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**Sub. H. B. No. 512**

**Representative Ginter**

**Cosponsors: Representatives Landis, Amstutz, Anielski, Antonio, Baker, Barnes, Blessing, Brown, Burkley, Derickson, Dever, Dovilla, Driehaus, Duffey, Green, Grossman, Hall, Hambley, Johnson, T., Lepore-Hagan, Manning, McClain, O'Brien, M., Reineke, Retherford, Rezabek, Rogers, Schaffer, Scherer, Schuring, Slaby, Smith, K., Smith, R., Sprague, Sweeney, Terhar, Thompson, Young, Speaker Rosenberger**

**Senators Uecker, Hite, Jones, Balderson, Beagle, Cafaro, Coley, Eklund, Gardner, Hackett, Hughes, LaRose, Lehner, Manning, Obhof, Oelslager, Patton, Peterson, Sawyer, Schiavoni, Skindell, Tavares, Thomas, Williams, Yuko**

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**A BILL**

To amend sections 6109.01, 6109.10, 6109.22, 1  
6111.036, and 6121.04, and to enact section 2  
6109.121 of the Revised Code to establish 3  
requirements governing lead and copper testing 4  
for community and nontransient noncommunity 5  
water systems, to revise the law governing lead 6  
contamination from plumbing fixtures, and to 7  
revise the laws governing the Water Pollution 8  
Control Loan Fund, the Drinking Water Assistance 9  
Fund, and the Ohio Water Development Authority. 10

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

**Section 1.** That sections 6109.01, 6109.10, 6109.22, 11  
6111.036, and 6121.04 be amended and section 6109.121 of the 12  
Revised Code be enacted to read as follows: 13

**Sec. 6109.01.** As used in this chapter: 14

(A) "Public water system" means a system for the provision 15  
to the public of water for human consumption through pipes or 16  
other constructed conveyances if the system has at least fifteen 17  
service connections or regularly serves at least twenty-five 18  
individuals. "Public water system" includes any collection, 19  
treatment, storage, and distribution facilities under control of 20  
the operator of the system and used primarily in connection with 21  
the system, any collection or pretreatment storage facilities 22  
not under such control that are used primarily in connection 23  
with the system, and any water supply system serving an 24  
agricultural labor camp as defined in section 3733.41 of the 25  
Revised Code. 26

(B) "Contaminant" means any physical, chemical, 27  
biological, or radiological substance or matter in water. 28

(C) "Person" means the state, any political subdivision, 29  
agency, institution, or instrumentality thereof, any federal 30  
agency, and any person as defined in section 1.59 of the Revised 31  
Code. 32

(D) "Safe Drinking Water Act" means the "Safe Drinking 33  
Water Act," 88 Stat. 1660 (1974), 42 U.S.C. 300(f), as amended 34  
by the "Safe Drinking Water Amendments of 1977," 91 Stat. 1393, 35  
42 U.S.C. 300(f), the "Safe Drinking Water Act Amendments of 36  
1986," 100 Stat. 642, 42 U.S.C. 300(f), and the "Safe Drinking 37  
Water Act Amendments of 1996," 110 Stat. 1613, 42 U.S.C. 300(f), 38  
and regulations adopted under those acts. 39

(E) "Community water system" means a public water system 40  
that has at least fifteen service connections used by year-round 41  
residents or that regularly serves at least twenty-five year- 42

round residents. 43

(F) "Small system" means a public water system serving a 44  
population of ten thousand or fewer individuals. 45

(G) "Technical assistance" means nonfinancial assistance 46  
provided by the state to public water systems and other eligible 47  
applicants, including, without limitation, assistance for 48  
planning and design, development, and implementation of source 49  
water quality protection programs; locating alternative supplies 50  
of drinking water; operational training; restructuring or 51  
consolidation of small systems; providing treatment information 52  
in order to assist compliance with a national primary drinking 53  
water standard; and other nonfinancial assistance authorized by 54  
the requirements governing the funds established under this 55  
chapter. 56

(H) "Disadvantaged community" means the service area or 57  
portion of a service area of a public water system that meets 58  
affordability and other criteria established by the director of 59  
environmental protection in rules adopted under division (M) of 60  
section 6109.22 of the Revised Code and may include the service 61  
area or portion of a service area of a public water system 62  
located in a distressed area as defined in section 122.19 of the 63  
Revised Code. 64

(I) "Director of environmental protection" or "director" 65  
includes an authorized representative of the director. 66

(J) "Federal Water Pollution Control Act" has the same 67  
meaning as in section 6111.01 of the Revised Code. 68

(K) "Nontransient noncommunity water system" means a 69  
public water system that regularly serves at least twenty-five 70  
of the same persons over six months per year and is not a 71

community water system. 72

**Sec. 6109.10.** (A) (1) As used in this section, "lead free" 73  
means: 74

~~(1) When used with respect to solders or flux, solders or~~ 75  
~~flux containing~~ (a) Containing not more than two-tenths of one 76  
per cent lead when used with respect to solders or flux; 77

~~(2) When used with respect to pipes or pipe fittings,~~ 78  
~~pipes or pipe fittings containing~~ (b) Containing not more than 79  
eight a weighted average of twenty-five-hundredths per cent lead 80  
when used with respect to wetted surfaces of pipes, pipe 81  
fittings, or plumbing fittings or fixtures. 82

~~(B) Any pipe, pipe fitting, solder, or flux that is used~~ 83  
~~in the installation or repair of a public water system or of any~~ 84  
~~plumbing in a residential or nonresidential facility providing~~ 85  
~~water for human consumption which is connected to a public water~~ 86  
~~system shall be lead free. This division does not apply to~~ 87  
~~leaded joints necessary for the repair of cast iron pipes.~~ (2) 88  
For purposes of this section, the weighted average lead content 89  
of a pipe, pipe fitting, or plumbing fitting or fixture shall be 90  
calculated by using the following formula: for each wetted 91  
component, the percentage of lead in the component shall be 92  
multiplied by the ratio of the wetted surface area of that 93  
component to the total wetted surface area of the entire product 94  
to determine the weighted percentage of lead of the component. 95  
The weighted percentage of lead of each wetted component shall 96  
be added together, and the sum of the weighted percentages shall 97  
constitute the weighted average lead content of the product. The 98  
lead content of the material used to produce wetted components 99  
shall be used to determine whether the wetted surfaces are lead 100  
free pursuant to division (A) (1) (b) of this section. For 101

purposes of the lead contents of materials that are provided as 102  
a range, the maximum content of the range shall be used. 103

(B) Except as provided in division (D) of this section, no 104  
person shall do any of the following: 105

(1) Use any pipe, pipe fitting, plumbing fitting, plumbing 106  
fixture, including a drinking water fountain, solder, or flux 107  
that is not lead free in the installation or repair of a public 108  
water system or of any plumbing in a residential or 109  
nonresidential facility providing water for human consumption; 110

(2) Introduce into commerce any pipe, pipe fitting, 111  
plumbing fitting, or plumbing fixture, including a drinking 112  
water fountain, that is not lead free; 113

(3) Sell solder or flux that is not lead free while 114  
engaged in the business of selling plumbing supplies; 115

(4) Introduce into commerce any solder or flux that is not 116  
lead free unless the solder or flux has a prominent label 117  
stating that it is illegal to use the solder or flux in the 118  
installation or repair of any plumbing providing water for human 119  
consumption. 120

(C) ~~Each~~The owner or operator of a public water system 121  
shall identify and provide notice to persons that may be 122  
affected by lead contamination of their drinking water. The 123  
notice shall be in such form and manner as the director of 124  
~~environmental protection may be reasonably required by the~~ 125  
~~director of environmental protection~~ require, but shall provide 126  
a clear and readily understandable explanation of all of the 127  
following: 128

(1) Potential sources of lead in the drinking water; 129

(2) Potential adverse health effects;	130
(3) Reasonably available methods of mitigating known or potential lead content in drinking water;	131 132
(4) Any steps the public water system is taking to mitigate lead content in drinking water;	133 134
(5) The necessity, if any, of seeking alternative water supplies.	135 136
The notice shall be provided notwithstanding the absence of a violation of any drinking water standard.	137 138
<u>(D) (1) Division (B) (1) of this section does not apply to the use of leaded joints that are necessary for the repair of cast iron pipes.</u>	139 140 141
<u>(2) Division (B) (2) of this section does not apply to a pipe that is used in manufacturing or industrial processing.</u>	142 143
<u>(3) Division (B) (3) of this section does not apply to the selling of plumbing supplies by manufacturers of those supplies.</u>	144 145
<u>(4) Division (B) of this section does not apply to either of the following:</u>	146 147
<u>(a) Pipes, pipe fittings, or plumbing fittings or fixtures, including backflow preventers, that are used exclusively for nonpotable services such as manufacturing, industrial processing, irrigation, outdoor watering, or any other uses where the water is not anticipated to be used for human consumption;</u>	148 149 150 151 152 153
<u>(b) Toilets, bidets, urinals, fill valves, flushometer valves, tub fillers, shower valves, fire hydrants, service saddles, or water distribution main gate valves that are two</u>	154 155 156

inches in diameter or larger. 157

Sec. 6109.121. (A) Not later than one hundred twenty days 158  
after the effective date of this section, the director of 159  
environmental protection shall adopt rules in accordance with 160  
Chapter 119. of the Revised Code that do all of the following: 161

(1) Require the owner or operator of a community or 162  
nontransient noncommunity water system to conduct sampling of 163  
the system for lead and copper; 164

(2) Establish a schedule for lead and copper sampling 165  
applicable to the owner or operator of a community or 166  
nontransient noncommunity water system that, at a minimum, does 167  
both of the following: 168

(a) Allows the director, in establishing the schedule, to 169  
consider the following factors when determining if a community 170  
or nontransient noncommunity water system must conduct sampling 171  
at least once annually: 172

(i) The age of the water system; 173

(ii) Whether corrosion control requirements are met; 174

(iii) Any other relevant risk factors, as determined by 175  
the director, including aging infrastructure likely to contain 176  
lead service lines. 177

(b) Requires the owner or operator of a system where such 178  
risk factors are identified to conduct sampling at least once 179  
annually until the risk factors are mitigated in accordance with 180  
rules. 181

(3) Require the owner or operator of a community or 182  
nontransient noncommunity water system to provide collected 183  
samples to a certified laboratory for analysis; 184

- (4) Authorize the director to require additional sampling for pH level and other water quality parameters to determine if corrosion control requirements are met; 185  
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- (5) Authorize the director to establish corrosion control requirements for community and nontransient noncommunity water systems; 188  
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- (6) Require the owner or operator of a community or nontransient noncommunity water system to conduct a new or updated corrosion control treatment study and submit a new or updated corrosion control treatment plan not later than eighteen months after any of the following events: 191  
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- (a) The system changes or adds a source from which water is obtained. 196  
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- (b) The system makes a substantial change in water treatment. 198  
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- (c) The system operates outside of acceptable ranges for lead, copper, pH, or other corrosion indicators, as determined by the director. 200  
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- (d) Any other event determined by the director to have the potential to impact the water quality or corrosiveness of water in the system. 203  
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- (7) Authorize the director to waive the requirement to conduct a new or updated corrosion control study established in rules adopted under division (A) (6) of this section in appropriate circumstances; 206  
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- (8) When the owner or operator of a community or nontransient noncommunity water system is required to complete a corrosion control treatment study and submit a plan in 210  
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accordance with rules adopted under division (A) (6) of this 213  
section, require the owner or operator to complete the study and 214  
submit the plan to the director for approval even if sampling 215  
results conducted subsequent to the initiation of the study and 216  
plan do not exceed the lead action level established in rules 217  
adopted under this chapter; 218

(9) When the owner or operator of a community or 219  
nontransient noncommunity water system is required to complete a 220  
corrosion control treatment study and submit a plan in 221  
accordance with rules adopted under division (A) (6) of this 222  
section, require the owner or operator to submit to the director 223  
an interim status report of actions taken to implement the 224  
corrosion control study six months and twelve months from the 225  
date of initiation of the corrosion control study requirement; 226

(10) Establish a lead threshold for individual taps; 227

(11) Establish and revise content for public education 228  
materials; 229

(12) Authorize the director to develop procedures and 230  
requirements to document that notices were provided by the owner 231  
or operator of a community or nontransient noncommunity water 232  
system as required under division (C) of this section; 233

(13) Notwithstanding section 6109.23 of the Revised Code, 234  
establish the following administrative penalties for violations 235  
of the notice requirements established in divisions (C) (1) and 236  
(C) (3) (a) of this section that are applicable to a community or 237  
nontransient noncommunity water system: 238

(a) For a violation of division (C) (1) of this section by 239  
a system that serves not less than twenty-five people, but not 240  
more than three thousand three hundred people, an administrative 241

penalty of twenty-five dollars per day for each day that the 242  
system failed to provide each notice; 243

(b) For a violation of division (C) (1) of this section by 244  
a system that serves more than three thousand three hundred 245  
people, but not more than ten thousand people, an administrative 246  
penalty of fifty dollars per day for each day that the system 247  
failed to provide each notice; 248

(c) For a violation of division (C) (1) of this section by 249  
a system that serves more than ten thousand people, but not more 250  
than twenty-five thousand people, an administrative penalty of 251  
seventy-five dollars per day for each day that the system failed 252  
to provide each notice; 253

(d) For a violation of division (C) (1) of this section by 254  
a system that serves more than twenty-five thousand people, an 255  
administrative penalty of one hundred dollars per day for each 256  
day that the system failed to provide each notice; 257

(e) For a violation of division (C) (3) (a) of this section 258  
by a system that serves not less than twenty-five people, but 259  
not more than three thousand three hundred people, an 260  
administrative penalty of two hundred fifty dollars per day for 261  
each day the system failed to provide the notice; 262

(f) For a violation of division (C) (3) (a) of this section 263  
by a system that serves more than three thousand three hundred 264  
people, but not more than ten thousand people, an administrative 265  
penalty of five hundred dollars per day for each day the system 266  
failed to provide the notice; 267

(g) For a violation of division (C) (3) (a) of this section 268  
by a system that serves more than ten thousand people, but not 269  
more than twenty-five thousand people, an administrative penalty 270

of seven hundred fifty dollars per day for each day the system 271  
failed to provide the notice; 272

(h) For a violation of division (C) (3) (a) of this section 273  
by a system that serves more than twenty-five thousand people, 274  
an administrative penalty of one thousand dollars per day for 275  
each day the system failed to provide the notice. 276

(B) A laboratory that receives a lead or copper tap water 277  
sample from a community or nontransient noncommunity water 278  
system shall do both of the following: 279

(1) Complete a lead or copper analysis of the sample, as 280  
applicable, not later than thirty business days after the 281  
receipt of the sample; 282

(2) Not later than the end of the next business day 283  
following the day the analysis of the sample is completed, 284  
report the results of the analysis and all identifying 285  
information about where the sample was collected to the 286  
community or nontransient noncommunity water system and the 287  
director. 288

(C) The owner or operator of a community or nontransient 289  
noncommunity water system shall do all of the following, as 290  
applicable, with regard to laboratory results received under 291  
division (B) (2) of this section: 292

(1) Not later than two business days after the receipt of 293  
the laboratory results, provide notice of the results of each 294  
individual tap sample to the owner and persons served at the 295  
residence or other structure where the tap was sampled; 296

(2) If the results show that a sample from an individual 297  
tap is above the applicable lead threshold as established under 298  
rules adopted under this chapter, do all of the following, as 299

applicable: 300

(a) For the owner or operator of a nontransient 301  
noncommunity water system, immediately remove from service all 302  
fixtures identified as contributing to elevated lead levels; 303

(b) For the owner or operator of a community water system, 304  
include in the system's annual consumer confidence report the 305  
lead or copper laboratory results, an explanation of the 306  
associated health risks, what actions consumers of the system 307  
can take to reduce health risks, and the actions the system is 308  
taking to reduce public exposure; 309

(c) Not later than two business days after the receipt of 310  
the laboratory results, provide information on the availability 311  
of health screening and blood lead level testing to the owner 312  
and persons served at the residence or other structure where the 313  
sample was collected and provide notice of the laboratory 314  
results to the applicable local board of health. 315

(3) If the laboratory results show that the community or 316  
nontransient noncommunity water system exceeds the lead action 317  
level established in rules adopted under this chapter, do all of 318  
the following, as applicable: 319

