

October 2010



Environmental
Protection Agency

Drinking Water Assistance Fund Small Systems Technical Assistance Set-Aside Annual Report for Program Year 2010



Ted Strickland, Governor
Lee Fisher, Lt. Governor
Chris Korleski, Director

Introduction

The Safe Drinking Water Act, section 1452 requires that states submit a biennial report to U.S. EPA's regional administrator on the state's activities that receive funding under this section. This Small System Technical Assistance Set-Aside Annual Report is being submitted in compliance with this requirement.

Ohio EPA administered a Small Systems Technical Assistance Program utilizing one assistance provider during program year (PY) 2010. W.S.O.S. Community Action Commission, Inc., /Great Lakes Rural Community Assistance Program (Ohio RCAP) was under agreement to provide small system managerial and financial assistance.

Funding

During PY 2010 Ohio EPA used funds available from the FFY 2004 and FFY 2005 technical assistance grant set-asides, (grant account numbers FS985954-05 and FS985954-08).

The technical assistance agreement with W.S.O.S. Inc. /Ohio RCAP was in effect from July 1, 2009 through June 30, 2010 and funded with a grant in the amount of \$518,937.00.

Full Time Equivalent (FTEs)

In PY 2010, Ohio RCAP allocated 5.0 FTEs to fund the activities of eight technical assistance coordinators who supplied technical, managerial, and financial training to Ohio public water systems serving populations of 10,000 or fewer. The Ohio EPA Northeast District Office (NEDO) had 0.5 FTE dedicated to providing technical assistance to small systems with less than 250 in population. Please see Attachment B-3 for the NEDO detailed activity report.

Goals and Objectives

The goals and objectives for the Drinking Water State Revolving Fund (DWSRF) Small System Technical Assistance program for PY 2010 are as follows:

Goals

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

Objectives

1. Assist small systems with the preparation of applications for the DWSRF including determining the ability to repay.
2. Assist in meeting state and other crosscutting requirements of the application.
3. Assist with locating and procuring sources of funding in addition to the DWSRF.
4. Assist with determining the most cost effective option for a public water supply to access safe drinking water.
5. Assist systems with readiness to proceed issues.
6. Assist systems in the development and/or completion of all components of the capability assurance documentation.
7. Assist systems by offering seminars for small systems utility board training, rate setting training, and asset management training.

During PY 2010, Ohio continued a technical assistance position at the Northeast District Office (NEDO) to identify and assist small public water systems with compliance. Attachment B-3 contains information taken from monthly reports; it details activities and successes for PY 2010. The following objectives are specific to the Ohio EPA NEDO technical assistance position:

8. Assisting local systems with priority on public health-based issues using the water use advisory list, Significant Non-Compliers (SNC), and Ground Water Under the Direct Influence (GWUDI) of surface water.
9. Assisting systems with long-term boil advisories. Any system with an advisory longer than eight weeks is determined to be in need of technical assistance.
10. Work with public water systems that have multiple monitoring and reporting violations in consecutive quarters, using the violation database as a reference.
11. Visit individual water systems, providing both training and direction.
12. Provide assistance with sample siting plans, contingency plans, detail plan process, consumer confidence reports, and corrosion control recommendations.

Summary of Program Accomplishments

Ohio RCAP provided services under the Drinking Water Technical Services Set-Aside during PY 2010. Their services are offered to public water systems with 10,000 population or fewer. Attachment B-1 contains information taken from quarterly reports; it details activities and sites that received assistance during the program year. Additional information about Ohio RCAP training and one success story for the program year are included in Attachment B-2.

The objectives for the Ohio RCAP grant agreement for PY 2010 were as follows:

Objective 1

Assist small systems with the preparation of applications for the DWSRF including determining the ability to repay.

During PY 2010, Ohio RCAP assisted 24 systems in the preparation and completion of applications for loans, including:

- 1 planning and design loan applications;
- 17 construction loan applications;
- 3 pre-applications for the new project priority list (PPL); and
- 3 disadvantaged community applications.

At year-end, 11 loans were in process. Attachment B-1 indicates the activities undertaken throughout the year for each system assisted.

Objective 2

Assisted 20 systems in meeting state and other crosscutting requirements of the application.

Objective 3

Assisted 18 systems with locating and procuring sources of funding in addition to the DWSRF.

Ohio RCAP coordinates financing packages for systems using Ohio Department of Development's Community Development Block Grant (CDBG) program, Ohio Water Development Authority (OWDA), Ohio's Issue 2 Program, and the Rural Development grant/loan program for water infrastructure development.

