A B I L L

To amend sections 131.44 and 6121.04 and to enact sections 126.601, 126.61, 126.62, 126.63, 126.64, 126.65, 126.66, 126.67, and 126.68 of the Revised Code to create the H2Ohio Trust Fund for the protection and preservation of Ohio's water quality, to create the H2Ohio Advisory Council to establish priorities for use of the Fund for water quality programs, and to authorize the Ohio Water Development Authority to invest the money in the Fund and to make recommendations to the Treasurer of State regarding the issuance of securities to pay for costs related to the purposes of the Fund.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 131.44 and 6121.04 be amended and sections 126.601, 126.61, 126.62, 126.63, 126.64, 126.65, 126.66, 126.67, and 126.68 of the Revised Code be enacted to read as follows:

Sec. 126.601. (A) There is hereby created the H2Ohio trust fund...
fund, which is in the custody of the treasurer of state, but is separate, apart from, and not a part of the state treasury. The fund shall be an irrevocable trust and consist of all of the following:

(1) Amounts appropriated to it;

(2) Net proceeds from the issuance of obligations under section 126.67 of the Revised Code;

(3) Proceeds from real property transactions authorized under section 126.65 of the Revised Code and loan repayments made under section 126.63 of the Revised Code that are not pledged revenues required to be deposited in the H2Ohio bond service fund created in section 126.68 of the Revised Code;

(4) Gifts, donations, and bequests to the fund;

(5) Any other contributions to the fund.

(B) The purpose of the fund is to provide for the protection, preservation, and restoration of the water quality of this state. Amounts may be disbursed from the fund for all of the following purposes:

(1) The purposes of the H2Ohio advisory council, established under section 126.61 of the Revised Code, set forth in division (A) of section 126.63 of the Revised Code;

(2) The acquisition of real property or interest in real property by the Ohio water development authority created in section 6121.02 of the Revised Code and as authorized under section 126.65 of the Revised Code;

(3) Administrative expenses incurred by the H2Ohio advisory council;
(4) Administrative expenses incurred by the Ohio water development authority that are related to the administration of the fund;

(5) Costs and expenses related to the issuance of obligations under section 126.67 of the Revised Code;

(6) Costs and expenses related to the Ohio water development authority's functions related to the fund;

(7) Costs and expenses related to the investment of amounts in the H2Ohio trust fund.

(C) The Ohio water development authority is and shall act as the trustee of the fund. The authority has full power to invest the fund. The authority and other fiduciaries shall do both of the following:

(1) Discharge their duties with respect to the fund for the fund's purposes and defray reasonable expenses of administering the fund with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims including, if applicable, the payment of debt service on outstanding obligations issued under section 126.67 of the Revised Code;

(2) Diversify the investments of the fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

(D)(1) To facilitate investment of the fund, the authority may establish a partnership, trust, limited liability company, corporation, including a corporation exempt from taxation under the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, or any
other legal entity authorized to transact business in this state.

(2) In exercising its fiduciary responsibility with respect to the investment of the fund, it shall be the intent of the authority to give consideration to investments that enhance the general welfare of the state and its citizens where the investments offer quality, return, and safety comparable to other investments currently available to the authority. In fulfilling this intent, the authority shall give equal consideration to investments otherwise qualifying under this section that involve minority owned and controlled firms and firms owned and controlled by women, either alone or in joint venture with other firms.

(3) The authority shall adopt, in a regular meeting, policies, objectives, or criteria for the operation of the investment program that include asset allocation targets and ranges, risk factors, asset class benchmarks, time horizons, total return objectives, and performance evaluation guidelines. In adopting policies and criteria for the selection of agents with whom the authority may contract for the administration of the H2Ohio trust fund, the authority shall do both of the following:

(a) Comply with sections 145.114 and 145.116 of the Revised Code in the same manner as is required by public employees retirement board under those sections;

(b) Give equal consideration to all of the following that otherwise meet the policies and criteria established by the authority:

(i) Minority owned and controlled firms;
(ii) Firms owned and controlled by women;

(iii) Ventures involving minority owned and controlled firms and firms owned and controlled by women.