(a) Not later than two business days after the receipt of 320  
the laboratory results, provide notice to all of the system's 321  
water consumers that the system exceeds the lead action level. 322  
The owner or operator shall provide the notice in a form 323  
specified by the director. 324

(b) Not later than five business days after the receipt of 325  
the laboratory results by the owner or operator of a community 326  
water system, provide information on the availability of tap 327  
water testing for lead to all consumers served by the system who 328

are known or likely to have lead service lines, lead pipes, or 329  
lead solder as identified in the map required to be completed 330  
under division (F) of this section; 331

(c) Not later than thirty business days after the receipt 332  
of the laboratory results, make an analysis of laboratory 333  
results available to all consumers served by the system, comply 334  
with public education requirements established in rules adopted 335  
under this chapter that apply when a public water system exceeds 336  
the lead action level, and provide information to consumers 337  
served by the system about the availability of health screenings 338  
and blood lead level testing in the area served by the water 339  
system; 340

(d) Subject to rules adopted under division (A) (7) of this 341  
section, perform a corrosion control treatment study and submit 342  
a corrosion control treatment plan to the director not later 343  
than eighteen months after the date on which laboratory results 344  
were received by the owner or operator indicating that the 345  
system exceeded the lead action level. 346

(D) Not later than five business days after the receipt of 347  
the laboratory results, the owner or operator shall certify to 348  
the director that the owner or operator has complied with the 349  
requirements of divisions (C) (1), (C) (2) (c), (C) (3) (a), and (C) 350  
(3) (b) of this section, as applicable. 351

(E) If the owner or operator of a community or 352  
nontransient noncommunity water system fails to provide the 353  
notices required under division (C) (1) or (C) (3) (a) of this 354  
section, the director shall provide those notices beginning ten 355  
business days from the date that the director receives 356  
laboratory results under division (B) of this section. 357

(F) Not later than six months after the effective date of 358  
this section, the owner or operator of a community or 359  
nontransient noncommunity water system shall do all of the 360  
following, as applicable: 361

(1) For the owner or operator of a community water system, 362  
identify and map areas of the system that are known or are 363  
likely to contain lead service lines and identify 364  
characteristics of buildings served by the system that may 365  
contain lead piping, solder, or fixtures; 366

(2) For the owner or operator of a nontransient 367  
noncommunity water system, identify and map areas of the system 368  
with lead piping, solder, or fixtures in buildings served by the 369  
system; 370

(3) Submit a copy of the applicable map to the department 371  
of health and the department of job and family services; 372

(4) Submit a report to the director containing at least 373  
both of the following: 374

(a) The applicable map; 375

(b) A list of sampling locations that are tier I sites 376  
used to collect samples as required by rules adopted under this 377  
chapter, including contact information for the owner and 378  
occupant of each sampling site. 379

(G) The owner or operator of a community or nontransient 380  
noncommunity water system shall update and resubmit the 381  
information required under division (F) of this section once 382  
every five years beginning five years after the date of the 383  
initial submission. 384

(H) The director shall provide financial assistance from 385

the drinking water assistance fund established under section 386  
6109.22 of the Revised Code to community water systems and 387  
nontransient noncommunity water systems for the purpose of 388  
fulfilling the mapping requirements under division (F) of this 389  
section and complying with corrosion control requirements 390  
established in rules adopted under division (A) of this section. 391  
In addition, the director shall post information on the 392  
environmental protection agency's web site about other sources 393  
of funding that are available to assist communities with lead 394  
service line identification and replacement and schools with 395  
fountain and water-service fixture replacement. 396

(I) As required by the director, an owner or operator of a 397  
nontransient noncommunity water system that is a school or child 398  
day-care center shall collect additional tap water samples in 399  
buildings identified in the map required to be completed under 400  
division (F) of this section. 401

(J) As used in this section: 402

(1) "Child day-care center" has the same meaning as in 403  
section 5104.01 of the Revised Code. 404

(2) "School" means a school operated by the board of 405  
education of a city, local, exempted village, or joint 406  
vocational school district, the governing board of an 407  
educational service center, the governing authority of a 408  
community school established under Chapter 3314. of the Revised 409  
Code, the governing body of a science, technology, engineering, 410  
and mathematics school established under Chapter 3326. of the 411  
Revised Code, the board of trustees of a college-preparatory 412  
boarding school established under Chapter 3328. of the Revised 413  
Code, or the governing authority of a chartered or nonchartered 414  
nonpublic school. 415

(3) "Local board of health" means the applicable board of health of a city or general health district or the authority having the duties of a board of health under section 3709.05 of the Revised Code.

**Sec. 6109.22.** (A) There is hereby created the drinking water assistance fund to provide financial and technical assistance for the purposes of protecting public health and achieving and maintaining compliance with the Safe Drinking Water Act and this chapter. In addition to the accounts created under divisions (G) and (H) of this section, the drinking water assistance fund may include any other accounts established by the director of environmental protection. The fund shall be administered by the director consistent with the Safe Drinking Water Act, this section, and rules adopted under division (M) of this section.

(B) The drinking water assistance fund shall consist of the moneys credited to it from all capitalization grants received under the Safe Drinking Water Act except for moneys reserved by the governor pursuant to Title III, section 302 of that act, all moneys credited to the fund from nonfederal sources, including, without limitation, the proceeds of state bonds or notes issued for the benefit of the fund, all payments of principal and interest on loans made from the fund, and all investment earnings on moneys held in the fund. On or before the date that a capitalization grant payment made under the authority of the Safe Drinking Water Act is credited to the fund, required matching moneys shall be credited to the fund. Any moneys transferred to or reserved from the drinking water assistance fund pursuant to Title III, section 302 of the Safe Drinking Water Act shall be accounted for separately.



(C) In a manner consistent with the Safe Drinking Water Act and the applicable drinking water assistance management plan prepared in accordance with this section, the director may reserve and award for assistance moneys allotted to the state under section 1452 of the Safe Drinking Water Act, provided that the director makes a determination that the use of the moneys will accomplish the state's objectives and the objectives established for capitalization grants under the Safe Drinking Water Act. The director may use a portion of the reserved moneys to enter into contracts with qualified organizations, including private nonprofit organizations, to provide statewide on-site technical assistance to small public water systems.

(D) Subject to the terms of the agreements provided for in division (E) of this section, moneys in the drinking water assistance fund shall be held in trust by the Ohio water development authority for the purposes of this section, shall be kept in the same manner that funds of the authority are kept under section 6121.11 of the Revised Code, and may be invested in the same manner that funds of the authority are invested under section 6121.12 of the Revised Code. Moneys in the drinking water assistance fund shall be separate and apart from and not a part of the state treasury or of the other funds of the authority. No withdrawals or disbursements shall be made from the drinking water assistance fund without the written authorization of the director.

(E) The director shall adopt written criteria to ensure that fiscal controls are established for prudent administration of the drinking water assistance fund. For that purpose, the director and the authority shall enter into any necessary and appropriate agreements under which the authority may perform or provide any of the following:

(1) Fiscal controls and accounting procedures governing	477
fund balances, receipts, and disbursements;	478
(2) Administration of loan accounts;	479
(3) Maintenance, management, and investment of moneys in	480
the fund.	481
Any agreement entered into under division (E) of this	482
section shall provide for the payment of reasonable fees to the	483
authority for any services it performs under the agreement and	484
may provide for reasonable fees for the assistance of financial	485
or accounting advisors. Payment of any of the fees to the	486
authority may be made from the drinking water assistance	487
administrative account established under division (G) of this	488
section.	489
(F) The authority may make moneys available to the	490
director for the purpose of providing matching moneys required	491
to be credited to the drinking water assistance fund under	492
division (B) of this section, subject to any terms that the	493
director and the authority consider appropriate, and may pledge	494
moneys that are held by the authority to secure the payment of	495
bonds or notes issued by the authority to provide those matching	496
moneys.	497
The director and the authority may enter into trust	498
agreements to enable the authority to issue and refund bonds or	499
notes for the sole benefit of the drinking water assistance	500
fund, including, without limitation, the raising of matching	501
moneys required to be credited to the fund in accordance with	502
division (B) of this section. The agreements may authorize the	503
pledge of moneys accruing to the fund from payments of principal	504
or interest or both on loans made from the fund to secure bonds	505

or notes, the proceeds of which bonds or notes shall be for the 506  
sole benefit of the drinking water assistance fund. The 507  
agreements may contain any terms that the director and the 508  
authority consider reasonable and proper for the payment and 509  
security of the bondholders or noteholders. 510

