

Response to Comments
Draft 2014 Water Pollution Control Loan Fund Program Management Plan
Ohio EPA Division of Environmental and Financial Assistance
December 20, 2013

1. Comments from NEORS

Comment: Director's October 16, 2013 Letter Announcing Draft 2014 WPCLF PMP - Item 2. This Item states that the 2014 nomination deadline was September 3, 2013. However, the nomination materials clearly established August 30, 2013 as the nomination deadline. This September 3, 2013 nomination deadline date is again stated in Item I.C.2. and Item III.C.1. We would appreciate a clarification as to why this September 3rd date is repeatedly stated as the nomination deadline instead of August 30th.

Response: The original deadline for the submission of nominations was August 30, 2013. However, we discovered that some applicant's electronic submissions were not getting through due to an incorrect e-mail address for the "DEFAMAIL" account. Therefore, we sent out an e-mail on Friday August 30th indicating that the nomination deadline had been extended to the close of business on Wednesday September 4th. The reference to September 3rd in the PMP text was incorrect, and has been changed to September 4th.

Comment: Appendix B-1 Project Priority List. The PPL does not show the Fund Code "IPL" designation for any of the projects as it has on past year's PPLs. We question whether this is intentional or an inadvertent omission by DEFA?

Response: The "IPL" designation on the PPL is merely a cross-referencing tool, and not a required element of the PPL. The "IPL" designation appears on the final PPL.

Comment: Appendix B-2 - 2014-2015 WRRSP Protection Projects. Along with the wetland scores being shown for all eight projects, we would appreciate an explanation as to why Water Resources IPS category points and scores are shown for six projects and not shown for two of the projects?

Response: Protection projects listed in Appendix B-2 of the draft PMP included IR, RP, EA and total scores for only those projects that included a stream protection component. When stream protection was not a component of the project, the proposed ranking is based solely on the basis of the wetland score. Projects that contain both streams and wetlands were ranked based on the resource that provided the higher IPS score.

Comment: Appendix B-2 - 2014-2015 WRRSP Restoration Projects. We would appreciate an explanation for why three of the fourteen scored projects do not have Water Resources IPS category points shown for them?

Response: Restoration projects listed in Appendix B-2 of the draft PMP included IR, RP, EA and total scores for only those projects that included a stream restoration component. When stream restoration was not a component of the project, the proposed ranking is based solely on the basis of the wetland score. Projects that contain both streams and wetlands were ranked based on the resource that provided the higher IPS score.

Comment: Appendix C - 2014 Intended Projects List - NEORS Project Listings. For the District's Easterly WWTP Chemical Storage and Feed Facility project (CS391430-0119) please

change the Est. Loan Amount to \$ 7,455,000. For the District's Southerly WWTC Low Voltage Equipment Replacement (SLVR-I) project (CS391430-0120) please change the Est. Loan Amount to \$15,860,000.

Response: The requested changes have been made.

Comment: Appendix M - WRRSP - Schedules in the Two-Year WRRSP Funding Cycle. The last sentence of this Item states that Implementers of the identified fundable projects "must find a sponsor by the end of the nomination period of the first year." This is confusing and appears to be unachievable given the fact that the nomination period for PY 2014, i.e., the first year of the 2014-2015 two-year cycle, already ended in August 2013. The District believes this information needs to be better explained and/or corrected.

Response: WRRSP projects that appear in the Final 2014 PMP will be reviewed and funded under DEFA's two-year cycle. Implementers will have until the end of 2014 (i.e., finalization of the 2015 PMP/IPL) to enter into a sponsorship agreement, with the WRRSP projects then being awarded in 2015.

2. Comments from Ohio Valley Conservation Coalition

Comment: Due to the fact that WRRSP is going to a two-year cycle, which we entirely understand your reasoning for doing, the program may become difficult for protecting those high value aquatic resource properties that are in immediate danger of being developed or otherwise adversely impacted. As such, we recommend that DEFA consider implementing a short-term low interest or no interest loan program for WRRSP preservation projects that have been listed on the Intended Projects List (IPL) and that have been approved for all program requirements (i.e. completed and approved Environmental Covenant, Management Plan, appraisal, etc.). I believe this could allow for the inclusion of very important, high-quality projects that Implementers might otherwise not submit to WRRSP because the landowner, for a variety of reasons, simply cannot wait for the full two-year cycle to be completed and closing to occur. By only providing loans to WRRSP projects on the IPL that have met all program requirements and which are simply waiting for a Sponsor's loan to close in the following year, the risk to DEFA should be minimal.