The authority shall adopt any amendments and additions to the policies and criteria in a regular meeting. The authority shall publish its policies, objectives, and criteria at least once annually and shall make copies available to interested parties.

(4) When reporting on the performance of investments, the authority shall comply with the performance presentation standards established by the association for investment management and research.

(5) All investments shall be purchased at current market prices and the evidences of title of the investments shall be placed in the hands of the treasurer of state, who is hereby designated as custodian thereof, or in the hands of the treasurer of state's authorized agent. The treasurer of state may deposit evidences of title of the investments so purchased for safekeeping with an authorized agent, selected by the treasurer of state, who is a qualified trustee under section 135.18 of the Revised Code. The treasurer of state or agent shall collect the principal, dividends, distributions, and interest thereon as they become due and payable and place them when so collected into the fund.

(6) The treasurer of state shall pay for investments purchased by the authority on receipt of written or electronic instructions from the authority or the authority's designated agent authorizing the purchase and pending receipt of the evidence of title of the investment by the treasurer of state or
the treasurer of state's authorized agent. The authority may
sell investments held by the authority, and the treasurer of
state or the treasurer of state's authorized agent shall accept
payment from the purchaser and deliver evidence of title of the
investment to the purchaser on receipt of written or electronic
instructions from the authority or the authority's designated
agent authorizing the sale, and pending receipt of the money for
the investments. The amount received shall be placed in the
H2Ohio trust fund. The authority and the treasurer of state may
enter into agreements to establish procedures for the purchase
and sale of investments under division (D) of this section and
the custody of the investments.

(E) No purchase or sale of any investment shall be made
under this section except as authorized by the authority.

(F) Any statement or financial position distributed by the
authority shall include the fair value, as of the statement
date, of all investments held by the authority under this
section.

(G) All investment earnings of the fund shall be credited
to the fund.

Sec. 126.61. (A) There is hereby created the H2Ohio
advisory council consisting of the following members:

(1) The director of agriculture or the director's
designee;

(2) The director of environmental protection or the
director's designee;

(3) The director of natural resources or the director's
designee;
(4) The executive director of the Ohio Lake Erie commission created in section 1506.21 of the Revised Code who shall serve as a nonvoting, ex officio member;

(5) Two members appointed by the president of the senate, one member of the majority party and one member of the minority party;

(6) Two members appointed by the speaker of the house of representatives, one member of the majority party and one member of the minority party;

(7) One member appointed by the governor with the advice and consent of the senate to represent the interests of counties;

(8) One member appointed by the governor with the advice and consent of the senate to represent the interests of townships;

(9) One member appointed by the governor with the advice and consent of the senate to represent the interests of municipal corporations;

(10) One member appointed by the governor with the advice and consent of the senate to represent the interests of public health;

(11) Two members appointed by the governor with the advice and consent of the senate to represent the interests of business or tourism;

(12) Two members appointed by the governor with the advice and consent of the senate to represent agricultural interests;

(13) One member appointed by the governor with the advice and consent of the senate to represent statewide environmental
advocacy organizations;

(14) One member appointed by the governor with the advice and consent of the senate to represent institutions of higher education.

All appointing authorities shall make appointments to the council not later than one hundred twenty days after the effective date of this section.

(B)(1) The members appointed by the president of the senate and speaker of the house of representatives shall serve at the pleasure of their appointing authorities and are eligible to serve only so long as they are members of the respective chamber of the general assembly.

(2) Of the initial members appointed by the governor, five shall be appointed for two years and five shall be appointed for one year. Thereafter, terms of office for members appointed by the governor shall be for four years, with each term ending on the same day of the same month as did the term that it succeeds. The members appointed by the governor shall reflect the demographic and economic diversity of the population of the state. Additionally, the governor’s appointments shall be from geographically diverse areas of the state. The governor may remove a member appointed by the governor for misfeasance, nonfeasance, or malfeasance in office.

Each member appointed by the governor shall hold office from the date of appointment until the end of the term for which the member is appointed. Such members may be reappointed. Vacancies shall be filled in the same manner as provided for original appointments. Any member appointed to fill a vacancy occurring prior to the expiration date of the term for which the
member was appointed shall hold office for the remainder of that term. A member shall continue in office after the expiration date of the member's term until the member's successor takes office or until a period of sixty days has elapsed, whichever occurs first.