(G) There is hereby established within the drinking water 511  
assistance fund the drinking water assistance administrative 512  
account. No state matching moneys deposited into the fund under 513  
this section shall be used for the purpose of paying for or 514  
defraying the costs of administering this section. The director 515  
may establish and collect fees from applicants for assistance 516  
provided under this section. The total fees charged to an 517  
applicant under this division for assistance under this section 518  
shall not exceed the following: 519

(1) For the environmental protection agency, one per cent 520  
of the principal amount of the assistance awarded to the 521  
applicant; 522

(2) For the authority, thirty-five one-hundredths of one 523  
per cent of the principal amount of the assistance awarded to 524  
the applicant. 525

All moneys from the fees shall be credited to the drinking 526  
water assistance administrative account in the fund. The moneys 527  
shall be used solely to defray the costs of administering this 528  
section. 529

(H) There is hereby established within the drinking water 530  
assistance fund the water supply revolving loan account. The 531  
director may provide financial assistance from the water supply 532  
revolving loan account for improvements to community water 533  
systems and to nonprofit noncommunity public water systems. 534

(I) All moneys from the fund credited to the water supply revolving loan account, all interest earned on moneys credited to the account, and all payments of principal and interest on loans made from the account shall be dedicated in perpetuity and used and reused solely for the following purposes, except as otherwise provided in this section:

(1) To make loans to community water systems and nonprofit noncommunity public water systems, subject to all of the following conditions:

(a) The loans are made at or below market rates of interest, including, without limitation, interest-free loans;

(b) Each recipient of a loan shall establish a dedicated source of security or revenue for repayment of the loan;

(c) Periodic payments of principal and interest shall be required on the dates and in the amounts approved by the director;

(d) All payments of principal and interest on the loans shall be credited to the water supply revolving loan account.

(2) To purchase or refinance at or below market rates interest debt obligations incurred after July 1, 1993, by municipal corporations, other political subdivisions, and interstate agencies having territory in the state. If any debt obligations are purchased or refinanced under division (I) (2) of this section to provide financial assistance for any of the purposes allowed under division (I) of this section, the repayment period may extend up to forty-five years. However, the repayment period shall not exceed the expected useful life of any facilities that are financed by the obligations.

(3) To guarantee or purchase insurance for debt

obligations when the guarantee or insurance would improve the 564  
borrower's access to credit markets or would reduce the interest 565  
paid on those obligations; 566

(4) As a source of revenue or security for the payment of 567  
principal and interest on general obligation or revenue bonds or 568  
notes issued by this state if the proceeds of the sale of the 569  
bonds or notes are or will be deposited into the account; 570

(5) To provide subsidies in addition to any other 571  
financial assistance afforded disadvantaged communities under 572  
this section; 573

(6) To earn interest on moneys credited to the account; 574

(7) To provide any other assistance authorized by the Safe 575  
Drinking Water Act or any other federal law related to the use 576  
of federal funds administered under the Safe Drinking Water Act. 577

(J) The director may provide financial assistance from the 578  
water supply revolving loan account after determining all of the 579  
following: 580

(1) The applicant for financial assistance has the legal, 581  
institutional, managerial, and financial capability to 582  
construct, operate, and maintain its public water system and the 583  
proposed improvements to it; 584

(2) The applicant will implement a financial management 585  
plan that includes, without limitation, provisions for 586  
satisfactory repayment of the financial assistance; 587

(3) The public water system of which the project for which 588  
assistance is proposed is a part is economically and 589  
nonmonetarily cost-effective, based on an evaluation of feasible 590  
alternatives that meet the drinking water treatment needs of the 591

planning area in which the proposed project is located; 592

(4) Based on a comprehensive environmental review approved 593  
by the director, there are no significant adverse environmental 594  
effects resulting from all necessary improvements to the public 595  
water system of which the project proposed for assistance is a 596  
part; 597

(5) Public participation has occurred during the process 598  
of planning the project in compliance with applicable 599  
requirements under the Safe Drinking Water Act; 600

(6) The application meets the requirements of this section 601  
and rules adopted under division (M) of this section and is 602  
consistent with section 1452 of the Safe Drinking Water Act and 603  
regulations adopted under it; 604

(7) If the applicant for assistance is a water district 605  
formed under Chapter 6119. of the Revised Code that operates a 606  
public water system and that water district seeks to extend the 607  
distribution facilities, increase the number of service 608  
connections to its system, or provide for any other expansion of 609  
its system, the water district has consulted with the board of 610  
county commissioners from each county in which is located the 611  
proposed extension of distribution facilities, increase in the 612  
number of service connections, or other expansion of the public 613  
water system; 614

(8) The application meets any other requirements that the 615  
director considers necessary or appropriate to protect public 616  
health and the environment and to ensure the financial integrity 617  
of the water supply revolving loan account. 618

Upon approval by the director of an application for 619  
financial assistance, the Ohio water development authority shall 620

disburse the appropriate financial assistance from the water 621  
supply revolving loan account. If the proposed financial 622  
assistance is a loan, and if the payments of the principal or 623  
interest on the loan are or are expected to be pledged to secure 624  
payment of bonds issued or expected to be issued by the 625  
authority, the director shall submit the application for the 626  
loan to the authority for review and approval with respect to 627  
any matters pertaining to security for and the marketability of 628  
authority bonds. Review and approval by the authority shall be 629  
required prior to the making of such a loan. 630

(K) In accordance with rules adopted under division (M) of 631  
this section, the director periodically shall prepare a drinking 632  
water assistance management plan establishing the short-term and 633  
long-term goals for the assistance provided under this section, 634  
the allocation of available resources for the purposes of this 635  
section, the environmental, financial, and administrative terms, 636  
conditions, and criteria for the award of financial and 637  
technical assistance under this section, and the intended uses 638  
of capitalization grants and available moneys from the drinking 639  
water assistance fund. Criteria for awarding financial or 640  
technical assistance under this section shall not favor or 641  
disfavor any otherwise qualified nonprofit noncommunity public 642  
water system because it is owned by, operated by, or services a 643  
religious organization or a facility used for religious 644  
purposes. Prior to its adoption, the director shall make the 645  
drinking water assistance management plan available for public 646  
review and comment at a minimum of two public meetings and shall 647  
take adequate steps to ensure that reasonable public notice of 648  
each public meeting is given at least thirty days prior to the 649  
meeting. 650

The plan shall include, without limitation, a system that 651

prioritizes projects funded by the water supply revolving loan 652  
account based on the relative risk to human health being 653  
addressed, their necessity for ensuring compliance with 654  
requirements of the Safe Drinking Water Act, and their 655  
affordability to the applicants, as determined by the director. 656  
Financial assistance for projects from the water supply 657  
revolving loan account shall be limited to projects that are 658  
included in that prioritization and shall be awarded based upon 659  
their priority position and the applicants' readiness to proceed 660  
with their proposed activities as determined by the director. 661  
The drinking water assistance management plan shall include 662  
terms, conditions, amounts of moneys, and qualifying criteria, 663  
in addition to any other criteria established under this 664  
section, governing the financial assistance to be awarded to 665  
applicants from the water supply revolving loan account. The 666  
director shall determine the most effective use of the moneys in 667  
that account to achieve the state's drinking water assistance 668  
goals and objectives. 669

(L) The director, consistent with this section and 670  
applicable rules adopted under division (M) of this section, may 671  
enter into an agreement with an applicant for assistance from 672  
the drinking water assistance fund. Based on the director's 673  
review and approval of the project plans submitted under section 674  
6109.07 of the Revised Code, any determinations made under 675  
division (J) of this section if an applicant seeks funding from 676  
the water supply revolving loan account, and any other 677  
requirements of this section and rules adopted under it, the 678  
director may establish in the agreement environmental and 679  
financial terms and conditions of the financial assistance to be 680  
offered to the applicant. If the recipient of financial 681  
assistance under this section defaults on any payment required 682



in the agreement for financial assistance or otherwise violates 683  
a term or condition of the agreement or of the plan approval for 684  
the project under section 6109.07 of the Revised Code, the 685  
director, in addition to any other available remedies, may 686  
terminate, suspend, or require immediate repayment of the 687  
financial assistance. The director also may take any enforcement 688  
action available under this chapter. 689