Objective 4

Assisted six systems with determination of the most cost effective option for a Public Water Supply to access safe drinking water.

Objective 5

Assist 23 systems with readiness to proceed issues.

Objective 6

Assist systems in the development and/or completion of all components of the capability assurance documentation.

During PY 2010, 19 capability assurance plans (CAPs) were completed. In addition, no CAPs were in progress at year-end, 20 systems required rate studies and recommendations for increases and 22 systems total were assisted in this category. Two systems were assisted with energy audits which are not part of the CAPs.

Objective 7

Assist systems by sponsoring training seminars for small systems utility board training, financial management, asset management and budget and rate setting training.

Ohio RCAP increased their emphasis on providing training courses to water boards and system operators. To this end, Ohio RCAP held 32 training sessions throughout the state to provide water board training. This training was aimed at providing water boards a better appreciation of planning for operational expenses, emergency measures, equipment replacement, laws, and regulations, funding sources, rate setting, and other aspects of operating a successful water supply. Each course is a one-day training session with resource materials in a take-home binder, plus a CD of functional programs with examples for accounting use.

Seven courses of Utility Management for Local Officials were held throughout Ohio. This course includes an overview of the three capability components; managerial, technical and financial.

Five courses of Financial Management for Local Officials were held at various locations in Ohio. This course focuses on financial management, record keeping, and an overview of the theory asset management of a public water system.

Five courses of Asset Management, Budgeting and Rate Setting for Local Officials were held throughout Ohio. This course has participants perform hands-on asset management plan using the U.S. EPA Step guide. Participants discuss how the plan effects budgeting, how rate setting is effected with this data and what to consider when setting rates.

Seventeen courses of Applied Asset Management Featuring CUPSS training includes an introduction to Check Up Program for Small Systems (CUPSS), an overview of the software and hands-on use of the program.

Attachment B-1

SUMMARY OF ACTIVITIES COMPLETED BY GREAT LAKES RCAP/WSOS CAC, INC. UNDER DWSRF TECHNICAL ASSISTANCE GRANT

Final Report: July 1, 2010 – June 30, 2010

This report is written to reflect the work completed against the grant objectives. RCAP had a total of 75 projects for 68 systems enrolled during the year. A brief listing of communities served follows each objective.

Objective 1: Assist small systems with the preparation of application for the DWSRF, including determining the ability to repay.

Planning and Design Application Completed (1): Coalton

Construction Loans Completed (17): Cardington, Continental Water, Coal Grove, Hamden, Harrisburg, Middleport, Milford, Murray City, Salineville, Scioto Water (3), Tupper Plains, Walnut Hills, Wellston (2), and Woodville

The following EPA loan applications were completed with the assistance in funding from the Ohio Water Development Authority (OWDA) and were not reported in previous quarterly reports. This one-time funding was made available to RCAP by OWDA to assist small communities with ARRA funding: Cinnamon Lake, Cumberland, Dresden, Millersport, Roseville, Shawnee, Manchester Farms, Franklin County, Jackson, Pomeroy, Tupper Plains, Murray City, Old Straitsville (2), Woodsfield, Tri-County, McConnelsville, Bellaire, Belmont County, Powhatan Point, Brewster, Buckeye Water District, Rayland, Walker Elementary School, Jackson County Water, Pike County Water, Greenfield Elementary, MWCD Atwood, Northwood MHP, Rockford, Columbus Grove (2)

Preapplications Completed for new Priority List (3): Elida, Regina Health Care and Sardinia Water

Disadvantaged Applications Completed (3): LaRue, Shiloh, and Switzer Water

Loans in Progress (11): Bellaire, Bishopville Water District, Jackson, Lucas, Millersport, New Holland, Perry Township, Rayland, Roseville, Shawnee and South Solon

Objective 2: Assist in meeting State and other crosscutting requirements of the application.
(20 communities assisted)

- Cumberland – assisted with easement issues
- Dresden – took pictures for environmental assessment
- Dresden – provided assistance in developing users agreement
- Jackson – took pictures for environmental assessment
- Scioto Water - took pictures for environmental assessment
- Shawnee - took pictures for environmental assessment
- Tupper Plains – assisted with environmental assessment
- Murray City – Assisted in construction inspection for ARRA requirements
- Middleport – Assisted in construction inspection for ARRA requirements
- Old Straitsville – Assisted in construction inspection for ARRA requirements
- Pomeroy – Assisted in construction inspection for ARRA requirements

