL, an application period will be public noticed statewide. Based on the amount of additional funds received, the director reserves the right to invoke a proportionate share percentage.

#### **Water Supply Revolving Loan Account Project Priority System**

The WSRLA Project Priority System (Appendix F) ranks submitted projects primarily according to three factors:

1. Human health risk
2. Compliance with federal and state SDWA requirements
3. Systems in need on a per household basis

Other factors included in the priority ranking system are:

1. Bonus points for effective management
2. Population of the area served
3. Regionalization / consolidation

The WSRLA Project Priority System provides the structure and methodology for rating and ranking systems submitted to be considered for WSRLA assistance. The list of projects ranked according to this system is shown in Appendices G and H. Appendix G is the PPL and reflects all systems eligible for WSRLA financing that have been submitted by the appropriate authorized representatives. Appendix H is the Intended Projects List (IPL) and reflects systems ranked on the PPL that are candidates for funding based upon their priority ranking, the amount of WSRLA funds expected to be available and their intention to proceed during the current program year.

Proposed projects (planning, design, or construction) will be reviewed by Ohio EPA and

placed on the PPL according to the evaluation of the applicable appropriate funding category. The actual fundability of a specific project will be determined by its funding category, its readiness to proceed, and the availability of WSRLA funds. Some systems have submitted more than one project for inclusion in the PPL. Therefore one system may have two or more projects on the PPL due to differing timing of implementation of each project. In many cases, the points assigned to each project from one system will be the same. This is due to the fact that it is the performance of the drinking water system with respect to all criteria evaluated through the ranking system upon which points are awarded. Some projects may receive more or less points based on the specific issue they plan to address. Only projects that represent a comprehensive solution to compliance issues and/or rectify a current health threat that exists in the system are eligible for funding through the program.

The PPL and IPL identify proposed projects submitted through March 15, 2008. 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 existing in the service area that requires emergency measures be taken. It is not the intention of Ohio EPA to jeopardize the fundability of projects on the PPL or IPL, and therefore no projects will be displaced from funding due to the addition of emergency projects to the list.

Projects that do not qualify for funding in the current program year will be eligible to reapply for funding consideration in subsequent program years. Ohio EPA will solicit and add eligible projects to the PPL and IPL mid-year. Those projects can then be added to the PPL and IPL below all of the previously listed projects for funding consideration during the remainder of the program year. The deadline for inclusion in the mid-year updated list is October 15<sup>th</sup>. The mid-year updated list will not affect the ability to fund systems on the 2009 PPL and IPL published in this management plan unless they are bypassed according to the Project Bypass Procedure.

These mid-year additions may result in minor changes to the content of the PPL and IPL, therefore, meaningful public comment and review will be solicited. Upon completion of that review and incorporation and consideration of public comments received, the PPL and IPL will be revised and submitted to U.S. EPA for approval.

Projects listed on the PPL and IPL that are not making timely progress towards receiving a loan award may be bypassed for funding according to the Project Bypass Procedure. Projects that continue to be bypassed for failure to demonstrate reasonable progress in a timely manner may be deleted from the PPL and IPL.

### **Sustainable Infrastructure Initiatives (SII)**

U.S. EPA has identified the four pillars of sustainable infrastructure as; full cost pricing, efficiency, better management and watershed approach. During PY 2009, Ohio EPA will continue development of an initiative to encourage sustainable infrastructure and regional planning for Ohio's public water systems. This may be done by giving systems

an interest rate reduction to complete sustainable infrastructure and planning initiatives.

As part of SII for PY 2010, projects that implement a qualifying sustainable growth plan will receive an additional five points in their rating scores. Sustainable growth plans are to be submitted with the project nominations by those entities seeking to be rated under this factor. An example of sustainable growth planning is at the Ohio Lake Erie Commission's website ([www.epa.state.oh.us/oleo/bg1/index.html](http://www.epa.state.oh.us/oleo/bg1/index.html))

To receive points under this factor, projects will need to meet the following criteria.

The project must be located in an area covered by a sustainable growth plan. In order to qualify, a plan must:

- be designed to effectively encourage the implementation of comprehensive land use practices that will improve and protect health of surface and ground water resources;
- identify specific actions that will accomplish the purposes of the plan and set standards for their accomplishment;
- identify preferred development areas (PDAs ) where development is to be focused and preferred conservation areas (PCAs) where development is not to take place due to environmental resource protection objectives;
- encompass multiple governmental jurisdictions, preferably within a watershed area; be prepared and adopted by the governmental jurisdictions it covers; and
- be incorporated in local zoning and land use plans.

### **PY 2008 WSRLA Projects**

Projects making timely progress toward loan award with bid schedule requirements extending past June 2008 will be carried forward and considered fundable during the new program year. These projects are denoted on the PPL with the code "F-08" in the "Funding Category." Currently only one project, City of Cleveland, is expected to utilize the carryover provision. They were expected to receive a May 2008 loan award but plan to rebid the project.

### **PY 2009 WSRLA Projects**

All projects on the PPL have been ranked using the system described in Appendix F. Projects from the PPL are also on the IPL based upon their priority ranking, the amount of WSRLA funds expected to be available (Table 1) and their intention to proceed during the current program year.

Appendices G and H contain the lists of all projects identified for inclusion on the WSRLA PPL and IPL for PY 2009. The PPL consists of two main parts; the fundable project list and the comprehensive project list. The fundable projects are identified on the comprehensive list. The fundable section includes all projects in priority order that ranked high enough to receive funding during the program year, and funds will likely be available during the program year. The comprehensive list contains all projects in priority order that have the potential to receive WSRLA funding either during the program year, or in subsequent years. The IPL consists of the same two parts as the

PPL, except only projects intending to receive a loan during the current program year are represented. In short, the IPL is a subset of the PPL. The purpose of the IPL is to further prioritize systems interested in moving forward in the loan program for the specific program year.

The PPL and IPL shown in Appendices G and H, respectively, contain information specific to each project. This information includes:

- Project Rank or Position Number
- Name of Public Water System
- Brief Description of the Proposed Project
- Public Water System Identification Number
- Population or System Service Area
- Total Project Priority Points
- Potential Terms of Financial Assistance\*
- Funding Category
- Expected Funding Schedule of Project (anticipated date of the financial arrangements)

*\*Potential terms of financial assistance are based on the best information available at the time of the development of this IUP. Terms listed in this table 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.*

Definitions of fundable, contingency, and bypass categories are included later in this section.

Based on the projects ranked on the PY 2009 IPL, Ohio anticipates the following outputs and outcomes for PY 2009. There are 131 projects on the 2009 IPL. On average, approximately 23% of projects on the list are funded each year, so the actual number of project loan agreements will be closer to 43 based on the program's four year average. The following outputs and outcomes are based on an estimate of 43 loans for PY 2009.

1. **Output:** Ohio anticipates funding up to 7 planning and design loans in PY 2009 for a total of approximately \$4,000,000.

**Outcome:** Funding these projects will result in proper planning and design of upcoming construction projects to sustain Ohio's infrastructure.

2. **Output:** Ohio anticipates funding up to 4 regionalization loans in PY 2009 for a total of approximately \$8,000,000.

**Outcome:** Funding these projects will result in four less small public water systems in Ohio. Regionalization allows small public water systems to take advantage of economies of scale available to larger water systems.

3. **Output:** Ohio anticipates funding up to 10 transmission/distribution loans in PY 2009 to construct, rehabilitate, or upgrade drinking water transmission systems for a total

of approximately \$45,000,000.

**Outcome:** Funding these projects will result in more Ohioans receiving safe drinking water from new and existing treatment systems statewide.

4. **Output:** Ohio anticipates funding up to 13 drinking water treatment loans in PY 2009 to construct and/or rehabilitate drinking water treatment facilities for a total of approximately \$50,000,000.

**Outcome:** Funding these projects will result in better drinking water for thousands of people across Ohio and facilities that meet all applicable permits and SDWA requirements.

5. **Output:** Ohio anticipates funding up to 6 drinking water storage loans in PY 2009 to construct and/or rehabilitate drinking water storage facilities for a total of approximately \$10,000,000.

**Outcome:** Funding these projects will result in better drinking water for thousands of people across Ohio and storage facilities that meet all applicable permits and SDWA requirements.

6. **Output:** Ohio anticipates funding up to 3 drinking water source loans in PY 2009 to construct and/or rehabilitate drinking water sources for a total of approximately \$3,000,000.

**Outcome:** Funding these projects will result in better drinking water for thousands of people across Ohio and water sources that meet all applicable permits and SDWA requirements.

#### **Annual 15 Percent Minimum Required Loan Assistance to Small Systems**

A minimum of 15 percent of all funds credited to the DWAF in any program year will be made available to provide loan assistance to fundable small systems with a population of less than 10,000 customers to the extent that there is a sufficient number of eligible projects that are fundable. Ohio EPA will target a portion of its assistance to small communities by earmarking at least 15 percent of this program year's available WSRLA funds for fundable water systems serving fewer than 10,000 in population, and by focusing special administrative attention toward meeting the needs of small community applicants. Fundable small system loans in excess of the 15 percent during the program year may be credited toward future program years. If the designated level of assistance cannot be awarded within the program year, steps will be taken in the IUP for the next program year to ensure that a sufficient number of projects are funded to meet this requirement in future years.

## WSRLA Project Funding Procedure

The funding categories listed below are for descriptive purposes only to show the character and types of projects that may appear on the PPL and IPL. No additional project points are given to a project due to the category (ies) that it may be classified within. However, emergency projects are expected to proceed on an expedited schedule due to the health related factors of the emergency situation.

The PPL consists of four funding categories:

A. *Fundable* - Those projects that are anticipated to be ready to proceed with either planning, design, or construction during the program year in priority order as listed on the PPL and IPL. Fundable projects on the list are estimated assuming:

- 1) priority order and ability to initiate either planning, design, or construction during the program year;
- 2) the bypassing procedure occurs as described;
- 3) there are no significant cost changes to any fundable projects;
- 4) no listed projects are already partially or fully funded except as otherwise reported on the pre-application; and
- 5) funding is awarded at the current levels allotted.

B. *Contingency* - Those projects ready to proceed with planning, design or construction during the program year not included in the fundable classification described in A above, in priority order as listed on the PPL and IPL, and may receive funding through the use of the bypass procedure or through additional funds becoming available. Projects added to the PPL and IPL during the mid-year list update will be added to the bottom of the contingency projects in priority point order from highest to lowest.

These projects may also be added to the fundable category after determining that sufficient funds are available during the program year to award assistance to the projects currently on the list that are in the fundable category. This may occur when fundable projects are bypassed due using the Project Bypass Procedure.

To be eligible for inclusion in the contingency category, the applicant must be ready to proceed with their project during the program year.

C. *Emergency* - An emergency project is a project that is necessary to avoid or correct an imminent threat to public health. (See Part IV, Definitions)

D. *Planning* - Those projects that are not ready to proceed with construction during the

program year and are not included in the categories listed above.

To remain under consideration for funding all applicants must show timely progress toward receipt of assistance from the WSRLA during the program year.

### **Emergency Projects Procedure**

Projects that meet the definition of emergency projects (see Part IV, Definitions) 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. Ohio EPA will make financing available from WSRLA funds so that qualifying emergency projects may receive immediate assistance without displacing fundable projects. Emergency projects will be funded prior to any contingency projects that have not yet received a WSRLA loan commitment. Emergency projects shall be scored using the procedures outlined in Appendix F. If the director has issued an order reciting the existence of the emergency, or the director has issued a finding giving notice of danger of contamination or inadequacy, or the director has issued an order to make corrections and changes to prevent the contamination of the water supply or source as provided for in ORC Sections 6109.05, 6109.14, and 6109.15, additional points shall be awarded to the project for emergency scoring purposes. Emergency scoring points shall be sufficient to place the emergency project as the first project to be funded at the time of the occurrence of the emergency, when added to the points that the project received as scored through the procedures outlined in Appendix F.

### **Project Bypass Procedure**

Ohio EPA may bypass any otherwise fundable project due to withdrawal of the project by the applicant or lack of readiness to proceed. Lack of readiness to proceed will be determined using the agreed upon project schedule between Ohio EPA and the system, and detail plan approval for the project. Project applicants will complete a project schedule that they are expected to follow to avoid being bypassed. If a plant construction project (including upgrade, replacement, new construction or expansion of water treatment facilities) does not have detail plan approval by November 1<sup>st</sup> of a program year, then the project may be bypassed until the next program year. If a distribution related project (including mains, pump stations, finished water storage) does not have detail plan approval or planning document acceptance (including like kind replacement, meters) by February 15<sup>th</sup> of a program year, then the project may be bypassed until the next program year.

