

**Division of Environmental
and Financial Assistance**
Same Old, Same Old?
What's new and what's the same?

Ohio Water Environment Association
2015 Technical Conference
June 25, 2015



Presentation Outline

1. CWA History – Beginning of the SRF Program
2. Ohio's Two State Revolving Funds
3. Ohio EPA – DEFA Reorganization



Part 1

Clean Water Act History -

The Beginning of the SRF Program



Clean Water Act Changes in 1987

- 1987 Amendments were a major change in the Clean Water Act.
- Construction Grant Program phased out, and was to be replaced with “State Revolving Funds” (SRFs).
- 1989 and 1990 the two programs overlapped.

The Beginning of the SRF Program

- Ohio's State Revolving Fund was called the Water Pollution Control Loan Fund (WPCLF).
- Big shift from grants to loans.
- Focus on National Municipal Policy deadline for compliance of July 1, 1988.

The Beginning of the SRF Program

- Focus on providing funds almost exclusively to municipalities for treatment works.
- Focus on providing funds to projects which would get municipalities into compliance with secondary treatment limits.

The Beginning of the SRF Program

- Most Construction Grant requirements were still in effect through 1994.
- The early years offered:
 - Very limited annual funding amounts
 - Annually established fixed interest rates
 - No discounts or multiple-tiered rates

The Beginning of the SRF Program

- Funds were limited, thus project scoring and “readiness to proceed” were critical factors in determining who would get awarded funds.
- Focus was on growing this new Fund.....Need to get the funds obligated, need to expend funds in a timely fashion.

The Beginning of the SRF Program

- As the years progressed, capitalization of the SRFs continued – beyond the original federal appropriation period.
- Repayments were available to be loaned out again.
- Ohio began leveraging the WPCLF (1994).

The Beginning of the SRF Program

- In the mid-1990's, subtle changes in the WPCLF took hold:
 - Streamlining of program procedures
 - Less emphasis on NMP Compliance Deadline and more emphasis on state water quality information
 - Fund became “healthier”, as designed
 - Greater funding levels led to diversification of the WPCLF

The Beginning of the SRF Program

- Mid-1990's began to look at Nonpoint Sources
 - Agricultural BMPs
 - Brownfield remediation
 - Landfill closure
 - Home Sewage Treatment
 - Purchase of Conservation Easements for stream protection

The Beginning of the SRF Program

- After approximately six years of administering the SRFs, they were already widely viewed as a *national success story*.
- When the Safe Drinking Water Act was amended in 1996, it called for a mirror-image SRF for Drinking Water projects.

Part 2

Ohio's Two State Revolving Funds

- Water Supply Revolving Loan Account (WSRLA)
(the drinking water loan program)
- Water Pollution Control Loan Fund (WPCLF)
(the wastewater loan program)

Ohio's Two State Revolving Funds

	WPCLF	WSRLA
Authorization (year)	CWA 1987	SDWA 1996
First Loan	Sept. 1989	Feb. 1999
Total Loans	1,840 loans - \$6.5 billion	446 loans - \$1.0 billion
Federal Seed Money	\$2.05 billion	\$493 million
State Matching Funds	\$395 million	\$98 million
Annual Capacity	\$500 million/year	\$150 million/year

Ohio's Two State Revolving Funds

Water Supply Revolving Loan Account

- Planning, design and construction
- Improvements to **community water systems and non-profit, non-community public water systems**
- Annual deadline to submit pre-application is **March 1.**



Ohio's Two State Revolving Funds Water Supply Revolving Loan Account

Eligible Projects Include:

New water treatment plants

New waterlines

Water tanks/towers

Regionalization projects

Standby/back-up power

Emergency interconnections

Water treatment plant rehab

Waterline rehab/replace

Pump/booster stations

New water meters

New well fields

Asset Management Plans



Ohio's Two State Revolving Funds

Water Supply Revolving Loan Account

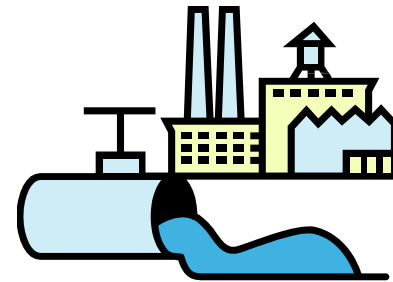
WSRLA Interest Rates

Category	Terms
Standard Long-term	Market Rate minus 1.25%
Small System (<10,000 pop.)	Market Rate minus 1.75%
Disadvantaged Communities (three levels)	From 20% to 40% Principal Forgiveness; rates as low as 0%

Ohio's Two State Revolving Funds

Water Pollution Control Loan Fund

- Planning, design, and construction
- Protect or improve the quality of Ohio's rivers, streams lakes and other water resources
- Annual deadline to nominate potential projects is **August 31**.



Ohio's Two State Revolving Funds Water Pollution Control Loan Fun

Eligible Projects Include:

New wastewater treatment plants (WWTP)

WWTP upgrades and rehabilitation

New sanitary sewers for unsewered areas

Sanitary sewer rehabilitation or replacement

Correction of combined sewer overflows

Nonpoint source pollution control projects

- Stream protection and stream restoration
- Landfill closure
- HSTS replacement programs



Ohio's Two State Revolving Funds

Water Pollution Control Loan Fund

WPCLF Interest Rates

Category	Terms
Standard Long-term	Market Rate minus 1.25%
Small Community	Market Rate minus 1.75%
Hardship	1%
Hardship	0%
Principal Forgiveness	May be available...

Ohio's Two State Revolving Funds the WSRLA and WPCLF

Compared to market rates, savings are substantial
Example \$1 million loan (June 2015 rates)

Interest Rate	Total Repayments	Savings vs. Market
Market (3.32%)	\$1,376,456	-----
Standard (2.07%)	\$1,226,335	\$150,121
Small (1.57%)	\$1,169,090	\$207,336
Hardship (1%)	\$1,105,820	\$270,636
Hardship (0%)	\$1,000,000	\$376,456

Ohio's Two State Revolving Funds

Summary Points

- Ohio's two State Revolving Funds are:
 - Water Supply Revolving Loan Account (WSRLA) *the drinking water loan program*
 - Water Pollution Control Loan Fund (WPCLF) *the wastewater loan program*
- Funds are a major source of infrastructure \$.
- Below-market interest rates by design
- Programs adjust annually to meet the needs identified by Ohio communities.

Part 3

Ohio EPA – DEFA Reorganization



Background

Director Butler has had a long-standing vision of creating a “one-stop shop” environment within Ohio EPA for customers seeking our technical and financial resources to help them achieve compliance. Now that he has rejoined Ohio EPA as Director, we are implementing this vision as a priority over the next two years.

A core component of this initiative is a reorganization effort to better align several of Ohio EPA’s compliance, technical and funding assistance programs under a single division.



What are our goals?

- Enhance the way in which we serve our customers.
- Improve our own internal operations through a more efficient, coordinated and strategic approach to administering resources.
- More strongly position the Agency to help even more regulated entities with a greater level of service.

What will the new DEFA look like?

