



John R. Kasich, Governor
Mary Taylor, Lt. Governor
Craig W. Butler, Director

July 16, 2015

**Toledo-Lucas County Health Department HSTS Project
HS391682-0001**

**Notice of issuance of a Limited Environmental Review and
Final Finding of No Significant Impact To All Interested
Citizens, Organizations, and Government Agencies**

**2015 Ohio Department of Health/Ohio Environmental Protection Agency
Household Sewage Treatment Systems Repair/Replacement Program using
Principal Forgiveness under the 2015 WPCLF Program Management Plan**

The purpose of this notice is to advise the public that Ohio EPA has reviewed the above referenced program and finds that neither an Environmental Assessment (EA) nor a Supplemental Study (SS) is required to complete the environmental review of the program. Instead, this program meets the criteria for a Limited Environmental Review (LER). These criteria are summarized below in this document and in the attached LER.

The LER was completed for this program as it will not individually, cumulatively over time, or in conjunction with other Federal, State, local, or private actions have a significant adverse effect on the quality of the human environment. Consequently, a Finding of No Significant Impact can be issued now for this program.

The Water Pollution Control Fund (WPCLF) program requires the inclusion of environmental factors in the decision-making process for project approval. Ohio EPA has done this by incorporating an analysis of the environmental effects of the proposed action in its review and approval process. Environmental information was developed as a part of the planning process. A subsequent review by this Agency has found that the proposed action does not require the preparation of an EA or an SS.

Our environmental review concluded that because the proposed program is limited in scope and meets all applicable criteria, a Limited Environmental Review is warranted. Specifically, the program constitutes an action in unsewered areas where on-site technology is proposed. Furthermore, the proposed program:

- has no significant environmental effect;


- does not require extensive specific impact mitigation;
- has no effect on high value environmental resources;
- is of reasonable cost;
- is not a controversial action;
- does not create a new, or relocate an existing discharge to surface or ground waters;
- will not result in substantial increases in the volume of discharge or the loading of pollutants from an existing source or from new facilities to receiving waters; and
- will not provide capacity to serve a population substantially greater than the existing population.

The LER presents information on the proposed program, its costs, and the basis for our decision. Further information can be obtained by calling or writing the contact person listed on the back of the LER.

Upon issuance of this determination, loan awards may proceed without being subject to further environmental review or public comment, unless information is provided which determines that environmental conditions for the proposed projects have changed significantly.

Sincerely,



 Jerry Rouch, Assistant Chief
Division of Environmental and Financial Assistance

cc: Eric Schultz, DEFA EPS
Michael Ebner, DEFA AAS
Jonathan Bernstein, DEFA ES

Attachment

LIMITED ENVIRONMENTAL REVIEW

A. Project Identification

Name: 2015 Ohio Department of Health/Ohio Environmental Protection Agency Household Sewage Treatment Systems Repair/Replacement Program using Principal Forgiveness under the 2015 WPCLF Program Management Plan

WPCLF No.: CS391672-0001

B. Background

The State of Ohio has approximately 1 million homes currently utilizing home sewage treatment systems (HSTSs) as their means of sewage treatment. The Ohio Department of Health (ODH) indicates that approximately 25% of these systems are failing, and another 13% of the systems have a high probability of failing in the next five years. Thus, there is a tremendous need for repair and replacement of HSTSs in Ohio. Along with that need comes a cost, which can seem overwhelming to homeowners who are at, or near, the poverty level.

In 2009, Ohio EPA made \$5,000,000 available in funds from the American Recovery and Reinvestment Act (ARRA), also known as the federal stimulus bill, for the purpose of repair and replacement of failing HSTSs. While this program was useful, the short timeframe while the funds were available limited its success. Approximately 455 systems were repaired or replaced with \$3,471,000 in ARRA funds. Thus, while the ARRA funding helped, the need for financial assistance for more HSTS repairs and replacement remained.