Response: We are always interested in additional ways we may be able to assist in protecting "at risk" water resource properties. One such methods currently used for approvable WRRSP projects is authorizing prior approval for purchase of such properties in advance of the actual WRRSP award of funding. Once awarded, the cost incurred for "early" purchase can then be reimbursed. The situation described in the comment above would seem to fall into this category, provided there was short-term funding available to make that advance purchase and then accept reimbursement from the WRRSP. In situations where such "bridge funding" is not available to the implementer, then perhaps we could develop an alternative method for fronting the purchase price of the "at risk" property. We'll consider this suggestion further as we continue to evaluate and make recommendations to improve the WRRSP.

Comment: In order to assist in the completion of engineering and design and to help get projects "shovel ready" early in their WRRSP life cycle, we suggest DEFA's consideration for the creation of an Engineering/Design fund. This fund would not be used for "planning" projects. It would be used to strictly fund the engineering and design of high-quality stream and wetland restoration projects. This fund could even be replenished if and when these previously designed projects are sponsored and funded through the WRRSP restoration program (and there could be a clawback provision if the engineered project were used for mitigation or some other legal

requirement). For example, if we were given a \$100,000 grant to engineer a project, that amount would be included within a later WRRSP restoration nomination and refunded back into the Engineering/Design fund from the sponsorship project, if funded. This idea is not as critical as it was when engineering/design was going to be required to be fully completed and approved prior to the end of the 1st year of the two-year program; however, we still think it would be a cost-effective way to bring restoration projects online more quickly.

Response: The problem of up-front engineering costs was previously identified as a potential problem for some WRRSP restoration projects, and was at least partially addressed by revamping our initial requirement for complete engineering/design submittals prior to the end of the first year to include greater flexibility, as correctly noted in the last sentence of the comment. We do recognize, however, that this may not address the up-front engineering costs in all cases, so, being able to offer another method for funding these critical Restoration project costs may be appropriate. Again, we plan to consider this suggestion further as we continue to evaluate what's working well and what isn't, and then make recommendations to improve the WRRSP accordingly.

Comment: We do have a suggestion in regard to the 0.5 point "special habitat" factor applied to WRRSP projects. We agree that special habitats should receive additional consideration in the scoring; however, there are some significant areas of the state that do not have these "special habitat" features due to their geologic history, but which do have some pristine and highly diverse aquatic habitats that deserve equal consideration. As such, we recommend that DEFA consider adding as a special habitat, any property that contains 5 or more positively identified State of Ohio Potentially Threatened, Threatened, or Endangered species as confirmed by either the Biodiversity Database or a trained biologist conducting a biological survey. For a property to contain 5 or more such species it would have to contain pretty special and diverse aquatic habitats that are equal in importance to those currently recognized in DEFA's WRRSP scoring criteria.

Response: Thank you for the suggestion regarding the "special habitat" factor. We will evaluate this suggestion further, in consultation with our Division of Surface Water stream and wetland ecologists, and make further additions to that category, as appropriate.

Comment: Our final comment pertains to the hunting exclusion within the WRRSP Environmental Covenant. We understand how this exclusion may have been valid back when lead shot was allowed for waterfowl hunting; however, now that non-toxic shot is mandated for such activities, there really is no conceivable way that hunting could lessen water quality or negatively impair aquatic habitat. Nature trails and boardwalks within a WRRSP property used as a passive park (which aren't necessary for a nature preserve where hunting is allowed since the pattern of use is so diffuse) would likely have a greater adverse impact to water quality and aquatic habitat in our opinion than would hunting. Not only would hunting not negatively impact water quality, we believe it would be beneficial for a couple reasons. First, some of our greatest property management challenges are those created by disrespectful trespassers, such as animal poachers, off-road recreational vehicles and illicit dumping. These trespassers target properties that are rural and isolated with minimal activity by law-abiding citizens. Nature preserves can be perfect for trespassers. Allowing monitored hunting, either on a permit basis or to the general public, would not adversely impact water quality or aquatic habitat while providing a deterrence to those who may try to take advantage of a nature preserve's isolated and inviting nature. And, in the unlikely event that hunting were shown to have a negative impact on a certain property, it could certainly be discontinued on that property. Second, allowing hunting on WRRSP properties would be a good way to educate that citizenry regarding the program. There are hunting clubs or groups in almost every county in the state and almost