(C) The governor shall appoint a member of the council to serve as the chairperson of the council. The executive director of the Ohio Lake Erie commission shall serve as the vice-chairperson of the council unless the governor appoints the executive director as the chairperson. If the executive director is appointed chairperson, the council annually shall select a person from among its members to serve as vice-chairperson while the director is chairperson. The council annually shall select from among its members a secretary to keep a record of its proceedings. A majority of the voting members of the council constitutes a quorum and a majority vote of that quorum of the members of the council is necessary to take action on any matter.

(D)(1) Members of the council are public officials or officers only for the purposes of section 9.86 and Chapters 102. and 2921. of the Revised Code. Serving as a member of the council does not constitute holding a public office or position of employment so as to constitute grounds for removal of public officers or employees serving as members of the council from their offices or positions of employment.

(2) Members of the council shall file with the Ohio ethics commission the disclosure statement described in division (A) of section 102.02 of the Revised Code on the form prescribed by the commission. Members are subject to divisions (C) and (D) of that section.
(3) Members of the council shall serve without compensation for attending council meetings, but shall be reimbursed for their actual and necessary travel and other expenses incurred in the performance of their official duties in accordance with the rules of the office of budget and management.

(E) Members appointed by the governor to represent the interests of counties, townships, and municipal corporations do not have a conflict of interest by virtue of their service on the council. For the purposes of this division, "conflict of interest" means the taking of any action as a member of the council that affects a public body the person serves as an officer or employee.

(F) Sections 101.82 to 101.87 of the Revised Code do not apply to the council.

Sec. 126.62. (A) The H2Ohio advisory council shall adopt bylaws governing its operation, including bylaws that establish all of the following:

(1) The frequency of meetings;

(2) Procedures for reviewing annual plans submitted by the directors of agriculture, natural resources, and environmental protection under section 126.64 of the Revised Code;

(3) Procedures for approving or disapproving annual plans submitted by the directors of agriculture, natural resources, and environmental protection under section 126.64 of the Revised Code. The procedures shall include a process for resubmitting disapproved plans or disapproved portions of plans.

(4) Procedures for applicants to apply for loans and grants from the H2Ohio trust fund:
(5) Procedures for notifying the public how to apply for loans and grants from the H2Ohio trust fund;

(6) A statewide strategic vision and comprehensive periodic water protection and restoration strategy that sets forth the priorities for use of the H2Ohio trust fund;

(7) Any other policy or procedure that the council determines is necessary to carry out its duties.

(B) The council may establish a subcommittee comprised of experts in the appropriate fields of science to advise the council.

Sec. 126.63. (A) In accordance with the priorities established by the H2Ohio advisory council under section 126.62 of the Revised Code and after receiving notification from the council that a use for the fund has been approved, the Ohio water development authority created in section 6121.02 of the Revised Code shall disburse money from the fund for any of the following purposes:

(1) Grants or loans, or purchases for the development and implementation of projects and programs, including remediation projects, that are designed to address water quality priorities;

(2) Funding cooperative research, data gathering and monitoring, and demonstration projects related to water quality priorities;

(3) Encouraging cooperation with and among leaders from state legislatures, state agencies, political subdivisions, business and industry, labor, agriculture, institutions of higher education, environmental organizations, and water conservation districts;
(4) Other purposes, policies, programs, and priorities identified by the Ohio Lake Erie commission in coordination with state agencies or boards responsible for water protection and water management, provided that the purposes, policies, programs, and priorities align with the council's statewide strategic vision and comprehensive periodic water protection and restoration strategy.

(B) Annual disbursements from the fund shall not exceed the amount approved by the Ohio water development authority under section 126.65 of the Revised Code.

(C) Not later than ninety days after the end of each fiscal year, the H2Ohio advisory council, in coordination with the Ohio Lake Erie commission, shall do both of the following:

(1) Prepare a report of the activities that were funded from the H2Ohio trust fund during the immediately preceding fiscal year, including the revenues and expenses of the fund for the preceding fiscal year;

(2) Submit the report to the general assembly and to the governor.