Ohio EPA has administered Ohio's Water Pollution Control Loan Fund since its inception in 1989. Beginning with the federal fiscal year 2010 appropriations law (P.L. 111-88), the federal government included additional requirements that applied to the WPCLF, namely that: 1) a certain percentage of the capitalization grant amount is made available as "additional subsidy" in the form of forgiveness of principal, negative interest rates, or grants, and 2) at least 20% of the capitalization grant amount is to be used to address green infrastructure, water or

energy efficiency improvements, or other environmentally innovative activities (the “Green Project Reserve”). Ohio EPA began to include these program modifications in its Program Year 2011 Program Management Plan, including the use of principal forgiveness to help county health departments address failing HSTS problems. For Program Year 2015, Ohio EPA decided to make available \$1 million of principal forgiveness to the Ohio Department of Health for projects to repair and replace failing HSTSs. Besides the public health risks they pose, failing HSTSs contribute to nutrient enrichment within many surface water bodies in Ohio. Nutrient enrichment is believed to be the primary cause of harmful algal blooms (HABs) in lakes and other waters of the State, and have cost citizens and the government millions of dollars related to treatment of the HABs, lost commercial and recreation opportunities, and implementation of further safeguards to protect water resources and public health.

Ohio EPA and ODH have agreed to partner in the administration of the 2015 Ohio Department of Health/Ohio Environmental Protection Agency Household Sewage Treatment Systems Repair/ Replacement Program (hereafter referred to as “2015 HSTS Program”) to provide a one-time award of principal forgiveness loans to certain qualifying local health departments (LHDs) to fund repair and replacement of a limited number of failing HSTSs. To combat HAB, the 2015 HSTS Program is prioritizing its HSTS work within four targeted watersheds that contribute significantly to nutrient enrichment in Lake Erie: Sandusky River - Rock Creek; Auglaize River - Flatrock Creek; Swan Creek - Bad Creek and South Turkeyfoot Creek. Together, Ohio EPA and ODH have developed a framework for executing the 2015 HSTS Program, which includes: notifying LHDs about this funding opportunity, identifying LHDs and HSTSs that are eligible for assistance, reviewing contracts, processing payments, and ensuring that LHDs comply with all of the program’s requirements. Since the WPCLF requires an environmental review as part of the decision-making process for all project funding, this document serves to summarize Ohio EPA’s environmental review of the proposed 2015 HSTS Program.

C. Program Description

As indicated above, Ohio EPA has been providing funds for the replacement and repair of HSTSs going back to program year 2009 using ARRA funds, and since 2011 using state revolving fund (SRF) loan program federal capitalization grants. The historical use/allocation of those funds is indicated in the table below.

| Table 1 Historical Allocation of Grant Funds For HSTS Repairs and Replacements | | |
|-----------------------------------------------------------------------------------------------------------|------------------------|--------------------------------|
| Program Year (PY) | Amount of Funds | Funds Used or Allocated |
| 2009 | \$5,000,000 | \$3,471,000.00 |
| 2011 | \$6,065,500 | \$6,065,500.00 |
| 2012 | \$2,500,000 | \$2,196,500.00 |
| 2013 | \$2,000,000 | \$1,492,597.59 |
| 2015 | \$1,000,000 | Allocated |
| Total | \$16,565,500 | |

Under the proposed 2015 HSTS Program, ODH will issue a Request for Proposals (RFP) to LHDs for funding. LHDs interested in participating will submit proposals to ODH. With these proposals, ODH will identify LHDs that are eligible for loans for the individual HSTS under their purview. In turn, LHDs will enter into WPCLF loan agreements with Ohio EPA. The loan agreements will specify the amount of funds that will be available to the LHDs for the purpose of repair/replacement of HSTSs. Upon review and approval by ODH, the LHD will draw upon the approved loan for eligible HSTS repairs/replacements that have been completed. These funds are being made available as a principal forgiveness loan, so there will be no repayment.

Once the RFP is issued, the more detailed process will be as follows:

- LHDs wishing to apply for funding must submit a proposal demonstrating a need for funding for the repair and/or replacement of failing HSTSs, a comprehensive plan to manage the project at the local level, and the experience necessary to successfully implement the project.
- ODH will review and score submitted proposals and make a determination of the LHDs to be funded.
- Notification of awards and WPCLF agreements will be forwarded to LHDs, as determined by ODH. LHDs will return signed agreements to ODH.
- LHDs will execute paperwork with individual homeowners identified for HSTS repair or replacement, and arrange for matching funds from homeowners, as applicable.