all of them are concerned with conservation issues, increasingly limited access to places to hunt and they are very capable of public advocacy. If the WRRSP program were ever to come under political assault, support for its continued existence from hunting groups could very likely be invaluable.

Response: As outlined in the comments, this is a complex issue, involving a variety of considerations. While we agree that hunting in and of itself should not adversely impact water quality, where the hunting occurs on a property, how the hunters access the site (ATVs?), and the responsible behavior (or lack thereof) on the part of the individual hunters would play a big role in whether or not hunting adversely affected the property. In addition, while hunters could provide a short-term deterrent to trespassing on the subject property, their presence is limited throughout the year, and, in some cases, hunters being on-site (and firing weapons) could attract potential trespassers to otherwise unnoticed locations.

Because of these complexities, we would rather consider the issues of allowing hunting on WRRSP-funded properties on a case-by-case basis, weighing the pros (including the need for management of potential problem species like deer or wild boar) against the cons, and deciding in each case whether limited hunting would be appropriate or not. And, as always, we would be happy for any and all support for our critically important Water Resource Restoration Sponsor Program.

3. Comment from Cleveland Metroparks

Comment: Scoring for Acacia Reservation Stream Restoration [WRRSP project] was as follows: Importance of Resource - 3.00, Restoration Potential (RP) - 4.50 and Effectiveness of Action (EA) - 12.00 for a total of 19.40. Based on the explanation provided in the Integrated Priority System, it appears that the RP score should actually be 5.5. The Ohio EPA Ecological Priority List gives a High restorability rating to Euclid Creek (6 pts) and the flow chart gives a Mod-High rating to the proposed restoration stream segment (5 pts) for an avg. score of 5.5. Next the EA score should be 14. Five sources of impairment were assigned to this project, including stormwater, dams, municipal, CSOs and unknown. While three of five sources were given credit (stormwater, municipal and unknown), Cleveland Metroparks is aware that Northeast Ohio Regional Sewer District is committed to eliminating CSO impacts by 2016 in the Euclid Creek watershed. Therefore another source would be addressed within this project timeline, resulting in 4 out of 5 addressed or 80%, which leads to a score of 14. This would result in a final score of 21.25 for the project, placing the project within the range of fundable projects.

Response: Ohio EPA has reviewed the revised score proposed by Cleveland Metroparks, and concluded that the score of 19.5 indicated in the draft PMP is valid. Although the Acacia Reservation Stream Restoration project's score remains 19.5, as included in the draft PMP, the current score is based on a re-evaluation of the points awarded in the Effectiveness of Action category, as described below.

Calculating Restoration Potential: When calculating a project's RP, Ohio EPA uses an average of the sum of the Waterbody ID (WBID) RP and Subwatershed RP (or Watershed RP when a Subwatershed score is unavailable). Euclid Creek's WBID and Subwatershed RP have scores of moderate-high (5) and moderate (4), respectively, for an average Restoration Potential score of 4.5.

Calculating Effectiveness of Action: Ohio EPA scored Effectiveness of Action based on the five identified high sources of impairment effecting Euclid Creek, and the extent to which the project

will address those sources: 1) combined sewer overflows (CSOs), 2) dam/impoundments, 3) municipal urbanized density development, 4) unknown, and 5) urban runoff/storm sewers. The IPS assigns high impairment sources a value of 4, for a possible maximum score of 20.

