



State of Ohio Environmental Protection Agency

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NEWS RELEASE

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Ohio Announces Proposed Stimulus Funding for Drinking Water and Water Pollution Control Projects: Schedules Public Meeting

Ohio EPA Director Chris Korleski today announced intended project priority lists that include 69 drinking water projects in 52 communities and 255 water pollution control projects in 164 communities to be offered funding under the American Recovery and Reinvestment Act (ARRA). Ohio EPA has issued draft Intended Use Plans (IUPs), and will hold a public meeting to take comments on the plans on May 7, 2009, in Columbus. U. S. EPA will need to approve the IUP prior to funds being awarded.

"This additional federal funding will provide jobs while also improving Ohio's worn water infrastructure," Director Korleski said. "Stimulus money will be combined with the state's existing assistance funds to spread economic recovery and improvements to as many Ohio communities as possible. We are able to help these communities because President Obama and Ohio's Congressional members recognized the importance of investing in these types of projects."

Recognizing the great need of Ohio's communities, Ohio EPA will make 100 percent of stimulus funds available as subsidies, which is more than the 50 percent required in the Recovery Act. Non-Recovery Act funds will also be "mixed and matched" with Recovery Act funds to increase the number of communities able to receive infrastructure funding. Matching funds for drinking water projects will be offered at 0 percent for 20 years for non-disadvantaged communities or 30 years for disadvantaged communities. For water pollution control projects, matching funds will be offered at 0 percent to 3.7 percent for a period of time ranging from 5 to 20 years based upon the specific type of project. (i.e. planning and design loans for 5 years or construction projects up to 20 years).

"The Recovery Act has provided Ohio the opportunity to get people back to work, while addressing one of Ohio's biggest concerns -- aging water systems," said Director Korleski. "These funds will help protect public health and improve water quality."

The draft IUPs describe how Ohio EPA intends to distribute the funds provided from the Recovery Act, along with the distribution of traditionally available annual financial assistance from Ohio EPA's loan funds. The IUPs explain how Ohio EPA will administer the funds and prioritize projects. To learn more, please review the intended use plans. A full list of priority water infrastructure improvement projects and guidelines can be viewed on Ohio EPA's Web site:

Drinking water projects: www.epa.state.oh.us/ddagw/dwaf_economic_stimulus.htm Water pollution control projects: www.epa.state.oh.us/defa/stimulus.html

A public information session and public hearing on the proposed project lists will be held at 2 p.m. on Thursday, May 7, 2009, at the Riffe Government Center, 19th Floor - Room 1948, 77 South High Street, Columbus. The meeting will conclude after everyone has had an opportunity to comment on the plans.

Written comments will be accepted through close of business on May 8, 2009. Comments on the proposed drinking water project list should be sent to Stacy Barna, Ohio EPA, Division of Drinking and Ground Waters, P.

O. Box 1049, Columbus, OH 43216-1049 or e-mailed to stacy.barna@epa.state.oh.us. Comments on the proposed water pollution control project list should be sent to Becky Hegyi, Ohio EPA, Division of Environmental and Financial Assistance, P.O. Box 1049, Columbus, OH 43216-1049, or e-mailed to becky.hegyi@epa.state.oh.us.

Drinking Water

The intended project list was developed by narrowing project applications for 1,694 drinking water projects from 488 public water systems. Ranking was determined in accordance with state and federal law, including the following factors:

- human health risk;
- compliance with federal and state requirements;
- economic affordability;
- population; and
- regionalization and consolidation.

Consistent with ARRA goals and requirements, Ohio EPA is proposing to allocate 50 percent of Recovery Act funds to projects that indicated they would be ready to proceed to construction by June 2009. As a second priority for drinking water funding, Ohio EPA identified projects to meet the 20 percent green infrastructure requirement. The remaining Recovery Act funds were allocated in priority order to projects indicating they will be ready to proceed to construction by September 30, 2009.

Ohio anticipates receiving \$58.46 million in an ARRA capitalization grant to combine with \$81 million non-ARRA capitalization grants, bonds and repayments. Ohio plans to offer a total of about \$140 million. When compared to market loan rates, the combination of stimulus grants and low-interest WSRLA loans would save Ohio communities \$154 million in financing costs over 20 years.

Water Pollution Control

The intended projects list was developed for water quality construction projects by narrowing 1,609 project nominations from 536 communities.

To be considered for funding, water pollution control project applicants must:

- meet all deadlines;
- meet funding eligibility under federal and state laws as either a treatment works treating municipal wastewater (wastewater that does not come from manufacturing process) or a project addressing a nonpoint source pollution problem; and
- be able to enter into a construction contract before February 16, 2010.

Priority ranking was given, in accordance with state and federal law, to:

- projects that had submitted permit-to-install applications by April 3, 2009, or those that do not require an installation permit, and
- projects that demonstrate water quality improvements resulting from the proposed project. (A higher score was given if the project addressed public health needs).

A portion of the funding (\$5 million) will be used to address water pollution resulting from poorly operating home septic systems. Ohio EPA and the Ohio Department of Health will collaborate to develop a structure to award funds to county commissioners, municipalities or other eligible entities to assist residents with the upgrade and replacement of home sewage treatment systems. ARRA also requires 20 percent of funding to be set aside for "green" projects.

The Water Pollution Control Loan Fund (WPCLF) anticipates receiving \$220.6 million in Recovery Act funding to combine with \$730 million in non-ARRA funding. This will provide more than \$950 million for water quality improvement projects to stimulate Ohio's economy. When compared to market loan rates, the

combination of stimulus grants and low-interest WPCLF loans would save Ohio communities \$569 million in financing costs over 20 years.

Background on the Funding Programs

Through grants from U.S. EPA and matching funds provided by Ohio EPA, the State of Ohio has established financial and technical assistance programs under both loan funds to help Ohioans improve their water systems. Since 1998, the Ohio Water Supply Revolving Loan Account has invested more than \$630 million in improvements.

Since 1989, the Water Pollution Control Loan Fund has awarded more than \$4 billion in low-cost financing for a wide variety of water quality actions. Municipalities, private organizations, and individuals have received assistance for projects such as wastewater system improvements, agricultural pollution control practices, home sewage system upgrades, contaminated site cleanups, and stream restoration and protection. The fund has saved borrowers more than \$970 million in interest expense.

Ohio EPA directs the loan program and evaluates the proposed projects. The Ohio Water Development Authority manages the program's loan accounts and issues bonds to ensure financing is available.

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Online Media Kit:

<http://www.epa.state.oh.us/pic/media/stimulus.html>

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