- LHDs will put HSTS projects out for bid by HSTS contractors. The LHDs will then enter into contracts with HSTS contractors for completion of project work and forward this documentation to ODH.
- ODH will review the contracts between LHDs and HSTS contractors and, as applicable, approve these contracts.
- LHDs will execute contracts with HSTS contractors for repair/replacement work to be completed. LHDs will be responsible for inspecting the HSTSs, issuing final inspection certifications, and submitting invoices to ODH.
- ODH will review invoices for accuracy and eligibility and submit the final invoice to Ohio EPA. Ohio EPA will review and submit final invoices to the Ohio Water Development Authority (OWDA).
- OWDA will forward payments to LHDs, who will disburse payments to the appropriate contractors.

Principal Forgiveness funds are to be applied to the eligible improvements on a 100%, 85% or 50% basis. That is, for the 100% principal forgiveness recipients, there will be no homeowner “local share”; for the 85% and 50% principal forgiveness recipients, the homeowner will be responsible for 15% and 50% of the eligible project costs, respectively¹. The determination of whether the homeowners qualify for 100%, 85% or 50% will be made by the LHD, and will be based on U.S. Department of Health and Human Services poverty guidelines. The LHD will submit to ODH the process that it will use to confirm the financial need of the homeowners selected (e.g., tax forms, pay stubs, etc.). Included in this information, the LHDs will also provide data indicating the percentage of households whose incomes represent the noted poverty levels within the jurisdiction of the LHD.

There are some additional eligibility parameters that must be met in order for a homeowner to participate in this program. These parameters are summarized as follows:

- The sewage system serving the home where the owner resides must be determined to be failing by the local health district.
- The homeowner(s) receiving the assistance has provided documentation that they are the titled owner(s) of the property where the sewage system will be improved.

¹ Principal forgiveness is essentially like a grant. A principal forgiveness loan is a loan in which there is no interest charged, and the principal is “forgiven” (i.e., it is not paid back).

- The home in question must be the primary residence of the homeowner(s).
- Rental properties and new build homes will not be eligible for assistance.
- Funds cannot be used for the connection of a home to a sanitary sewer.
- The only construction eligible for WPCLF funding under this program is that performed under the contracts between the LHD and its installers. Improvements performed under contracts between installers and homeowners are not eligible for assistance under this program.

D. Estimated Program Costs

Ohio EPA agreed to make up to \$1,000,000 in principal forgiveness funds available for the 2015 HSTS Program. While Ohio EPA and ODH have prioritized projects within the previously-mentioned targeted watersheds, funding is permitted to be utilized throughout the State. Aside from the \$1,000,000 cap in 2015 HSTS Program funding, there is no maximum or minimum funding amount that can be utilized by an individual LHD. ODH will evaluate proposals submitted by LHDs for the repair of HSTSs within their jurisdiction and determine which LHDs and projects will be funded. Ohio EPA will enter into contracts with those LHDs identified by ODH, and payments will be made directly to the LHDs for HSTS repairs and replacements that have been certified by the LHD. The LHD will disburse funds to the contractors that performed the HSTS work.

E. Program Schedule

The RFP for 2015 HSTS Program funding was issued March 5, 2015 and the deadline for proposals was April 3, 2015. Proposals will be reviewed, recommendations for funding made, and WPCLF loan agreements executed throughout spring and early summer of 2015, with HSTS repair and replacement work beginning as early as summer 2015. The deadline for all work funded by the 2015 HSTS Program to be completed is October 31, 2016.

F. Public Notification

On March 5, 2015, Ohio EPA and ODH publicized the availability of the 2015 HSTS Program funding via the State of Ohio procurement website. Furthermore,

on March 6, 2015, ODH sent an email to all LHDs announcing the 2015 HSTS Program funding, including a link to the procurement website

G. Planning Information

The planning information, background materials and Local Government Agency nomination forms for the proposed 2015 HSTS Program are available for review at Ohio EPA-DEFA at the following address:

Ohio EPA-DEFA
P.O. Box 1049
Columbus, Ohio 43216-1049

H. Summary of Environmental Review

The WPCLF program requires that an environmental review be conducted for each project proposal that receives funding. In the case of the 2015 HSTS Program, performing an environmental review of each and every individual HSTS “activity” within the scope of the overall Program is not practical, primarily since the potential for adverse environmental impacts is very low, the individual applicants (and the physical location of the improvements) have yet to be identified, and the expected volume of applicants could be quite high. Therefore, the environmental review of the 2015 HSTS Program was done at an overall “program” level. If potentially adverse environmental impacts from individual project activities are anticipated by LHD staff during implementation, they are expected to coordinate with Ohio EPA to adequately mitigate these impacts.

The types of improvements expected to be installed through the 2015 HSTS Program will be very limited in their scope. The proposed improvements will be HSTS repairs and replacements for existing systems. These types of projects are fairly straightforward in their design, location and construction techniques. The projects receiving funding through this program will involve the installation of conventional HSTSs (e.g., septic tanks and leach fields) where the soils are suitable, mound systems, other “on-lot” improvements, and in situations where

there is no other alternative – off-lot discharging systems.² They will almost universally be constructed within a homeowner's property, which is usually a grassed yard, with or without landscaping. Excavation, installation and restoration work is expected to be completed fairly quickly, so erosion and sediment runoff should not be a major problem. Since the focus of this WPCLF program is on correcting existing problems (as opposed to funding new installations), the sites where the HSTSs will be installed have likely been previously disturbed, are subject to health department siting criteria, and are very unlikely to contain any high quality or significant environmental resources. Thus, the potential adverse environmental impacts to any high quality environmental resources can be evaluated as a category (rather than evaluating each individual project).

In summary, due to the nature of the proposed improvements, and the limited, previously-disturbed locations where they are typically sited, it can categorically be determined that these project activities should have no significant adverse effect on major land forms, terrestrial or aquatic habitat, rare or endangered species, surface water, ground water, wetlands, floodplains, land use patterns, agriculture, air quality, archaeological and historical resources, noise, traffic, aesthetics, energy resources, or the local economy. Significant beneficial effects on surface and ground water may be realized by upgrading or replacing failed, failing, or inadequate HSTSs. Public health threats will definitely be reduced by eliminating these existing sources of sewage discharge to the environment.

I. Conclusion

The proposed 2015 HSTS Program meets the project type criteria for a Limited Environmental Review (LER); namely, it is an action in unsewered areas where “on-site technology” is proposed. Furthermore, the LHD projects meet the other qualifying criteria for an LER, as follows:

- They will have no significant adverse environmental effect, as the 2015 HSTS Program projects will have very little overall ground disturbing activity, and will occur on previously-disturbed areas. Improvements of this type will likely have no potentially significant adverse impacts on the quality of the human

² In the case of a replacement discharging system, the homeowner must work with the local health district to obtain coverage under the Ohio EPA General Household National Pollutant Discharge Elimination Systems (NPDES) permit prior to system permitting and installation.

environment or on sensitive resources such as floodplains, wetlands, prime or unique agricultural lands, aquifer recharge zones, archaeological or historically significant sites, or threatened or endangered species;

- They do not require extensive specific impact mitigation, as they will involve repairs or replacements of failed HSTS systems in previously-disturbed locations of very small size;
- They will have no effect on high value environmental resources, as they will only affect small, discrete surface locations, primarily in residential lawns, that lack any such high value resources;
- They are of reasonable cost, as the program is restricted to areas where more expensive central sanitary sewers will not be available in the foreseeable future;
- They are not a controversial action, as principal forgiveness funds are being made available from the WPCLF, which will keep homeowner costs to a minimal level; furthermore, participation in the 2013 HSTS Program is voluntary;
- They do not create a new, or relocate an existing, discharge to surface or ground waters, since the vast majority of the improvements will treat home sewage on-lot;
- They will not result in substantial increases in the volume of discharge or loading of pollutants from an existing source or from new facilities to receiving water, since the proposed improvements are being designed to reduce the loading of the failed HSTSs; and
- They will not provide capacity to serve a population substantially greater than the existing population, since the program is restricted to existing homes that have failed systems, is not available to new development, and the HSTS systems to be installed are generally designed based on the number of bedrooms that the home currently has.

J. For further information, please contact:

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