



2023 Drought Response Grant Funding Guidance

Chapter 173-167 WAC

Water Resources Program

Washington State Department of Ecology
Olympia, Washington

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¹ www.ecology.wa.gov/contact

Department of Ecology's Regional Offices

Map of Counties Served



Region	Counties served	Mailing Address	Phone
Southwest	Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Mason, Lewis, Pacific, Pierce, Skamania, Thurston, Wahkiakum	PO Box 47775 Olympia, WA 98504	Mike Gallagher Mike.Gallagher@ecy.wa.gov 360-407-6058
Northwest	Island, King, Kitsap, San Juan, Skagit, Snohomish, Whatcom	PO Box 330316 Shoreline, WA 98133	Kasey Cykler Kasey.Cykler@ecy.wa.gov 360-603-1037
Central	Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan, Yakima	1250 W Alder St Union Gap, WA 98903	Heather Simmons Heather.Simmons@ecy.wa.gov 509-379-4600
Eastern	Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman	4601 N Monroe Spokane, WA 99205	Jaime Short Jaime.Short@ecy.wa.gov 509-329-3586
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DEPARTMENT OF
ECOLOGY
State of Washington

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Drought Response Grant Funding Guidance

On July 24, 2023, the Department of Ecology (Ecology) issued a Drought Emergency Declaration for specific geographic areas in Washington State and a Drought Advisory for all other areas in the state (Figure 1; Table 1). For further details, see the [declaration statement Order and Determination of Director](#), dated July 24, 2023).

These guidelines apply to the specific geographic areas in which a drought emergency declaration has been made. Other areas of the state, which are in Drought Advisory status, are not eligible for funding. Use the Find Your WRIA tool to determine the watershed location of your project: <https://ecology.wa.gov/Water-Shorelines/Water-supply/Water-availability/Watershed-look-up>

Washington Drought Declaration Areas



Figure 1. Map of the July 24, 2023 drought declaration areas in Washington.

Ecology is making \$2.7 million available under this funding opportunity to reduce hardship caused by the current drought conditions.

Projects eligible for funding must be located in areas that are listed in the drought emergency declaration (Table 1).

Table 1. Watersheds within the declared drought emergency areas.

Name	Water Resource Inventory Area
Nooksack	WRIA 1
Upper and Lower Skagit	WRIAs 3 and 4
Dungeness-Elwha	WRIA 18
Lyre-Hoko	WRIA 19
Sol Duc – Hoh	WRIA 20
Walla Walla	WRIA 32
Lower Yakima	WRIA 37
Naches	WRIA 38
Upper Yakima	WRIA 39
Methow	WRIA 48
Okanogan	WRIA 49

Access additional information on our [drought emergency funding rule](https://ecology.wa.gov/regulations-permits/laws-rules-rulemaking/rulemaking/wac-173-167) at: <https://ecology.wa.gov/regulations-permits/laws-rules-rulemaking/rulemaking/wac-173-167>

This funding opportunity will be open beginning July 25, 2023. The adopted emergency rule, chapter 173-167 WAC, remains effective until November 20, 2023.

1. Eligible Applicants

Applicants eligible for funding include:

- County, or city governmental agencies.
- Federally-recognized Tribes.
- Public utility districts, formed under chapter 54.04 RCW.
- Water and sewer districts, formed under chapter 57.02 RCW.
- Conservation districts, formed under chapter 89.08 RCW.
- Irrigation districts, formed under chapter 87.03 RCW.
- Port districts, formed under chapter 53.04 RCW.
- Watershed management partnerships, formed under chapter 39.34.200 RCW.

2. Eligible Project Elements

1. To be eligible for funding, one or more of the following must be partially or completely within the area of a drought declaration order by Ecology:
 - (a) The public water system’s service area.
 - (b) The geographic area where irrigated agriculture or livestock are located.
 - (c) The source of water, or the water body, that supplies water to the entity applying for funding.
2. The reduction in water supply caused by drought must cause, or will cause, undue hardship, as described under WAC 173-167-230.
3. Ecology will provide up to 50% state share match of an eligible project cost, except if the Applicant is a public water system that serves an economically disadvantaged community, as defined in WAC 173-167-200. In this situation, Ecology may fund up to 100% of an eligible project cost.

Recipients are responsible for the remaining share of eligible project costs (match) and 100% of all non-eligible project costs.

Example: A \$100,000 grant has a 50 percent match requirement; Ecology will pay 50 percent (\$50,000) of eligible costs, as long as the recipient pays \$50,000 for eligible costs of the project.

If awarded funding, when submitting eligible invoices on the quarterly Payment Request/Progress Report, Ecology will reimburse 50% of the total eligible cost. The other 50% is considered the recipients 50% match contribution.

3. Ineligible Project Elements

Projects or project components that are ineligible to receive funding include:

- Those projects or project objectives previously funded by Ecology. However, expansion or additional phases of a project that provide additional benefits may be eligible.
- Major and capital equipment purchases without pre-approval from Ecology.
- Lighting, landscaping, or other project elements that do not provide a water supply or instream resources benefit.
- Contaminated soils removal or remediation.
- Projects required under statute, rule, ordinance, or court order, or that conflict with other ecology rules, projects, or guidance.
- Staff time not directly related to the project.
- Bond costs for debt issuance.
- Operation and maintenance costs.
- Bonus or acceleration payments to contractors to meet contractual completion dates for construction.
- Compensation or damages for any claim or injury of any kind arising out of the project, including any personal injury, damage to any kind of real or personal property, or any kind of contractual damages, whether direct, indirect, or consequential.
- Dispute resolution under the grant agreement.
- Operating expenses or other indirect costs, in excess of approved indirect salary rate.
- Overtime differential paid to employees of a public entity to complete administrative or force account work.
- Permit fees not directly required for the completion of the project.
- Professional dues.