Sec. 126.64. (A) The directors of agriculture, natural resources, and environmental protection each shall prepare an annual plan detailing the proposed use of disbursements from the H2Ohio trust fund for the year covered by the plan. Each agency shall describe in the plan, at a minimum, all of the following:

(1) Funding priorities;

(2) The specific programs, projects, or entities proposed to receive funding;

(3) The internal controls and external accountability
measures that will be put in place to ensure that the funding is used in accordance with the plan.

(B) Not later than the first day of March of each year, the directors shall deliver their respective annual plans to the H2Ohio advisory council.

(C) The council shall review and shall approve or disapprove, in whole or in part, each agency's annual plan in accordance with the council's policies and procedures.

(D) The Ohio water development authority shall not disburse any money from the H2Ohio trust fund to the agency unless the council approves the plan submitted by the agency under this section or approves the portion of the plan for which money is being disbursed.

Sec. 126.65. (A) The Ohio water development authority created in section 6121.02 of the Revised Code shall establish powers and duties for the executive director of the authority with respect to the H2Ohio trust fund. Such powers and duties shall include coordinating efforts between the authority, the H2Ohio advisory council, and the treasurer of state.

(B)(1) In executing the powers and duties established under this section, the executive director of the authority shall consult with and obtain approval from the treasurer of state or the treasurer of state's designee.

(2) The executive director shall submit to the director of budget and management, by the first day of June of each year, a request for surplus revenue to be transferred into the H2Ohio trust fund created in section 126.601 of the Revised Code in an amount determined by the authority.

(C) The authority shall make recommendations to the
treasurer of state regarding the issuance of obligations under section 126.67 of the Revised Code.

(D) The authority may appoint or provide for the appointment of agents, consultants, independent contractors, or any other type of administrative, investment, financial, or accounting experts as are necessary, in the judgment of the authority, to carry out the authority's duties.

(E) The authority may buy, sell, and lease real property or interest in real property.

(F) At the end of each fiscal period, the authority shall declare an amount of investment earnings that shall be made available for disbursement in accordance with section 126.63 of the Revised Code. The authority shall not disburse an amount from the H2Ohio trust fund that is in excess of one hundred million dollars each fiscal year.

Sec. 126.66. As used in sections 126.66 to 126.68 of the Revised Code and in the applicable bond proceedings unless otherwise provided:

(A) "Bond proceedings" means the orders, agreements, and credit enhancement facilities and amendments and supplements to them, or any one or more combination of them, authorizing, awarding, or providing for the terms and conditions applicable to or providing for the security or liquidity of, the particular obligations, and the provisions contained in those obligations.

(B) "Cost of projects" includes any related direct administrative expenses and allocable portions of the direct costs of those projects funded from the H2Ohio trust fund.

(C) "Debt service" means principal, including any mandatory sinking fund or redemption requirements for retirement.
of obligations, interest and other accreted amounts, interest equivalent, and any redemption premium, payable on obligations.

If not prohibited by the applicable bond proceedings, debt service may include costs relating to credit enhancement facilities that are related to and represent, or are intended to provide a source of payment of or limitation on, other debt service.

(D) "Issuing authority" means the treasurer of state.

(E) "Net proceeds" means amounts received from the sale of obligations, excluding amounts used to refund or retire outstanding obligations, amounts required to be deposited into special funds pursuant to the applicable bond proceedings, and amounts to be used to pay financing costs.

(F) "Obligations" means bonds, notes, or other evidences of obligation, including any appertaining interest coupons, issued under section 126.67 of the Revised Code to pay the costs of projects.

(G) "Pledged receipts" means, as and to the extent provided in the bond proceedings:

(1) Repayments of loans made from the H2Ohio trust fund including interest, if any;

(2) Moneys received from the lease, sale, or other disposition or use of projects funded from the H2Ohio trust fund;

(3) Accrued interest received from the sale of obligations;

(4) Income from the investment of money in the H2Ohio trust fund;
(5) Any gifts, grants, donations, or pledges, and receipts therefrom, available for the payment of debt service;

(6) Additional or any other specific revenues or receipts lawfully available to be pledged, and pledged, pursuant to further authorization by the general assembly, to the payment of debt service.