- Salineville – Assisted with CDGB administration and the MOU with Buckeye Water
- Cumberland – Assisted with ARRA reporting
- Harrisburg – Assisted with rate ordinances
- Manchester Farms – Assisted with bid opening and award
- Roseville – Assisted with bid opening and award
- Ernie’s MHP – Assisted with response to sanitary survey issued by OEPA/SEDO/DDAGW
- Greenfield – Assisted with income survey
- Manchester Farms – Assisted with change orders and site visits
- Rayland – Monitored construction
- Woodsville – Assisted with ARRA reporting requirements

The following Environmental Assessments were completed with the assistance in funding from the Ohio Water Development Authority (OWDA) and were not reported in previous quarterly reports. This one-time funding was made available to RCAP by OWDA to assist small communities with ARRA funding:

- *Wellston - Completed Environmental Assessment*
- *Middleport - Completed Environmental Assessment*
- *Tuppers Plains – Completed Environmental Assessment*
- *Woodsfield – Completed Environmental Assessment*
- *Jackson County Water – Took pictures for Environmental Assessment*
- *Pike County Water – Took pictures for Environmental Assessment*
- *Cardington – Took pictures for Environmental Assessment*
- *Columbus Grove – Took pictures for Environmental Assessment*
- *Dresden - Completed Environmental Assessment*
- *Jackson - Completed Environmental Assessment*
- *Shawnee - Completed Environmental Assessment*
- *Rayland - Completed Environmental Assessment*

Objective 3: Assist with locating and procuring sources of funding in addition to the DWSRF.
(18 communities assisted)

- Blanchester WTP – assisted with income survey for CDBG W/S application; Applied for Congressional Appropriation; Prepared a new financing plan and task schedule; Prepared a new financing plan and task schedule
- Blanchester WM - Applied for Congressional Appropriation, Prepared a new financing plan and task schedule
- Cadiz - responded to questions from ODOD regarding a submitted CDBG application; Conducted Income Survey for CDBG funding
- Caldwell – assisted with OPWC application; Assisted with CDBG application
- Coalton – completed OPWC application; Completed OWDA design loan application; Submitted ARC pre-application, revised OPWC application, submitted Congressional Appropriation request and assisted with Corp of Engineer request
- Gallipolis – completed OWDA application
- Oak Hill – completed OPWC application: Assisted with ARC and USACOE financing
- Russells Point - responded to questions from ODOD regarding a submitted CDBG application: Completed OWDA application
- Lucas - Assisted with OWDA application

- Switzer Water – Assisted with ARC Distressed Counties application
- Aberdeen – Prepared financing plan
- New Straitsville – Submitted Congressional Appropriation request; Assisted with project financing
- Brilliant Water District Water Main– Prepared and submitted an OWDA Planning Loan
- Brilliant Water District New Well - Prepared and submitted an OWDA Planning Loan
- Burton Water – Assisted with CDBG administration
- Kettlersville Well Association – Assisted with financing options
- New Holland Water Tower – Assisted with USDA funding and project schedule
- Payne – Assisted with alternative financing options
- Salineville – Assisted with CDBG administration
- LaRue – Completed OWDA loan application

Objective 4: Assist with determining what the most affordable option for a community to access safe drinking water is (6 communities assisted)

- Blanchester – assisted in determining options of building a new WTP, or bulk purchasing; Assisted in identifying potential water suppliers
- Smithfield Township – designed financing plan
- Carrollton – assisted with determining options to serve areas adjacent to Village
- Northview Utility Corp. – Assisted with new water source due to arsenic issues
- Scioto Water – Assisted with financing plan
- LaRue – Assisted with financing plan

Objective 5: Assist systems with readiness-to-proceed issues for funding, including hiring an engineer, developing a project schedule, obtaining cost estimates, completing data collection for project, defining the need and obtaining supporting documentation, description of the proposed project, project alternatives considered and why rejected. (23 communities assisted)

- Coal Grove – completed 30 year financial projection of revenue and expenses
- Enon – developed project schedule
- Gallipolis – assisted with bidding
- Hamden – established and communicated financing timeline, prepared 30 year financing projection
- Harrisburg – assisted with bid docs
- Manchester Farms – assisted with finalizing bid, bid opening 9/17/09
- Milford – assisted with bidding
- Murray City - completed 30 year financial projection of revenue and expenses
- Oak Hill – prepared draft water user agreement
- Old Straitsville - completed 30 year financial projection of revenue and expenses
- Pomeroy - completed 30 year financial projection of revenue and expenses
- Tri-County Water - completed 30 year financial projection of revenue and expenses
- Tupper Plains - completed 30 year financial projection of revenue and expenses
- Coalton – Completed revised financing plan
- Northview Utility Corp – Assisted in hiring an engineer and collected information for a CAP: Assisted with project schedule
- Payne – Assisted in preparing financing requests
- Quincy – Assisted Clerk with drawdown of planning loan. Assisted in financing construction

