

As Reported by the House Energy and Natural Resources Committee

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Sub. H. B. No. 512

Representative Ginter

Cosponsor: Representative Landis

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 131
potential lead content in drinking water; 132

(4) Any steps the public water system is taking to 133
mitigate lead content in drinking water; 134

(5) The necessity, if any, of seeking alternative water supplies. 135
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The notice shall be provided notwithstanding the absence of a violation of any drinking water standard. 137
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(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. 139
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(2) Division (B) (2) of this section does not apply to a pipe that is used in manufacturing or industrial processing. 142
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(3) Division (B) (3) of this section does not apply to the selling of plumbing supplies by manufacturers of those supplies. 144
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(4) Division (B) of this section does not apply to either of the following: 146
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(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; 148
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(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 inches in diameter or larger. 154
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Sec. 6109.121. (A) Not later than one hundred twenty days after the effective date of this section, the director of environmental protection shall adopt rules in accordance with Chapter 119. of the Revised Code that do all of the following: 158
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(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 185
for pH level and other water quality parameters to determine if 186
corrosion control requirements are met; 187

(5) Authorize the director to establish corrosion control 188
requirements for community and nontransient noncommunity water 189
systems; 190

(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 accordance with rules adopted under division (A)(6) of this section, require the owner or operator to complete the study and submit the plan to the director for approval even if sampling results conducted subsequent to the initiation of the study and plan do not exceed the lead action level established in rules adopted under this chapter; 210
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(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

<u>sample from a community or nontransient noncommunity water</u>	278
<u>system shall do both of the following:</u>	279
<u>(1) Complete a lead or copper analysis of the sample, as</u>	280
<u>applicable, not later than thirty business days after the</u>	281
<u>receipt of the sample;</u>	282
<u>(2) Not later than the end of the next business day</u>	283
<u>following the day the analysis of the sample is completed,</u>	284
<u>report the results of the analysis and all identifying</u>	285
<u>information about where the sample was collected to the</u>	286
<u>community or nontransient noncommunity water system and the</u>	287
<u>director.</u>	288
<u>(C) The owner or operator of a community or nontransient</u>	289
<u>noncommunity water system shall do all of the following, as</u>	290
<u>applicable, with regard to laboratory results received under</u>	291
<u>division (B) (2) of this section:</u>	292
<u>(1) Not later than two business days after the receipt of</u>	293
<u>the laboratory results, provide notice of the results of each</u>	294
<u>individual tap sample to the owner and persons served at the</u>	295
<u>residence or other structure where the tap was sampled;</u>	296
<u>(2) If the results show that a sample from an individual</u>	297
<u>tap is above the applicable lead threshold as established under</u>	298
<u>rules adopted under this chapter, do all of the following, as</u>	299
<u>applicable:</u>	300
<u>(a) For the owner or operator of a nontransient</u>	301
<u>noncommunity water system, immediately remove from service all</u>	302
<u>fixtures identified as contributing to elevated lead levels;</u>	303
<u>(b) For the owner or operator of a community water system,</u>	304
<u>include in the system's annual consumer confidence report the</u>	305
<u>lead or copper laboratory results, an explanation of the</u>	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 416
health of a city or general health district or the authority 417
having the duties of a board of health under section 3709.05 of 418
the Revised Code. 419

Sec. 6109.22. (A) There is hereby created the drinking 420
water assistance fund to provide financial and technical 421
assistance for the purposes of protecting public health and 422

achieving and maintaining compliance with the Safe Drinking 423
Water Act and this chapter. In addition to the accounts created 424
under divisions (G) and (H) of this section, the drinking water 425
assistance fund may include any other accounts established by 426
the director of environmental protection. The fund shall be 427
administered by the director consistent with the Safe Drinking 428
Water Act, this section, and rules adopted under division (M) of 429
this section. 430