Next, points were assigned based on the extent to which the project will address each impairment source. CSOs were considered fully addressed based on the knowledge that the NEORSD is legally committed to address CSOs, and has already developed a project to accomplish this for the Euclid Creek basin. The project was also given the benefit of the doubt and received full credit for addressing Unknown sources. No points were awarded for dam/impoundment removal, since there were no identified and/or funded plans to remove any of the impoundments within the Euclid Creek watershed. Finally, restoring this segment of Euclid Creek will not directly address or eliminate any municipal urbanized high density development or urban runoff/storm sewers, but should enhance its ability to store flood flows and process nutrients. Accordingly, the project was awarded partial credit of 2 points for each of these two impairment sources. Per the IPS, the EA score was calculated by dividing the points awarded for addressing impairments, in this case 12, by the total impairment score of 20 to obtain 60% of the impairment sources addressed. Per table 5 of the IPS, 60 % translates into a final EA score of 12.

Impairment Sources	Degree Addressed by project	Rationale
CSOs (High - 4)	Full = 4	CSOs to be addressed by NEORSD
Dam/impoundments (High - 4)	None = 0	No dam/impoundment removal projects identified or funded
Municipal urbanized high density development (High - 4)	Partial (0.5) = 2	Project will improve stream functions within the project area, but will not eliminate this source.
Unknown (High - 4)	Full = 4	Unknown sources can vary, and may include things like spills without documentation of the actual source; despite its uncertain nature, full credit was awarded this source.
Urban runoff/storm sewers (High - 4)	Partial (0.5) = 2	Project will improve stream functions within the project area, but will not eliminate this source.
20	$Full\ 2 \times 4 = 8$ $Partial\ 2 \times 2 = 4$ Total = 12	$12/20 = 60\%$ 60% = 12 per Table 5 of the IPS

When the scores of 4.5 for the RP and 12 for the EA are added to the Importance of Resource score of 3, the result is a final score of 19.5. Though this score is the same as that in the draft PMP, it was arrived at differently, since the draft PMP score awarded no points for CSOs, while the revised score is a full four points (based on NEORSD's upcoming CSO project), and the draft PMP awarded eight points (4 + 4) for fully addressing municipal urbanized high density development or urban runoff/storm sewers, while the revised score more accurately reflects the partial attainment (2 + 2 = 4 points) to be achieved by the project in both these categories. Even though the project remains outside the 2014 fundable range, its anticipated water quality benefits make it worthy of future funding consideration.

4. Comment from the City of Struthers and the City of Campbell

Comment: The City of Struthers received 18.50 points in the 2014-2015 WRRSP Project List. The City of Struthers' nomination application was very similar to the Village of Lowellville's application submitted for the 2013-2014 WRRSP Project Priority List for the Lowellville Dam Removal Project. The City of Struthers / City of Campbell Dam is located just 2 miles upstream of the Lowellville Dam on the Mahoning River. The Village of Lowellville received a total of 20.50 points. In comparing the Village of Lowellville's scoring and the City of Struthers' scoring, each category was scored identical except for the EA points, the Effectiveness of Action Points. The

Village of Lowellville received 12 points for this category and the City of Struthers received 10 points. Please modify the Effectiveness of Action Points for the City of Struthers so that the dam *removal* projects on the Mahoning River will be scored consistently for all categories considered for the years 2014-2015 and future years for the remaining dams. Also, if there is a reason why the two projects scored differently, please provide the reasoning behind the scoring. Thanks for your consideration.

Response: The Village of Lowellville' dam removal project is indeed similar to that of the Struthers/Campbell dam removal (and likely a couple others in that stretch of the Mahoning River, as well). However, they are not identical, which is why they received different scores, as noted in the comment. Basically, for the Effectiveness of Action category, the Struthers/Campbell Dam is just one of several factors preventing the Mahoning River from attaining its designated use in that segment of the river. And since the Struthers/Campbell area has more sources of impairment than does the river reach in the Lowellville area, this means that the removal of the Lowellville Dam will address a greater percentage of the impairments to its stretch of the river than would the removal of the Struthers/Campbell Dam at its location, so the Lowellville project had a higher Effectiveness of Action score and, thus a higher overall score, than did the comparable Struthers/Campbell project.

While the Struthers/Campbell Dam Removal project is not in funding range for the 2014/2015 program years, we still believe that this is an important project for helping to restore water quality in that portion of the Mahoning River, so we would like to continue working with the cities, and their watershed partners, to help maximize chances for receiving WRRSP funding in 2015/2016 and beyond.