- LaRue – Assisted with revised project schedule and new well site
- Plymouth Water – Provided Community information about planning loan
- Scioto Water Morris Lane Pump Station-Not approved for EPA, will assist with alternative funding
- Switzer Water Meters – Prepared and presented financing plan
- Wellston Jenkins Road Tank – Assisted with financing options

Objective 6: Capacity development technical assistance will focus on the management of the system. This will include issues relating to: utility planning, identifying both direct and indirect O&M costs, developing budgets, cost recovery, types of financing resources, financial plan development, and marketing utility products and services to consumers. Management assistance will also be provided and will focus on the responsibility of the governing board. In addition, RCAP will work with the Ohio EPA to facilitate the public involvement process in the state’s capacity development strategies. (22 communities assisted)

- Hamden – Rate Study in progress
- Middleport – Rate analysis completed and rate recommendations were implemented
- Mt. Gilead – follow up TA on completed rate study
- Newcomerstown – Preliminary rate recommendations were implemented. Rate study was never completed
- Warren Community Water & Sewer – Rate Study in progress
- Wellston – Assisted with rate study
- West Liberty – Rate Study completed. RCAP recommendations were implemented
- Ayersville W/S District – Rate study findings were implemented
- Cardington – Completed rate analysis and assisted with rate increases
- Carrollton – Conducted Energy Audit of water system
- Sabina – Assisted with rate study; Assist with asset management
- Salineville – Conducted Energy Audit
- Buckeye Lake – Assisted with establishing rates
- Lynchburg – Rate Study in progress
- Milford – Rate Study in progress
- New Paris – Assisted with rate analysis
- Ohio City – Assisted with rate analysis
- Sardina – Rate analysis short course conducted and financial information collected
- West Liberty – rate recommendations enacted
- Carrollton Water Tower – Energy Audit of system was conducted
- Madison Water – Assisted with rate analysis
- Shiloh Water – Completed and presented rate analysis
- Jackson – rate analysis completed and recommendations implemented

CAPs competed (19): Salineville, Walker School, Rising Sun, Woodville, Columbus Grove (2), Dresden, Enon, Hamden, Harrisburg, Middleport, Millersport, Shawnee, South Solon, Scioto Water, Burbank Nursing Home, Sunset MHP, (Jackson, Old Straitsville and Pomeroy were completed in 2nd quarter but were inadvertently omitted from that report)

*The following CAP's were completed with the assistance in funding from the Ohio Water Development Authority (OWDA) and were not reported in previous quarterly reports. This one-time funding was made available by OWDA to RCAP to assist small communities with ARRA funding:
Cinnamon Lake, Cumberland, Manchester Farms, Franklin County, McConnelsville, Bellaire, Belmont County, Bylesville, Brewster, Buckeye Water District, Jackson County Water, Pike County Water, Cardington, Greenfield Elementary, MWCD Atwood, Northwood MHP, Rockford,*

CAPs in progress (0):

RCAP Training Summary:

Date	Location	Course	# of Participants	# of Systems
3/9/2010	Defiance	Asset Management	12	9
3/16/2010	Piqua	Asset Management	19	16
4/28/2010	Gambier	Asset Management	22	15
5/25/2010	Lorain	Asset Management	4	3
6/1/2010	New Philadelphia	Asset Management	16	8
		Total Asset Management	73	51
2/16/2010	Fremont	CUPSS	9	7
3/10/2010	Defiance	CUPSS	9	7
3/11/2010	Defiance	CUPSS	6	4
3/17/2010	Piqua	CUPSS	10	10
3/18/2010	Piqua	CUPSS	5	4
4/6/2010	Wilmington	<u>CUPSS</u>	12	7
4/7/2010	Piketon	CUPSS	13	4
4/14/2010	Warren	CUPSS	11	5
4/29/2010	Mt. Vernon	CUPSS	10	8
4/30/2010	Mt. Vernon	CUPSS	7	5
5/20/2010	Lancaster	CUPSS	10	5
5/26/2010	Lorain	CUPSS	6	4
5/27/2010	Lorain	CUPSS	1	1
6/2/2010	New Philadelphia	CUPSS	8	4
6/3/2010	New Philadelphia	CUPSS	6	5
		Total CUPSS	123	80
10/12/2010	Piketon	Utility Management	9	2
10/27/2010	Versailles	Utility Management	16	9
11/09/2010	Alliance	Utility Management	23	9
12/02/2010	Mt. Vernon	Utility Management	19	9
12/15/2010	Upper Sandusky	Utility Management	14	8
2/20/2010	Perrysburg	Utility Management	14	8
6/16/2010	Warren	Utility Management	19	9
		Total Utility Management	114	54
10/13/2010	Piketon	Financial Management	10	3
10/28/2010	Versailles	Financial Management	14	10
11/10/2010	Alliance	Financial Management	21	10
12/03/2010	Mt. Vernon	Financial Management	15	10
12/16/2010	Upper Sandusky	Financial Management	15	8
		Total Financial Management	75	41

Leveraged Funds:

Community	Loan	Grant	Source
Columbus Grove	\$0	\$358,530	Regional (WSRLA)
Old Straitsville	\$25,419	\$52,500	Regional (EPA ARRA)
Pomeroy	\$81,039	\$188,430	Regional (EPA ARRA)
Russelles Point	\$0	\$500,000	CDBG
Walnut Hills Water Association	\$42,000	\$0	Regional (WSOS SWF)
Total	\$148,458	\$1,099,460	

Second Quarter Leveraged Funds Detail:

Community	Loan	Grant	Source
Bellaire Water Line	\$329,291	\$644,444	Regional (WSRLA ARRA)
Buckeye Lake Village	\$1,600,000	\$5,000,000	Regional (WSRLA ARRA)
Cardington Water Project	\$319,387	\$400,000	Regional (WSRLA ARRA)
Coal Grove Well & Distribution Replacement	\$90,596	\$361,124	Regional (EPA ARRA)
Columbus Grove Water Line Replacement	\$215,118	\$143,412	Regional (WSRLA ARRA)
Cumberland Water Line Extension	\$403,713	\$1,600,000	Regional (WSRLA ARRA)
Dresden	\$312,957	\$730,232	Regional (WSRLA ARRA)
Gallipolis Spruce Street WL Replacement	\$225,000	\$224,999	Regional (OPWC)
Greenfield Elem. Water	\$6,819	\$6,819	Regional (WSRLA ARRA)
Hamden Water System Renovation	\$753,876	\$1,752,548	Regional (EPA ARRA)
Jackson Belt Press & Backwash Pump	\$1,494,023	\$500,000	Regional (EPA ARRA)
Jackson County Water	\$423,376	\$1,100,000	Regional (WSRLA ARRA)
Meadowood Water Association	\$13,200	\$0	Regional (WSRLA)
Middleport Waterline Replacement	\$709,127	\$2,800,000	Regional (EPA ARRA)
Millersport	\$590,447	\$250,000	Regional (WSRLA ARRA)
Murray City Water System Improvements	\$525,991	\$665,000	Regional (EPA ARRA)
New Holland Water Tower Project	\$18,137	\$0	Regional (EPA ARRA)
New Holland Water Tower Project	\$75,486	\$0	Regional (EPA)
Old Straitsville WA Booster Station Upgrade	\$25,508	\$52,500	Regional (EPA ARRA)
Old Straitsville WA PH IV Waterline Ext.	\$357,647	\$836,000	Regional (EPA ARRA)
Powhatan Point	\$489,801	\$320,000	Regional (WSRLA ARRA)
Rockford	\$1,351,759	\$903,279	Regional (WSRLA ARRA)
Roseville Well Field	\$86,721	\$280,000	Regional (WSRLA ARRA)
Scioto Water Waterline Projects	\$132,905	\$310,112	Regional (EPA ARRA)
Shawnee (Perry County)	\$78,688	\$309,598	Regional (WSRLA ARRA)
Tri-County Lightner Ridge Waterline Ext.	\$111,076	\$450,615	Regional (EPA ARRA)
Tuppers Plains PH VIII WL Ext.	\$273,602	\$273,602	Regional (EPA ARRA)
Wellston Honeysuckle Lane WL Extension	\$84,839	\$197,960	Regional (EPA ARRA)
Woodsfield Waterline Replacement/Looping	\$194,278	\$103,113	Regional (EPA ARRA)
Total	\$11,293,368	\$20,215,357	

Third Quarter Leveraged Funds Detail:

Community	Loan	Grant	Source
Buckeye WD (Salineville)	\$662,137	\$2,647,129	Regional (WSRLA ARRA)
Byesville	\$109,957	\$109,957	Regional (WSRLA ARRA)
Coalton Waterline/Tower Replacement	\$140,000	\$250,000	US Army Corps
Columbus Grove	\$37,090	\$10,000	Regional (WSRLA ARRA)
Franklin Co. Coms. (Timberlake)	\$2,162,674	\$450,000	Regional (WSRLA ARRA)
Harrisburg	\$808,806	\$500,000	Regional (WSRLA ARRA)
Harrisburg WW	\$750,000	\$750,000	Regional (WSRLA ARRA)
Manchester Farms	\$144,839	\$96,645	Regional (WSRLA ARRA)
McConnelsville (ARRA)	\$87,500	\$87,500	Regional (WSRLA ARRA)
Milford ARRA Water Project	\$142,325	\$80,000	Regional (WSRLA ARRA)
Muskingum WCD+Atwood Lake Tower	\$188,884	\$100,000	Regional (WSRLA ARRA)
Oak Hill Waterline Replacement		\$200,000	US Army Corps
Pike Water, Inc. (Sinking Spg & Parker Rdg)	\$730,067	\$525,000	Regional (WSRLA ARRA)
Pomeroy	\$81,039	\$188,430	Regional (WSRLA ARRA)
Russells Point	\$1,170,171		OWDA
Scioto Water Waterline Projects	\$191,196	\$252,024	Regional (WSRLA ARRA)
South Solon Water Dept	\$311,321	\$279,643	Regional (WSRLA ARRA)
Walker Elem School (Canton SD)	\$117,529	\$27,500	Regional (WSRLA ARRA)
Woodville Water	\$149,922	\$121,646	Regional (WSRLA ARRA)
Total	\$7,985,457	\$6,675,474	

Fourth Quarter Leveraged Funds Detail

Community	Loan	Grant	Source
Cumberland Water Line Extension	\$403,713	\$1,600,000	Regional (WSRLA ARRA)
Dresden	\$312,957	\$730,232	Regional (WSRLA ARRA)
Fayette	\$60,728	\$136,000	Regional (WSRLA ARRA)
Frankfort Water	\$1,191,000	\$1,159,000	Regional (EPA)
Frankfort Water	\$0	\$500,000	CDBG
Gallipolis Spruce Street WL Replacement	\$225,000	\$224,999	Regional (OPWC)
Greenfield Elem. Water	\$6,819	\$6,819	Regional (WSRLA ARRA)
Hamden Water System Renovation	\$753,876	\$1,752,548	Regional (EPA ARRA)
Harrisburg	\$808,806	\$500,000	Regional (WSRLA ARRA)
Hayesville	\$119,630	\$25,635	Regional (OPWC)
Jackson Belt Press & Backwash Pump	\$1,494,023	\$500,000	Regional (EPA ARRA)
Jackson County Water	\$423,376	\$1,100,000	Regional (WSRLA ARRA)
Marshallville	\$711,048	\$1,200,000	Regional (WSRLA ARRA)
Meadowood Water Association	\$13,200	\$0	Regional (WSRLA)
Middleport Waterline Replacement	\$709,127	\$2,800,000	Regional (EPA ARRA)
Millersport	\$590,447	\$250,000	Regional (WSRLA ARRA)
Morgan County PWS	\$87,500	\$87,500	Regional (WSRLA ARRA)
Murray City Water System Improvements	\$525,991	\$665,000	Regional (EPA ARRA)
New Holland Water Tower Project	\$18,137	\$0	Regional (EPA ARRA)
New Holland Water Tower Project	\$75,486	\$0	Regional (EPA)
Oak Hill Waterline Replacement	\$106,200	\$0	Regional (OWDA)
Old Straitsville WA Booster Station Upgrade	\$25,508	\$52,500	Regional (EPA ARRA)
Old Straitsville WA PH IV Waterline Ext.	\$357,647	\$836,000	Regional (EPA ARRA)
Paulding Water Treatment Plant	\$4,997,000	\$3,833,000	USDA/RD
Powhatan Point	\$489,801	\$320,000	Regional (WSRLA ARRA)
Rayland Water-mains Replacement Project	\$217,912	\$506,690	Regional (WSRLA ARRA)
Total	\$14,724,932.0	\$18,785,923.0	

Leveraged Funds 2010 – 2010

First Quarter: \$1,247,918

Second Quarter: \$31,508,725

Third Quarter: \$14,660,931

Fourth Quarter: \$33,510,855

Total for year - \$80,928,429

Attachment B-2

With funding from Ohio EPA and other sources, Ohio RCAP has designed and implemented a series of training courses aimed at Officials responsible for the operation and funding of water systems. Descriptions of these courses are as follows:

Utility Management for Local Officials (Course 101)

Participants will be able to manage a water or sewer utility and develop their technical, managerial, and financial capability. Participants will be able to identify their responsibilities regarding operations, rules, open meeting laws and other laws impacting small water and wastewater systems, staffing, hiring consultants, project financing with loans, grants, rate setting, records keeping, income and expenses, budgeting, planning, and all aspects of utility operation. Participants will be able to develop capability for maintaining or achieving compliance with laws and regulations to provide a quality safe product at reasonable rates.

Financial Management for Local Officials (Course 201)

Building on the information provided by the Ohio RCAP 101 course, participants will be able to evaluate financial policies and procedures; develop record systems to make sound decisions on budgets, rates, and capital purchases; manage assets, income, expenses, debt, and reserves. Participants will be able to develop short and long-range plans for providing safe and quality services at a reasonable cost. Participants will be introduced to asset management as a mechanism of good stewardship of their utility. Participants will be able to implement sound financial processes, plans, and strategies for their utility. As a prerequisite, the Utility Management for Local Officials is recommended but not required.

Asset Management, Budgeting & Rate Setting for Local Officials (Course 301)

Participants will be able to evaluate financial needs of operating a water or sewer utility and set rates for services that cover the cost of operations, maintenance, repair, and replacement of the infrastructure assets. Participants will consider actual cost and changes in local conditions as a basis for budgeting expenses, debt service, and requires reserves. Additionally the participants will consider the capital needs of their infrastructure and the availability of loans and grants to cover capital costs along with the development of a rate structure that fits the needs of the community. Participants will determine short and long-term strategies for financing the needs of the utility and be able to deal with customer expectations and concerns. As a prerequisite, the Ohio RCAP 101 and 201 courses are recommended but not required.

Applied Asset Management Featuring Check Up Program for Small Systems (CUPSS)

This course continues the topics of the Asset Management, Budgeting and Rate Setting for Local Officials seminar and will involve the implementation of tools, including CUPSS software recently developed by U.S. EPA and computer programs, to develop asset management plans and rate schedules for individual participants to meet the needs of their individual systems. Each participant will have access to a computer and will implement skills learned throughout the seminar. Participants will have the knowledge, tools, and software to set their own rates and explain these rates to their customers. As a prerequisite, the Ohio RCAP 101, 201, and 301 courses are recommended but not required. Additionally Ohio RCAP will provide each participant with free software that can be used for setting rates and managing the assets of the utility.

Highlight of PY 2010 Activities

City of Jackson

When RCAP became involved in the spring of 2009 the condition of the City of Jackson's water fund was in such poor condition that the ability of the city to qualify for Ohio EPA ARRA funding with \$500,000 grant and \$1,600,000 zero interest loan was in question. Kurtis Strickland of RCAP was already working with the City of Jackson to develop a WSRLA ARRA application. Wayne Cannon was called in to assist the community with a utility rate study. Several significant weaknesses were documented in the subsequent rate analysis.

The utility had posted three consecutive years of increasingly negative earnings. A typical year budget shows a continuation of this trend with a projected operating loss of \$529,000 annually.

No water rate increases were enacted during the five year period from 2002 to 2007. During this time period the water department lost approximately 18.7% in spending power due to inflation.

The community has a moderate water loss problem with unaccounted water of 172,133,000 gallons or 23.8% in FY 2008. Water loss percentage is up from the FY 2007 figure of 22.3%. The higher than average amount and increasing percentage of water loss is an indicator of the deteriorating condition of community's underground infrastructure. While the city recognizes this problem, it did not have a strategy for corrective action. Furthermore cash reserves held by the water department declined by \$570,527 during the three year time period from 2006 to 2008 making the implementation of corrective action plans nearly impossible.

The community was not eligible for most low interest loan and grant programs because of extremely low customer rates. Most funding agencies require the typical residential user of 4500 gallons per month to pay between 1.1% and 1.5% of MHI. Under your existing rate schedule the typical residential user of 4500 gallon pays less than 1.0% of MHI.

Present accounting practices did not earmark funds for emergencies, debt service reserves and capital rehabilitation / replacement. Without dedicated escrow accounts to safeguard cash reserves money saved for capital upgrades was spent to fund ongoing operating losses.

With RCAP's assistance the City is able to implement a water rate increase which eliminated ongoing operating losses and will allow the community to begin accumulating cash for future capital improvements. The proposed rate is considered affordable with an average residential user of 4500 gallons monthly paying \$28.26 monthly for water service in the first full year of new project operation. This amount represents 1.27% of MHI based upon 2000 census results.