(H) "Projects" means projects for the protection, preservation, and restoration of water quality, including projects for water pollution control and abatement.

(I) "Special funds" or "funds," unless the context indicates otherwise, means the bond service fund created in section 126.68 of the Revised Code, and any other funds, including any reserve funds, created under the bond proceedings and stated to be special funds in those proceedings, including moneys and investments, and earnings from investments, credited and to be credited to the particular fund.

(J) "Credit enhancement facilities," "financing costs," and "interest" or "interest equivalent" have the same meanings as in section 133.01 of the Revised Code.

Sec. 126.67. (A) The issuing authority shall issue obligations under this section to pay costs of projects. Those obligations are authorized to be issued for the public purposes of the protection, preservation, and restoration of water quality including for water pollution control and abatement, under one or any combination of Section 2i of Article VIII, Ohio Constitution, for remediation or cleanup of conditions or circumstances that may be deleterious to water resources under division (B)(2) of Sections 2o and 2q of Article VIII, Ohio Constitution, for supporting research and development under
Section (B)(2) of Section 2p of Article VIII, Ohio Constitution, and to control water pollution under Section 13 of Article VIII, Ohio Constitution, or any combination thereof.

(B) The issuing authority, upon the request of the Ohio water development authority as provided in section 126.65 of the Revised Code, shall issue obligations in the amount requested. The provisions and authorizations in section 151.01 of the Revised Code apply to the obligations and the bond proceedings except as otherwise provided or provided for in this section and in those obligations or bond proceedings, and the bond proceedings shall provide for or authorize the manner of determining the principal maturity or maturities of those obligations notwithstanding any limitation in division (C) of section 151.01 of the Revised Code.

(C) Net proceeds of obligations shall be deposited in the H2Ohio trust fund created in section 126.601 of the Revised Code.

(D) The issuing authority may pledge all, or such portion as the issuing authority determines, of the pledged receipts to the payment of the debt service charges on obligations issued under this section, and for the establishment and maintenance of any reserves, as provided in the bond proceedings, and make other provisions in the bond proceedings with respect to pledged receipts as authorized by this section, which provisions are controlling notwithstanding any other provisions of law pertaining to them.

(E) The issuing authority may covenant in the bond proceedings, and such covenants shall be controlling notwithstanding any other provision of law, that the state and applicable officers and state agencies, including the general
assembly, so long as any obligations issued under this section are outstanding, shall maintain statutory authority for and cause to be collected any pledged receipts.

(F) Obligations may be further secured, as determined by the issuing authority, by a trust agreement between the state and a corporate trustee, which may be any trust company or bank having a place of business within the state. Any trust agreement may contain the order authorizing the issuance of obligations, any provisions that may be contained in any bond proceedings, and other provisions that are customary or appropriate in an agreement of that type, including, but not limited to:

(1) Maintenance of each pledge, trust agreement, or other instrument comprising part of the bond proceedings until the payment of debt service obligations secured by it have been fully paid or provided for:

(2) In the event of default in any payments required to be made by the bond proceedings, enforcement of those payments or agreements by mandamus, the appointment of a receiver, suit in equity, action at law, or any combination of them.

(3) The rights and remedies of the holders or owners of obligations and of the trustee and provisions for protecting and enforcing them, including limitations on rights of individual holders and owners.

(G) The obligations are not general obligations of the state and the full faith and credit, revenue, and taxing power of the state shall not be pledged to the payment of debt service on them. The holders or owners of the obligation shall have no right to have any moneys obligated or pledged for the payment of debt service except as provided in this section and in the
applicable bond proceedings. The rights of the holders and owners to payment of debt service are limited to all or that portion of the pledged receipts, those special funds, pledged to the payment of debt service pursuant to the bond proceedings in accordance with this section, and each obligation shall bear on its face a statement to that effect. Nothing in this section shall prohibit or be deemed to prohibit the state, of its own volition, from using to the extent lawfully authorized to do so any other resources to pay debt services on the obligations.