A project may also be bypassed due to an applicant's inability to meet the 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, or advertisement for bids, or the award of the loan, or award of construction contracts, cannot be reasonably projected or met by the dates established in the project's schedule. A project may be bypassed if the loan award is projected to be delayed beyond the end of the program year. Projects that are

otherwise not in compliance with the provisions of the DWAF management plan or program requirements are also subject to this bypass procedure:

Funds made available through bypassing may be awarded to eligible projects in keeping with the loan award procedures previously described, or may remain in the fund for the next program year. Projects bypassed during the program year may reapply and be considered for funding during the next program year in which they are anticipated to be ready to proceed. The project's relative ranking on the PPL and IPL will be in accordance with the project priority ranking system in effect at that time.

### **WSRLA Interest Rate Structure**

The WSRLA will offer six different interest rates in the program year:

- a standard long-term rate (for loans longer than five years but not more than 20);
- a small system long-term rate (for loans longer than five years but not more than 20);
- a small system rate for systems that receive affordability points through the PPL ranking system (for loans longer than five years but not longer than 20);
- a short-term rate for loans including planning/design (five years or less);
- a linked deposit rate; and
- a supplemental loan interest rate (for loans longer than five years but not more than 20 years).

The rates and the procedures for establishing them are described in Appendix E. An interest rate reduction will also be offered starting in PY 2009 to accomplish designated short term goals of the WSRLA program. A description of how to receive an interest rate reduction through the WSRLA is included in Appendix E.

The disadvantaged community program is one additional program offered with lower interest rates and longer repayment terms. Please see the information in the following section for the interest rates and terms available to systems designated under the Disadvantaged Community program.

### **Disadvantaged Community Program**

Disadvantaged community determination and the subsequent decision to consider award of the rates, terms, and financial mechanisms that disadvantaged community designation is permitted, will be determined in accordance with Ohio Administrative Code (OAC) rules 3745-88-01 and 3745-88-02, and the following procedures. Evaluation will only be made to systems that have submitted a pre-application for inclusion in the WSRLA program, and have submitted a complete application package for designation as a disadvantaged community including all required attachments by March 15 prior to each program year that begins July 1.

## General Criteria

All eligible applicants to the disadvantaged community program 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. Appendix F contains a detailed description of indicators that are evaluated that may represent serious health risks and indicate the regulatory compliance status of the drinking water system and its operations. Including both chronic and acute contaminants, 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
- Secondary Standards (Iron and Manganese)
- Tie-in of Systems with Public Health/Enforcement Issues
- Unmetered Systems

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. Systems 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 disadvantaged community program. Systems 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 F.

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.

For the disadvantaged community program, systems 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). Systems 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 disadvantaged community program. Systems 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 system, 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 disadvantaged community program 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 DWAF 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, or from other sources accepted by the director. For the MHI criterion, possible scores are one, or zero points.

Systems that have an MHI value of less than the 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 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 DWAF 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 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 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 disadvantaged community program 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 15 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. A privately owned system must either be non-profit, regulated by the Public Utilities Commission of Ohio (PUCO), or considered a political subdivision as defined by ORC 6119.011.

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 15 of each year.

No additional information for any application will be accepted after March 15 of each year. If the application is incomplete and additional information is necessary to enable evaluation of the system, all additional required information must be submitted by March 15. This deadline is necessary so that all final eligibility determinations can be made prior to the May 15 notification date.

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 system 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 system and secondarily by the points received on the project priority list.

To be eligible, all drinking water systems 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 are eligible for consideration of the following WSRLA financial assistance:

<u>Total Score/Tier Level</u>	<u>Loan Terms</u>
Six Points/Tier I	Up to 50 percent of project awarded in principal forgiveness, or \$500,000 forgiveness maximum, whichever is less, per system per program year; The remainder of the loan with a zero percent interest rate for up to a 30 year term.
Five Points/Tier II	Terms of the loan are zero percent interest rate for up to a 30 year term.
Four Points/Tier III	Terms of the loan are two percent interest rate for up to a 30 year term.

Starting in PY 2010, the funding mechanisms available to drinking water systems that receive six points are capped at total available funds of \$5,000,000 in principal forgiveness per program year for this category. If drinking water systems eligible for principal forgiveness remain after the available cap of \$5,000,000 is reached during the program year, the remaining systems will be offered project funding at zero percent interest rate for up to 30 years.

The total amount available for the disadvantaged community program is up to the amount of the capitalization grant received by U.S. EPA minus any designated set-aside amounts. 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 PY 2010 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 (Appendix E).

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 reduction of tap or tie-in fees equal to the amount of subsidy received for the project.

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

Any remaining funds in the disadvantaged community program 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 2009 PPL.

### **PART III: THE DWAF ADMINISTRATION SYSTEM**

#### **DWAF Management Practices**

The purpose of the DWAF management practices section is to provide information regarding the means and methods Ohio EPA will follow in the administration of the DWAF program. The following is a description of the method by which available funds are managed to ensure their effective and timely commitment to DWAF activities.

#### **Management Practices**

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

- a. 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.
- b. Solicit, add and delete projects from the current program year WSRLA 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.

- c. Determine projects eligible for disadvantaged community program assistance.
- d. Bypass any WSRLA project in accordance with the project bypass procedure described previously in this document.
- e. Limit the amount of funds available to any WSRLA program applicant based on the eligibility of project elements, or upon the applicant's project consuming more than the proportionate annual share of available funds. An applicant will be notified in writing should Ohio EPA limit funds available due to the project's cost exceeding the proportionate share of the total funds available.
- f. 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:
  - i. 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
  - ii. The project will take three or more years to complete.

A segmented project also 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.

- g. Deposit at any time, funds available in other DWAF accounts or any portion thereof, into the WSRLA with public notice.
- h. Establish definitions, terms, and conditions for WSRLA program assistance to disadvantaged communities in accordance with ORC 6109.22.
- i. 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.
- j. 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.

- k. Establish interest rates for WSRLA program loans in accordance with the procedures outlined in Appendix E.
- l. Make available at least 15 percent of the WSRLA funds outlined in each IUP to projects identified in that IUP as small systems serving less than 10,000 in population that are ranked on the PPL.
- m. 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. The terms, conditions and rates are outlined in Appendices D and E.
- n. Establish, increase, or decrease the available funds for the DWAF, the WSRLA, and set-aside uses.

This information is also available on Ohio EPA's Web site [www.epa.state.oh.us](http://www.epa.state.oh.us).

- o. Develop and implement with public notice and involvement a multi-year plan for the financial and programmatic administration of the DWAF and the long-term financial health of the fund.
- p. Establish bypass, amendment and emergency funding procedures for the WSRLA program.

### **Project Responsibilities of DWAF Applicants and Recipients**

It is essential that applicants and recipients be aware of their responsibilities, commitments, and obligations. Ohio EPA is responsible for managing the DWAF program; the responsibility for meeting WSRLA program requirements, managing a project and complying with the terms of the loan agreement rests with the recipient.

### **DWAF Administrative Conditions**

The following conditions have been formulated to assist Ohio EPA staff and the recipient to effectively manage their respective tasks. These conditions highlight areas of particular concern to Ohio EPA. The recipient is responsible for negotiations of necessary and reasonable costs, effective management of funds and adequate project monitoring.

Each potential recipient is encouraged to maintain close contact with Ohio EPA throughout general planning and design to ensure that maximum priority value for its final project is identified and reflected in the PPL. This contact will also help prevent costly delays or possible deferral of the project at the time of funding.

Additional administrative conditions pertaining to the DWAF may be developed and added in the future. These additional conditions may modify, supplement or supersede the administrative conditions in this section after appropriate public notice as required.

A. WSRLA General Plan/Detailed Design Consistency

A WSRLA program applicant for a complex or capacity-related project must submit the general plan for the project and receive Ohio EPA approval of the general plan prior to undertaking any detail design work.

Applicants are responsible for consistency between approved general plans and detailed design at the time of application and construction in accordance with the approved detailed plans. Construction must be in accordance with all terms of the WSRLA assistance agreement.

The general plans submitted must ensure consistency with all SDWA requirements. The public water system improvements of which the proposed project is a part, will address all deficiencies noted in the prioritization of the project. It should also minimize total life cycle costs through the use of appropriate technology and the selection and implementation of the most cost-effective alternative, and meet capacity assurance requirements.

B. 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 project costs, only costs for facilities and components that are necessary to the proper function, and/or capital costs that will directly result 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 that supplies bulk water to an Ohio EPA regulated consecutive system which has or is exceeding a primary drinking water standard shall have their eligibility for WSRLA funds determined in the same manner as the consecutive system with the exceedence if the proposed project is expected to correct the exceedence experienced by the consecutive system.

The costs associated with the general operation and maintenance activities of any public water system are not considered allowable project costs.

### C. WSRLA Eligible Costs

Ohio EPA will provide WSRLA funds for the purposes as defined in the ORC Section 6109.22 and the SDWA. Each applicant's project will undergo an eligibility review prior to any commitment of funds from the WSRLA. Ohio EPA attempts to provide assistance with as few eligibility restrictions as possible. However, certain costs are prohibited from WSRLA funding because of federal limitations, while others do not provide safe drinking water benefits. If a project is on the project priority list and has participated in an initial meeting with Ohio EPA, or a project will correct an immediate health threat or compliance issue, and (in both circumstances) can complete all programmatic requirements, then the system can receive reimbursement for a project that has started. Ineligible WSRLA costs include, but are not necessarily limited to, those listed in Appendix C.

### **PART IV: DEFINITIONS**

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

- A. *Proportionate share* - Systems serving a population of more than 10,000 people are eligible to receive no greater than 10 percent of the amount of available annual funds. Systems serving a population of 10,000 or fewer people are not subject to the proportionate share amount.
- B. *Initiation of operation* - the date the funded facilities are in full and sustained operation as planned and designed.
- C. *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" in Part II of this plan for further information.)
- D. *Construction* - means any one or more of the following: preliminary planning to determine the feasibility of treatment works, engineering, architectural, legal, fiscal, or economic investigations or studies, surveys, designs, plans, working drawings, specifications, procedures, field testing of innovative or alternative water treatment processes and techniques meeting applicable guidelines, or other necessary actions, erection, building, acquisition, alteration, remodeling, improvement, or extension of treatment works, or the inspection or supervision of any of the foregoing items.
- E. *Emergency Project* - a project that is necessary to avoid or correct an imminent threat to public health. Examples include loss of water supply to an Emergency 1 Level as defined in the State of Ohio *Drinking Water Supply Emergency Plan*,

December 2003, acute Maximum Contaminant Level (MCL) violations requiring ongoing public notice through radio and television, public notice, and other contamination above established 10-day health advisory levels. 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.

- F. *Market Rate* - for WSRLA loans, market rate is calculated as the average of *The 20 GO Bond Index* rate published on the eight Fridays previous to the date the rate is calculated plus 50 basis points. 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.
- G. *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 10,000 or fewer persons.
- H. *Capability Assurance* - (also known as capacity assurance and capacity development) the process through which a system plans for and implements action to ensure that the system can meet both its immediate and its 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, given the system's available water resources and the characteristics of its service population.

To be comprehensive, all elements of a water system's capability to effectively deliver safe water must be considered to meet the current needs and the projected future 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.

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

- A. *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.
- B. *Non-community System*- means a public water system that is not a community water system.
- C. *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:
  - (1) A nonprofit public water system that operates or provides water to a community water system;
  - (2) A public water system that is regulated by PUCO and that operates or provides water to a community water system;
  - (3) A political subdivision, as defined by ORC Section 6119.011(B), that operates or provides water to a community water system; or
  - (4) A nonprofit non-community public water system.

**APPENDIX A**

Ohio Environmental Protection Agency  
**PUBLIC NOTICE**  
DRAFT Intended Use Plan and Management Plan  
For The Drinking Water Assistance Fund  
For Program Year 2009

Public notice is hereby given that the Ohio Environmental Protection Agency (Ohio EPA) Division of Drinking and Ground Waters (DDAGW) has issued the DRAFT Intended Use Plan and Management Plan for the Drinking Water Assistance Fund, which has been authorized by Ohio Revised Code section 6109.22 and Section 1452 of the Safe Drinking Water Act.