(M) The director may adopt rules in accordance with 690  
Chapter 119. of the Revised Code for the implementation and 691  
administration of this section. The rules shall be consistent 692  
with section 1452 of the Safe Drinking Water Act. 693

(N) (1) For the purposes of this section, appealable 694  
actions of the director pursuant to section 3745.04 of the 695  
Revised Code are limited to the following: 696

(a) Adoption of the drinking water assistance management 697  
plan prepared under division (K) of this section; 698

(b) Approval of priority systems, priority lists, and 699  
written program administration policies; 700

(c) Approval or disapproval under this section of 701  
applicants' project plans submitted under section 6109.07 of the 702  
Revised Code; 703

(d) Approval or disapproval of an application for 704  
assistance. 705

(2) Notwithstanding section 119.06 of the Revised Code, 706  
the director may take the final actions described in divisions 707  
(N) (1) (a) to (d) of this section without holding an adjudication 708  
hearing in connection with the action and without first issuing 709  
a proposed action under section 3745.07 of the Revised Code. 710

(3) Each action described in divisions (N) (1) (a) to (d) of 711  
this section and each approval of a plan under section 6109.07 712  
of the Revised Code is a separate and discrete action of the 713  
director. Appeals are limited to the issues concerning the 714  
specific action appealed. Any appeal shall not include issues 715  
determined under the scope of any prior action. 716

(O) The failure or inability of a public water system to 717  
obtain assistance under this section does not alter the 718  
obligation of the public water system to comply with all 719  
applicable requirements of this chapter and rules adopted under 720  
it. 721

**Sec. 6111.036.** (A) There is hereby created the water 722  
pollution control loan fund to provide financial, technical, and 723  
administrative assistance ~~for the following purposes as follows:~~ 724

(1) ~~Construction~~ For the construction of publicly owned 725  
wastewater treatment works, as "construction" and "treatment 726  
works" are defined in section 212 of the "Federal Water 727  
Pollution Control Act," by municipal corporations, other 728  
political subdivisions, state agencies, and interstate agencies 729  
having territory in this state; 730

(2) ~~Implementation~~ For the implementation of a nonpoint 731  
source pollution management ~~programs~~ program under section 319 732  
of that act; 733

(3) ~~Development~~ For the development and implementation of 734  
estuary conservation and management programs under section 320 735  
of that act; 736

(4) For the construction, repair, or replacement of 737  
decentralized wastewater treatment systems that treat municipal 738  
wastewater or domestic sewage; 739

- (5) For measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water; 740  
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- (6) For measures to reduce the demand for publicly owned wastewater treatment works capacity through water conservation, efficiency, or reuse by any municipal corporation, other political subdivision, state agency, or interstate agency having territory in this state; 742  
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- (7) For the development and implementation of watershed projects meeting the criteria established in section 122 of that act; 747  
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- (8) For measures to reduce the energy consumption needs of publicly owned wastewater treatment works by any municipal corporation, other political subdivision, state agency, or interstate agency having territory in this state; 750  
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- (9) For reusing or recycling wastewater, stormwater, or subsurface drainage water; 754  
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- (10) For measures to increase the security of publicly owned wastewater treatment works; 756  
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- (11) To any qualified nonprofit entity, as determined by the director of environmental protection, to provide assistance to owners and operators of small and medium publicly owned wastewater treatment works for either of the following: 758  
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- (a) To plan, develop, and obtain financing for eligible projects under this division, including planning, design, and associated preconstruction activities; 762  
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- (b) To assist such treatment works in achieving compliance with the Federal Water Pollution Control Act. 765  
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- To the extent they are otherwise allowable as determined 767

by the director ~~of environmental protection~~, the purposes 768  
identified under division (A) of this section are intended to 769  
include activities benefiting the waters of the state that are 770  
authorized under Chapter 3746. of the Revised Code. 771

The fund shall be administered by the director consistent 772  
with the "Federal Water Pollution Control Act"; regulations 773  
adopted under it, including, without limitation, regulations 774  
establishing public participation requirements applicable to the 775  
providing of financial assistance; this section; and rules 776  
adopted under division (O) of this section. 777

Moneys in the water pollution control loan fund shall be 778  
separate and apart from and not a part of the state treasury or 779  
of the other funds of the Ohio water development authority. 780  
Subject to the terms of the agreements provided for in divisions 781  
(B), (C), (D), and (F) of this section, moneys in the fund shall 782  
be held in trust by the Ohio water development authority for the 783  
purposes of this section, shall be kept in the same manner that 784  
funds of the authority are kept under section 6121.11 of the 785  
Revised Code, and may be invested in the same manner that funds 786  
of the authority are invested under section 6121.12 of the 787  
Revised Code. No withdrawals or disbursements shall be made from 788  
the water pollution control loan fund without the written 789  
authorization of the director or the director's designated 790  
representative. The manner of authorization for any withdrawals 791  
or disbursements from the fund to be made by the authority shall 792  
be established in the agreements authorized under division (C) 793  
of this section. 794

(B) The director may enter into agreements to receive and 795  
assign moneys credited or to be credited to the water pollution 796  
control loan fund. The director may reserve capitalization grant 797

moneys allotted to the state under sections 601 and 604(c) (2) of 798  
the "Federal Water Pollution Control Act" for the other purposes 799  
authorized for the use of capitalization grant moneys under 800  
sections 603(d) (7) and 604(b) of that act. 801

(C) The director shall ensure that fiscal controls are 802  
established for prudent administration of the water pollution 803  
control loan fund. For that purpose, the director and the Ohio 804  
water development authority shall enter into any necessary and 805  
appropriate agreements under which the authority may perform or 806  
provide any of the following: 807

(1) Fiscal controls and accounting procedures governing 808  
fund balances, receipts, and disbursements; 809

(2) Administration of loan accounts; 810

(3) Maintaining, managing, and investing moneys in the 811  
fund. 812

Any agreement entered into under this division shall 813  
provide for the payment of reasonable fees to the Ohio water 814  
development authority for any services it performs under the 815  
agreement and may provide for reasonable fees for the assistance 816  
of financial or accounting advisors. Payments of any such fees 817  
to the authority may be made from the water pollution control 818  
loan fund to the extent authorized by division (H) (7) of this 819  
section or from the water pollution control loan administrative 820  
fund created in division (E) of this section. The authority may 821  
enter into loan agreements with the director and recipients of 822  
financial assistance from the fund as provided in this section. 823

(D) The water pollution control loan fund shall consist of 824  
the moneys credited to it from all capitalization grants 825  
received under sections 601 and 604(c) (2) of the "Federal Water 826

Pollution Control Act,<sup>u</sup> all moneys received as capitalization 827  
grants under section 205(m) of that act, all matching moneys 828  
credited to the fund arising from nonfederal sources, all 829  
payments of principal and interest for loans made from the fund, 830  
and all investment earnings on moneys held in the fund. On or 831  
before the date on which a quarterly capitalization grant 832  
payment will be received under that act, matching moneys equal 833  
to at least twenty per cent of the quarterly capitalization 834  
grant payment shall be credited to the fund. The Ohio water 835  
development authority may make moneys available to the director 836  
for the purpose of providing the matching moneys required by 837  
this division, subject to such terms as the director and the 838  
authority consider appropriate, and may pledge moneys that are 839  
held by the authority to secure the payment of bonds or notes 840  
issued by the authority to provide those matching moneys. The 841  
authority may make moneys available to the director for that 842  
purpose from any funds now or hereafter available to the 843  
authority from any source, including, without limitation, the 844  
proceeds of bonds or notes heretofore or hereafter issued by the 845  
authority under Chapter 6121. of the Revised Code. Matching 846  
moneys made available to the director by the authority from the 847  
proceeds of any such bonds or notes shall be made available 848  
subject to the terms of the trust agreements relating to the 849  
bonds or notes. Any such matching moneys shall be made available 850  
to the director pursuant to a written agreement between the 851  
director and the authority that contains such terms as the 852  
director and the authority consider appropriate, including, 853  
without limitation, a provision providing for repayment to the 854  
authority of those matching moneys from moneys deposited in the 855  
water pollution control loan fund, including, without 856  
limitation, the proceeds of bonds or notes issued by the 857  
authority for the benefit of the fund and payments of principal 858

and interest on loans made from the fund, or from any other 859  
sources now or hereafter available to the director for the 860  
repayment of those matching moneys. 861

