

AN ACT

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

Be it enacted by the General Assembly of the State of Ohio:

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

Sec. 6109.01. As used in this chapter:

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

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

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

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

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

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

(G) "Technical assistance" means nonfinancial assistance provided by the state to public water systems and other eligible applicants, including, without limitation, assistance for planning and design, development, and implementation of source water quality protection programs; locating

alternative supplies of drinking water; operational training; restructuring or consolidation of small systems; providing treatment information in order to assist compliance with a national primary drinking water standard; and other nonfinancial assistance authorized by the requirements governing the funds established under this chapter.

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

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

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

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

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

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

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

~~(B) Any pipe, pipe fitting, solder, or flux that is used in the installation or repair of a public water system or of any plumbing in a residential or nonresidential facility providing water for human consumption which is connected to a public water system shall be lead free. This division does not apply to leaded joints necessary for the repair of cast iron pipes.~~ (2) For purposes of this section, the weighted average lead content of a pipe, pipe fitting, or plumbing fitting or fixture shall be calculated by using the following formula: for each wetted component, the percentage of lead in the component shall be multiplied by the ratio of the wetted surface area of that component to the total wetted surface area of the entire product to determine the weighted percentage of lead of the component. The weighted percentage of lead of each wetted component shall be added together, and the sum of the weighted percentages shall constitute the weighted average lead content of the product. The lead content of the material used to produce wetted components shall be used to determine whether the wetted surfaces are lead free pursuant to division (A)(1)(b) of this section. For purposes of the lead contents of materials that are provided as a range, the maximum content of the range shall be used.

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

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

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

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

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

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

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

(2) Potential adverse health effects;

(3) Reasonably available methods of mitigating known or potential lead content in drinking water;

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

(5) The necessity, if any, of seeking alternative water supplies.

The notice shall be provided notwithstanding the absence of a violation of any drinking water standard.

(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.

(2) Division (B)(2) of this section does not apply to a pipe that is used in manufacturing or industrial processing.

(3) Division (B)(3) of this section does not apply to the selling of plumbing supplies by manufacturers of those supplies.

(4) Division (B) of this section does not apply to either of the following:

(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;

(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.

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:

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

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

(a) Allows the director, in establishing the schedule, to consider the following factors when determining if a community or nontransient noncommunity water system must conduct sampling at

least once annually:

- (i) The age of the water system;
- (ii) Whether corrosion control requirements are met;
- (iii) Any other relevant risk factors, as determined by the director, including aging infrastructure likely to contain lead service lines.
- (b) Requires the owner or operator of a system where such risk factors are identified to conduct sampling at least once annually until the risk factors are mitigated in accordance with rules.
- (3) Require the owner or operator of a community or nontransient noncommunity water system to provide collected samples to a certified laboratory for analysis;
- (4) Authorize the director to require additional sampling for pH level and other water quality parameters to determine if corrosion control requirements are met;
- (5) Authorize the director to establish corrosion control requirements for community and nontransient noncommunity water systems;
- (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:
 - (a) The system changes or adds a source from which water is obtained.
 - (b) The system makes a substantial change in water treatment.
 - (c) The system operates outside of acceptable ranges for lead, copper, pH, or other corrosion indicators, as determined by the director.
 - (d) Any other event determined by the director to have the potential to impact the water quality or corrosiveness of water in the system.
- (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;
- (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;
- (9) 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 submit to the director an interim status report of actions taken to implement the corrosion control study six months and twelve months from the date of initiation of the corrosion control study requirement;
- (10) Establish a lead threshold for individual taps;
- (11) Establish and revise content for public education materials;
- (12) Authorize the director to develop procedures and requirements to document that notices were provided by the owner or operator of a community or nontransient noncommunity water system as required under division (C) of this section;
- (13) Notwithstanding section 6109.23 of the Revised Code, establish the following

administrative penalties for violations of the notice requirements established in divisions (C)(1) and (C)(3)(a) of this section that are applicable to a community or nontransient noncommunity water system:

(a) For a violation of division (C)(1) of this section by a system that serves not less than twenty-five people, but not more than three thousand three hundred people, an administrative penalty of twenty-five dollars per day for each day that the system failed to provide each notice;

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

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

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

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

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

(g) For a violation of division (C)(3)(a) of this section by a system that serves more than ten thousand people, but not more than twenty-five thousand people, an administrative penalty of seven hundred fifty dollars per day for each day the system failed to provide the notice;

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

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

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

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

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

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

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

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

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

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

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

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

(b) Not later than five business days after the receipt of the laboratory results by the owner or operator of a community water system, provide information on the availability of tap water testing for lead to all consumers served by the system who are known or likely to have lead service lines, lead pipes, or lead solder as identified in the map required to be completed under division (F) of this section;

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

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

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

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

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

(1) For the owner or operator of a community water system, identify and map areas of the system that are known or are likely to contain lead service lines and identify characteristics of

buildings served by the system that may contain lead piping, solder, or fixtures;

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

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

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

(a) The applicable map;

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

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

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

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

(J) As used in this section:

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

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

(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 fund balances, receipts, and disbursements;

(2) Administration of loan accounts;

(3) Maintenance, management, and investment of moneys in the fund.

Any agreement entered into under division (E) of this section shall provide for the payment of reasonable fees to the authority for any services it performs under the agreement and may provide for reasonable fees for the assistance of financial or accounting advisors. Payment of any of the fees to the authority may be made from the drinking water assistance administrative account established under division (G) of this section.

(F) The authority may make moneys available to the director for the purpose of providing matching moneys required to be credited to the drinking water assistance fund under division (B) of

this section, subject to any terms that the director and the authority consider appropriate, and may pledge moneys that are held by the authority to secure the payment of bonds or notes issued by the authority to provide those matching moneys.

The director and the authority may enter into trust agreements to enable the authority to issue and refund bonds or notes for the sole benefit of the drinking water assistance fund, including, without limitation, the raising of matching moneys required to be credited to the fund in accordance with division (B) of this section. The agreements may authorize the pledge of moneys accruing to the fund from payments of principal or interest or both on loans made from the fund to secure bonds or notes, the proceeds of which bonds or notes shall be for the sole benefit of the drinking water assistance fund. The agreements may contain any terms that the director and the authority consider reasonable and proper for the payment and security of the bondholders or noteholders.

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

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

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

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

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

(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 borrower's access to credit markets or would reduce the interest paid on those obligations;

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

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

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

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

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

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

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

(3) The public water system of which the project for which assistance is proposed is a part is economically and nonmonetarily cost-effective, based on an evaluation of feasible alternatives that meet the drinking water treatment needs of the planning area in which the proposed project is located;

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

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

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

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

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

Upon approval by the director of an application for financial assistance, the Ohio water development authority shall disburse the appropriate financial assistance from the water supply revolving loan account. If the proposed financial assistance is a loan, and if the payments of the principal or interest on the loan are or are expected to be pledged to secure payment of bonds issued or expected to be issued by the authority, the director shall submit the application for the loan to the authority for review and approval with respect to any matters pertaining to security for and the marketability of authority bonds. Review and approval by the authority shall be required prior to the making of such a loan.

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

The plan shall include, without limitation, a system that prioritizes projects funded by the water supply revolving loan account based on the relative risk to human health being addressed, their necessity for ensuring compliance with requirements of the Safe Drinking Water Act, and their affordability to the applicants, as determined by the director. Financial assistance for projects from the water supply revolving loan account shall be limited to projects that are included in that prioritization and shall be awarded based upon their priority position and the applicants' readiness to proceed with their proposed activities as determined by the director. The drinking water assistance management plan shall include terms, conditions, amounts of moneys, and qualifying criteria, in addition to any other criteria established under this section, governing the financial assistance to be awarded to applicants from the water supply revolving loan account. The director shall determine the most effective use of the moneys in that account to achieve the state's drinking water assistance goals and objectives.

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

recipient of financial assistance under this section defaults on any payment required in the agreement for financial assistance or otherwise violates a term or condition of the agreement or of the plan approval for the project under section 6109.07 of the Revised Code, the director, in addition to any other available remedies, may terminate, suspend, or require immediate repayment of the financial assistance. The director also may take any enforcement action available under this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) For measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water;

(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;

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

(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;

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

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

(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:

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

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

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.

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

Moneys in the water pollution control loan fund shall be separate and apart from and not a part of the state treasury or of the other funds of the Ohio water development authority. Subject to the terms of the agreements provided for in divisions (B), (C), (D), and (F) of this section, moneys in the 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. No withdrawals or disbursements shall be made from the water pollution control loan fund without the written authorization of the director or the director's designated representative. The manner of authorization for any withdrawals or disbursements from the fund to be made by the authority shall be established in the agreements authorized under division (C) of this section.

(B) The director may enter into agreements to receive and assign moneys credited or to be credited to the water pollution control loan fund. The director may reserve capitalization grant moneys allotted to the state under sections 601 and 604(c)(2) of the "Federal Water Pollution Control Act" for the other purposes authorized for the use of capitalization grant moneys under sections 603(d)(7) and 604(b) of that act.