Copies of the DRAFT Intended Use Plan and Management Plan are available from the Division of Drinking and Ground Waters upon request, through the Internet at <http://www.epa.state.oh.us/ddagw/dwaf.html> or by writing to:

Ohio EPA  
Lazarus Government Center  
Attention: Flo Sellu, DDAGW  
P. O. Box 1049  
Columbus, Ohio 43216-1049

Written comments should be submitted to:

Ohio EPA  
Lazarus Government Center  
Attention: Stacy Barna, DDAGW  
P. O. Box 1049  
Columbus, Ohio 43216-1049  
E-mail address: [stacy.barna@epa.state.oh.us](mailto:stacy.barna@epa.state.oh.us)

**Written comments must be received on or before June 6, 2008.**

To allow interested persons to present their comments and suggestions, and for Ohio EPA to provide a response to questions on Ohio's DRAFT 2009 Program Management and Intended Use Plan, two public meetings will be held at the following times and location:

**1:00 p.m. and 5:00 p.m., Friday, June 6, 2008.**  
**Ohio EPA, Lazarus Government Center**  
**50 West Town Street, Suite 700, Conference Room B**  
**Columbus, Ohio**

**APPENDIX A1**

Ohio Environmental Protection Agency  
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DRAFT Amended Intended Use Plan and Management Plan  
For The Drinking Water Assistance Fund  
For Program Year 2009

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Lazarus Government Center  
Attention: Flo Sellu, DDAGW  
P. O. Box 1049  
Columbus, Ohio 43216-1049

Written comments should be submitted to:

Ohio EPA  
Lazarus Government Center  
Attention: Stacy Barna, DDAGW  
P. O. Box 1049  
Columbus, Ohio 43216-1049  
E-mail address: [stacy.barna@epa.state.oh.us](mailto:stacy.barna@epa.state.oh.us)

**Written comments must be received on or before January 23, 2009.**

To allow interested persons to present their comments and suggestions, and for Ohio EPA to provide a response to questions on Ohio's DRAFT 2009 Program Management and Intended Use Plan, two public meetings will be held at the following times and location:

**1:00 p.m. and 5:00 p.m., Friday, January 23, 2009**  
**Ohio EPA, Lazarus Government Center**  
**50 West Town Street, Suite 700, Conference Room C**  
**Columbus, Ohio**

**APPENDIX B**

Ohio Environmental Protection Agency  
PUBLIC NOTICE  
Final Intended Use Plan and Management Plan  
For the Drinking Water Assistance Fund  
For Program Year 2009

Public notice is hereby given that the Director of the Ohio Environmental Protection Agency issued a final action effective June 24, 2008, adopting the Intended Use Plan and the Management 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, 309 South Fourth Street, Room 222, 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 Drinking and Ground Waters, 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 Final Intended Use Plan and Management Plan are available from the Division of Drinking and Ground Waters, upon request, and also through the Internet at <http://www.epa.state.oh.us/ddagw/dwaf.html>

**APPENDIX B1**

Ohio Environmental Protection Agency  
**PUBLIC NOTICE**  
Amended Final Intended Use Plan and Management Plan  
For the Drinking Water Assistance Fund  
For Program Year 2009

Public notice is hereby given that the Director of the Ohio Environmental Protection Agency issued a final action effective February 10, 2009, adopting the Intended Use Plan and the Management 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, 309 South Fourth Street, Room 222, 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 Drinking and Ground Waters, 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 Final Intended Use Plan and Management Plan are available from the Division of Drinking and Ground Waters, upon request, and also through the Internet at <http://www.epa.state.oh.us/ddagw/dwaf.html>

## APPENDIX C

### WSRLA Ineligible Costs

Based on limitations set forth by the SDWA, associated guidance and rules, and by this Management Plan, 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).

1. Dams or rehabilitation of dams;
2. Water rights, except if either: 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. 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. Laboratory fees for monitoring;
5. Operation and maintenance expenses;
6. Projects needed mainly for fire protection;
7. Projects for systems that lack technical, managerial, and financial capability, unless assistance will ensure compliance (refer to capacity assurance plan);
8. Projects for systems in significant noncompliance, 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);
9. Projects primarily intended to serve future growth;
10. Equipment, materials, supplies, and spare parts in excess of that shown to be reasonable, necessary, and allocable to the project;
11. Street restoration beyond that necessary for installing facilities directly related to constructing the drinking water system;

12. Ordinary governmental or personal operating expenses of the community or individual requesting the WSRLA assistance (e.g., salaries of elected officials, travel, costs of establishing departments or units of government, fines, and penalties levied by regulatory agencies, etc.);
13. Personal injury compensation or damages;
14. 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) are not eligible;
15. Projects that do not minimize costs by implementing the most cost effective alternative through conducting a cost effective analysis of all viable options; and
16. Projects that have completed construction.

## APPENDIX D

### WSRLA Planning and Design Loans

In order to provide Ohio's eligible public water systems with a low interest, short term financing program for planning and design activities, Ohio EPA has established a WSRLA loan program that attempts to reflect current short term financing borrowing rates.

The interest rates for planning and design loans are defined as the short term interest rate established in Appendix E. The program offers these loans for up to a five-year period. The following are the requirements to receive planning and design loans from the WSRLA.

#### 1. WSRLA Planning Loan

To be eligible for a loan for planning from the WSRLA fund, an applicant must have the proposed project submitted and placed on the current PPL. The proposed project must also have a schedule that initiates construction that is eligible for funding within the next two program years. To be considered for a loan, the applicant must submit a request to Ohio EPA to have a pre-planning meeting. The purpose of the meeting will be to determine the scope of work for the planning effort and a schedule for completion. Following the pre-planning meeting, the applicant may submit a WSRLA planning loan application showing the estimated cost of the planning, a final engineering agreement and if the applicant is a governmental entity, an approved repayment plan showing legislative enactment of a dedicated source of repayment. Ohio EPA will then act upon the application.

#### 2. WSRLA Design Loan

To be eligible for a loan for design from the WSRLA fund, an applicant must have the proposed project submitted and placed on the current PPL. The proposed project must also have a schedule that initiates construction that is fundable within the next two program years. To be considered for a loan, the applicant must have completed a general plan that in Ohio EPA's judgment proposes a cost effective, environmentally sound water supply project.

In addition to the general plan, the applicant must submit a WSRLA design loan application showing the estimated cost of the design effort, a schedule for completing the project design, a basis of design, a construction financing plan and an approved repayment plan that, if the applicant is a governmental entity, shows legislative enactment of a dedicated source of repayment. Applicants that have received a WSRLA planning loan will receive a supplemental loan agreement, rather than resubmit application materials. It is strongly suggested, though not required, that an applicant who has not received a WSRLA planning loan schedule a pre-design meeting with Ohio EPA prior to submitting an application. Ohio EPA will then act upon the application.

### 3. Planning/Design Loan Disbursements

Funds will be disbursed on a weekly basis by the OWDA based on a schedule provided by Ohio EPA, dependent upon receipt of a WSRLA payment request submittal. As funds are disbursed, capitalized interest will be charged at the contract interest rate from the date of disbursement until six months prior to the initial repayment date established in the application schedule. At the option of the recipient, the accrued capitalized interest may be paid with the first semi-annual repayment, or added to the principal of the loan.

### 4. Repayment of Planning/Design Loans

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

Should a recipient obtain construction financing for the project, either through the WSRLA or from other sources, the recipient will be required to repay in full the outstanding planning or design loan principal, and any accumulated interest, at the time the construction financing for the project is established or, with Ohio EPA's approval, continue to repay the planning or design loan in accordance with the provisions of that loan agreement.

## APPENDIX E

### WSRLA 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. The WSRLA offers six interest rates: standard long term, small system long term, small 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 small community system will receive the small system long term interest rate for a short term loan if that rate is lower than the short term interest rate.

1. Standard Long Term Interest Rate (*Amortization period of more than five years but not more than 20 years*)

The standard long term interest rate will be established quarterly on January 1, April 1, July 1, and October 1. The standard long term rate is based upon the average of *The Bond Buyer* 20 GO Bond Index rates published on the eight Fridays previous to each date. Once the averaged 20 GO Bond Index is established, the standard long term interest rate is determined by subtracting 125 basis points from that average. In no case, however, can the standard long term rate be less than 3.25 percent.

2. Small System Long Term Interest Rate (*Amortization period of greater than 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 2.75 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.

3. Small Systems that Receive Affordability Points Long Term Interest Rate (*Amortization period of greater than five years but not more than 20 years*)

The small systems that receive affordability ranking points rate is fixed at two percent. For the purposes of this interest rate, only projects that meet the definition of a small system and that receive priority points under the affordability factor in the ranking system qualify for this rate.

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

The short-term interest rate is fixed at three point two percent for loans 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 as described in Appendix D.

If the applicant for a short-term loan also qualifies for a construction loan at the "Small Systems that Receive Affordability Points Long Term Rate" of two percent, then the associated planning and/or design loans will also be fixed at two percent.

5. 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. In no case, however, will the linked deposit rate be less than a rate that will result in a three percent rate of return to the WSRLA. 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.

6. Supplemental Loan Interest Rate (*Amortization period of greater than five years but not more than 20*)

Supplemental loans for projects that have not commenced repayments will be at the rate in effect at the time of the original award. Supplemental loans for projects that have commenced repayments will be awarded as new loans at the appropriate interest rate in effect at the time of the loan award.

### Interest Rate Reductions

An interest rate discount will be offered for program years 2009 and 2010 for projects that propose to change their disinfection from using gaseous chlorine to a safer, more secure chemical such as sodium hypochlorite or like treatment. This change can be funded either as a part of a larger project financed through the WSRLA, or as a separate proposal for WSRLA financing. For qualifying systems proposing a gaseous chlorine treatment change as part of a larger WSRLA project, the cost of the treatment change will be added to the overall project amount. Construction management and inspection fees are not included in the allowable amount. The applicant's loan will be structured such that the loan interest rate will be reduced to a percentage that reflects a savings to the applicant equal to the as-bid principal and interest costs of the replacement treatment cost. Additional capitalized interest costs or loan fees associated with the gaseous chlorine treatment change will not be covered by the interest rate discount. Those projects that consist solely of a treatment changeover from gaseous chlorine to sodium hypochlorite, or like treatment will receive an interest rate of 1.0 percent.

## APPENDIX F

### WSRLA 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, and all applicable rules of the OAC.

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

Any water systems' ranking of its proposed project will be the sum of all points received in each category. However, before any final funding is awarded, each project will be carefully evaluated to ensure that the project addresses all issues for which points are scored. For example, if a water system received points for public health issues Maximum Contaminant Level (MCL) violations, but the submitted project proposed enhanced water softening capabilities for the system, the submitted project would need to be revised to adequately address the issue of MCL violations, for which points were awarded.

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, nitrate/nitrite and surface water treatment rule. The period of analysis will be the 12 months prior to inclusion on the priority list. MCL violations caused by failure to monitor or report will not be included in the analysis. The following are the points assigned to the various levels of contamination.

**Acute Contaminants (per previous 12 months)**

**Bacteriological Contamination (Addressable through infrastructure improvements)**

(Actual confirmed, not monitoring and/or reporting violations)

No MCL violations	0 points
1-2 MCL violations	60 points
3 or more violations	100 points

**Nitrate / Nitrite**

Level consistently less than 8.0 mg/L / 0.5 mg/L	0 points
Level $\geq$ 8.0 mg/L $\leq$ 10 mg/L / 1.0 mg/L	30 points
Level >10 mg/L / 1.0 mg/L	60 points

**Surface Water Treatment Rule**

No treatment technique violations	0 points
1-2 treatment technique violations	60 points
3 or more treatment technique violations	100 points

**Chronic Contaminant Groups (per previous 12 months):**

Chronic contaminants with MCLs will be 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 80% of MCL	10 points*
$\geq$ MCL but $\leq$ Longer-term Child Health Advisories or DWEL or $10^{-4}$ Cancer Risk	25 points*
Above Longer-term Child Health Advisories or DWEL or $10^{-4}$ Cancer Risk	50 points*

For contaminants without MCLs,

Above lesser of DWEL or $10^{-4}$ Cancer Risk or Longer-term Child Health Advisories	10 points*
Above greater of DWEL or $10^{-4}$ Cancer Risk or Longer-term Child Health Advisories	20 points*

\*Multiply by the number of contaminants with violations or exceedances (of CHAs, DWELs, or Cancer Risk) averaged over the previous 12 months. TTHMs/HAA5s are a single contaminant.

Lead and Copper

In compliance	0 points
Exceedance of copper action level	10 points
Exceedance of lead action level	10 points

Boil Status (for previous 12 months)

No boil advisories	0 points
Boil advisory length 1-10 weeks	7 points*
Boil advisory length > 10 weeks	15 points*

\* Include all days in length for which a "use advisory" (boil order, limited use, etc.) was in place due to bacteriological, chemical or viral contamination.

Disinfectant Residual in the Distribution System  
(Addressable through infrastructure improvements)

0 violations	0 points
1 to 5 violations	10 points
6 or more violations	20 points

Contaminated Private Wells (not restricted to previous 12 months)\*

If 51 percent or more of the wells in the project area are contaminated	60 points
If less than 50 percent but more than 25 percent	30 points
If less than 25 percent but more than zero percent	20 points

Note: The only fundable project is to obtain service from a public water system, preferably by extension of an existing system.

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

Source Contamination

Project is to replace a contaminated source or significant contamination exists within the one year time of travel as delineated by the source water protection program or by an endorsed wellhead protection plan	60 points
--	-----------

Project is to replace a source with significant contamination within the five year time of travel as delineated by the source water protection program or by an endorsed wellhead protection plan and is expected to impact the wellfield	30 points
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Tie in of public water system with public health issue or enforcement orders

Project will tie in a public water system with a public health issue or under enforcement orders	60 points
--	-----------

Unmetered Systems

Project includes installation of meters to a public water system currently without residential meters 20 points

While not directly related to public health, Ohio does enforce the secondary standards for iron and manganese. Therefore, the following point allocation has been included in the priority ranking system.

Secondary Standards (not restricted to previous 12 months)

Any exceedance of iron and/or manganese standard 1 point\*

\*per standard

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 various elements in this category.

Design Deficiencies

Source Quantity

Adequate	0 points
Shortage during peak demand	5 points
Shortage during peak season	10 points
Continual shortage	15 points

Source (use only if didn't receive source contamination points above)

Ground Water Under the Direct Influence of Surface Water (GWUDI) (final)

Or

Improper or deteriorated well construction (requiring replacement)	60 points
Inadequate or deteriorated intake structure	20 points

Plant

Inadequate processes	5 points*
Insufficient plant capacity	20 points
Deteriorated plant	20 points

\* Points for each inadequate process. 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.

**Storage and Distribution System**

**Storage**

Greater than or equal to one day based on design production	0 points
Greater than or equal to one day based on average production but less than one day at design production	5 points
Less than one day based on average production	10 points

**Distribution**

Low pressure	10 points
Deterioration	20 points
Inadequate size	20 points

**Bonus Points for Effective Management**

Backflow prevention program	5 points
Contingency plan	5 points
Bacteriological sample siting plan	1 point
Endorsed Protection Plan**	5 points
Asset Management Plan	5 points
Preventative maintenance program	1 point
Water conservation program (unaccounted water loss of 15 percent or less)	1 point
Metered system	1 point
Completion of Utility Board/Financial Management training for at least half of Council/Board of Public Affairs	5 points
Project is consistent with Sustainable Growth Plan	5 points

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

**Consolidation/Regionalization**

The third category considered is 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 state safe drinking water laws and regulation. 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 that provide the potential for consolidation (these are existing public water systems that 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/ 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/ additional system

If the project will increase the quantity or quality of water to customers of other\* existing public water systems 5 points/ additional system

\* example: provide water to master metered mobile home park, or satellite systems

**Economic Affordability (systems in need on a per household basis)**

One of the best indicators of economic affordability is the environmental/health utility burden placed on a household (i.e. the cost of water/sewer service). A higher degree of financial burden will be placed on water systems with relatively lower populations because the user base will be smaller over which the cost of the utility service is recovered. 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, or portion thereof.

Not all public water systems have sewer systems associated with them and some public water systems have no rate structure on which to base comparisons. Therefore it was necessary to develop a means to evaluate economic affordability in these circumstances, and to set some default limits for public water systems with no economic data. The options are presented below.

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 (2000) are <Annual Combined Water and Sewer Rates (2006) 20 points

If the Combined Water and Sewer Benchmarks (2000) are >or=Annual Water and Sewer Rates (2006) 0 points

For systems with only an existing water system

If the Water Benchmark (2000) is < Annual Water Rate (2006)	20 points
If the Water Benchmark (2000) is > or = Annual Water Rate (2006)	0 points

For systems with only an existing sewer system

If the Sewer Benchmark (2000) is < Annual Sewer Rate (2006)	20 points
If the Sewer Benchmark (2000) is > or = Annual Sewer Rate (2006)	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. Benchmarks were developed using data obtained from Ohio EPA's *2000 Sewer and Water Rate Survey* and the 2000 U.S. Census of median household income (MHI) for Ohio.

In developing the sewer and water benchmark values, sewer and water rates as a percentage of income were analyzed for: 1) all communities that responded to the *2000 Sewer and Water Rate Survey*, and 2) only those communities that responded to the Survey and had either a sewer and/or water rate increase. The benchmarks are based on Ohio communities that had a sewer rate and/or water rate increase, because these rates should best reflect current conditions and costs of wastewater treatment plants and/or water supply systems. It is assumed that communities raised their rates to meet these prevailing costs and conditions.

The income value of \$36,250 represents the median of the 1999 MHI for Ohio cities and villages that responded to Ohio EPA's *2000 Sewer and Water Rate Survey*.

### Sewer Benchmark

Of the Ohio communities that experienced a sewer rate increase during 1999 through 2000, the following sewer benchmark values were established by an analysis of the 75th and 90th percentiles for this group:

<u>Income</u>	<u>Benchmark</u>
1999 MHI ≤ \$36,250	1.2 percent of MHI
1999 MHI > \$36,250	1.6 percent of MHI

## Water Benchmark

Of the Ohio communities that experienced a water rate increase during 1999 through 2000, the following water benchmark values were established by an analysis of the 75th and 90th percentiles for this group:

<u>Income</u>	<u>Benchmark</u>
1999 MHI $\leq$ \$36,250	1.1 percent of MHI
1999 MHI $>$ \$36,250	1.4 percent of MHI

## Population Distribution Points

The final category is population served by the water system. As it is a goal of the program to give particular emphasis and assistance to smaller systems, more points are awarded to communities that have relatively smaller populations. The lower the population, the smaller the user base, and the less likely it is for such a community to realize economies of scale in the financing of a drinking water system. Recognizing that the smaller the system the more likely it would be to need assistance in financing, the following point weighting was developed.

For consolidation/regionalization projects and service to new areas to address contaminated private wells, the population distribution points shall be based on the population benefitting from the extended service.

<u>Population or Service Area</u>			<u>Points</u>
0	<	500	24 points
500	<	750	22 points
750	<	1,000	20 points
1,000	<	2,000	18 points
2,000	<	3,000	16 points
3,000	<	5,000	14 points
5,000	<	10,000	12 points
10,000	<	30,000	8 points
30,000	<	Beyond	3 points

# APPENDIX G

## Project Priority List

### FINAL Project Priority List

P	Entity	Project	PWS ID#	Project Cost	Date Funds Needed	Population	Potential Terms	Funding Category	Fundable Project Cost	Score
P	January 2009									
P	P/2009-2 (Amended)									
L										
#	Entity	Project	PWS ID#	Project Cost	Date Funds Needed	Population	Potential Terms	Funding Category	Fundable Project Cost	Score
1	Cumberland	Connect to Byesville	3000212	\$500,000	Feb-09	450	TI-FA	F	\$500,000	348
2	Cumberland	Feas/Dsgn Stds Cnct to New Source	3000212	\$300,000	Feb-09	450	2.00%	F	\$300,000	348
3	Byesville	Cumberland Project Construction	3001212	\$500,000	Jun-09	450	TI-FA	F	\$0	348
4	Byesville	Cumberland Project Design	3001212	\$50,000	Jun-09	450	2.00%	F	\$50,000	348
5	Fulton County	Srv Lyons/Metamora/Uninc (Constr)	New System	\$5,200,000	Apr-09	2,450	TI-FA Tier II-	F	\$5,200,000	318
6	Fulton County	Srv Lyons/Metamora/Uninc (Dsgn) Provide Supply to Salineville (dsgn)	New System	\$297,500	Apr-09	2,450	P/D Tier I-	F	\$297,500	318
7	Buckeye Wtr Dist (Salineville Proj)	Provide Supply to Salineville (constr)	1502911	\$200,000	Jan-09	1,397	P/D	F	\$200,000	222
8	Buckeye Wtr Dist (Salineville Proj)	Arsenic treatment	1502911	\$500,000	Mar-09	1,397	TI-FA	F	\$500,000	222
9	Hillview MHP (Wm & K Walker)	Line to tie-in to Burr Oak	7602412	\$75,000	Apr-09	50	2.00%	F	\$75,000	210
10	Crooksville (Burr Oak)	New System (Constr)	0501311	\$1,300,000	Jan-09	2,602	TI-FA(p)	F(c)	\$1,300,000	204
11	Buckeye Lake	New WTP and Wells	New System	\$1,000,000	Mar-09	3,049	TI-FA	F	\$1,000,000	199
12	Burr Oak	Connect to Sidney Supply	0501311	\$13,046,564	Jun-09	23,106	Standard	F(c)	\$8,700,000	199
13	Northbrooke MHP (MHP Hldgs)	Richland Co. New WTP & Wellfield	7501012	\$500,000	Apr-09	135	2.00%	F	\$500,000	197
14	Oh Am Wtr Co Harpercrest Hts	New WTP (constr)	7001612	\$801,700	Jun-09	702	2.00%	F	\$801,700	185
15	Deshler	Ph1 Off Stream Stor (Constr)	3500112	\$1,656,278	Jul-09	1,870	2.00%	B	\$0	184
16	Fremont	Ph2 Off Stream Stor (Constr)	7200311	\$5,000,000	Jan-09	17,375	Standard	F	\$5,000,000	174
17	Fremont	Richland Co. Upgrd Mains	7200311	\$5,000,000	Apr-09	17,375	Standard	F	\$5,000,000	174
18	Oh Am Wtr Co Imperial Estates	Trmt Upgr(Constru) Grnlr Actv Crb	7005912	\$417,473	Mar-09	763	Sml Syst	F	\$417,473	163
19	Cinnamon Lake (W Salem) (Pr 1)	New WTP (design)	0300411	\$1,161,325	Jan-09	1,516	Sml Syst	F	\$1,161,325	159
20	Marysville	New WTP (construction)	8000314	\$3,400,000	Jun-09	17,346	Standard	F	\$3,400,000	149
21	Marysville	New WTP (construction)	8000314	\$31,000,000	Oct-10	17,346	Standard	B	\$0	149
22	Tri-County RWS District	Lightner Ridge Waterline Exts	8403112	\$665,500	Jan-09	84	TI-FA	F	\$665,500	135

FINAL Project Priority List

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#	Entity	Project	PWS ID#	Project Cost	Date Funds Needed	Population	Potential Terms	Funding Category	Fundable Project Cost	Score
23	Tiro	Cnct Shelby & Dist (Constr)	New System	\$825,000	Sep-09	281	2.00%	B	\$0	135
24	Cleveland	Baldwin Resid & Reservoir Proj	1800311	\$20,800,000	Mar-09	435,000	Standard	F(c)	\$12,000,000	133
25	LaRue	Wellfield Dvlp/Drlg (Constr)	5100312	\$250,000	Feb-09	775	TIII-NFA	F	\$250,000	130
26	LaRue	Wellfield Dvlp/Drlg (Dsgn)	5100312	\$150,000	Feb-09	775	2.00%	F	\$150,000	130
27	Navarre	New Tank, Filters, Backwash	7604112	\$1,800,000	Mar-09	1,440	Sml Syst	F	\$1,800,000	127
28	Wellston (Proj 2)	Line Rplcs (var lcts)	4001912	\$500,000	Apr-09	6,078	2.00%	F	\$500,000	126
29	Wellston (Proj 1)	Honeysuckle Ln/Braley Rd Line Rplcts	4001912	\$335,751	Apr-09	6,078	TII-FA	F	\$335,751	126
30	Belmont County	Mt. Victory Line Project	0700412	\$500,000	Feb-10	80	2.00%	B	\$0	124
31	Paulding	New WTP	6300411	\$7,500,000	Mar-09	3,430	Sml Syst	F	\$7,500,000	123
32	Jewett	WTP Construction	3400912	\$200,000	Mar-09	784	2.00%	F	\$200,000	117
33	Tuppers Plains-Chester WD	Waterline Project (Phase 7)	0530612	\$724,000	Apr-09	80	TII-FA	F	\$724,000	117
34	Kelleys Island (Project 2)	Raw Wtr Intake/Line Rplc (Constr)	2201111	\$115,000	Jun-09	550	Sml Syst	F	\$115,000	116
35	Kelleys Island (Project 2)	Raw Wtr Intake/Line Rplc (Dsgn)	2201111	\$15,000	Jun-09	550	Sml Syst	F	\$15,000	116
36	Aberdeen	New WTP or Regionalize (Dsgn)	0800012	\$250,000	Jun-09	1,603	Sml Syst	F	\$250,000	113
37	Aberdeen	New WTP or Regionalize (construct)	0800012	\$3,500,000	Jan-10	1,603	Sml Syst	B	\$0	113
38	Sunset MHP (Clifford Hill)	Arsenic treatment	6502412	\$30,000	Mar-09	45	2.00%	F	\$30,000	112
39	Canton (Proj III)	NE WTP Rehab/Constr	7608112	\$9,000,000	Dec-09	100,000	Standard	B	\$0	108
40	McConnelsville	Meter Installation	5800512	\$350,000	Feb-09	1,676	Sml Syst	F	\$350,000	107
41	Scioto Water, Inc. (Rosehill)	Glade/Kendall/Miller's Run Rds Lines	7300303	\$271,940	Jun-09	15,298	TIII-NFA	F	\$271,940	105
42	Bowling Green	New 4.0MGD Mmbrn WTP	8700311	\$13,000,000	Jun-09	29,635	Standard	F(c)	\$7,835,948	104
43	McCartville Well Assoc Inc	Upgr WTP/Arsenic (Constr)	7500812	\$175,000	Jan-09	190	TII-FA	F	\$175,000	103
44	Danville	Upg Pit/Wlfrd/Instl New Well	4200112	\$360,500	Mar-09	1,104	TII-FA	F	\$360,500	103
45	Blanchester (Pr 2)	WTP Improvements (Design)	1400111	\$400,000	Mar-09	4,200	2.00%	F	\$400,000	102
46	Cincinnati	Instl Mains/6 MGD Bstr Stat (Engr)	3102612	\$1,000,000	Mar-09	331,285	Standard	F(c)	\$1,000,000	102
47	Cincinnati	Instl UV dsnfct Miller Tr Pit (Dsgn)	3102612	\$400,000	Mar-09	331,285	Standard	F(c)	\$400,000	102