Sec. 126.68. There is hereby created the H2Ohio bond service fund, which is in the custody of the treasurer of state, but is separate, apart from, and not a part of the state treasury. All money received and required by the bond proceedings, consistent with section 126.67 of the Revised Code, to be deposited, transferred, or credited to the bond service fund, and all other money transferred or allocated to or received for the purposes of that fund, shall be deposited and credited to the bond service fund, subject to any applicable provisions of the bond proceedings.

Sec. 131.44. (A) As used in this section:

(1) "Surplus revenue" means the excess, if any, of the total fund balance over the required year-end balance.

(2) "Total fund balance" means the sum of the unencumbered balance in the general revenue fund on the last day of the preceding fiscal year plus the balance in the budget stabilization fund.

(3) "Required year-end balance" means the sum of the following:

(a) Eight and one-half per cent of the general revenue
fund revenues for the preceding fiscal year;

(b) "Ending fund balance," which means one-half of one percent of general revenue fund revenues for the preceding fiscal year;

(c) "Carryover balance," which means, with respect to a fiscal biennium, the excess, if any, of the estimated general revenue fund appropriation and transfer requirement for the second fiscal year of the biennium over the estimated general revenue fund revenue for that fiscal year;

(d) "Capital appropriation reserve," which means the amount, if any, of general revenue fund capital appropriations made for the current biennium that the director of budget and management has determined will be encumbered or disbursed;

(e) "Income tax reduction impact reserve," which means an amount equal to the reduction projected by the director of budget and management in income tax revenue in the current fiscal year attributable to the previous reduction in the income tax rate made by the tax commissioner pursuant to division (B) of section 5747.02 of the Revised Code.

(4) "Estimated general revenue fund appropriation and transfer requirement" means the most recent adjusted appropriations made by the general assembly from the general revenue fund and includes both of the following:

(a) Appropriations made and transfers of appropriations from the first fiscal year to the second fiscal year of the biennium in provisions of acts of the general assembly signed by the governor but not yet effective;

(b) Transfers of appropriations from the first fiscal year to the second fiscal year of the biennium approved by the
controlling board.

(5) "Estimated general revenue fund revenue" means the most recent such estimate available to the director of budget and management.

(B)(1) Not later than the thirty-first day of July each year, the director of budget and management shall determine the surplus revenue that existed on the preceding thirtieth day of June and transfer from the general revenue fund, to the extent of the unobligated, unencumbered balance on the preceding thirtieth day of June in excess of one-half of one per cent of the general revenue fund revenues in the preceding fiscal year, the following:

(a) First, to the budget stabilization fund, any amount necessary for the balance of the budget stabilization fund to equal eight and one-half per cent of the general revenue fund revenues of the preceding fiscal year;

(b) Then, to the H2Ohio trust fund created in section 126.601 of the Revised Code, in an amount determined by the director of budget and management that is up to the amount requested by the treasurer of state in accordance with division (E)(2) of section 126.65 of the Revised Code;

(c) Lastly, to the income tax reduction fund, which is hereby created in the state treasury, an amount equal to the surplus revenue.

(2) Not later than the thirty-first day of July each year, the director shall determine the percentage that the balance in the income tax reduction fund is of the amount of revenue that the director estimates will be received from the tax levied under section 5747.02 of the Revised Code in the current fiscal
year without regard to any reduction under division (B) of that section. If that percentage exceeds thirty-five one hundredths of one per cent, the director shall certify the percentage to the tax commissioner not later than the thirty-first day of July.

(C) The director of budget and management shall transfer money in the income tax reduction fund to the general revenue fund, the local government fund, and the public library fund as necessary to offset revenue reductions resulting from the reductions in taxes required under division (B) of section 5747.02 of the Revised Code in the respective amounts and percentages prescribed by division (A) of section 5747.03 and divisions (A) and (B) of section 131.51 of the Revised Code as if the amount transferred had been collected as taxes under Chapter 5747. of the Revised Code. If no reductions in taxes are made under that division that affect revenue received in the current fiscal year, the director shall not transfer money from the income tax reduction fund to the general revenue fund, the local government fund, and the public library fund.

Sec. 6121.04. The Ohio water development authority may do any or all of the following:

(A) Adopt bylaws for the regulation of its affairs and the conduct of its business;

(B) Adopt an official seal;

(C) Maintain a principal office and suboffices at places within the state that it designates;

(D) Sue and plead in its own name and be sued and impleaded in its own name with respect to its contracts or torts of its members, employees, or agents acting within the scope of
their employment, or to enforce its obligations and covenants made under sections 6121.06, 6121.08, and 6121.13 of the Revised Code. Any such actions against the authority shall be brought in the court of common pleas of the county in which the principal office of the authority is located or in the court of common pleas of the county in which the cause of action arose, provided that the county is located within this state, and all summonses, exceptions, and notices of every kind shall be served on the authority by leaving a copy thereof at the principal office with the person in charge thereof or with the secretary-treasurer of the authority.

(E) Make loans and grants to governmental agencies for the acquisition or construction of water development projects by any such governmental agency and adopt rules and procedures for making such loans and grants;

(F) Acquire, construct, reconstruct, enlarge, improve, furnish, equip, maintain, repair, operate, or lease or rent to, or contract for operation by, a governmental agency or person, water development projects, and establish rules for the use of those projects;

(G) Make available the use or services of any water development project to one or more persons, one or more governmental agencies, or any combination thereof;

(H) Issue water development revenue bonds and notes and water development revenue refunding bonds of the state, payable solely from revenues as provided in section 6121.06 of the Revised Code, unless the bonds are refunded by refunding bonds, for the purpose of paying any part of the cost of one or more water development projects or parts thereof;
(I) Acquire by gift or purchase, hold, and dispose of real and personal property in the exercise of its powers and the performance of its duties under this chapter;

(J) Acquire, in the name of the state, by purchase or otherwise, on terms and in the manner that it considers proper, or by the exercise of the right of condemnation in the manner provided by section 6121.18 of the Revised Code, public or private lands, including public parks, playgrounds, or reservations, or parts thereof or rights therein, rights-of-way, property, rights, easements, and interests that it considers necessary for carrying out this chapter, but excluding the acquisition by the exercise of the right of condemnation of any waste water facility or water management facility owned by any person or governmental agency, and compensation shall be paid for public or private lands so taken, except that a government-owned waste water facility may be appropriated in accordance with section 6121.041 of the Revised Code;

(K) Adopt rules to protect augmented flow in waters of the state, to the extent augmented by a water development project, from depletion so it will be available for beneficial use, and to provide standards for the withdrawal from waters of the state of the augmented flow created by a water development project that is not returned to the waters of the state so augmented and to establish reasonable charges therefor if considered necessary by the authority;

(L) Make and enter into all contracts and agreements and execute all instruments necessary or incidental to the performance of its duties and the execution of its powers under this chapter in accordance with the following requirements:

(1) When the cost under any such contract or agreement,
other than compensation for personal services, involves an expenditure of more than fifty thousand dollars, the authority shall make a written contract with the lowest responsive and responsible bidder, in accordance with section 9.312 of the Revised Code, after advertisement for not less than two consecutive weeks in a newspaper of general circulation in Franklin county, and in other publications that the authority determines, which shall state the general character of the work and the general character of the materials to be furnished, the place where plans and specifications therefor may be examined, and the time and place of receiving bids, provided that a contract or lease for the operation of a water development project constructed and owned by the authority or an agreement for cooperation in the acquisition or construction of a water development project pursuant to section 6121.13 of the Revised Code or any contract for the construction of a water development project that is to be leased by the authority to, and operated by, persons who are not governmental agencies and the cost of the project is to be amortized exclusively from rentals or other charges paid to the authority by persons who are not governmental agencies is not subject to the foregoing requirements and the authority may enter into such a contract or lease or such an agreement pursuant to negotiation and upon terms and conditions and for the period that it finds to be reasonable and proper in the circumstances and in the best interests of proper operation or of efficient acquisition or construction of the project.

(2) Each bid for a contract for the construction, demolition, alteration, repair, or reconstruction of an improvement shall contain the full name of every person interested in it and shall meet the requirements of section
153.54 of the Revised Code.