5. Comment from Mr. Ralph Spidalieri

Comment: [Regarding the Hopsons Creek Springs WRRSP Project] I am writing this letter within the public commentary period to express the following concerns for EPA (WRRSP) funding please be reconsidered **NOT** to fund this project for following. I along with my attorney had worked with the realtor representing this property to purchase this property in full from the owner.... In the months of May thru June numerous attempts between my attorney and I the realtor told us in written emails the deal had been accepted by the owner, we would move forward to finalize a purchase agreement with the realtor and she would say that the owner changed her mind and wants more money now.....I found contact information for the owner and contacted her directly to learn that the property had since been entered into a deal with Western Reserve Land Conservancy and I also learned that the realtor had not discussed my deal with the owner regarding me as a serious buyer.... The owner has contacted all parties from her attorney to the Western Reserve Land Conservancy to explain her lack of knowledge from her realtor representing the property of my interest in the purchase of the property. She also has made the statement to all parties that her wish is that I would be given an opportunity to buy the property and she does not want this to go to a public entity.

I contacted Burton Village Council member Brian Johnston along with Burton Township trustees Whiting to ask their opinion and what they felt about the loss of tax revenue on the property in question and also asked them how they felt about the Geauga Park obtaining the property and they both responded in opposition to the whole deal and both indicated that they would like to see the property privately owned and Taxes kept on the property as they are now. They both expressed a strong need for money from the taxes for their schools and services and also stressed that their residents can't afford higher taxes to make up for this loss.

In closing, I am putting faith in Ohio EPA to please give this letter strong consideration and ask that you please follow up with me for any documentation regarding real estate deal offer emails, phone logs, emails with Western Reserve between My attorney or me. I ask that you reach out to talk to residents and public officials in the area of this property to see for yourself the lack of support this WRRSP project gets but how strong my purchase and care of the property, and care for community and also the goal of wetland protection that I will also allow is. I believe this is a project that can win in all avenues from Western Reserve Land conservancy to our communities and the residents in them to me and my family being able to fulfill a dream to live in that location. I respectfully ask you to consider this and please stop funding for the project.

Response: Thank you for your comments, and for your obvious concern about the importance of protecting this high quality wetland property. We, too, are concerned about protection of this resource, which is why it scored high enough to qualify for WRRSP funding. However, since this is a voluntary program, we can only offer to assist with the acquisition and protection of such properties, in this case as formally nominated by the Western Reserve Land Conservancy, from willing sellers. The final decision regarding whether or not to sell the property, and, if so, to whom, rests entirely with the current property owner.

6. Comment from Athens County

Comment: [Regarding US 50 Wastewater Improvements Project] This project was slated for 50% principal forgiveness last year; funding last year was delayed, waiting on the contract between the City and County. This 50% principal forgiveness is integral to the affordability of the project. The project area is low income and would not be able to afford the rates without this funding: \$1,850/year/household if there is no principal forgiveness (\$300 - \$650 in O&M and treatment). With Athens County - \$33,546 MHI, that is 5.5% of their income, significantly higher than 2%. With 50% principal forgiveness, the cost per household per year would be between \$900 - \$1,250 = 2.7% - 3.7% (these are planning estimates, as design occurs we expect the cost to rest near 'published affordability thresholds'). We are asking for a minimum of 50% principal forgiveness again this year.

Response: As stated in the Draft PMP, decreased federal appropriations have decreased the amount of funds that can be made available as principal forgiveness. For 2014, only \$5 million will be made available. This amount of funds means that only one project will be fully fundable, and another project will be partially fundable. Regrettably, principal forgiveness funding will not be available to the Athens County US 50 Wastewater Improvements Project, which ranked 14th on the principal forgiveness list.

7. Comment from Mr. Kyle Schwieterman, HDR on behalf of Athens County (Mr. Schwieterman delivered the above comment for Athens County, and also had this comment, which is summarized from the public hearing transcript)

Comment: Athens County, and other applicants, proceed with project planning and design with a certain expectation that principal forgiveness may be available in the future. What is DEFA's forecast of future federal appropriations, especially with respect to principal forgiveness funds that may be available?

Response: We recognize the difficulty that communities have in lining up funding sources to make projects affordable. The uncertainty of the availability of principal forgiveness also hinders our ability to administer this aspect of our program. It is difficult to predict what the federal appropriation will be from year to year. The federal appropriation for Clean Water SRF programs has declined over the last three years, and the amount of principal forgiveness that

can be made available has also decreased. Ohio EPA will continue to engage in a dialogue with state and national organizations for increases in federal capitalization grants and the ability to make more principal forgiveness available.

8. Comment from the Village of New Athens, Mr. Richard Waugh, ADR & Associates, and Mayor Will Sedgmer (comment summarized from the public hearing transcript)

Comment: The availability of principal forgiveness funds is critical for small, unsewered communities like New Athens, Ohio. Most of these projects cannot even consider implementation without a substantial amount of principal forgiveness funding. The Village New Athens is appreciative of receiving principal forgiveness funds in 2014, and encourages Ohio EPA to continue to offer these types of funds to other hardship unsewered communities.

Response: The Village of New Athens qualified for \$4,832,433 in 100% principal forgiveness funds in 2014. We look forward to the Village receiving their WPCLF award and implementing this important water quality improvement project in the upcoming year.

9. Grouped Comments regarding the elimination of Principal Forgiveness for Home Sewage Treatment System Replacements and Repairs

Ohio EPA received several comments regarding the elimination of principal forgiveness for home sewage treatment system replacements and repairs. These comments are grouped below. Because the comments are similar in nature, and the underlying concern is the same, **Ohio EPA's response follows the last of the five comments.**

Comments:

a. Columbiana County General Health District

The home sewage treatment system (HSTS) funding aspect of the 2014 WPCLF should be continued to allow poor communities like ours the opportunity to correct nuisances when sanitary sewers are not available, as is the case with most of our county. This program has been very successful in recent years in our community by providing our agency, township officials and the court system options to correct public health nuisances when there is little or no household income. 2) Realizing that there have been significant cuts in nearly all funding areas, we would be understanding in a reduction in 2014 funds available for HSTS, but a complete elimination of the program is not a reasonable solution. Eliminating HSTS funding to solely preserve sanitary sewer extensions and projects in municipalities could be construed as a social inequity against those in poverty of a rural community. 3) Our program could remain viable and effective in addressing some of the worst cases each year with funding levels as low as \$25,000 and we would be willing to ensure the appropriate application of any funding allocated towards HSTSs. 4) I would also ask for the plan to allow for the use of WPCLFs to connect a qualified dwelling that is creating a public health nuisance to an existing sanitary sewer.

b. Mahoning County District Board of Health

We are asking that the 2014 Water Pollution Control Loan Program Plan be revised and that funding to repair and replace household sewage treatment systems be restored. Furthermore, we are asking that the fund options be expanded to assist homeowners with low to moderate incomes to connect to sanitary sewer and abandon their malfunctioning septic system.....Mahoning County's application requested a total of \$166,500 to be allocated for the design and repair and/or replacement of approximately ten to twelve (10 - 12) household

sewage treatment systems. Failure to restore these funds will:

- jeopardize our ability to remove the public nuisance,
- will cause us to prosecute homeowners that have no options to obtain funding, and
- continue to allow sewage to pollute our stream, creeks and waterways

In summary, the Ohio Environmental health Association and the Mahoning County District Board of Health are asking that 2014 Water Pollution Control Loan Fund Program Plan be revised to assist low to moderate income homeowners that are creating a public health nuisance by:

- restoring the funds to repair and replace household sewage treatment system, and
- expanded the option to include the assistance for sanitary sewer connections.

c. Eastgate Regional Council of Governments

Eastgate recognizes the Mahoning County District Board of Health (Board of Health) as a strong advocate for water quality improvement within Mahoning county through their participation in the development and implementation of watershed action plans and Eastgate's 208 Water Quality Management Plan (208 Plan). Eastgate supports their request to reinstate funding within the WPCLF's Principal Forgiveness Program for the repair/replacement of failing home sewage treatment systems (I-ISTS) and to expand funding criteria to cover sanitary sewer connection costs for abandoned systems.