(B) The drinking water assistance fund shall consist of 431
the moneys credited to it from all capitalization grants 432
received under the Safe Drinking Water Act except for moneys 433
reserved by the governor pursuant to Title III, section 302 of 434
that act, all moneys credited to the fund from nonfederal 435
sources, including, without limitation, the proceeds of state 436
bonds or notes issued for the benefit of the fund, all payments 437
of principal and interest on loans made from the fund, and all 438
investment earnings on moneys held in the fund. On or before the 439
date that a capitalization grant payment made under the 440
authority of the Safe Drinking Water Act is credited to the 441
fund, required matching moneys shall be credited to the fund. 442
Any moneys transferred to or reserved from the drinking water 443
assistance fund pursuant to Title III, section 302 of the Safe 444
Drinking Water Act shall be accounted for separately. 445

(C) In a manner consistent with the Safe Drinking Water 446
Act and the applicable drinking water assistance management plan 447
prepared in accordance with this section, the director may 448
reserve and award for assistance moneys allotted to the state 449
under section 1452 of the Safe Drinking Water Act, provided that 450
the director makes a determination that the use of the moneys 451
will accomplish the state's objectives and the objectives 452
established for capitalization grants under the Safe Drinking 453

Water Act. The director may use a portion of the reserved moneys 454
to enter into contracts with qualified organizations, including 455
private nonprofit organizations, to provide statewide on-site 456
technical assistance to small public water systems. 457

(D) Subject to the terms of the agreements provided for in 458
division (E) of this section, moneys in the drinking water 459
assistance fund shall be held in trust by the Ohio water 460
development authority for the purposes of this section, shall be 461
kept in the same manner that funds of the authority are kept 462
under section 6121.11 of the Revised Code, and may be invested 463
in the same manner that funds of the authority are invested 464
under section 6121.12 of the Revised Code. Moneys in the 465
drinking water assistance fund shall be separate and apart from 466
and not a part of the state treasury or of the other funds of 467
the authority. No withdrawals or disbursements shall be made 468
from the drinking water assistance fund without the written 469
authorization of the director. 470

(E) The director shall adopt written criteria to ensure 471
that fiscal controls are established for prudent administration 472
of the drinking water assistance fund. For that purpose, the 473
director and the authority shall enter into any necessary and 474
appropriate agreements under which the authority may perform or 475
provide any of the following: 476

(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 535
revolving loan account, all interest earned on moneys credited 536
to the account, and all payments of principal and interest on 537
loans made from the account shall be dedicated in perpetuity and 538
used and reused solely for the following purposes, except as 539
otherwise provided in this section: 540

(1) To make loans to community water systems and nonprofit 541

noncommunity public water systems, subject to all of the 542
following conditions: 543

(a) The loans are made at or below market rates of 544
interest, including, without limitation, interest-free loans; 545

(b) Each recipient of a loan shall establish a dedicated 546
source of security or revenue for repayment of the loan; 547

(c) Periodic payments of principal and interest shall be 548
required on the dates and in the amounts approved by the 549
director; 550

(d) All payments of principal and interest on the loans 551
shall be credited to the water supply revolving loan account. 552

(2) To purchase or refinance at or below market rates 553
interest debt obligations incurred after July 1, 1993, by 554
municipal corporations, other political subdivisions, and 555
interstate agencies having territory in the state~~r~~. If any debt 556
obligations are purchased or refinanced under division (I) (2) of 557
this section to provide financial assistance for any of the 558
purposes allowed under division (I) of this section, the 559
repayment period may extend up to forty-five years. However, the 560
repayment period shall not exceed the expected useful life of 561
any facilities that are financed by the obligations. 562

(3) To guarantee or purchase insurance for debt 563
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 740
stormwater or subsurface drainage water; 741

(6) For measures to reduce the demand for publicly owned 742
wastewater treatment works capacity through water conservation, 743
efficiency, or reuse by any municipal corporation, other 744
political subdivision, state agency, or interstate agency having 745
territory in this state; 746

(7) For the development and implementation of watershed projects meeting the criteria established in section 122 of that act; 747
748
749

(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
751
752
753

(9) For reusing or recycling wastewater, stormwater, or subsurface drainage water; 754
755