(E) All moneys credited to the water pollution control 862  
loan fund, all interest earned on moneys in the fund, and all 863  
payments of principal and interest for loans made from the fund 864  
shall be dedicated in perpetuity and used and reused solely for 865  
the purposes set forth in division (A) of this section, except 866  
as otherwise provided in division (D) or (F) of this section. 867  
The director may establish and collect fees to be paid by 868  
recipients of financial assistance under this section, and all 869  
moneys arising from the fees shall be credited to the water 870  
pollution control loan administrative fund, which is hereby 871  
created in the state treasury, and shall be used to defray the 872  
costs of administering this section. 873

(F) The director and the Ohio water development authority 874  
shall enter into trust agreements to enable the authority to 875  
issue and refund bonds or notes for the sole benefit of the 876  
water pollution control loan fund, including, without 877  
limitation, the raising of the matching moneys required by 878  
division (D) of this section. These agreements may authorize the 879  
pledge of moneys accruing to the fund from payments of principal 880  
and interest on loans made from the fund adequate to secure 881  
bonds or notes, the proceeds of which bonds or notes shall be 882  
for the sole benefit of the water pollution control loan fund. 883  
The agreements may contain such terms as the director and the 884  
authority consider reasonable and proper for the security of the 885  
bondholders or noteholders. 886

(G) The director shall enter into binding commitments to 887  
provide financial assistance from the water pollution control 888

loan fund in an amount equal to one hundred twenty per cent of 889  
the amount of each capitalization grant payment received, within 890  
one year after receiving each such grant payment. The director 891  
shall provide the financial assistance in compliance with this 892  
section and rules adopted under division (O) of this section. 893  
The director shall ensure that all moneys credited to the fund 894  
are disbursed in an expeditious and timely manner. During the 895  
second year of operation of the water pollution control loan 896  
program, the director also shall ensure that not less than 897  
twenty-five per cent of the financial assistance provided under 898  
this section during that year is provided for the purpose of 899  
division (H) (2) of this section for the purchase or refinancing 900  
of debt obligations incurred after March 7, 1985, but not later 901  
than July 1, 1988, except that if the amount of money reserved 902  
during the second year of operation of the program for the 903  
purchase or refinancing of those debt obligations exceeds the 904  
amount required for the projects that are eligible to receive 905  
financial assistance for that purpose, the director shall 906  
distribute the excess moneys in accordance with the current 907  
priority system and list prepared under division (I) of this 908  
section to provide financial assistance for projects that 909  
otherwise would not receive assistance in that year. 910

(H) Moneys credited to the water pollution control loan 911  
fund shall be used only for the following purposes: 912

(1) To make loans, subject to all of the following 913  
conditions: 914

(a) The loans are made at or below market rates of 915  
interest, including, without limitation, interest free loans~~r~~. 916

(b) Periodic payments of principal and interest, on the 917  
dates and in the amounts approved by the director, shall 918



commence not later than one year after completion of the 919  
project, and all loans shall be fully amortized not later than 920  
~~twenty~~thirty years after project completion~~+~~. 921

(c) Each recipient of a loan shall establish a dedicated 922  
source of revenue for repayment of the loan~~+~~. 923

(d) All payments of principal and interest on the loans 924  
shall be credited to the fund, except as otherwise provided in 925  
division (D) or (F) of this section. 926

(2) To purchase or refinance at or below market rates of 927  
interest debt obligations incurred after March 7, 1985, by 928  
municipal corporations, other political subdivisions, and 929  
interstate agencies having territory in the state~~+~~. If, and to 930  
the extent allowed under the Federal Water Pollution Control 931  
Act, debt obligations are purchased or refinanced under this 932  
section to provide financial assistance for any of the purposes 933  
allowed under division (A) of this section, the repayment period 934  
may extend up to forty-five years. However, the repayment period 935  
shall not exceed the expected useful life of any facilities that 936  
are financed by the obligations. 937

(3) To guarantee or purchase insurance for debt 938  
obligations of municipal corporations, other political 939  
subdivisions, and interstate agencies having territory within 940  
the state when the guarantee or insurance would improve the 941  
borrower's access to credit markets or would reduce the interest 942  
rate paid on those obligations; 943

(4) As a source of revenue or security for the payment of 944  
principal and interest on general obligation or revenue bonds or 945  
notes issued by this state if the proceeds of the sale of the 946  
bonds or notes will be deposited in the fund; 947

(5) To provide loan guarantees for revolving loan funds 948  
established by municipal corporations and other political 949  
subdivisions that are similar to the water pollution control 950  
loan fund; 951

(6) To earn interest on moneys credited to the fund; 952

(7) ~~To pay~~ For the payment of the reasonable costs of 953  
administering the fund and conducting activities under this 954  
section, except that ~~cumulative expenditures from the fund for~~ 955  
~~administrative costs~~ those amounts shall not at any time exceed 956  
four per cent of the total amount of the capitalization grants 957  
received, four hundred thousand dollars per year, or one-fifth 958  
of one per cent per year of the current valuation of the fund, 959  
whichever amount is greater, plus the amount of any fees 960  
collected by the state for that purpose regardless of the 961  
source; 962

(8) To provide assistance in any manner or for any purpose 963  
that is consistent with Title VI of the Federal Water Pollution 964  
Control Act or with any other federal law related to the use of 965  
federal funds administered under Title VI of the Federal Water 966  
Pollution Control Act, including, without limitation, the 967  
awarding of principal forgiveness assistance under that act. 968

(I) The director periodically shall prepare in accordance 969  
with rules adopted under division (O) of this section a state 970  
priority system and list ranking assistance proposals 971  
principally on the basis of their relative water quality and 972  
public health benefits and the financial need of the applicants 973  
for assistance. Assistance for proposed activities from the 974  
water pollution control loan fund shall be limited to those 975  
activities appearing on that priority list and shall be awarded 976  
based upon their priority sequence on the list and the 977

applicants' readiness to proceed with their proposed activities. 978  
The director annually shall prepare and circulate for public 979  
review and comment a plan that defines the goals and intended 980  
uses of the fund, as required by section 606(c) of the "Federal 981  
Water Pollution Control Act." 982

(J) Financial assistance from the water pollution control 983  
loan fund first shall be used to ensure maintenance of progress, 984  
as determined by the governor, toward compliance with 985  
enforceable deadlines, goals, and requirements under the 986  
"Federal Water Pollution Control Act" that are pertinent to the 987  
purposes of the fund set forth in divisions (A)(1) to (3) of 988  
this section, including, without limitation, the municipal 989  
compliance deadline under that act. 990

(K) The director may provide financial assistance from the 991  
water pollution control loan fund for a publicly owned treatment 992  
works project only after determining that: 993

~~(1) Sewerage systems tributary to the treatment works are~~ 994  
~~not subject to excessive infiltration and inflow.~~ 995

~~(2)~~ The applicant for financial assistance has the legal, 996  
institutional, managerial, and financial capability to 997  
construct, operate, and maintain its publicly owned treatment 998  
works. 999

~~(3)~~ (2) The applicant will implement a financial 1000  
management plan that includes, without limitation, provisions 1001  
for satisfactory repayment of the financial assistance, a 1002  
~~proportional~~ user charge system to pay the operation, 1003  
maintenance, and replacement expenses of the project, and, if 1004  
appropriate in the director's judgment, an adequate capital 1005  
improvements fund. 1006