Malfunctioning HSTS's within the planning region are one of several sources of impairments causing our streams to be in non-attainment or their recreational use designation (Ohio EPA's 2011 stream survey of Yellow Creek and Meander Creek). The preliminary draft Yellow Creek Watershed Action Plan identifies the need to repair/replace failing HSTS's within the watershed and the Board of Health is identified as the lead implementing agency. Should current 2014 programmatic funding remain at zero, this watershed-wide action item will not be feasible as the repair/replacement cost will be too much for residents to bear without financial assistance.

Eastgate's 208 Planning region contains septic systems in areas serviced by sanitary sewer. For many of those residents, tying into existing sanitary sewers is cost-prohibitive due out of pocket expenses for lateral line extension to the main line and the tap-in fee. Therefore, the request by the Board of Health to expand the Principal Forgiveness Program's funding criteria to include sanitary sewer connection assistance would prove to be beneficial.

As an advocate for water quality enhancement, Eastgate supports any and all efforts mindful of protecting and enhancing the water quality of our planning region. Adding a level of assistance for county residents will help ensure water quality improvement overtime.

d. Director Wymyslo, Ohio Department of Health

Since 2009, the Ohio EPA and the Ohio Department of Health have partnered for the repair and replacement of failing HSTS through funding allocated in the Water Pollution Control Loan Fund. ODH and Ohio EPA worked to develop a process for distributing funds which requires that county commissioners apply for funding, and then the county designates a local agency (e.g. CHIP program) to process applications, evaluate applicants, ensure systems are repaired or replaced through coordination with local health districts, and then make payment to the sewage contractors performing the work. Zero interest, principal forgiveness loans were provided to the system owners at 100% and 200% of US Health and Human Services (HHS) poverty levels.

Between 20 and 40 counties participate in the program each year. ODH was recognized by the past US EPA Administrator, Lisa Jackson, in 2010 for the state's progressive approach to address the challenge of failing sewage systems and provide this funding program. Ohio was one of two states that chose to provide this funding using the Green Reserve funds from the American Recovery and Reinvestment Act.

Through this partnership, a great number of failing household sewage treatment systems have been repaired or replaced, eliminating sources of sewage contamination across the state of Ohio. Roughly thirty percent of the counties in Ohio now *rely* on this funding each year to assist low income homeowners and address local political pressures related to sewage system repair and replacement. ODH also frequently receives requests for information from legislators seeking financial assistance for constituents who need to repair or replace a sewage treatment system.

As you are aware, ODH program staff is finalizing the second draft of new sewage treatment system rules. The availability of funds for HSTS repair and replacement through the Water Pollution Control Loan Fund has helped alleviate concerns expressed by legislators over the new proposed rules and perceived additional sewage system repair or replacement costs. Many stakeholders see this funding as a buffer against any increased costs that may occur for low-income owners, especially the elderly.

ODH is appreciative of the partnership with Ohio EPA to address failing HSTS in Ohio. We respectfully request that Ohio EPA retain this successful funding program, at reduced levels if necessary, for 2014. The partnership between our two agencies has proven to be successful, and it is our desire to continue this work together to positively impact water quality issues in Ohio.

e. Wastewater Solutions, Inc.

I am concerned about the elimination of Appendix H because the funding for these systems is used throughout the whole state of Ohio. I have witnessed several homeowners that have used this funding in which they would not have had funds available to do so without it. Eliminating this funding will increase the number of failing septic systems throughout the state which will contribute to poor water quality and other issues as well. I feel this is a not a good choice and should be reconsidered.

Response: Our decision to stop providing principal forgiveness funds for this purpose was very difficult, but was made necessary by the decreasing federal appropriations which have dramatically decreased the amount of funds that Ohio EPA is permitted to make available as principal forgiveness. We first made principal forgiveness funds available for HSTS replacements in 2009 through funds from the American Recovery and Reinvestment Act (ARRA). No principal forgiveness was available in our program year 2010, but beginning in 2011 congressional authorizations included requirements for awarding a portion of the Clean Water State Revolving Fund capitalization grants as "additional subsidies".

In Ohio, we directed these principal forgiveness funds primarily to communities with combined sewer overflow needs, communities that needed to construct sanitary sewers and wastewater treatment plants, and to counties for HSTS replacements. The decisions about how to direct the funds are programmatic decisions, which are made after we have weighed all of the state's needs and priorities. Nearly all of this assistance has been directed toward projects that would otherwise be unaffordable. Since 2011, the amount of the capitalization grants that are allowed to be used as additional subsidies has decreased as illustrated in the table below.

Program Year (PY)	Total Principal Forgiveness Funds Available	Funds Allocated for HSTS projects
2009 (ARRA)	\$220,623,100	\$5,000,000
2011	\$54,500,000	\$6,250,000
2012	\$50,000,000	\$2,500,000
2013	\$6,000,000	\$2,000,000
Total		\$15,750,000

As you can see from the above table, the decrease in available principal forgiveness funds from program year 2012 to 2013 was quite dramatic. Unfortunately, the downward trend of available principal forgiveness funds will continue into program year 2014, where we have a mere \$5 million to allocate to a wide variety of important water quality needs. In short, we are facing decreasing principal forgiveness funds, and increasing demand for those funds. Based on this situation, we decided to discontinue the allocation of funds for HSTS replacements, federally-mandated combined sewer overflow (CSO) elimination work, and other previously-funded principal forgiveness project categories in program year 2014. Instead, we will focus on awarding the funds to our highest-ranking water quality improvement project proposals – most likely for the provision of sanitary sewers to impoverished unsewered areas with failing HSTS systems.

We have always appreciated our relationship with the Ohio Department of Health and the local health districts across the state. We also understand the need to replace failing HSTS systems, and the financial hardship that this can place on some homeowners. In the future, if congressional appropriations are increased which would enable the Ohio EPA to offer a larger amount of principal forgiveness funds; we will definitely consider resuming the award of principal forgiveness for HSTS replacements.

10. Comment from Mr. Robert Koerner

Comment: Concerning Ohio EPA Proposes 2014 Water Pollution Control Loan Fund Program Management Plan: At this time of extreme federal debt and the previous issue of bonds in Ohio for environmental programs, I believe that we have enough on going programs to solve the present water management problems that are occurring in Ohio. When and if our State and National debt situation improves we can look toward more intense efforts to improve our environment. Yours sincerely, Robert Koerner, Former member of the Williams County Soil and Water Conservation Board and the St. Joseph River Watershed Initiative.

Response: The WPCLF is a state revolving fund that has been capitalized by over two decades of federal capitalization grants and state matching funds. These funds were loaned out and repayments to the fund are available to be loaned out again and again (hence the “revolving” name of the state revolving fund). At this time, a large portion of the funds available in the WPCLF are from previous loan repayments. Thus, the WPCLF is not a “drain” on either state or federal funds, but rather is designed to be managed so that funds will be available in perpetuity. The water quality and public health improvements that accrue from the projects funded through the WPCLF are significant, and important to the citizens in Ohio.

11. Comment from Mr. Joe Michles (comment summarized from the public hearing transcript)

Comment: Mr. Michles has concerns about the expenditures that the City of Fremont has undertaken with respect to its water and wastewater treatment plants, the above-ground reservoir, and the Ballville Dam removal project. Mr. Michles has concerns about the validity of the information he has reviewed regarding the Ballville Dam removal project. Mr. Michles is concerned about the effects of implementing these projects on the ratepayers in the City.

Response: We appreciate Mr. Michles concerns about the public infrastructure projects in the City of Fremont. The public comment period, and the public hearing on November 18th, 2013, were specific to taking comments on the proposed 2014 WPCLF Program Management Plan. We could not discern any comments that were specific to the 2014 PMP, and therefore no specific response is needed. Separate from the 2014 WPCLF PMP comments, we will be happy to provide Mr. Michles with any available information that he should request on the Fremont/Ballville Dam projects, and answer whatever questions we can.

Responses to Comments Regarding Individual Projects

We received and responded to project-specific comments from the following entities:

City of Akron
City of Columbus
Franklin County
Village of Geneva-on-the-Lake
Village of Malta
Village of New Athens
Tinkers Creek Watershed Partners
City of Willowick