(10) For measures to increase the security of publicly owned wastewater treatment works; 756
757

(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
759
760
761

(a) To plan, develop, and obtain financing for eligible projects under this division, including planning, design, and associated preconstruction activities; 762
763
764

(b) To assist such treatment works in achieving compliance with the Federal Water Pollution Control Act. 765
766

To the extent they are otherwise allowable as determined by the director ~~of environmental protection~~, the purposes identified under division (A) of this section are intended to include activities benefiting the waters of the state that are authorized under Chapter 3746. of the Revised Code. 767
768
769
770
771

The fund shall be administered by the director consistent with the "Federal Water Pollution Control Act"; regulations adopted under it, including, without limitation, regulations 772
773
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," 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~~+~~. 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~~ 1007
~~is a part is economically and nonmonetarily cost-effective,~~ 1008
~~based upon an evaluation of feasible alternatives that meet the~~ 1009
~~waste water treatment needs of the planning area in which the~~ 1010
~~proposed project is located.~~ 1011

~~(5) (4) Based upon the environmental review conducted by~~ 1012

the director under division (L) of this section, there are no 1013
significant adverse environmental effects resulting from the 1014
proposed disposal system and the system has been selected from 1015
among environmentally sound alternatives~~7~~. 1016

~~(6)~~(5) Public participation has occurred during the 1017
process of planning the project in compliance with applicable 1018
requirements under the "Federal Water Pollution Control Act"~~7~~. 1019

~~(7)~~(6) The applicant has submitted a facilities plan for 1020
the project that meets the applicable program requirements and 1021
that has been approved by the director~~7~~. 1022

~~(8)~~(7) The application meets the requirements of this 1023
section and rules adopted under division (O) of this section and 1024
is consistent with the intent of Title VI of the "Federal Water 1025
Pollution Control Act" and regulations adopted under it~~7~~. 1026

~~(9)~~(8) The application meets such other requirements as 1027
the director considers necessary or appropriate to protect the 1028
environment or ensure the financial integrity of the fund while 1029
implementing this section. 1030

(L) The director shall perform and document for public 1031
review an independent, comprehensive environmental review of the 1032
assistance proposal for each activity receiving financial 1033
assistance under this section. The review shall serve as the 1034
basis for the determinations to be made under division (K) ~~(5)~~ 1035
(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
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 acquisition or construction of water development projects by any such governmental agency and adopt rules and procedures for making such loans and grants;	1191 1192 1193 1194
(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;	1195 1196 1197 1198 1199
(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;	1200 1201 1202
(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;	1203 1204 1205 1206 1207 1208
(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;	1209 1210 1211
(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	1212 1213 1214 1215 1216 1217 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 1274
bid is accepted, a contract will be entered into and the 1275
performance thereof secured. 1276

(4) The authority may reject any and all bids. 1277

(5) A bond with good and sufficient surety, approved by 1278

the authority, shall be required of every contractor awarded a 1279
contract except as provided in division (L) (2) of this section, 1280
in an amount equal to at least fifty per cent of the contract 1281
price, conditioned upon the faithful performance of the 1282
contract. 1283

(M) Employ managers, superintendents, and other employees 1284
and retain or contract with consulting engineers, financial 1285
consultants, accounting experts, architects, attorneys, and 1286
other consultants and independent contractors that are necessary 1287
in its judgment to carry out this chapter, and fix the 1288
compensation thereof. All expenses thereof shall be payable 1289
solely from the proceeds of water development revenue bonds or 1290
notes issued under this chapter, from revenues, or from funds 1291
appropriated for that purpose by the general assembly. 1292

(N) Receive and accept from any federal agency, subject to 1293
the approval of the governor, grants for or in aid of the 1294
construction of any water development project or for research 1295
and development with respect to waste water or water management 1296
facilities, and receive and accept aid or contributions from any 1297
source of money, property, labor, or other things of value, to 1298
be held, used, and applied only for the purposes for which the 1299
grants and contributions are made; 1300

(O) Engage in research and development with respect to 1301
waste water or water management facilities; 1302

(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