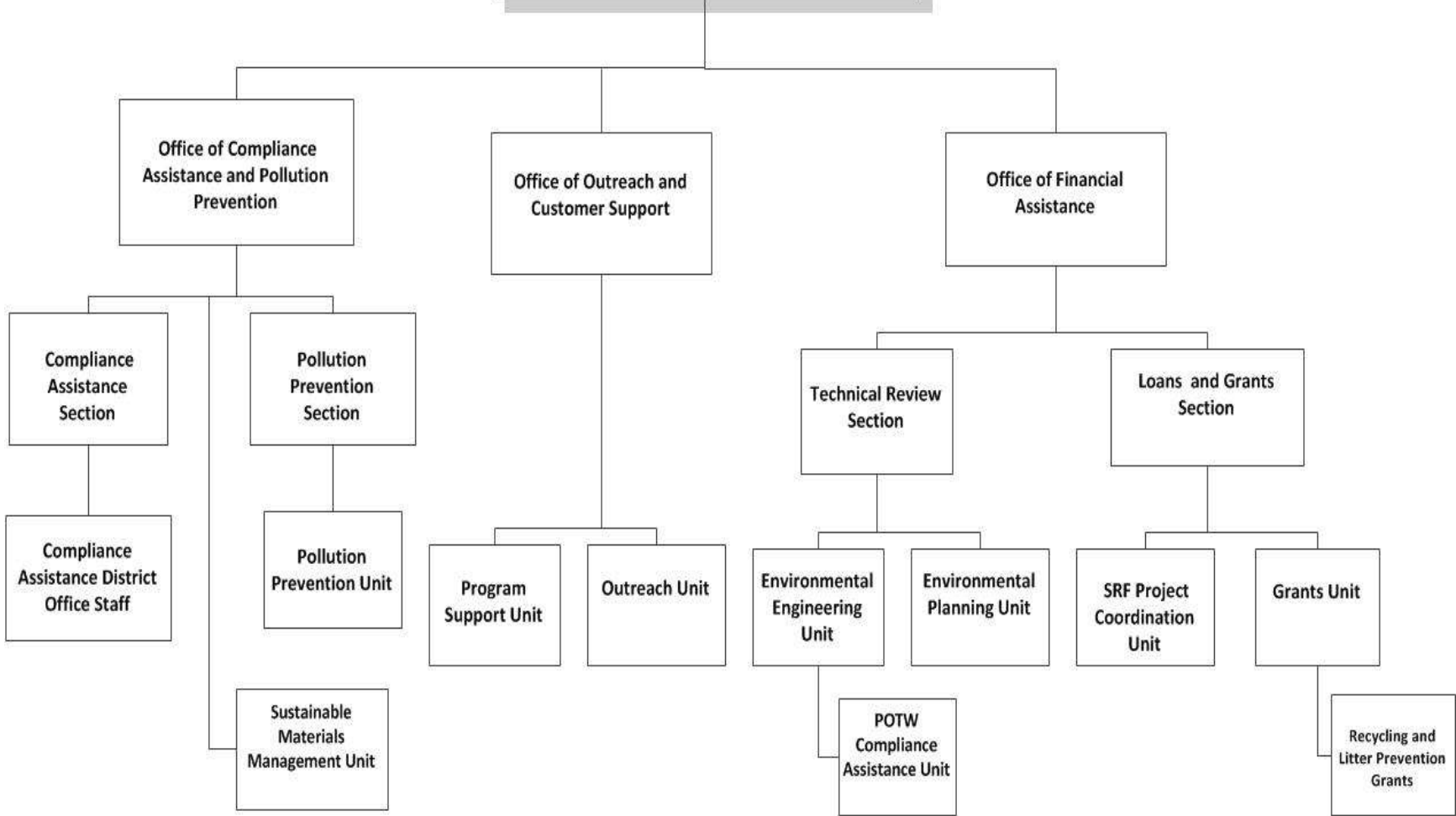
DEFA will house several of the Agency's core programs that have supported business and community development for many years.

DEFA will have three main offices:

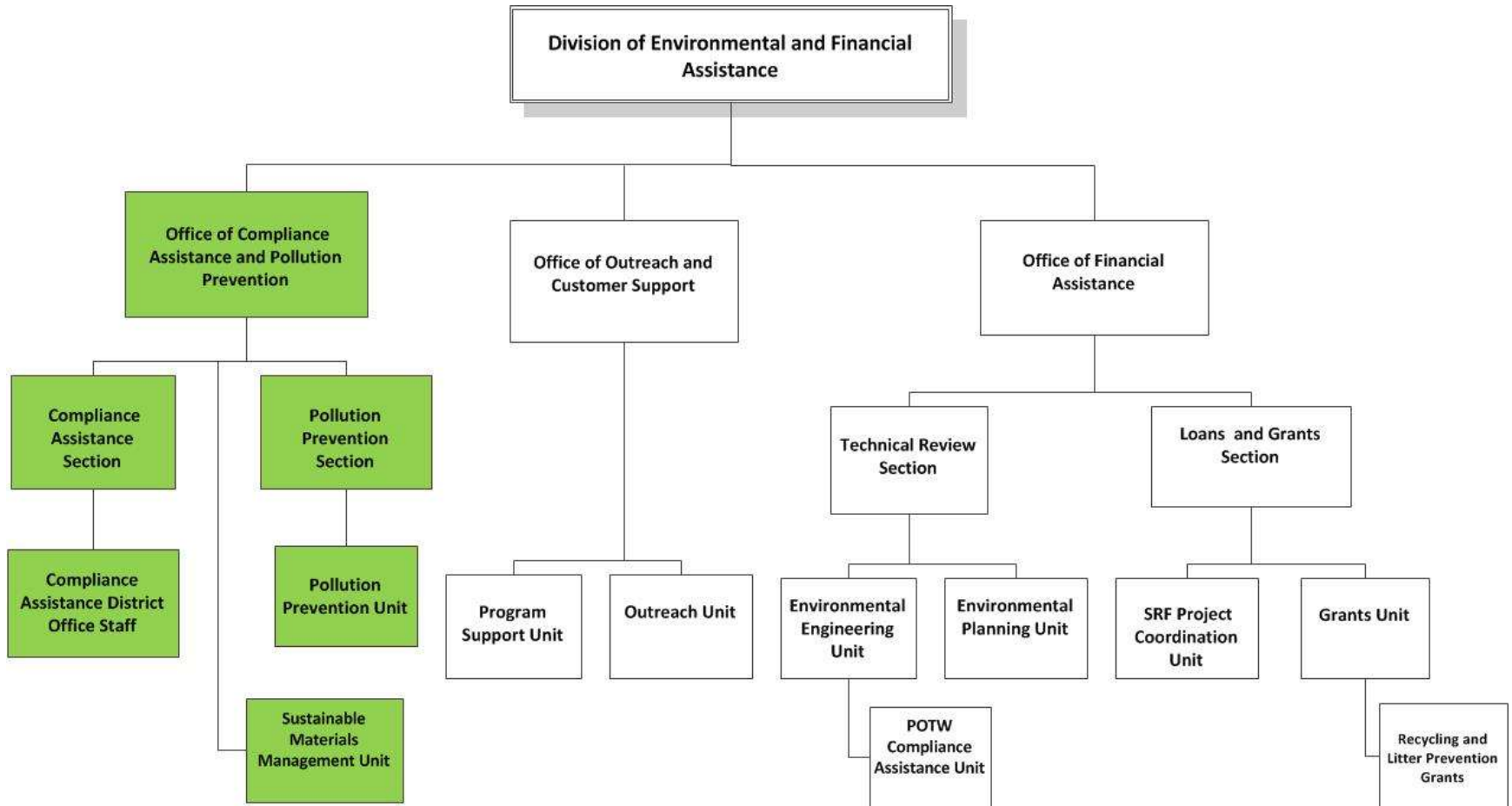
- Office of Compliance Assistance and Pollution Prevention
- Office of Financial Assistance
- Office of Outreach and Customer Support



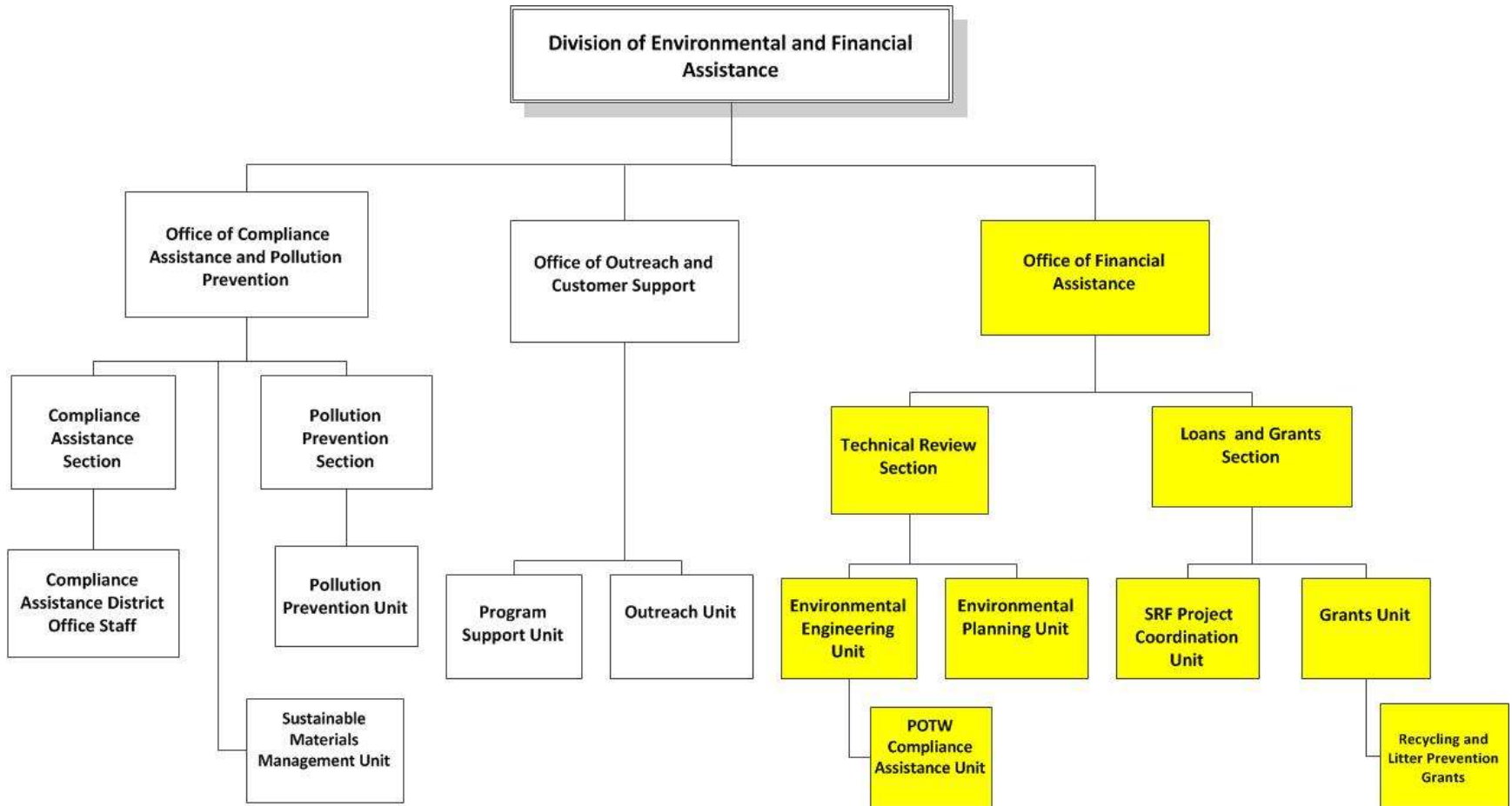
Division of Environmental and Financial Assistance