4. Project Selection

Only projects that are located in the watersheds where drought has been declared can be considered for funding. Projects eligible for funding must address drought hardships to irrigated agriculture, livestock, public water supplies, fisheries and/or wildlife.

If you have questions about a potential project, contact your regional office representative (see contact information on page 3).

The types of projects that may be eligible for funding include, but are not limited to:

Agriculture or livestock

- Purchasing or leasing water or water rights to be used during the drought period for instream or out-of-stream beneficial uses.
- Developing alternate source(s) of water supply, or mitigating use of existing emergency sources, to supplement an insufficient source.
- Replacing intakes, pumps, and related accessories.
- Replacing leaky or damaged pipelines or installing new transmission pipelines to provide system reliability.
- Improving canals and laterals with control structures.
- Lining of leaky canals.
- Upgrading diversion structures.
- Addition of reregulating reservoirs.
- Installation of measuring devices that improve efficiency of irrigation.
- Modifying an existing source or deepening an existing well.
- Developing an intertie or alternate water source in conjunction with an adjacent water supplier.
- Irrigation scheduling programs and activities.

Public water supply

- Developing alternate source(s) of water supply, or mitigating use of existing emergency sources, to supplement an insufficient source.
- Transportation of emergency water supplies for public health and sanitation.
- Implementing water conservation strategies.
- Water use reduction programs and activities, including leak detection or other water conservation actions that can lead to demonstrable reduction in water demand or increased availability.

Fisheries and wildlife

- Actions to ensure fish survival and health within hatcheries, which may include improvement to water quality, water supply, or other measures.
- Projects that eliminate migration barriers, such as temporary structures to increase flow velocity or depth.
- Modifying stream channels adjacent to a hatchery to ensure passage to the facility.

- Stream channel modification such as trenching, sandbagging, or creating berms to protect spawning gravels or to provide migratory channels for fish passage.
- Temporary streamflow diversion to critical bird nesting habitat or wetland habitat populated by priority species, as identified by the state Department of Fish and Wildlife (WDFW).
- Temporary impoundment of water in existing wetland habitat populated by priority species, as identified by WDFW.
- Temporary streamflow diversion to upland watering devices.

The cost of providing personnel necessary to implement the activities in an eligible drought relief project is also eligible for drought relief funding.

5. How to Apply

Applicants must submit applications for funding through the Ecology Administration of Grants and Loans (EAGL) system. The funding application and an EAGL User's Manual that provides instructions are available on our website at: <https://ecology.wa.gov/about-us/payments-contracts-grants/grants-loans>

Applicants should include specific details about the project in the Drought Relief Form in EAGL. This information will aid in our evaluation and application of eligibility criteria in Table 1, below, which are listed in WAC 173-167-230.

In addition, applicants should include maps or drawings as attachments with their applications. For example, applications could include a technical drawing or engineering design of the project, project area map(s), and other relevant schematics.

5A. Impacts and benefits

Agricultural projects

Describe current conditions that include specific impacts that are being experienced under drought conditions. This should include either overall acreage and type of crops grown in the affected area, or number and type of livestock impacted. Estimate anticipated amount of water shortage both as an instantaneous rate and total volume. Estimate anticipated economic losses projected due to the water supply shortage, both short-term and long-term. Describe any conservation actions already taken and any planned actions to reduce the impact of the drought.

Benefits should be clearly stated in terms of the amount of water that will be obtained, and the quantity of benefit (acreage, crop type, number of livestock, etc.) that you anticipate being achieved with the project. If the full economic losses projected are not being addressed through the project, estimate the economic benefits from the project and identify the losses not addressed.

Public water supply projects

Describe existing conditions, including the name, public water system ID number, population served by the water system, and other relevant information. Describe conditions that are being experienced as a result of the current drought, and identify impacts to public health, system reliability, water quality, or other relevant information. Attach your water system's water shortage response plan, if one exists. If no plan has been developed, project applicants must commit to completing one.

Benefits should be clearly stated in terms of the amount of water that will be obtained, and how the project will address public health protection and system reliability. Include an evaluation of other potential approaches for providing long-term water supply reliability and public health protection.

Fish habitat, hatchery, and wildlife projects

Describe existing conditions, including the flow and fish habitat conditions for the specific river, river reach, or hatchery as applicable. Include current known fisheries impacts, such as fish species affected, life stage(s), duration of impact, and listing status under the Federal Endangered Species Act.

Benefits from the project should be clearly stated in terms of the amount of flow increase, how fish hatchery or habitat conditions will be improved, or how recreation will be enhanced by the project. As relevant, include specific information about the fish species affected, life stage(s), duration of benefit, and listing status under the Federal Endangered Species Act.

For wildlife species, describe which wildlife species will benefit from improved water availability, the duration of the benefit, whether any of the target species are priority species for wildlife management, or listed under the federal Endangered Species Act.

Evaluation process

Ecology evaluates project proposals based on responses provided in the applications. Table 1 shows the scoring criteria Ecology will use to select projects for funding. A team of Ecology

Water Resources Program staff will review each project proposal. Projects must score a total of 40 points, meaning projects have to meet all of the eligibility criteria to receive funding.

Funding will be awarded to eligible projects that:

- