



State of Ohio
Environmental Protection Agency
Division of Drinking and Ground Waters

Drinking Water State Revolving Fund

Small Systems Technical Assistance Set-Aside Annual Report for Program Year 2008



September 2008

**Ted Strickland, Governor
Chris Korleski, Director**

The Safe Drinking Water Act, section 1452 requires that states submit an annual/biennial report to U.S. EPA's regional administrator on the state's activities that receive funding under this section. This Small System Technical Assistance Set-Aside Annual Report is being submitted in compliance with this requirement.

Ohio EPA administered a Small Systems Technical Assistance Program utilizing one assistance provider during program year (PY) 2008. W.S.O.S. Community Action Commission, Inc., /Great Lakes Rural Community Assistance Program (Ohio RCAP) was under agreement to provide small system managerial and financial assistance.

I. Funding

During PY 2008 Ohio EPA used funds available from the FFY 2003 and FFY 2004 technical assistance grant set-asides, (grant account numbers FS985954-03 and FS985954-04.)

The technical assistance agreement with W.S.O.S. Inc. /Ohio RCAP was in effect from July 1, 2007 through June 30, 2008 and funded with a grant in the amount of \$387,437.00.

II. Full Time Equivalents (FTEs)

In PY 2008, Ohio RCAP allocated 4.0 FTEs to fund the activities of seven technical assistance coordinators who supplied technical, managerial, and financial training to Ohio public water systems serving populations of 10,000 or fewer. The Ohio EPA Northeast District Office (NEDO) had one FTE dedicated to providing technical assistance to small systems with less than 250 in population. This position terminated in January 2007, when NEDO's small systems coordinator left the position. The staffing issue is resolved and the position duties are expected to resume in PY 2009.

III. Goals and Objectives

The goals and objectives for the Drinking Water State Revolving Fund (DWSRF) Small System Technical Assistance program for PY 2008 are as follows:

1. Assist small systems with the preparation of applications for the DWSRF including determining the ability to repay.
2. Assist in meeting state and other crosscutting requirements of the application.
3. Assist with locating and procuring sources of funding in addition to the DWSRF.
4. Assist with determining the most cost effective option for a public water supply to access safe drinking water.
5. Assist systems with readiness to proceed issues.
6. Assist systems in the development and/or completion of all components of the capability assurance documentation.
7. Assist systems by offering seminars for small systems utility board training, rate setting training, and asset management training.

8. From July 2007 through the end of June 2008, perform additional duties under U.S. EPA's Drinking Water Infrastructure Needs Survey.

The following objectives are specific to the Ohio EPA NEDO technical assistance position:

9. Assisting local systems with priority on public health-based issues using the water use advisory list, Significant Non-Compliers (SNC), and Ground Water Under the Direct Influence (GWUDI) of surface water.
10. Assisting systems with long term boil advisories. Any system with an advisory longer than eight weeks is determined to be in need of technical assistance.
11. Work with public water systems that have multiple monitoring and reporting violations in consecutive quarters, using the violation database as a reference.
12. Visit individual water systems, providing both training and direction.
13. Provide assistance with sample siting plans, contingency plans, detail plan process, consumer confidence reports, and corrosion control recommendations.

IV. Program Accomplishments

Ohio RCAP provided services under the Drinking Water Technical Services Set-Aside during PY 2008. Their services are offered to public water systems with 10,000 population or fewer. Attachment A contains information taken from quarterly reports; it details activities and sites that received assistance during the program year. The goals and objectives for the Ohio RCAP grant agreement for PY 2008 are as follows:

Objective 1: Assist small systems with the preparation of applications for the DWSRF including determining the ability to repay.

During PY 2008, Ohio RCAP assisted 23 systems in preparation of applications for loans, including:

- six planning and design loan applications;
- nine construction loan applications;
- 21 pre-applications for the new project priority list (PPL); and
- 17 disadvantaged community applications were completed.
- At year-end, 26 loans were in progress with 24 of those being water supply revolving loan accounts (WSRLA), with the others funded under other programs. Attachment A indicates the activities undertaken throughout the year for each system assisted.

Objective 2: Assist in meeting state and other crosscutting requirements of the application.

Four systems were assisted in meeting state and other cross-cutting requirements. These systems all requested to have an income survey completed as part of the loan application.

Objective 3: Assist with locating and procuring sources of funding in addition to the DWSRF.

Ohio RCAP coordinates financing packages for systems using Ohio Department of Development's Community Development Block Grant (CDBG) program, Ohio Water Development Authority (OWDA), Ohio's Issue 2 Program, and the Rural Development grant/loan program for water infrastructure development. There were 14 systems (23 applications) assisted in procuring some or all funding from sources other than the WSRLA.

Objective 4: Assist with determination of the most cost effective option for a Public Water Supply to access safe drinking water.

There were nine systems aided by Ohio RCAP in selecting the most cost effective and affordable option to obtain safe drinking water.

Objective 5: Assist systems with readiness to proceed issues.

In PY 2008, five water systems requested assistance in making readiness to proceed decisions. In a sense, nearly all of the systems working with Ohio RCAP required decisions about some aspect of readiness to proceed issues.

Objective 6: Assist systems in the development and/or completion of all components of the capability assurance documentation.

- During PY 2008, six capability assurance plans (CAPs) were completed;
- Eight CAPs were in progress at year-end;
- 17 systems required rate studies and recommendations for increases; and
- 30 systems total were assisted in this category.

Objective 7: Assist systems by sponsoring training seminars for: small systems utility board training, financial management, and asset management, budget and rate setting training.

Ohio RCAP increased their emphasis on providing training courses to water boards and system operators. To this end, Ohio RCAP held 23 training sessions throughout the state to provide water board training. This training was aimed at providing water boards a better appreciation of planning for operational expenses, emergency measures, equipment replacement, laws, and regulations, funding sources, rate setting, and other aspects of operating a successful water supply. Each course is a one-day

training session with resource materials in a take-home binder, plus a CD of functional programs with examples for accounting use.

- Nine courses of Utility Management for Local Officials were held throughout Ohio. This course explains the three capability components; managerial, technical and financial.
- Seven courses of Financial Management for Local Officials were held at various locations in Ohio. This course focuses on establishing and operating a water system under good financial policies and adequate record keeping.
- Seven courses of Asset Management, Budgeting and Rate Setting for Local Officials were held throughout Ohio. This course covers the future needs of a water system through implementation and constant monitoring of an established financial plan.

Ohio RCAP is preparing a rate setting course based upon U.S. EPA's Check Up Program for Small Systems (CUPSS) and expects implementation to occur during the next contract period.

A report of activities for PY 2008 is included in *Attachment A*. Additional information about Ohio RCAP training and success stories is included in *Attachment B*.

Attachment A

Summary of activities completed by W.S.O.S. Inc./ Great Lakes RCAP under DWSRF Technical Assistance Grant Final Report: 7/01/2007-6/30/08

This report is written to reflect the work completed against the grant objectives. Ohio RCAP had a total of 52 projects (49 systems) enrolled during the year. A brief listing of communities served follows each objective.

Objective 1: Assist small systems with the preparation of application for the DWSRF, including determining the ability to repay.

Planning and Design Application Completed (6): Buckeye Lake, Aberdeen, Cumberland, Quincy, Roseville, Russell's Point

Construction Loan Applications Completed (9) Aberdeen, Buckeye Lake, Cumberland, Jewett, McCartyville, Oberlin, Roseville, Rush Run, Woodsfield

Pre-applications Completed for new Priority List (21): Bainbridge, Beaver, Blanchester (2 design and construction), Blanchester- water treatment plant, Buckeye Lake, Cumberland, Gallipolis (2), Jewett, La Rue, McCartyville, Meadowood, Midvale, Northview Utility, Quincy, Rush Run, Russell's Point, Scioto Water, Wellston, Woodsfield

Disadvantaged Applications Completed (17): Aberdeen (2 – construction and design), Beaver (2-meter & tower), Buckeye Lake, Cumberland, Jewett, McCartyville, Meadowood Water Assoc, Quincy, Roseville, Rush Run , Russell's Point, Salineville, Tiro, Wellston, Woodsfield

Loans (potential) in Progress (26):

*Indicates the Ohio RCAP is still working with these entities; however, services are being provided under a different funding program

Aberdeen	Beaver	Bishopville
Blanchester (2)	Bradley	Buckeye Water District
Buckeye Lake	Cumberland	Frankfort
Gallipolis	LaRue	McCartyville
*McConnelsville	Meadowood	Navarre
Oberlin	Perry Township	Quincy
Roseville	Russell's Point	Salineville
Scioto Water	Wellston	*West Salem
Woodsfield		

Objective 2: Assist in meeting State and other crosscutting requirements of the application. (4 communities assisted)

- Bainbridge – worked on income survey
- Bradley – income survey completed
- Salineville – income survey completed
- Scioto water – income survey completed

Objective 3: Assist with locating and procuring sources of funding in addition to the DWSRF. (14 communities assisted)

- Beaver – Safe Water Fund application, OWDA application
- Blanchester – OPWC application
- Buckeye Lake – CDBG application
- Cumberland – ARC pre-application
- Danville – worked on closing out CDBG grant
- Frankfort - ARC pre-application
- Leetonia – OWDA application
- Perry Twp. – ARC pre-application, federal appropriations forms for EPA STAG and US Army Corps of Engineers
- Racine – OWDA application, ARC pre-application
- Rush Run – ODNR Abandoned Mine Lands, ARC application
- Salineville – ARC pre-application, CDBG application, special federal appropriations applications
- Scioto – CDBG formula application
- Wellston – OPWC application
- Woodsfield (2) – OWDA application, ARC pre-application, CDBG application

Leveraged Funds 2007-2008 year to date: \$16,184,927

Fayetteville	\$ 275,000	(OWDA)
Leetonia	\$ 510,333	(OWDA)
Blanchester	\$ 125,000	(OWDA)
Beaver	\$ 60,995	(OWDA)
McCartyville	\$ 71,500	(CDBG)
Rush Run	\$ 100,000	(ODNR)
Perry Twp.	\$ 541,000	(U.S. Army Corps)
Beaver	\$ 37,370	(WSOS Safe Water Fund)
Oberlin	\$ 5,106,018	(WSRLA)
Middlefield	\$ 5,255,123	(WSRLA)
West Jefferson	\$ 2,780,715	(WSRLA)
Aberdeen	\$ 780,873	(WSRLA)

- Objective 4: Assist with determining what the most affordable option for a community to access safe drinking water. (9 communities assisted)**
- Aberdeen – prepared financing scenarios, prepared sample financial package for alternatives
 - Beaver – prepared preliminary financing options for water tower
 - Jeffersonville – presented funding scenarios
 - Cumberland – restructured proposed financing plan, presented project at SCEIG meeting
 - Quincy – designed financing plan
 - Racine – designed funding package
 - Russell’s Point – designed financing plan
 - Wellston – designed financing plan
 - Woodsfield – designed financing plan

- Objective 5: Assist systems with readiness-to-proceed issues for funding, including hiring an engineer, developing a project schedule, obtaining cost estimates, completing data collection for project, defining the need and obtaining supporting documentation, description of the proposed project, project alternatives considered and why rejected. (5 communities assisted)**
- Blanchester (2) – developed project schedule
 - Cumberland – analyzed proposed water sale agreements from Guernsey County and Byesville to sell water to Cumberland, procured engineering firm
 - LaRue – procured engineering firm
 - Rush Run – obtained user agreements

- Objective 6: Capacity development technical assistance will focus on the management of the system. This will include issues relating to: utility planning, identifying both direct and indirect O&M costs, developing budgets, cost recovery, types of financing resources, financial plan development, and marketing utility products and services to consumers. Management assistance will also be provided and will focus on the responsibility of the governing board. In addition, Ohio RCAP will work with the Ohio EPA to facilitate the public involvement process in the state’s capacity development strategies. (30 communities assisted)**
- Aberdeen – completed draws for EPA re: meter project
 - Addyston – prepared pamphlet letter to mail to customers w/ excessive usage along w/ 25 water saving tips, rate study completed
 - Bishopville – worked on rate structure
 - Blanchester – prepared customer complaint log
 - Brewster – completed rate analysis – village increased rates
 - Buckeye Lake – prepared rate ordinance

- Cumberland - rate study completed
- Hillsboro – worked on asset management plan
- Jeffersonville – worked on capital improvement plan
- LaRue – rate analysis
- Lithopolis – drafted water rate recommendations
- McCartyville – village implemented water users agreement prepared by Ohio RCAP and increased rates for project
- Middleport – completed rate study
- New Carlisle – worked on rate study
- New Vienna – worked w/ Ohio Rural Water to locate and fix water leaks (leaks exceeding 70k gpd were repaired. Emergency rate increase was implemented. Water loss was reduced by 75k/day
- Racine – completed asset management plan, rate study completed
- Roseville – rate analysis completed
- Scioto – rate analysis completed
- South Bloomfield – worked on asset management plan and rate study
- Upper Sandusky – drafted rate analysis
- Wellston – capital improvements plan completed, provided sample water break log
- Woodsfield – completed rate study

CAPs completed (6): Aberdeen, Buckeye Lake, McCartyville, Quincy, Roseville, Russell's Point

CAPs in progress (8):

Beaver Creek Water Assoc.	Blanchester	Navarre
Meadowood	Oberlin	Roseville
Rush Run	Walnut Hills	

Objective 7: Provide Utility Board Member Trainings:

Date	Location	Course	# of Participants	# of Systems
10/3/07	Rootstown	Utility Management for Local Officials	10	8
10/11/07	Findlay	Utility Management for Local Officials	11	10
11/01/07	Lewis Center	Utility Management for Local Officials	19	9
3/4/08	St. Clairsville	Utility Management for Local Officials	38	21
3/19/08	Hillsboro	Utility Management for Local Officials	18	10
4/10/08	Henry County	Utility Management for Local Officials	19	4
5/13/08	Obetz	Utility Management for Local Officials	30	18
6/10/08	Chillicothe	Utility Management for Local Officials	20	9
6/12/08	Wooster	Utility Management for Local Officials	8	4
		Total Utility Mgmt. -9	173	93
7/24/07	Steubenville	Financial Management	5	4
11/07/07	Findlay	Financial Management	15	14
11/14/07	Rootstown	Financial Management	20	14
12/3/07	Lewis Center	Financial Management	18	8
4/7/08	St. Clairsville	Financial Management	25	16
4/22/08	Hillsboro	Financial Management	12	8
5/14/08	Obetz	Financial Management	117	14
		Total Financial Mgmt.-7	212	78
7/25/07	Steubenville	Asset Mgmt., Budgeting and Rate Setting	8	5
11/8/07	Findlay	Asset Mgmt., Budgeting and Rate Setting	23	16
11/15/07	Rootstown	Asset Mgmt., Budgeting and Rate Setting	14	9
12/04/07	Lewis Center	Asset Mgmt., Budgeting and Rate Setting	17	9
4/8/08	St. Clairsville	Asset Mgmt., Budgeting and Rate Setting	25	17
4/23/08	Hillsboro	Asset Mgmt., Budgeting and Rate Setting	10	8
5/15/08	Obetz	Asset Mgmt., Budgeting and Rate Setting	32	15
		Total Asset Management - 7	129	79
Total	23 trainings		514	250

Rate Setting Course (401) development update: Ohio RCAP is preparing a course based upon CUPSS and plans to implement within the next contract period.

Objective 8: Assist systems with 10,000 or less in preparation of responses to U.S. EPA Drinking Water Infrastructure Needs Survey. Types of assistance to be provided includes meeting with public water systems, assisting in completion of asset inventories for water system components and assisting systems in completing surveys on U.S. EPA's survey form with necessary documentation. Ohio RCAP will follow up with systems post survey for further technical assistance. (20 communities assisted)

- Martins Ferry
- West Jefferson
- Greenfield City
- Millersport Village
- Campbell City
- Canfield City
- Columbiana City
- Geneva City
- Trumbull County
- Wellington Village
- Bryan Municipal Light & Water
- Erie County Margareta District
- Port Clinton City
- Byesville
- Leading Creek Conservancy District
- New Lexington City
- Tiltonsville Village
- Toronto City
- Bellbrook Waterworks
- Hillsboro City

Attachment B

With funding from Ohio EPA and other sources, Ohio RCAP has designed and implemented a series of training courses aimed at Officials responsible for the operation and funding of water systems. Descriptions of these courses are as follows:

Utility Management for Local Officials (Course 101)

Participants will be able to manage a water or sewer utility and develop their technical, managerial, and financial capability. Participants will be able to identify their responsibilities regarding operations, rules, open meeting laws and other laws impacting small water and wastewater systems, staffing, hiring consultants, project financing with loans, grants, rate setting, records keeping, income and expenses, budgeting, planning, and all aspects of utility operation. Participants will be able to develop capability for maintaining or achieving compliance with laws and regulations to provide a quality safe product at reasonable rates.

Financial Management for Local Officials (Course 201)

Building on the information provided by the Ohio RCAP 101 course, participants will be able to evaluate financial policies and procedures; develop record systems to make sound decisions on budgets, rates, and capital purchases; manage assets, income, expenses, debt, and reserves. Participants will be able to develop short and long-range plans for providing safe and quality services at a reasonable cost. Participants will be introduced to asset management as a mechanism of good stewardship of their utility. Participants will be able to implement sound financial processes, plans, and strategies for their utility. As a prerequisite, the Utility Management for Local Officials is recommended but not required.

Asset Management, Budgeting & Rate Setting for Local Officials (Course 301)

Participants will be able to evaluate financial needs of operating a water or sewer utility and set rates for services that cover the cost of operations, maintenance, repair, and replacement of the infrastructure assets. Participants will consider actual cost and changes in local conditions as a basis for budgeting expenses, debt service, and requires reserves. Additionally the participants will consider the capital needs of their infrastructure and the availability of loans and grants to cover capital costs along with the development of a rate structure that fits the needs of the community. Participants will determine short and long-term strategies for financing the needs of the utility and be able to deal with customer expectations and concerns. As a prerequisite, the Ohio RCAP 101 and 201 courses are recommended but not required.

Rate Setting for Local Officials (Course 401)

This course continues the topics of the Asset Management, Budgeting and Rate Setting for Local Officials seminar and will involve the implementation of tools, including CUPSS software recently developed by U.S. EPA and computer programs, to develop asset management plans and rate schedules for individual participants to meet the needs of their individual systems. Each participant will have access to a computer and will implement skills learned throughout the seminar. Participants will have the knowledge, tools, and software to set their own rates and explain these rates to their customers. As a prerequisite, the Ohio RCAP 101, 201, and 301 courses are recommended but not required. Additionally Ohio RCAP will provide each participant with free software that can be used for setting rates and managing the assets of the utility.

Highlights of PY 2008 Activities:

Jefferson County Water and Sewer District Rush Run Waterline Extension

Basis for Project:

In November 2005, John Gilmore, Director of the Jefferson County Water and Sewer District (JCWSD), was approached by the Wells Township Trustees about extending a waterline to approximately 140 customers on County Road 17 along Rush Run. At least two dozen homes along the Run were impacted in the Fall of 2004 when significant flooding had contaminated their private wells. Several still did not have potable water despite attempts to chlorinate the wells. For some, their well water remained so polluted that they were unable to use it even to wash clothes. This has placed a significant financial burden on those that had to purchase their drinking water in bottles or have it hauled in, and the Township was very concerned about the potential public health threat, property values and future quality of life for these residents. Because of the likelihood of future flooding events, and because many of the wells could not be rehabilitated, the best solution was to provide water service to the residents. Mr. Gilmore contacted the Ohio Rural Community Assistance Program (Ohio RCAP) to ask for help in obtaining funding for the project.

Upon further investigation, it was later learned that a large majority of the homes in the 'Run' had a well water problems, but there were varying causes. In May of 2007, the Jefferson County Health Department conducted bacterial testing of 63 homes along the route. Of those, 42 tested positive for total coliform and 11 tested positive for E-coli. Later that summer, testing conducted by the Ohio Department of Natural Resources (ODNR) confirmed that many wells were impacted by past mining activities.

Project Area:

The waterline extension is in Jefferson County along C.R. 17 beginning outside the Village of Smithfield in Wells Township and ending at its intersection with OH-7 in Warren Township near the banks of the Ohio River. JCWSD, which serves most unincorporated areas of the County as well as a few Villages, operates four public water systems with about 7,000 customers combined.

To date, 117 out of a potential 138 customers, including two churches and a small restaurant, have signed up for service, a participation rate of almost 85 percent. Demographic data for the project service area, from a community development block grant (CDBG) income survey and the 2000 U.S. Census for Wells and Warren Townships, is as follows:

1. Median household income is \$28,179
2. Low-to-moderate income 57.7 percent
3. Minority population 1.3 percent

The 'Run' is not an easy place to construct a waterline, with steep slopes next to the road in some places and a minimum of ten stream crossings, which added to the project cost. C.R. 17 follows alongside Rush Run in a winding valley, crossing over it at several points. The age of the homes varies from less than ten years to more than 100 years old, with the majority being at least 50 years old. In many cases, multiple generations of families have lived there.

Project Funding Sources:

Funding Source	Amount (\$)
CDBG Water/Sewer Grant*	\$390,000
CDBG Individual Hook-Up Assistance*	\$21,000
GOA Grant	\$200,000
ODNR – AML Grant	\$100,000
Ohio EPA Disadvantaged Loan (including 1.35% loan origination fee)	\$500,000
Ohio EPA WSRLA Loan (including 1.35 percent loan origination fee)	\$768,200
Tap Fees	\$80,000
Jefferson County Funds	\$76,625
Total Project Funding	\$2,135,825
Total Loans	\$1,268,200

**Taps, meters, meter pits for LMI qualified households.*

Project Description:

The waterline extension includes approximately 29,000 LF of eight inch pipe to serve 138 potential customers. Meter pits will be installed for each customer. The meters are adjustable to reduce water pressure, to accommodate homes that have older plumbing.

Project Impact:

Almost three years after the first meeting with Wells Township Trustees, residents along Rush Run will finally receive public water service when construction is completed in October 2008. Results from the project include the construction a waterline extension to provide water service and fire protection to properties along 5.5 miles of C.R. 17, benefiting a population of more than 300 residents and one small restaurant. From this extension, additional waterline extensions to similar areas can be planned. The project will increase the overall standard of living by alleviating current health risks and the economic hardship of buying hauled water, protecting property values, and providing increased economic development potential.