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#	Entity	Project	PWS ID#	Project Cost	Date Funds Needed	Population	Potential Terms	Funding Category	Fundable Project Cost	Score
48	Cincinnati	Instl Mains/6 MGD Bstr Stat (Constr)	3102612	\$25,000,000	Apr-09	331,285	Standard	F(c)	\$10,600,000	102
49	Cincinnati	Instl UV dsnfct Miller Tr Plt (Constr)	3102612	\$7,000,000	Jul-09	331,285	Standard	B	\$0	102
50	Oh Am Wtr Co Ashtabula Co	Repl distrib line	0400711	\$950,000	Mar-09	45,000	Standard	F	\$950,000	97
51	Scioto Water, Inc. (Morris Lane)	Morris Ln Pmp Stat/Fairground Rd	7300303	\$70,000	Mar-09	10,001	Standard	F	\$70,000	94
52	McConnellsville	SR 60 North Water Line (constr)	5800512	\$650,000	Jun-09	1,676	Sml Syst	F	\$650,000	92
53	McConnellsville	SR 60 North Water Line (Design)	5800512	\$40,000	Jun-09	1,676	Sml Syst	F	\$40,000	92
54	McConnellsville	SR 60 North Water Line (Planning)	5800512	\$15,000	Jun-09	1,676	Sml Syst	F	\$15,000	92
55	Millersburg	Wells/New WTP (constr)	3800912	\$3,800,000	Jun-09	3,328	Sml Syst	F	\$3,800,000	89
56	Millersburg	Wells/New WTP (design)	3800912	\$200,000	Jun-09	3,328	Sml Syst	F	\$200,000	89
57	Millersburg	Wells/New WTP (planning)	3800912	\$200,000	Jun-09	3,328	Sml Syst	F	\$200,000	89
58	Ironton	Meter Replacement	4400711	\$1,600,000	Jun-09	11,211	Standard	F	\$1,600,000	88
59	Mahoning Valley Sant. District	Plt Imps(basins/rapid mix)	7801811	\$5,600,000	Mar-09	300,000	Standard	F(c)	\$5,600,000	87
60	Mahoning Valley Sant. District	Construct Recarb struct/equip	7801811	\$22,000,000	Jun-09	300,000	Standard	F(c)	\$6,400,000	87
61	Meadowood Water Assoc	Pres Tnk/bldg/elect Contris (Dsgn)	7003112	\$30,000	Mar-09	140	2.00%	F	\$30,000	86
62	Meadowood Water Assoc	Pres Tnk/bldg/elect Contris (Constr)	7003113	\$150,000	Sep-09	140	2.00%	B	\$0	86
63	Northwest Regional Wtr Dist	Distribution System Looping	7300003	\$2,100,000	Jan-09	12,496	Standard	F	\$2,100,000	84
64	Wooster (Prj 6)	Secondary Main Transmission Line	8504512	\$600,000	Jan-09	24,811	Standard	F	\$600,000	84
65	Wooster (Prj 7)	Portage Rd Wtr Line Rplcmnt	8504512	\$450,000	Jan-09	24,811	Standard	F	\$450,000	84
66	Wooster (Prj 8)	Cleveland Rd Wtr Line Rplcmnt	8504512	\$300,000	Jan-09	24,811	Standard	F	\$300,000	84
67	Wooster (Prj 4)	Water Tank North Area	8504512	\$750,000	Feb-09	24,811	Standard	F	\$750,000	84
68	Wooster (Prj 10)	Burbank Rd Wtr Line Rplcmnt	8504512	\$810,000	Aug-09	24,811	Standard	B	\$0	84
69	Wooster (Prj 11)	W Wayne Wtr Line Rplcmnt	8504512	\$250,000	Mar-10	24,811	Standard	B	\$0	84
70	Wooster (Prj 12)	WTP Clearwell	8504512	\$450,000	May-10	24,811	Standard	B	\$0	84
71	Wooster (Prj 9)	Skylark/Impala/Morgan Line Rplcs	8504512	\$850,000	Jun-10	24,811	Standard	B	\$0	84
72	Wooster (Prj 14)	Palmer Water Line	8504512	\$350,000	Jun-10	24,811	Standard	B	\$0	84
73	Wooster (Prj 13)	Prairie Lane Water Line	8504512	\$290,000	Jun-10	24,811	Standard	B	\$0	84
74	Wooster (Prj 15)	New Well South Wellfield	8504512	\$1,400,000	Apr-11	24,811	Standard	B	\$0	84

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#	Entity	Project	PWS ID#	Project Cost	Date Funds Needed	Population	Potential Terms	Funding Category	Fundable Project Cost	Score
75	Oh Am Wtr Co Franklin Co	New Pressure Filters	2502412	\$1,542,500	Oct-09	7,180	2.00%	B	\$0	83
76	McConnellsville	Wtr Distrib Improvements (constr)	5800512	\$800,000	Feb-09	1,676	Sml Syst	F	\$800,000	77
77	McConnellsville	Wtr Distrib Improvements (Design)	5800512	\$50,000	Feb-09	1,676	Sml Syst	F	\$50,000	77
78	McConnellsville	Wtr Distrib Improvements (Planning)	5800512	\$25,000	Feb-09	1,676	Sml Syst	F	\$25,000	77
79	Tri-County RWS District	Lowell Waterline Extensions	8403112	\$750,000	May-09	280	TII-FA	F	\$750,000	75
80	Highland Ridge	Bearcreek Waterline ext. (constr)	8403203	\$260,000	Jan-09	3,010	TII-FA(p)	F	\$260,000	73
81	Mahoning Valley Sant District	Plant Imprvs (Dist Valves/Mtrs)	7801811	\$4,000,000	Jun-09	300,000	Standard	F(c)	\$0	72
82	Blanchester (Pr 4)	Main Rplc (Main/Broadway)(Dsgn)	1400111	\$70,000	Feb-09	4,200	2.00%	F	\$70,000	70
83	Beaver	Meters Project	6600012	\$55,000	Jun-09	506	2.00%	F	\$55,000	70
84	Beaver	Water Tower Rehab	6600012	\$290,000	Aug-09	506	TII-NFA	B	\$0	70
85	Blanchester (Pr 5)	Main Rplc (Main/Broadway)	1400111	\$308,401	Aug-09	4,200	2.00%	B	\$0	70
86	Heath	500,000g Water Tower (constr)	4500912	\$550,000	Jul-09	8,527	Sml Syst	B	\$0	68
87	Cortland	New Wellfield and Storage Tank	7800512	\$2,498,000	Jan-09	6,830	Sml Syst	F	\$2,498,000	67
88	Russell's Point	WTP Upgrade (construct)	4602212	\$500,000	Mar-09	1,680	TII-NFA	F	\$500,000	67
89	Quincy	Green Sand Presr. Filtration (constr)	4601912	\$310,000	Mar-09	753	TII-NFA	F	\$310,000	66
90	Bainbridge	Potts Hill Wtr Line Ext. Proj.	7100012	\$650,000	Mar-09	1,012	2.00%	F	\$650,000	66
91	Jamestown	Upgrade WTP (design)	2901712	\$150,000	Feb-09	1,917	Sml Syst	F	\$150,000	63
92	Jamestown	Upgrade WTP (planning)	2901712	\$100,000	Feb-09	1,917	Sml Syst	F	\$100,000	63
93	Elida	Replace Elev Stor Tank (Constr)	0200503	\$1,150,000	Feb-09	3,800	Sml Syst	F	\$1,150,000	63
94	Elida	Replace Elev Stor Tank (Dsgn)	0200503	\$40,000	Feb-09	3,800	Sml Syst	F	\$40,000	63
95	Delaware	Hills Miller Rd. Transmission Main	2100311	\$3,545,525	Feb-09	33,720	Standard	F	\$3,545,525	63
96	London	New WTP (design)	4900712	\$500,000	Jun-09	9,600	2.00%	F	\$500,000	63
97	Delaware	Perry Rd. Raw Water Line	2100311	\$2,000,000	Jun-09	33,720	Standard	F	\$2,000,000	63
98	London	New WTP (constr)	4900712	\$5,500,000	Jul-09	9,600	2.00%	B	\$0	63
99	Delaware	New/Expd existing WTP (Dsgn)	2100311	\$500,000	Jul-09	33,720	Standard	B	\$0	63
100	Jamestown	Upgrade WTP (constr)	2901712	\$2,000,000	Sep-09	1,917	Sml Syst	B	\$0	63

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#	Entity	Project	PWS ID#	Project Cost	Date Funds Needed	Population	Potential Terms	Funding Category	Fundable Project Cost	Score
101	Delaware (Phase I)	New/Expd existing WTP (Constr Phi)	2100311	\$4,000,000	Sep-09	33,720	Standard	B	\$0	63
102	Delaware (Phase II)	New/Expd existing WTP (Constr Phi)	2100311	\$10,000,000	Jun-10	33,720	Standard	B	\$0	63
103	Waynesville	Meters	8302012	\$200,000	May-09	3,100	Sml Syst	F	\$200,000	61
104	Butler Co. DES	Line Replacement Phase II	0900303	\$2,750,000	Jul-10	100,000	Standard	B	\$0	59
105	Butler Co. DES	Line Replacement Phase III	0900303	\$2,500,000	Jul-12	100,000	Standard	B	\$0	59
106	Walnut Hills WA (Bob Grose)	WTP Upgrades (constr)	7057693	\$100,000	Jun-09	392	Sml Syst	F	\$100,000	58
107	Walnut Hills WA (Bob Grose)	WTP Upgrades (design)	7057693	\$10,000	Jun-09	392	Sml Syst	F	\$10,000	58
108	Harrison	Proj 2 Twn Elev Stor Tank	3100812	\$2,000,000	Jan-09	7,487	Sml Syst	F	\$2,000,000	57
109	Harrison	Pr 3 Carolina Tr/Marv Rd Main Imp	3100812	\$1,750,000	Mar-09	7,487	Sml Syst	F	\$1,750,000	57
110	Gallipolis	Spruce St Line Rplcmt (Expd)	2700112	\$86,204	Apr-09	9,460	2.00%	F	\$86,204	57
111	Berea (Phase 2)	GAC/UV/1mgd Tank/Solids Handling	1800111	\$4,886,000	Feb-09	18,970	Standard	F	\$4,886,000	53
112	Columbus	Gibbard Ave Wtr Main (Contr 1108)	2504412	\$1,000,000	Sep-09	965,250	Standard	B	\$0	49
113	Fort Loramie	Pit exp w/addl iron removal	7500312	\$1,900,000	Sep-09	1,361	Sml Syst	B	\$0	45
114	Midvale	Instl Fe/Mn removal system	7900612	\$350,500	Jul-09	2,530	Sml Syst	B	\$0	39
115	Columbus	Dublin Rd Wtr Main (Contr 1106)	2504412	\$2,000,000	Jan-10	965,250	Standard	B	\$0	39
116	West Liberty Proj 1	Clean & Paint Wtr Storage Twr	4602412	\$60,000	Feb-09	1,813	Sml Syst	F	\$60,000	38
117	West Liberty Proj 4	New Roof for WTP	4602412	\$50,000	Feb-09	1,813	Sml Syst	F	\$50,000	38
118	West Liberty Proj 2	Truck Purch	4602412	\$20,000	Feb-09	1,813	Sml Syst	F	\$20,000	38
119	West Liberty Proj 3	Rebuild 2 Rapid Sand Filters	4602412	\$15,000	Feb-09	1,813	Sml Syst	F	\$15,000	38
120	Oregon	1.5MGD Elev Stor Tank+Dist Upgr	4800911	\$3,995,050	Jan-09	40,000	Standard	F	\$3,995,050	34
121	Northview Utility Corp.	New Well + Upg Treatment (Eng)	7500912	\$35,000	Mar-09	120	Sml Syst	F	\$35,000	29
122	Northview Utility Corp.	New Well Upg Trmt (Pln)	7500912	\$10,000	Mar-09	120	Sml Syst	F	\$10,000	29
123	Northview Utility Corp.	New Well Upg Trmt (Constr)	7500912	\$265,000	Jun-09	120	Sml Syst	F	\$265,000	29
124	Columbus	Trans Main Dublin Road (Contr 1020)	2504412	\$8,000,000	Mar-10	965,250	Standard	B	\$0	29
125	Sidney (Project #1-rev.)	Dvlp new source (Dsgn & Land Acq)	7501214	\$19,000,000	Jan-10	20,211	Standard	B	\$0	24

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#	Entity	Project	PWSID#	Project Cost	Date Funds Needed	Population	Terms	Potential Funding Category	Fundable Project Cost	Score
126	Sidney (Project #3)	Water System Imps (Constr)	7501214	\$8,000,000	Jan-10	20,211	Standard	B	\$0	24
127	Columbus	Chatterton Rd Main (Contr 1105)	2504412	\$4,000,000	Dec-09	965,250	Standard	B	\$0	19
128	Wellston (Proj 3)	Jenkins Tank Rehab	4001912	\$296,766	Mar-09	6,078	2.00%	F	\$296,766	234
129	Burr Oak	Rapid Sand Filters and Clarifiers Line Clinton Twn & Vinton Co.	0501311	\$2,000,000	Jun-09	23,106	Standard	F(c)	\$2,000,000	189
130	Jackson County Water	Connect	4002012	\$1,000,000	Mar-09	2,175	2.00%	F	\$1,000,000	158
131	Pike Water, Inc.	Parker Ridge Wtrline Ext	6602412	\$300,000	Dec-09	225	2.00%	B	\$0	129
132	Scioto Water, Inc. (4 Road Hill)	Extending Waterline Gallia Blackford Rd (frmr Jackson Co)	7300303	\$75,000	Mar-09	47	2.00%	F	\$75,000	120
133	Scioto Wtr, Inc (Gallia Blackfork)	Lawshe Waterline Ext.	7300303	\$250,000	Mar-09	569	2.00%	F	\$250,000	118
134	Adams Co Reg Wtr Dist	WTP Upgrade	0100012	\$1,000,000	Dec-09	350	2.00%	B	\$0	116
135	Camplands Water, LCC	Sinking Spring Wtrline Ext	0400212	\$581,000	Mar-09	4,258	2.00%	F	\$581,000	113
136	Pike Water, Inc.	Design Repl Cast Iron Wtr Lines	6602412	\$750,000	Dec-09	350	2.00%	B	\$0	109
137	Cardington	WTP Improvements (Planning)	5900112	\$69,000	Jan-09	1,849	2.00%	F	\$69,000	106
138	Blanchester (Pr 1)	WTP Improvements	1400111	\$84,980	Jan-09	4,200	2.00%	F	\$84,980	102
139	Blanchester (Pr 3)	Replace WTP & add'l wells	1400111	\$4,600,000	Oct-09	4,200	2.00%	B	\$0	102
140	Spencerville	New wells	0201312	\$1,800,000	Aug-10	2,300	2.00%	B	\$0	87
141	Manchester Farms	Morgan & Saunders Wtr Line Repl	2801712	\$150,000	Jan-09	70	Sml Syst	F	\$150,000	85
142	Wooster (Prj 16)	New Filtration Syst for Arsenic	8504512	\$740,000	Sep-10	24,811	Standard	B	\$0	84
143	La Hacienda Apartments, LLC	Water Tower Design	1201512	\$50,000	Apr-09	320	2.00%	F	\$50,000	81
144	New Holland	Water Tower Construction	6501612	\$70,550	Feb-09	785	2.00%	F	\$70,550	79
145	New Holland	Install Telemetry sites	6501612	\$607,156	Jun-09	785	2.00%	F	\$607,156	79
146	Oak Hill	Wtr Main Rplc (SR 123/28)(Dsgn)	4000411	\$63,878	Mar-09	3,528	2.00%	F	\$63,878	73
147	Blanchester (Pr 6)	Wtr Main Rplc (SR 123/28)	1400111	\$112,100	Mar-09	4,200	2.00%	F	\$112,100	70
148	Blanchester (Pr 7)	Extending Waterline	1400111	\$501,536	Sep-09	4,200	2.00%	B	\$0	70
149	Guernsey Co.	New Well/Tank System Imprvs	3000603	\$49,850	Mar-09	9,494	2.00%	F	\$49,850	61
150	Lakemore	Pr 4 New Haven Rd Main (Constr)	7701812	\$850,000	May-09	2,561	Sml Syst	F	\$850,000	61
151	Harrison	Pr 4 New Haven Rd Main (Dsgn)	3100812	\$2,350,000	Jul-09	7,487	Sml Syst	B	\$0	57
152	Harrison		3100812	\$150,000	Jul-09	7,487	Sml Syst	B	\$0	57

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#	Entity	Project	PWSID#	Project Cost	Date Funds Needed	Population	Potential Terms	Funding Category	Fundable Project Cost	Score
153	Clark County Bnd of Co Cmstrs	Lawrenceville & Northridge Project	1201003	\$257,000	May-09	9,800	Sml Syst	F	\$257,000	41
154	Columbus	Brown Rd Wtr Imprvs (Contr 991)	2504412	\$4,500,000	Jun-09	965,250	Standard	F	\$4,500,000	39
155	Columbus	Mnd St Hrsbrg Pk Main (Contr 915) Hap Cremean Plt Lgn #2 (CIP 690331)	2504412	\$3,500,000	Jun-09	965,250	Standard	F	\$3,500,000	39
156	Columbus	Grp 3 Wtr Line Imprvs (Contr 939)	2504412	\$3,000,000	Mar-09	965,250	Standard	F	\$3,000,000	39
157	Columbus	Lazelle Rd Storage Tank (Contr 1119)	2504412	\$2,750,000	Aug-09	965,250	Standard	B	\$0	39
158	Columbus		2504412	\$4,500,000	Mar-10	965,250	Standard	B	\$0	29

FUNDABLE

F Fundable

F(c) Fundable but capped due to population >10,000 For PY09 systems capped at \$12,000,000

B Bypassed

P/D Tier I, II, or III planning or design projects are all fundable

TI Tier I Disadvantaged Program

TII Tier II Disadvantaged Program

TIII Tier III Disadvantaged Program

FA Funds Available

NFA No Funds Available at this time

FA(p) Partial funding available at this time

# APPENDIX H

## Intended Projects List

FINAL Intended Projects List											
January 2009											
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#	Entity (service area)	Project	PWS ID#	Project Cost	Date Funds Needed	Population	Potential Terms	Funding Category	Fundable Project Cost	Score	
1	Cumberland	Connect to Byesville	3000212	\$500,000	Feb-09	450	TI-FA	F	\$500,000	348	
2	Cumberland	Feas/Dsgn Stds Cnct to New Source	3000212	\$300,000	Feb-09	450	2.00%	F	\$300,000	348	
3	Byesville	Cumberland Project Construction	3001212	\$500,000	Jun-09	450	TI-FA	F	\$0	348	
4	Byesville	Cumberland Project Design	3001212	\$50,000	Jun-09	450	2.00%	F	\$50,000	348	
5	Fulton County	Srv Lyons/Metamora/Uninc (Constr)	New System	\$5,200,000	Apr-09	2,450	TI-FA	F	\$5,200,000	318	
6	Fulton County	Srv Lyons/Metamora/Uninc (Dsgn) Provide Supply to Salineville (design)	New System	\$297,500	Apr-09	2,450	Tier II-P/D	F	\$297,500	318	
7	Buckeye Wtr Dist (Salineville Proj)	Provide Supply to Salineville (constr)	1502911	\$200,000	Jan-09	1,397	Tier I-P/D	F	\$200,000	222	
8	Buckeye Wtr Dist (Salineville Proj)	Provide Supply to Salineville (constr)	1502911	\$500,000	Mar-09	1,397	TI-FA	F	\$500,000	222	
9	Hillview MHP (Wm & K Walker)	Arsenic treatment	7602412	\$75,000	Apr-09	50	2.00%	F	\$75,000	210	
10	Crooksville (Burr Oak)	Line to tie-in to Burr Oak	0501311	\$1,300,000	Jan-09	2,602	TI-FA(p)	F(c)	\$1,300,000	204	
11	Buckeye Lake	New System (Constr)	New System	\$1,000,000	Mar-09	3,049	TI-FA	F	\$1,000,000	199	
12	Burr Oak	New WTP and Wells	0501311	\$13,046,564	Jun-09	23,106	Standard	F(c)	\$8,700,000	199	
13	Northbrooke MHP (MHP Hldgs)	Connect to Sidney Supply	7501012	\$500,000	Apr-09	135	2.00%	F	\$500,000	197	
14	Oh Am Wtr Co Harpercrest Hts	Richland Co. New WTP & Wellfield	7001612	\$801,700	Jun-09	702	2.00%	F	\$801,700	185	
16	Fremont	Ph1 Off Stream Stor (Constr)	7200311	\$5,000,000	Jan-09	17,375	Standard	F	\$5,000,000	174	
17	Fremont	Ph2 Off Stream Stor (Constr)	7200311	\$5,000,000	Apr-09	17,375	Standard	F	\$5,000,000	174	
18	Oh Am Wtr Co Imperial Estates	Richland Co. Upgrd Mains	7005912	\$417,473	Mar-09	763	Sml Syst	F	\$417,473	163	
19	Cinnamon Lake (W Salem) (Pr 1)	Trmt Upgr(Constru) Grnir Actv Crb	0300411	\$1,161,325	Jan-09	1,516	Sml Syst	F	\$1,161,325	159	
20	Marysville	New WTP (design)	8000314	\$3,400,000	Jun-09	17,346	Standard	F	\$3,400,000	149	
22	Tri-County RWS District	Lightner Ridge Waterline Exts	8403112	\$665,500	Jan-09	84	TI-FA	F	\$665,500	135	
24	Cleveland	Baldwin Resid & Reservoir Prj	1800311	\$20,800,000	Mar-09	435,000	Standard	F(c)	\$12,000,000	133	
25	LaRue	Wellfield Dvlp/Drig (Constr)	5100312	\$250,000	Feb-09	775	TI-III-NFA	F	\$250,000	130	
26	LaRue	Wellfield Dvlp/Drig (Dsgn)	5100312	\$150,000	Feb-09	775	2.00%	F	\$150,000	130	

**FINAL Intended Projects List**

January 2009  
 PY2009-2 (Amended)

#	Entity (service area)	Project	PWS ID#	Project Cost	Date Funds Needed	Population	Potential Terms	Funding Category	Fundable Project Cost	Score
27	Navarre	New Tank, Filters, Backwash	7604112	\$1,800,000	Mar-09	1,440	Sml Syst	F	\$1,800,000	127
28	Wellston (Proj 2)	Line Rplcs (var lcts)	4001912	\$500,000	Apr-09	6,078	2.00%	F	\$500,000	126
29	Wellston (Proj 1)	Honeysuckle Ln/Braleay Rd Line Rplcts	4001912	\$335,751	Apr-09	6,078	TII-FA	F	\$335,751	126
31	Paulding	New WTP	6300411	\$7,500,000	Mar-09	3,430	Sml Syst	F	\$7,500,000	123
32	Jewett	WTP Construction	3400912	\$200,000	Mar-09	784	2.00%	F	\$200,000	117
33	Tuppers Plains-Chester WD	Waterline Project (Phase 7)	0530612	\$724,000	Apr-09	80	TII-FA	F	\$724,000	117
34	Kelleys Island (Project 2)	Raw Wtr Intake/Line Rplc (Constr)	2201111	\$115,000	Jun-09	550	Sml Syst	F	\$115,000	116
35	Kelleys Island (Project 2)	Raw Wtr Intake/Line Rplc (Dsgn)	2201111	\$15,000	Jun-09	550	Sml Syst	F	\$15,000	116
36	Aberdeen	New WTP or Regionalize (Dsgn)	0800012	\$250,000	Jun-09	1,603	Sml Syst	F	\$250,000	113
38	Sunset MHP (Clifford Hill)	Arsenic treatment	6502412	\$30,000	Mar-09	45	2.00%	F	\$30,000	112
40	McConnellsville	Meter Installation	5800512	\$350,000	Feb-09	1,676	Sml Syst	F	\$350,000	107
41	Scioto Water, Inc. (Rosehill)	Glade/Kendall/Miller's Run Rds Lines	7300303	\$271,940	Jun-09	15,298	TIII-NFA	F	\$271,940	105
42	Bowling Green	New 4.0MGD Mmbrn WTP	8700311	\$13,000,000	Jun-09	29,635	Standard	F(c)	\$7,835,948	104
43	McCartsville Well Assoc Inc	Upgr WTP/Arsenic (Constr)	7500812	\$175,000	Jan-09	190	TII-FA	F	\$175,000	103
44	Danville	Upg Pit/Wlfrd/Instl New Well	4200112	\$360,500	Mar-09	1,104	TII-FA	F	\$360,500	103
45	Blanchester (Pr 2)	WTP Improvements (Design)	1400111	\$400,000	Mar-09	4,200	2.00%	F	\$400,000	102
46	Cincinnati	Instl Mains/6 MGD Bstr Stat (Engr)	3102612	\$1,000,000	Mar-09	331,285	Standard	F(c)	\$1,000,000	102
47	Cincinnati	Instl UV dsnfct Miller Tr Pit (Dsgn)	3102612	\$400,000	Mar-09	331,285	Standard	F(c)	\$400,000	102
48	Cincinnati	Instl Mains/6 MGD Bstr Stat (Constr)	3102612	\$25,000,000	Apr-09	331,285	Standard	F(c)	\$10,600,000	102
50	Oh Am Wtr Co Ashtabula Co	Repl distrib line	0400711	\$950,000	Mar-09	45,000	Standard	F	\$950,000	97
51	Scioto Water, Inc. (Morris Lane)	Morris Ln Pmp Stat/Fairground Rd	7300303	\$70,000	Mar-09	10,001	Standard	F	\$70,000	94
52	McConnellsville	SR 60 North Water Line (constr)	5800512	\$650,000	Jun-09	1,676	Sml Syst	F	\$650,000	92
53	McConnellsville	SR 60 North Water Line (Design)	5800512	\$40,000	Jun-09	1,676	Sml Syst	F	\$40,000	92
54	McConnellsville	SR 60 North Water Line (Planning)	5800512	\$15,000	Jun-09	1,676	Sml Syst	F	\$15,000	92
55	Millersburg	Wells/New WTP (constr)	3800912	\$3,800,000	Jun-09	3,328	Sml Syst	F	\$3,800,000	89
56	Millersburg	Wells/New WTP (design)	3800912	\$200,000	Jun-09	3,328	Sml Syst	F	\$200,000	89