~~(4)~~-(3) The proposed disposal system of which the project is a part is economically and nonmonetarily cost-effective, based upon an evaluation of feasible alternatives that meet the waste water treatment needs of the planning area in which the proposed project is located~~†~~. 1007  
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~~(5)~~-(4) Based upon the environmental review conducted by the director under division (L) of this section, there are no significant adverse environmental effects resulting from the proposed disposal system and the system has been selected from among environmentally sound alternatives~~†~~. 1012  
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~~(6)~~-(5) Public participation has occurred during the process of planning the project in compliance with applicable requirements under the "Federal Water Pollution Control Act"~~†~~. 1017  
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~~(7)~~-(6) The applicant has submitted a facilities plan for the project that meets the applicable program requirements and that has been approved by the director~~†~~. 1020  
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~~(8)~~-(7) The application meets the requirements of this section and rules adopted under division (O) of this section and is consistent with the intent of Title VI of the "Federal Water Pollution Control Act" and regulations adopted under it~~†~~. 1023  
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~~(9)~~-(8) The application meets such other requirements as the director considers necessary or appropriate to protect the environment or ensure the financial integrity of the fund while implementing this section. 1027  
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(L) The director shall perform and document for public review an independent, comprehensive environmental review of the assistance proposal for each activity receiving financial assistance under this section. The review shall serve as the basis for the determinations to be made under division (K) ~~(5)~~ 1031  
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(4) or (Q) (4) of this section, as applicable, and may include, 1036  
without limitation, an environmental assessment, any necessary 1037  
supplemental studies, and an enforceable mitigation plan. The 1038  
director may establish environmental impact mitigation terms or 1039  
conditions for the implementation of an assistance proposal, 1040  
including, without limitation, the installation or modification 1041  
of a disposal system, in the director's approval of the plans 1042  
for the installation or modification as authorized by section 1043  
6111.44 of the Revised Code or through other legally enforceable 1044  
means. The review shall be conducted in accordance with 1045  
applicable rules adopted under division (O) of this section. 1046

(M) The director, consistent with this section and 1047  
applicable rules adopted under division (O) of this section, may 1048  
enter into any agreement with an applicant that is necessary or 1049  
appropriate to provide assistance from the water pollution 1050  
control loan fund. Based upon the director's review of an 1051  
assistance proposal, including, without limitation, approval for 1052  
the project under section 6111.44 of the Revised Code, the 1053  
environmental review conducted under division (L) of this 1054  
section, and the other requirements of this section and rules 1055  
adopted under it, the director may establish in the agreement 1056  
terms and conditions of the assistance to be offered to an 1057  
applicant. In addition to any other available remedies, the 1058  
director may terminate, suspend, or require immediate repayment 1059  
of financial assistance provided under this section to, or take 1060  
any other enforcement action available under this chapter 1061  
against, a recipient of financial assistance under this section 1062  
who defaults on any payment required in the agreement for 1063  
financial assistance or otherwise violates a term or condition 1064  
of the agreement or of the plan approval for the project under 1065  
section 6111.44 of the Revised Code. 1066

(N) Based upon the director's judgment as to the financial 1067  
need of the applicant and as to what constitutes the most 1068  
effective allocation of funds to achieve statewide water 1069  
pollution control objectives, the director may establish the 1070  
terms, conditions, and amount of financial assistance to be 1071  
offered to an applicant from the water pollution control loan 1072  
fund. The director, to the extent consistent with the water 1073  
quality improvement priorities reflected in the current priority 1074  
system and list prepared under division (I) of this section and 1075  
with the long-term financial integrity of the fund, shall ensure 1076  
each year that financial assistance in an amount equal to the 1077  
cost of the assistance proposals of applicants having a high 1078  
level of economic need that are on the current priority list and 1079  
for which funding is available in that year is made available 1080  
from the fund to those applicants at an interest rate that is 1081  
lower than that offered to other applicants for financial 1082  
assistance from the fund for assistance proposals that are on 1083  
the current priority list and for which funding is available in 1084  
that year. 1085

The director shall determine the economic need of 1086  
applicants for financial assistance in accordance with uniform 1087  
criteria established in rules adopted under division (O) of this 1088  
section. 1089

(O) The director may adopt rules in accordance with 1090  
Chapter 119. of the Revised Code for the implementation and 1091  
administration of this section and section 6111.037 of the 1092  
Revised Code. Any such rules governing the planning, design, and 1093  
construction of water pollution control projects, establishing 1094  
an environmental review process, establishing requirements for 1095  
the preparation of environmental impact reports and mitigation 1096  
plans, governing the establishment of priority systems for 1097

providing financial assistance under this section and section 1098  
6111.037 of the Revised Code, and governing the terms and 1099  
conditions of assistance, shall be consistent with the intent of 1100  
Titles II and VI and sections 319 and 320 of the "Federal Water 1101  
Pollution Control Act." The rules governing the establishment of 1102  
priority systems for financial assistance and governing terms 1103  
and conditions of assistance shall provide for the most 1104  
effective allocation of moneys from the water pollution control 1105  
loan fund to achieve water quality and public health objectives 1106  
throughout the state as determined by the director. 1107

(P) (1) For the purpose of this section, appealable actions 1108  
of the director pursuant to section 3745.04 of the Revised Code 1109  
are limited to the following: 1110

(a) Approval of draft priority systems, draft priority 1111  
lists, and draft written program administration policies; 1112

(b) Approval or disapproval of project facility plans 1113  
under division (K) ~~(7)~~ (6) of this section; 1114

(c) Approval or disapproval of plans and specifications 1115  
for a project under section 6111.44 of the Revised Code and 1116  
issuance of a permit to install in connection with a project 1117  
pursuant to rules adopted under section 6111.03 of the Revised 1118  
Code; 1119

(d) Approval or disapproval of an application for 1120  
assistance. 1121

(2) Notwithstanding section 119.06 of the Revised Code, 1122  
the director may take final action described in division (P) (1) 1123  
(a), (b), (c), or (d) of this section without holding an 1124  
adjudication hearing in connection with the action and without 1125  
first issuing a proposed action under section 3745.07 of the 1126

Revised Code. 1127

(3) Each action described in divisions (P) (1) (a), (b), 1128  
(c), and (d) of this section is a separate and discrete action 1129  
of the director. Appeals of any such action are limited to the 1130  
issues concerning the specific action appealed, and the appeal 1131  
shall not include issues determined under the scope of any prior 1132  
action. 1133

(Q) The director may provide financial assistance for the 1134  
implementation of a nonpoint source management program activity 1135  
only after determining all of the following: 1136

(1) The activity is consistent with the state's nonpoint 1137  
source management program~~†~~. 1138

(2) The applicant has the legal, institutional, 1139  
managerial, and financial capability to implement, operate, and 1140  
maintain the activity~~†~~. 1141

(3) The cost of the activity is reasonable considering 1142  
monetary and nonmonetary factors~~†~~. 1143

(4) Based on the environmental review conducted by the 1144  
director under division (L) of this section, the activity will 1145  
not result in significant adverse environmental impacts~~†~~. 1146

(5) The application meets the requirements of this section 1147  
and rules adopted under division (O) of this section and is 1148  
consistent with the intent of Title VI of the "Federal Water 1149  
Pollution Control Act" and regulations adopted under it~~†~~. 1150

(6) The applicant will implement a financial management 1151  
plan, including, without limitation, provisions for satisfactory 1152  
repayment of the financial assistance~~†~~. 1153

(7) The application meets such other requirements as the 1154



director considers necessary or appropriate to protect the 1155  
environment and ensure the financial integrity of the fund while 1156  
implementing this section. 1157

(R) As used in this section, "Federal Water Pollution 1158  
Control Act" means the "Federal Water Pollution Control Act 1159  
Amendments of 1972," 86 Stat. 886, 33 U.S.C.A. 1251, as amended 1160  
by the "Clean Water Act of 1977," 91 Stat. 1566, 33 U.S.C.A. 1161  
1251, the "Act of October 21, 1980," 94 Stat. 2360, 33 U.S.C.A. 1162  
1254, the "Municipal Wastewater Treatment Construction Grant 1163  
Amendments of 1981," 95 Stat. 1623, 33 U.S.C.A. 1281, ~~and the~~ 1164  
"Water Quality Act of 1987," 101 Stat. 7, 33 U.S.C.A. 1251, and 1165  
applicable portions of the "American Recovery and Reinvestment 1166  
Act of 2009," Pub. L. 111-5, 123 Stat. 115, and the "Water 1167  
Resources Reform and Development Act of 2014," 128 Stat. 1227, 1168  
33 U.S.C. 2223. 1169

**Sec. 6121.04.** The Ohio water development authority may do 1170  
any or all of the following: 1171

(A) Adopt bylaws for the regulation of its affairs and the 1172  
conduct of its business; 1173

(B) Adopt an official seal; 1174

(C) Maintain a principal office and suboffices at places 1175  
within the state that it designates; 1176