(C) The director shall ensure that fiscal controls are established for prudent administration of the water pollution control loan fund. For that purpose, the director and the Ohio water development 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 fund balances, receipts, and disbursements;

(2) Administration of loan accounts;

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

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

(D) The water pollution control loan fund shall consist of the moneys credited to it from all capitalization grants received under sections 601 and 604(c)(2) of the "Federal Water Pollution Control Act," all moneys received as capitalization grants under section 205(m) of that act, all matching moneys credited to the fund arising from nonfederal sources, all payments of principal and interest for loans made from the fund, and all investment earnings on moneys held in the fund. On or before the date on which a quarterly capitalization grant payment will be received under that act, matching moneys equal to at least twenty per cent of the quarterly capitalization grant payment shall be credited to the fund. The Ohio water development authority may make moneys available to the director for the purpose of providing the matching moneys required by this division, subject to such terms as the director and the authority consider appropriate, and may pledge moneys that are held by the authority to secure the payment of bonds or notes issued by the authority to provide those matching moneys. The authority may make moneys available to the director for that purpose from any funds now or hereafter available to the authority from any source, including, without limitation, the proceeds of bonds or notes heretofore or hereafter issued by the authority under Chapter 6121. of the Revised Code. Matching moneys made available to the director by the authority from the proceeds of any such bonds or notes shall be made available subject to the terms of the trust agreements relating to the bonds or notes. Any such matching moneys shall be made available to the director pursuant to a written agreement between the director and the authority that contains such terms as the director and the authority consider appropriate, including, without limitation, a provision providing for repayment to the authority of those matching moneys from moneys deposited in the water pollution control loan fund, including, without limitation, the proceeds of bonds or notes issued by the authority for the benefit of the fund and payments of principal and interest on loans made from the fund, or from any other sources now or hereafter available to the director for the repayment of those matching moneys.

(E) All moneys credited to the water pollution control loan fund, all interest earned on moneys in the fund, and all payments of principal and interest for loans made from the fund shall be dedicated in perpetuity and used and reused solely for the purposes set forth in division (A) of this section, except as otherwise provided in division (D) or (F) of this section. The director may establish and collect fees to be paid by recipients of financial assistance under this section, and all moneys arising from the fees shall be credited to the water pollution control loan administrative fund, which

is hereby created in the state treasury, and shall be used to defray the costs of administering this section.

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

(G) The director shall enter into binding commitments to provide financial assistance from the water pollution control loan fund in an amount equal to one hundred twenty per cent of the amount of each capitalization grant payment received, within one year after receiving each such grant payment. The director shall provide the financial assistance in compliance with this section and rules adopted under division (O) of this section. The director shall ensure that all moneys credited to the fund are disbursed in an expeditious and timely manner. During the second year of operation of the water pollution control loan program, the director also shall ensure that not less than twenty-five per cent of the financial assistance provided under this section during that year is provided for the purpose of division (H)(2) of this section for the purchase or refinancing of debt obligations incurred after March 7, 1985, but not later than July 1, 1988, except that if the amount of money reserved during the second year of operation of the program for the purchase or refinancing of those debt obligations exceeds the amount required for the projects that are eligible to receive financial assistance for that purpose, the director shall distribute the excess moneys in accordance with the current priority system and list prepared under division (I) of this section to provide financial assistance for projects that otherwise would not receive assistance in that year.

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

(1) To make loans, 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) Periodic payments of principal and interest, on the dates and in the amounts approved by the director, shall commence not later than one year after completion of the project, and all loans shall be fully amortized not later than ~~twenty-three~~ thirty years after project completion;

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

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

(2) To purchase or refinance at or below market rates of interest debt obligations incurred after March 7, 1985, by municipal corporations, other political subdivisions, and interstate agencies having territory in the state; If, and to the extent allowed under the Federal Water Pollution Control Act, debt obligations are purchased or refinanced under this section to provide financial assistance for any of the purposes allowed under division (A) 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 of municipal corporations, other political subdivisions, and interstate agencies having territory within the state when the guarantee or insurance would improve the borrower's access to credit markets or would reduce the interest rate paid on those obligations;

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

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

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

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

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

(I) The director periodically shall prepare in accordance with rules adopted under division (O) of this section a state priority system and list ranking assistance proposals principally on the basis of their relative water quality and public health benefits and the financial need of the applicants for assistance. Assistance for proposed activities from the water pollution control loan fund shall be limited to those activities appearing on that priority list and shall be awarded based upon their priority sequence on the list and the applicants' readiness to proceed with their proposed activities. The director annually shall prepare and circulate for public review and comment a plan that defines the goals and intended uses of the fund, as required by section 606(c) of the "Federal Water Pollution Control Act."