FINAL Intended Projects List

P January 2009  
 P PY2009-2 (Amended)

#	Entity (service area)	Project	PWS ID#	Project Cost	Date Funds Needed	Population	Potential Terms	Funding Category	Fundable Project Cost	Score
96	London	New WTP (design)	4900712	\$500,000	Jun-09	9,600	2.00%	F	\$500,000	63
97	Delaware	Penry Rd. Raw Water Line	2100311	\$2,000,000	Jun-09	33,720	Standard	F	\$2,000,000	63
103	Waynesville	Meters	8302012	\$200,000	May-09	3,100	Sml Syst	F	\$200,000	61
106	Walnut Hills WA (Bob Grose)	WTP Upgrades (constr)	7057693	\$100,000	Jun-09	392	Sml Syst	F	\$100,000	58
107	Walnut Hills WA (Bob Grose)	WTP Upgrades (design)	7057693	\$10,000	Jun-09	392	Sml Syst	F	\$10,000	58
108	Harrison	Proj 2 Twm Elev Stor Tank	3100812	\$2,000,000	Jan-09	7,487	Sml Syst	F	\$2,000,000	57
109	Harrison	Pr 3 Carolina Tr/Marv Rd Main Imp	3100812	\$1,750,000	Mar-09	7,487	Sml Syst	F	\$1,750,000	57
110	Gallipolis	Spruce St Line Rplcmt (Expd)	2700112	\$86,204	Apr-09	9,460	2.00%	F	\$86,204	57
111	Berea (Phase 2)	GAC/UV/Imgd Tank/Solids Handling	1800111	\$4,886,000	Feb-09	18,970	Standard	F	\$4,886,000	53
116	West Liberty Proj 1	Clean & Paint Wtr Storage Twr	4602412	\$60,000	Feb-09	1,813	Sml Syst	F	\$60,000	38
117	West Liberty Proj 4	New Roof for WTP	4602412	\$50,000	Feb-09	1,813	Sml Syst	F	\$50,000	38
118	West Liberty Proj 2	Truck Purch	4602412	\$20,000	Feb-09	1,813	Sml Syst	F	\$20,000	38
119	West Liberty Proj 3	Rebuild 2 Rapid Sand Filters	4602412	\$15,000	Feb-09	1,813	Sml Syst	F	\$15,000	38
120	Oregon	1.5MGD Elev Stor Tank+Dist Upgr	4800911	\$3,995,050	Jan-09	40,000	Standard	F	\$3,995,050	34
121	Northview Utility Corp.	New Well + Upg Treatment (Eng)	7500912	\$35,000	Mar-09	120	Sml Syst	F	\$35,000	29
122	Northview Utility Corp.	New Well Upg Trmt (Pin)	7500912	\$10,000	Mar-09	120	Sml Syst	F	\$10,000	29
123	Northview Utility Corp.	New Well Upg Trmt (Constr)	7500912	\$265,000	Jun-09	120	Sml Syst	F	\$265,000	29
128	Wellston (Proj 3)	Jenkins Tank Rehab	4001912	\$296,766	Mar-09	6,078	2.00%	F	\$296,766	234
129	Burr Oak	Rapid Sand Filters and Clarifiers	0501311	\$2,000,000	Jun-09	23,106	Standard	F(c)	\$2,000,000	189
130	Jackson County Water	Line Clinton Twm & Vinton Co. Connect	4002012	\$1,000,000	Mar-09	2,175	2.00%	F	\$1,000,000	158
132	Scioto Water, Inc. (4 Road Hill)	Extending Waterline	7300303	\$75,000	Mar-09	47	2.00%	F	\$75,000	120
133	Scioto Wtr, Inc (Gallia Blackfork)	Gallia Blackford Rd (fmr Jackson Co)	7300303	\$250,000	Mar-09	569	2.00%	F	\$250,000	118
135	Camplands Water, LCC	WTP Upgrade	0400212	\$581,000	Mar-09	4,258	2.00%	F	\$581,000	113
137	Cardington	Design Repl Cast Iron Wtr Lines	5900112	\$69,000	Jan-09	1,849	2.00%	F	\$69,000	106
138	Blanchester (Pr 1)	WTP Improvements (Planning)	1400111	\$84,980	Jan-09	4,200	2.00%	F	\$84,980	102
141	Manchester Farms	New wells	2801712	\$150,000	Jan-09	70	Sml Syst	F	\$150,000	85

FINAL Intended Projects List

#	Entity (service area)	Project	PWS ID#	Project Cost	Date Funds Needed	Population	Potential Terms	Funding Category	Fundable Project Cost	Score
143	La Hacienda Apartments, LLC	New Filtration Syst for Arsenic	1201512	\$50,000	Apr-09	320	2.00%	F	\$50,000	81
144	New Holland	Water Tower Design	6501612	\$70,550	Feb-09	785	2.00%	F	\$70,550	79
145	New Holland	Water Tower Construction	6501612	\$607,156	Jun-09	785	2.00%	F	\$607,156	79
146	Oak Hill	Install Telemetry sites	4000411	\$63,878	Mar-09	3,528	2.00%	F	\$63,878	73
147	Blanchester (Pr 6)	Wtr Main Rpic (SR 123/28)(Dsgn)	1400111	\$112,100	Mar-09	4,200	2.00%	F	\$112,100	70
149	Guernsey Co.	Extending Waterline	3000603	\$49,850	Mar-09	9,494	2.00%	F	\$49,850	61
150	Lakemore	New Well/Tank System Imprvs	7701812	\$850,000	May-09	2,561	Sml Syst	F	\$850,000	61
153	Clark County Brd of Co Cmrs	Lawrenceville & Northridge Project	1201003	\$257,000	May-09	9,800	Sml Syst	F	\$257,000	41
154	Columbus	Brown Rd Wtr Imprvs (Contr 991)	2504412	\$4,500,000	Jun-09	965,250	Standard	F	\$4,500,000	39
155	Columbus	Mnd St Hrsbrg Pk Main (Contr 915) Hap Cremean Pit Lgn #2 (CIP 6903331)	2504412	\$3,500,000	Jun-09	965,250	Standard	F	\$3,500,000	39
156	Columbus		2504412	\$3,000,000	Mar-09	965,250	Standard	F	\$3,000,000	39

F Fundable  
 F(c) Fundable but capped due to population >10,000 For PY09 systems capped at \$12,000,000  
 P/D Tier I, II, or III planning or design projects are all fundable  
 TI Tier I Disadvantaged Program  
 TII Tier II Disadvantaged Program  
 TIII Tier III Disadvantaged Program  
 FA Funds Available  
 NFA No Funds Available at this time  
 FA(p) Partial funding available at this time

## APPENDIX I

### Wellhead Protection Program SDWA Section 1452(k)(1)(D)

Ohio EPA has set-aside five percent of the annual capitalization grant under Section 1452(k)(1)(D) of the Safe Drinking Water Act (SDWA) to support implementation of Ohio's Wellhead Protection program/Source Water Assessment and Protection program. Section 1452(k)(1)(D) of the SDWA authorizes states to set-aside up to 10 percent of each year's federal capitalization grant to make expenditures for the establishment and implementation of wellhead protection programs under Section 1428. For PY 2009, Ohio EPA will take approximately \$1,221,050 (5 percent) of the FFY 2009 capitalization grant, under Section 1452(k)(1)(D) of the SDWA and utilize funds to support approximately 10 full-time equivalent (FTE) positions to complete the program activities described in this section.

Ohio EPA will use the wellhead protection set-aside funds to: 1) complete source water assessments (wellhead protection areas) for new public water systems; 2) refine delineations in potential karst/shallow fractured bedrock hydrogeologic settings; 3) assess and conduct ground water quality investigations to evaluate potential contaminant sources impacting source water quality for water systems with contaminant concentrations near or exceeding a MCL; 4) encourage and provide direct technical assistance to public water systems in development and implementation of source water protection plans; 5) conduct public outreach and education, and disseminate source water assessments to public water systems and the public, via a secure web site; 6) explore development of a source water protection incentive program for implementation of local source water protection strategies; 7) collaborate with state environmental programs to develop and implement source water protection strategies; and 8) provide general program support.

Table I-1 provides an estimated budget for the PY 2009 wellhead protection program activities using the set-aside funds. This table addresses:

- 1 the scope of work to be provided;
- 2 the number and percentage of fulltime equivalent positions projected for implementing the program activity; and
- 3 the goals, objectives, and deliverables for the program.

**Table I-1  
Wellhead Protection Program Activities for PY 2009**

<b>Activity</b>	<b>PY 2009 Estimated FTE's</b>	<b>Percent of Time</b>	<b>Outcome/Product</b>
1. Complete source water assessments for new public water systems including: delineating wellhead protection (source water assessment) areas, conducting inventories of potential contaminant sources and making susceptibility determinations for public water systems using ground water.	1.0	10	<ul style="list-style-type: none"> <li>➤ source water assessment reports;</li> <li>➤ re-delineation of source water assessments based on criteria in guidance; and</li> <li>➤ re-issue source water assessment reports.</li> </ul>
2. Re-delineate protection areas in potential karst/shallow fractured bedrock hydrogeologic settings.	0.5	5	<ul style="list-style-type: none"> <li>➤ revised source water assessment areas and reports.</li> </ul>
3. Assess and conduct ground water quality investigations to evaluate potential contaminant sources impacting source water quality for water systems with contaminant concentrations near or exceeding a MCL.	1.0	10	<ul style="list-style-type: none"> <li>➤ statewide evaluation of water quality compliance data to establish priority public water systems;</li> <li>➤ study plans;</li> <li>➤ sample collection and analysis;</li> <li>➤ summary reports; and</li> <li>➤ identify probable cause of contamination.</li> </ul>
4. Encourage and provide direct technical assistance to public water systems in development and implementation of source water protection plans.	5.0	50	<ul style="list-style-type: none"> <li>➤ locally developed SWAP/WHP plans and implementation of protective strategies;</li> <li>➤ local source water protection workshops for public water systems; and</li> <li>➤ provide direct technical assistance to public water systems in developing source water protection plans.</li> </ul>

5. Conduct general public outreach and education; disseminate source water assessments to public water systems and the public via a secure Web site.	0.5	5	<ul style="list-style-type: none"> <li>➤ continue maintenance of secure web page to access reports;</li> <li>➤ document management;</li> <li>➤ respond to technical;</li> <li>➤ assistance requests;</li> <li>➤ updates to source water assessment and protection web page; and</li> <li>➤ annual source water report.</li> </ul>
6. Explore development of a source water protection incentive program for implementation of local source water protection strategies.	0.25	2.5	<ul style="list-style-type: none"> <li>➤ proposed program document.</li> </ul>
7. Collaborate with State environmental programs to develop and implement source water protection strategies.	0.25	2.5	<ul style="list-style-type: none"> <li>➤ development of regulations or guidance; and</li> <li>➤ implementation of best management practices.</li> </ul>
8. Provide general program support activities for staff including: time accounting and budgeting, planning, personnel management, computer programming, network support, GIS management and data acquisition, data management, information tracking, staff training, federal reporting, etc	1.5	15	<ul style="list-style-type: none"> <li>➤ federal reporting; and</li> <li>➤ maintain GIS data layers for SWAP program.</li> </ul>
<b>TOTAL</b>	<b>10.0</b>	<b>100</b>	

The following paragraphs address schedules, responsibilities, and evaluation for the planned program activities.