(3) Each bid for a contract except as provided in division (L)(2) of this section shall contain the full name of every person or company interested in it and shall be accompanied by a sufficient bond or certified check on a solvent bank that if the bid is accepted, a contract will be entered into and the performance thereof secured.

(4) The authority may reject any and all bids.

(5) A bond with good and sufficient surety, approved by the authority, shall be required of every contractor awarded a contract except as provided in division (L)(2) of this section, in an amount equal to at least fifty per cent of the contract price, conditioned upon the faithful performance of the contract.

(M) Employ managers, superintendents, and other employees and retain or contract with consulting engineers, financial consultants, accounting experts, architects, attorneys, and other consultants and independent contractors that are necessary in its judgment to carry out this chapter, and fix the compensation thereof. All expenses thereof shall be payable solely from the proceeds of water development revenue bonds or notes issued under this chapter, from revenues, or from funds appropriated for that purpose by the general assembly.

(N) Receive and accept from any federal agency, subject to the approval of the governor, grants for or in aid of the construction of any water development project or for research and development with respect to waste water or water management facilities, and receive and accept aid or contributions from any source of money, property, labor, or other things of value, to
be held, used, and applied only for the purposes for which the grants and contributions are made;

(O) Engage in research and development with respect to waste water or water management facilities;

(P) Purchase fire and extended coverage and liability insurance for any water development project and for the principal office and suboffices of the authority, insurance protecting the authority and its officers and employees against liability for damage to property or injury to or death of persons arising from its operations, and any other insurance the authority may agree to provide under any resolution authorizing its water development revenue bonds or in any trust agreement securing the same;

(Q) Charge, alter, and collect rentals and other charges for the use or services of any water development project as provided in section 6121.13 of the Revised Code;

(R) Provide coverage for its employees under Chapters 145., 4123., and 4141. of the Revised Code;

(S) Assist in the implementation and administration of the drinking water assistance fund and program created in section 6109.22 of the Revised Code and the water pollution control loan fund and program created in section 6111.036 of the Revised Code, including, without limitation, performing or providing fiscal management for the funds and investing and disbursing moneys in the funds, and enter into all necessary and appropriate agreements with the director of environmental protection for those purposes;

(T) Issue water development revenue bonds and notes of the state in principal amounts that are necessary for the purpose of
raising moneys for the sole benefit of the water pollution
control loan fund created in section 6111.036 of the Revised
Code, including moneys to meet the requirement for providing
matching moneys under division (D) of that section. The bonds
and notes may be secured by appropriate trust agreements and
repaid from moneys credited to the fund from payments of
principal and interest on loans made from the fund, as provided
in division (F) of section 6111.036 of the Revised Code.

(U) Issue water development revenue bonds and notes of the
state in principal amounts that are necessary for the purpose of
raising moneys for the sole benefit of the drinking water
assistance fund created in section 6109.22 of the Revised Code,
including moneys to meet the requirement for providing matching
moneys under divisions (B) and (F) of that section. The bonds
and notes may be secured by appropriate trust agreements and
repaid from moneys credited to the fund from payments of
principal and interest on loans made from the fund, as provided
in division (F) of section 6109.22 of the Revised Code.

(V) Make loans to and enter into agreements with boards of
county commissioners for the purposes of section 1506.44 of the
Revised Code and adopt rules establishing requirements and
procedures for making the loans and entering into the
agreements;

(W) Disburse money from the H2Ohio trust fund created in
section 126.601 of the Revised Code, invest money from that fund
in accordance with that section, request the treasurer of state
to issue obligations under section 126.67 of the Revised Code,
and execute any other power or duty established in sections
126.601 to 126.68 of the Revised Code.

(X) Do all acts necessary or proper to carry out the
powers expressly granted in this chapter and in sections 126.601 to 126.68 of the Revised Code.

Any instrument by which real property is acquired pursuant to this section shall identify the agency of the state that has the use and benefit of the real property as specified in section 5301.012 of the Revised Code.

Section 2. That existing sections 131.44 and 6121.04 of the Revised Code are hereby repealed.