Historically, Jackson's water rates have not risen to keep pace with inflation. In order to prevent this situation from reoccurring, we recommend that an automatic rate adjustment be implemented. The city enacted a multi-year rate increase which transitions to the inflationary threshold of 3.5% in year five.

Finally it was recommended that separate accounts be established for an Emergency Fund, Debt Service Reserves, Rehabilitation and Replacement Reserve Escrow and Capital Improvements. The use of separate escrow accounts reduces the temptation to fund operating losses from savings. The general operating account should be maintained with only enough funds to provide for ongoing normal operations. This accounting change will help to safeguard water department funds.

The ARRA Loan / grant request to install a belt press and backwash pump at the existing WTP was subsequently approved by Ohio EPA. Ohio EPA mandated the project because manganese sludge solids that are removed from the water during treatment were drained to a runoff ditch. The project will improve manganese sludge handling with significant improvement to the environmental health of the watershed. As a bonus, the community has become vested in financial management practices which will improve water system sustainability.

Attachment B-3

SUMMARY OF PY 2010 ACTIVITIES COMPLETED BY THE OHIO EPA NORTHEAST DISTRICT OFFICE SMALL SYSTEM TECHNICAL ASSISTANCE POSITION

During PY 2010, Ohio continued a technical assistance position at the Northeast District Office (NEDO) to identify and assist small public water systems with compliance. This year, NEDO focused on data manipulation to identify the most non-compliant water systems related to total coliform monitoring. After identification, a plan was developed to assist the water systems and to track the successes of the program. These efforts have clearly been effective as compliance with monitoring for total coliform bacteria is at an all-time high in NEDO. Not only does NEDO have greater compliance with total coliform monitoring, but NEDO also has fewer enforcement cases related to total coliform.

Table B-1 below describes some of the compliance activities that the compliance coordinator has been working on since July 1, 2009 and ending June 30, 2010. Efforts continue into the current program year and data continues to be tracked and progress continues to be made. Of note is the fact that the compliance coordinator is currently assigned to compliance activities for the entire district, is a sanitary survey inspector and is on the Groundwater Rule Workgroup which has not only been meeting monthly, but also working on rule development and implementation.

After identification is made, phone calls, pre-enforcement letters, site visits or office meetings are held to describe in detail to the water system owner the requirements a water system must comply with to avoid future enforcement actions.

Since June 2008 when NEDO began this new approach, the number of SNC's in NEDO has decreased by 50 percent. Correspondingly, the number of federal identified SNC's has dropped by 69 percent. The number of total coliform bacteria MCL violations has decreased by 2 percent.

The new Enforcement Tracking Tool (ETT) introduced by the USEPA will shift our focus from water systems that fail to monitor to water systems that are experiencing MCL violations. NEDO has already begun interpreting the data and analyzing an approach to return these water system to compliance with the regulatory requirements.

**NEDO Small Systems Technical Assistance Activities
July 1, 2009 to June 30, 2010**

Activity	2009						2010						Total
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
MCL Technical Assistance Calls	0	0	0	0	0	3	1	0	0	0	0	0	4
Site Visits MCL Investigations	0	2	3	0	2	0	0	0	1	3	0	2	13
In-depth MCL Investigation Discussions w/ Staff	1	0	1	0	0	0	0	0	0	5	1	1	9
Enforcement Calls	0	0	1	0	0	2	0	0	1	0	0	0	4
Sanitary Surveys	4	0	2	3	0	0	0	0	0	3	1	4	17
GWR Workgroup Meetings/ Conferences	3	0	2	2	3	2	2	1	1	1	2	1	20
GWR 4-log Phone Call Assistance	15	17	5	1	1	0	0	0	0	0	0	0	39
Outreach Presentations on Compliance Assistance	2	0	0	1	0	0	0	0	0	1	0	0	4
In-house Presentations on Compliance Assistance	0	1	1	0	1	1	0	1	1	0	1	2	9
MCL Watch List Data Report	1	0	0	1	0	0	1	0	0	1	0	0	4
SNCERS List Data Report	0	1	0	0	1	0	0	1	0	0	1	0	4

Table B-1

Special Projects/Data Analysis

- Trend Analysis, Federal Milestone 12 & First Positive/MCL Analysis (August 2010)**
- Federal SNC list analysis/correlation with state data (December 2010 and January 2010)**
- Lab TCR Submission Study on Timeliness (April – May 2010)**
- Analysis of New Federal Enforcement Targeting Tool (June 2010)**