(D) Sue and plead in its own name and be sued and 1177  
impleaded in its own name with respect to its contracts or torts 1178  
of its members, employees, or agents acting within the scope of 1179  
their employment, or to enforce its obligations and covenants 1180  
made under sections 6121.06, 6121.08, and 6121.13 of the Revised 1181  
Code. Any such actions against the authority shall be brought in 1182  
the court of common pleas of the county in which the principal 1183

office of the authority is located or in the court of common 1184  
pleas of the county in which the cause of action arose, provided 1185  
that the county is located within this state, and all summonses, 1186  
exceptions, and notices of every kind shall be served on the 1187  
authority by leaving a copy thereof at the principal office with 1188  
the person in charge thereof or with the secretary-treasurer of 1189  
the authority. 1190

(E) Make loans and grants to governmental agencies for the 1191  
acquisition or construction of water development projects by any 1192  
such governmental agency and adopt rules and procedures for 1193  
making such loans and grants; 1194

(F) Acquire, construct, reconstruct, enlarge, improve, 1195  
furnish, equip, maintain, repair, operate, or lease or rent to, 1196  
or contract for operation by, a governmental agency or person, 1197  
water development projects, and establish rules for the use of 1198  
those projects; 1199

(G) Make available the use or services of any water 1200  
development project to one or more persons, one or more 1201  
governmental agencies, or any combination thereof; 1202

(H) Issue water development revenue bonds and notes and 1203  
water development revenue refunding bonds of the state, payable 1204  
solely from revenues as provided in section 6121.06 of the 1205  
Revised Code, unless the bonds are refunded by refunding bonds, 1206  
for the purpose of paying any part of the cost of one or more 1207  
water development projects or parts thereof; 1208

(I) Acquire by gift or purchase, hold, and dispose of real 1209  
and personal property in the exercise of its powers and the 1210  
performance of its duties under this chapter; 1211

(J) Acquire, in the name of the state, by purchase or 1212

otherwise, on terms and in the manner that it considers proper, 1213  
or by the exercise of the right of condemnation in the manner 1214  
provided by section 6121.18 of the Revised Code, public or 1215  
private lands, including public parks, playgrounds, or 1216  
reservations, or parts thereof or rights therein, rights-of-way, 1217  
property, rights, easements, and interests that it considers 1218  
necessary for carrying out this chapter, but excluding the 1219  
acquisition by the exercise of the right of condemnation of any 1220  
waste water facility or water management facility owned by any 1221  
person or governmental agency, and compensation shall be paid 1222  
for public or private lands so taken, except that a government- 1223  
owned waste water facility may be appropriated in accordance 1224  
with section 6121.041 of the Revised Code; 1225

(K) Adopt rules to protect augmented flow in waters of the 1226  
state, to the extent augmented by a water development project, 1227  
from depletion so it will be available for beneficial use, and 1228  
to provide standards for the withdrawal from waters of the state 1229  
of the augmented flow created by a water development project 1230  
that is not returned to the waters of the state so augmented and 1231  
to establish reasonable charges therefor if considered necessary 1232  
by the authority; 1233

(L) Make and enter into all contracts and agreements and 1234  
execute all instruments necessary or incidental to the 1235  
performance of its duties and the execution of its powers under 1236  
this chapter in accordance with the following requirements: 1237

(1) When the cost under any such contract or agreement, 1238  
other than compensation for personal services, involves an 1239  
expenditure of more than ~~twenty-five~~ fifty thousand dollars, the 1240  
authority shall make a written contract with the lowest 1241  
responsive and responsible bidder, in accordance with section 1242

9.312 of the Revised Code, after advertisement for not less than 1243  
two consecutive weeks in a newspaper of general circulation in 1244  
Franklin county, and in other publications that the authority 1245  
determines, which shall state the general character of the work 1246  
and the general character of the materials to be furnished, the 1247  
place where plans and specifications therefor may be examined, 1248  
and the time and place of receiving bids, provided that a 1249  
contract or lease for the operation of a water development 1250  
project constructed and owned by the authority or an agreement 1251  
for cooperation in the acquisition or construction of a water 1252  
development project pursuant to section 6121.13 of the Revised 1253  
Code or any contract for the construction of a water development 1254  
project that is to be leased by the authority to, and operated 1255  
by, persons who are not governmental agencies and the cost of 1256  
the project is to be amortized exclusively from rentals or other 1257  
charges paid to the authority by persons who are not 1258  
governmental agencies is not subject to the foregoing 1259  
requirements and the authority may enter into such a contract or 1260  
lease or such an agreement pursuant to negotiation and upon 1261  
terms and conditions and for the period that it finds to be 1262  
reasonable and proper in the circumstances and in the best 1263  
interests of proper operation or of efficient acquisition or 1264  
construction of the project. 1265

(2) Each bid for a contract for the construction, 1266  
demolition, alteration, repair, or reconstruction of an 1267  
improvement shall contain the full name of every person 1268  
interested in it and shall meet the requirements of section 1269  
153.54 of the Revised Code. 1270

(3) Each bid for a contract except as provided in division 1271  
(L) (2) of this section shall contain the full name of every 1272  
person or company interested in it and shall be accompanied by a 1273

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 1303  
insurance for any water development project and for the 1304  
principal office and suboffices of the authority, insurance 1305  
protecting the authority and its officers and employees against 1306  
liability for damage to property or injury to or death of 1307  
persons arising from its operations, and any other insurance the 1308  
authority may agree to provide under any resolution authorizing 1309  
its water development revenue bonds or in any trust agreement 1310  
securing the same; 1311

(Q) Charge, alter, and collect rentals and other charges 1312  
for the use or services of any water development project as 1313  
provided in section 6121.13 of the Revised Code; 1314

(R) Provide coverage for its employees under Chapters 1315  
145., 4123., and 4141. of the Revised Code; 1316

(S) Assist in the implementation and administration of the 1317  
drinking water assistance fund and program created in section 1318  
6109.22 of the Revised Code and the water pollution control loan 1319  
fund and program created in section 6111.036 of the Revised 1320  
Code, including, without limitation, performing or providing 1321  
fiscal management for the funds and investing and disbursing 1322  
moneys in the funds, and enter into all necessary and 1323  
appropriate agreements with the director of environmental 1324  
protection for those purposes; 1325

(T) Issue water development revenue bonds and notes of the 1326  
state in principal amounts that are necessary for the purpose of 1327  
raising moneys for the sole benefit of the water pollution 1328  
control loan fund created in section 6111.036 of the Revised 1329  
Code, including moneys to meet the requirement for providing 1330  
matching moneys under division (D) of that section. The bonds 1331  
and notes may be secured by appropriate trust agreements and 1332

repaid from moneys credited to the fund from payments of 1333  
principal and interest on loans made from the fund, as provided 1334  
in division (F) of section 6111.036 of the Revised Code. 1335

(U) Issue water development revenue bonds and notes of the 1336  
state in principal amounts that are necessary for the purpose of 1337  
raising moneys for the sole benefit of the drinking water 1338  
assistance fund created in section 6109.22 of the Revised Code, 1339  
including moneys to meet the requirement for providing matching 1340  
moneys under divisions (B) and (F) of that section. The bonds 1341  
and notes may be secured by appropriate trust agreements and 1342  
repaid from moneys credited to the fund from payments of 1343  
principal and interest on loans made from the fund, as provided 1344  
in division (F) of section 6109.22 of the Revised Code. 1345

(V) Make loans to and enter into agreements with boards of 1346  
county commissioners for the purposes of section 1506.44 of the 1347  
Revised Code and adopt rules establishing requirements and 1348  
procedures for making the loans and entering into the 1349  
agreements; 1350

(W) Do all acts necessary or proper to carry out the 1351  
powers expressly granted in this chapter. 1352

Any instrument by which real property is acquired pursuant 1353  
to this section shall identify the agency of the state that has 1354  
the use and benefit of the real property as specified in section 1355  
5301.012 of the Revised Code. 1356

**Section 2.** That existing sections 6109.01, 6109.10, 1357  
6109.22, 6111.036, and 6121.04 of the Revised Code are hereby 1358  
repealed. 1359

**Section 3.** The existing training program required to be 1360  
completed by the owner or operator of a public water system 1361

shall include, as a component of the training, training	1362
regarding the identification of lead in drinking water, sampling	1363
protocols, corrosion treatment, and the requirements and	1364
procedures established under section 6109.121 of the Revised	1365
Code.	1366