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

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

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

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

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

~~(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~~;~~.

~~(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~~;~~.

~~(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"~~;~~.

~~(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~~;~~.

~~(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~~;~~.

~~(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.

(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)-(4)~~ or (Q)(4) of this section, as applicable, and may include, without limitation, an environmental assessment, any necessary supplemental studies, and an enforceable mitigation plan. The director may establish environmental impact mitigation terms or conditions for the implementation of an assistance proposal, including, without limitation, the installation or modification of a disposal system, in the director's approval of the plans for the installation or modification as authorized by section 6111.44 of the Revised Code or through other legally enforceable means. The review shall be conducted in accordance with applicable rules adopted under division (O) of this section.

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

of the agreement or of the plan approval for the project under section 6111.44 of the Revised Code.

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

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

(O) The director may adopt rules in accordance with Chapter 119. of the Revised Code for the implementation and administration of this section and section 6111.037 of the Revised Code. Any such rules governing the planning, design, and construction of water pollution control projects, establishing an environmental review process, establishing requirements for the preparation of environmental impact reports and mitigation plans, governing the establishment of priority systems for providing financial assistance under this section and section 6111.037 of the Revised Code, and governing the terms and conditions of assistance, shall be consistent with the intent of Titles II and VI and sections 319 and 320 of the "Federal Water Pollution Control Act." The rules governing the establishment of priority systems for financial assistance and governing terms and conditions of assistance shall provide for the most effective allocation of moneys from the water pollution control loan fund to achieve water quality and public health objectives throughout the state as determined by the director.

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

- (a) Approval of draft priority systems, draft priority lists, and draft written program administration policies;
- (b) Approval or disapproval of project facility plans under division (K)~~(7)~~(6) of this section;
- (c) Approval or disapproval of plans and specifications for a project under section 6111.44 of the Revised Code and issuance of a permit to install in connection with a project pursuant to rules adopted under section 6111.03 of the Revised Code;
- (d) Approval or disapproval of an application for assistance.

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

(3) Each action described in divisions (P)(1)(a), (b), (c), and (d) of this section is a separate and discrete action of the director. Appeals of any such action are limited to the issues concerning the

specific action appealed, and the appeal shall not include issues determined under the scope of any prior action.

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

(1) The activity is consistent with the state's nonpoint source management program;₂

(2) The applicant has the legal, institutional, managerial, and financial capability to implement, operate, and maintain the activity;₂

(3) The cost of the activity is reasonable considering monetary and nonmonetary factors;₂

(4) Based on the environmental review conducted by the director under division (L) of this section, the activity will not result in significant adverse environmental impacts;₂

(5) 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;₂

(6) The applicant will implement a financial management plan, including, without limitation, provisions for satisfactory repayment of the financial assistance;₂

(7) The application meets such other requirements as the director considers necessary or appropriate to protect the environment and ensure the financial integrity of the fund while implementing this section.

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

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

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

(B) Adopt an official seal;

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

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

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

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

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

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

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

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

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

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

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

and the authority may enter into such a contract or lease or such an agreement pursuant to negotiation and upon terms and conditions and for the period that it finds to be reasonable and proper in the circumstances and in the best interests of proper operation or of efficient acquisition or construction of the project.

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

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

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

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

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

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

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

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

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

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

(S) Assist in the implementation and administration of the drinking water assistance fund and program created in section 6109.22 of the Revised Code and the water pollution control loan fund and program created in section 6111.036 of the Revised Code, including, without limitation,

performing or providing fiscal management for the funds and investing and disbursing moneys in the funds, and enter into all necessary and appropriate agreements with the director of environmental protection for those purposes;

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

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

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

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

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

SECTION 2. That existing sections 6109.01, 6109.10, 6109.22, 6111.036, and 6121.04 of the Revised Code are hereby repealed.

SECTION 3. The existing training program required to be completed by the owner or operator of a public water system shall include, as a component of the training, training regarding the identification of lead in drinking water, sampling protocols, corrosion treatment, and the requirements and procedures established under section 6109.121 of the Revised Code.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ____ day of _____, A. D. 20 ____.

Secretary of State.

File No. _____ Effective Date _____