### **New Source Water Assessment Reports (Activity 1)**

*Schedule:* Source water assessments are to be completed for all new public water systems using ground water within 90 days of activation or notification from the public water supply program.

*Responsibility:* Assessments are the responsibility of Ohio EPA's district office 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.

### **Re-delineate Protection Areas in Potential Karst/Shallow Fractured Bedrock (Activity 2)**

*Schedule:* The source water protection areas in potential karst/shallow fractured bedrock geologic settings for public water system located in Ohio's Northwest and Southwest District Offices will be re-delineated in accordance with the revised methodology. Central Office will provide oversight and direct assistance as needed. Goal: Complete all re-delineations for Central District Office and Southwest District Office by December 31, 2008 and Northwest District Office by March 31, 2009. Priority will be given to community public water systems.

*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 measured by completion of the re-delineations for targeted systems.

### **Ground Water Quality Investigations (Activity 3)**

*Schedule:* Up to two projects will be identified throughout the program year. Each project will have its own schedule for evaluation of existing data, development of sampling plan, sample collection and analysis, and completion of a summary report.

*Responsibility:* Investigations will be led by a combination of Ohio EPA district office staff, with direction from district office managers and support from Central Office Source Water Protection program.

*Evaluation:* The success of this task is measured by completion of the investigation and documentation of findings in the summary report.

### **Drinking Water Source Protection Planning Technical Assistance (Activity 4)**

*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. 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 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.

*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.

*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 number that are completed, number of participants and comments from the workshop participants.

#### **Web Site and General Technical Assistance (Activity 5)**

*Schedule:* The secure Web site will be maintained and updated on a monthly basis. Technical assistance requests for source water protection information will be completed within five working days of the request. Updates to source water protection Web pages will be made quarterly.

*Responsibility:* Development and maintenance of the secure Web site and the Source Water Protection Web page is the responsibility of Central Office Source Water Protection staff, with assistance from Ohio EPA's Information and Management Systems staff, as needed. Technical assistance currently is also handled by Central Office staff.

*Evaluation:* Success of Web sites 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.

#### **Source Water Protection Incentive Program (Activity 6)**

*Schedule:* Staff will meet with various Ohio EPA programs beginning July 1, 2008 to explore options for development of a source water protection incentive program. A draft proposal will be developed by December 31, 2008.

*Responsibility:* This task will be implemented primarily by Ohio EPA Central Office Source Water Protection supervisor with input and coordination from the DDAGW's Drinking Water SRF program and the Division of Environmental and Financial Assistance staffs.

*Evaluation:* Successful completion of a Source Water Protection Incentive program proposal.

#### **Development of regulations/guidance (Activity 7)**

*Schedule:* Continue collaboration with 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 SWAP program collaboration with USDA Farm Service Agency and Natural Resources Conservation Service to increase implementation of the Conservation Reserve program and related conservation practices within source water protection areas.

*Responsibility:* This task will be implemented by Ohio EPA Central Office staff, with direction from the Central Office Source Water Protection supervisor.

*Evaluation:* Success will be measured by our ability to have source water protection area strategies recognized and implemented by other environmental programs.

### **General program support (Activity 8)**

*Schedule:* Planning and budgeting is scheduled as a priority activity in February/March 2009, but time accounting, personnel management, computer programming, network support, data management, geographic information systems support and information tracking are ongoing functions. An annual 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 federal reports is scheduled as a priority activity for August 2008.

*Responsibilities:* Planning and budgeting, time accounting and personnel management are the responsibility of the Central Office Source Water Protection program supervisor and 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. Geographic information system staffs provide direct technical assistance to the Source Water Protection staff.

*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 J

### Small Systems Technical Assistance Work Plan [SDWA Section 1452 (g)(2)]

Ohio EPA will set-aside two percent of the FFY 2009 capitalization grant to fund a Small System Technical Assistance program (SSTAP) to aid public water systems serving 10,000 persons or less. The amount set-aside from the FFY 2009 capitalization grant for PY 2009 is estimated to total approximately \$488,420. 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:

- a. a brief description of organizations selected to provide services under the SSTAP;
- b. the scope of work to be provided under the SSTAP;
- c. the funding amount in dollars and as a percentage of the DWAF allocation;
- d. the number of FTEs projected for implementing the program;
- e. the goals, objectives, and deliverables for the program;
- f. a schedule for completing activities during the program year;
- g. the responsibilities of Ohio EPA and the providers of assistance; and
- h. 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 PY 2009 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 seven years, working with small systems serving 10,000 or fewer 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 400, 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 follow sources including but not limited to: The Ohio Department of Development's Community Development Block Grant program, The Ohio Water Development Authority, Ohio's Issue 2 program, The United States Department of Agriculture Rural Development program, and RCAP's Safe Water Fund Loan program for water infrastructure development.

Services will be provided by a staff person at the Northeast District Office in small systems compliance assurance and technical assistance during PY 2009. Staff responsibilities will include working with small communities to attain compliance with total coliform bacteria, nitrate and nitrite monitoring requirements. Staff will also work

with systems with historically poor monitoring and violation history in a pro-active approach to reduce future public health and safety issues and avoid future violations.

A small portion of the SSTAP set-aside will also be used to train Ohio EPA staff to better identify the needs of and offer assistance to small public water systems, and conduct outreach to public water systems and consumers regarding sustainability.

### **Description of the Scope of Work to be Provided**

The services to be provided under the SSTAP are in the areas of financial, managerial, regulatory and operational assistance. These services will be performed by RCAP and through training of Ohio EPA field staff. Financial and managerial assistance provided to small water systems through the SSTAP include:

1. targeting small water supply systems on the capability improvement list (CIL);
2. targeting small water supply systems on the PPL;
3. provide assistance in preparing WSRLA loan applications and determining ability to repay;
4. develop documentation to address cross-cutting requirements;
5. conform assistance to DDAGW determined time lines;
6. coordinate loans from the WSRLA with funding from other sources;
7. assist in determining most cost effective alternative;
8. assist in the development of capability assurance documentation for new and existing community and non-transient non-community public water systems as required and systems applying for WSRLA funding;
9. focus on all aspects of financial management of the system in implementing the selected project;
10. conduct five training sessions on (101) Utility Management for Local Officials;
11. conduct five training sessions on (201) Financial Management for Local Officials;
12. conduct 10 training sessions on (301) Asset Management for Local Officials; and
13. conduct up to 10 training session for (401) Rate Setting for Local Officials.

Regulatory and operational assistance provided to small water systems through the small systems technical assistance program will be performed by Ohio EPA staff. The services include:

1. primary focus on public water systems serving a population of less than 250, with priority on the public health based issues using the; water use advisory list, significant non-complier (SNC) and ground water under the influence of surface water (GWUI) lists as references;
2. secondary focus on public water systems with multiple monitoring and reporting violations in consecutive quarters using the violation tracking database as a reference;
3. provide assistance with sampling and monitoring including water use advisories and GWUI systems;
4. provide assistance with sample siting plans, contingency plans, detail plan process,

- consumer confidence reports and corrosion control recommendations;
5. prepare and conduct training programs for public water systems owners and operators as well as local health departments;
  6. document all site visits and other technical assistance contacts in appropriate files; and
  7. provide training as needed to Ohio EPA staff to improve technical assistance to the public water systems.

### **Funding Amount**

The amount set-aside from the FFY 2009 capitalization grant for PY 2009 for this program is 2% of the grant which is estimated to be \$488,420. Ohio EPA expects to set-aside an additional two percent of the FFY 2010 capitalization grant.

### **Projected Number of Full Time Equivalent (FTEs)**

Approximately 5.5 FTEs will be used for activities in the SSTAP. RCAP has submitted a line item budget for the current program year indicating their services will require 3.5 FTEs. Ohio EPA staff will account for up to an additional 2.0 FTEs.

### **Goals and Objectives**

The overall program goal is to provide technical assistance to public water systems serving 10,000 persons or less 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.

#### **Financial and Managerial Assistance Goals and Objectives**

Goal: Assist small systems in achieving and maintaining compliance with the state and federal drinking water regulations.

Objective: Assess the capability of small systems to remain in compliance with state and federal drinking water regulations and develop plans to increase capability or explore regionalization.

Goal: Market and use the WSRLA loan program to assist small water systems in obtaining adequate funding to maintain and upgrade their infrastructure.

Objective: Assist small systems access to WSRLA loans by addressing readiness to proceed issues, i.e. planning, hiring of consultants, developing and implementing project schedules, completion of funding applications, and development of documentation to complete the capacity assurance requirements.

Objective: Assist small systems with leveraging other funding sources and developing a financial package that will keep projects affordable.

Objective: Increase the management and financial knowledge of management and system personnel.

#### Technical and Operational Assistance Goals and Objectives

Goal: Help ensure that an adequate supply of clean, safe drinking water is provided to the users of public water systems in Ohio by providing technical and compliance assistance to small water systems.

Objective: Increase the number of small systems in compliance with applicable state and national drinking water regulations on a long term basis.

Objective: Increase the operational knowledge of system personnel.

Objective: Increase source water protection efforts.

Objective: Increase conservation of Ohio's water resources.

#### Deliverables

Highlighted below are the main deliverables that are to be provided.

#### Financial and Managerial Assistance Activities

1. provide assistance to small public water system in acquiring financing to build, expand, and upgrade water treatment plants and distribution systems;
2. assist in completing applications for financial assistance from the WSRLA and other funding sources;
3. reports, recommendations, and action plans for capacity assurance development strategies;
4. compliance action plans completed;
5. number of small systems assisted (content described further in this document);
6. track activities to document success of the program and identify areas of needed improvements; and
7. report information about training sessions, conducted including attendance list, contact information, and necessary follow-up actions.

#### Technical and Operational Assistance Activities

1. provide technical assistance to operators, owners and public officials by providing telephone or on-site consultation for maintenance, operational, or management matters;

2. provide assistance to help maintain system compliance with state and federal drinking water regulations and capacity assurance;
3. track activities to document success of the program and identify areas of needed improvements;
4. provide assistance with sample siting plans, contingency plans, detail plan process, consumer confidence reports and corrosion control recommendations;
5. prepare and conduct training programs for public water systems operators and owners as well as local health departments; and
6. priority on public health based issues identified on the water use advisory list, significant non-compliance list, and systems represented as ground water under the influence (of surface water).

### **Schedule for Completing Activities**

Ohio EPA has targeted small public water systems that are on the PPL and IPL for financial and managerial assistance, however, it is not necessary that a system be on the PPL and IPL to receive assistance through this program. A report will be provided 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 that all assistance is provided in a timely manner based on the specific issues and type of assistance that is determined to be necessary. Ohio EPA staff will focus on systems under 250 customers, assisting them with technical and compliance issues, performing operational inspections and infrastructure evaluation.

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 that are 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 monthly, or as needed, with DDAGW staff to overview 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. Periodically, RCAP will conduct a customer satisfaction survey of systems that have received technical assistance. The survey will be used to develop improvements to types and specifics of assistance services provided. RCAP will develop an annual customer satisfaction report as a means to summarize services provided. This reporting and performance evaluation information will ensure that RCAP can document the success of their technical assistance.

### Technical and Operational Activities Reporting

Ohio EPA staff complete monthly reports that track activities and provide documentation of technical assistance activities. These reports will be used to determine and track program performance and evaluate success. This information will also be used to develop any additional methods to provide assistance to small systems. Meetings will be held quarterly, or as needed to discuss program activities, progress, problems and reporting criteria.

## APPENDIX K

### Capability Assurance Program

Ohio EPA must ensure each public water system that receives a WSRLA loan can demonstrate technical, managerial, and financial capacity. WSRLA funds cannot be used to provide any type of assistance to a public water system that lacks the technical, managerial, or financial capability to maintain SDWA compliance, unless the public water systems owner agrees to implement feasible and appropriate changes in operation and maintenance practices, and in the financial management of the system. Part IV of this management plan contains the definitions of capability assurance, as well as technical, managerial, and financial capability. The rules to implement the capability assurance program became effective October 1, 1999. Ohio EPA also developed a guidance document to assist systems in the development of an approvable capability assurance plan. The guidance document is in the process of being updated to support upcoming rule changes.

Ohio EPA provides additional assistance to all potential loan recipients with populations of 10,000 or fewer in the completion of a capability assurance plan. RCAP, program provider of financial and managerial assistance through the SSTAP, will assist systems in the development of these plans.

Through the enacted rules, developed guidance document, and additional provided assistance to eligible small systems, Ohio EPA will ensure that each WSRLA loan recipient demonstrates capability assurance.