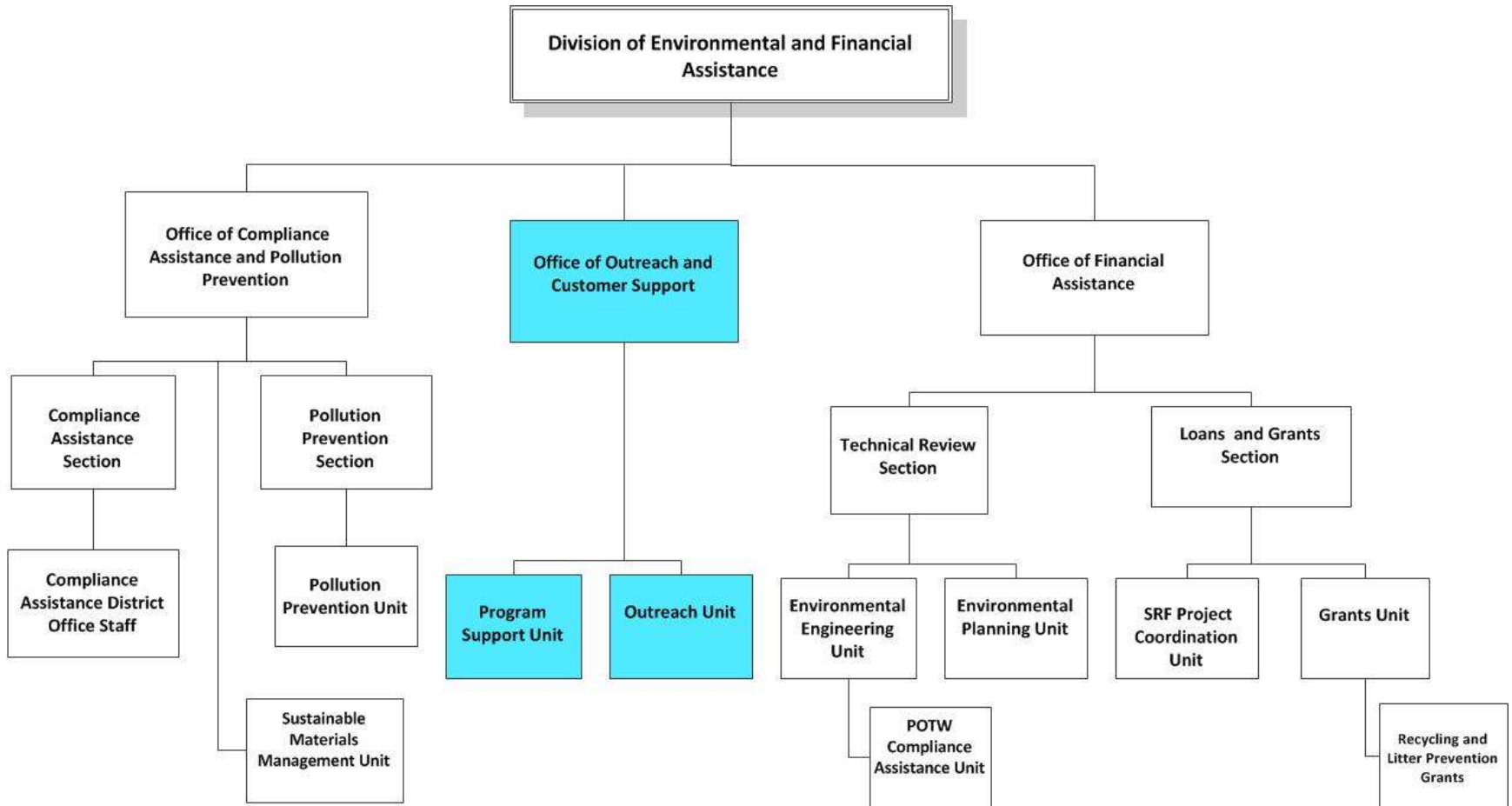
Office of Compliance Assistance and Pollution Prevention



Office of Financial Assistance



Office of Outreach and Customer Support



Contacts

Laurie Stevenson, Chief

laurie.stevenson@epa.ohio.gov, (614) 644-2344

Jerry Rouch, Assistant Chief

Office of Financial Assistance

jerry.rouch@epa.ohio.gov, (614) 644-3660

Terrie Termeer, Assistant Chief

Office of Compliance Assistance and Pollution Prevention

terrie.termeer@epa.ohio.gov, (614) 728-0017

Alauddin Alauddin

Office of Outreach and Customer Support, Assistant Chief

alauddin.alauddin@epa.ohio.gov, (614) 644-3675

DEFA website - epa.ohio.gov/defa



Questions?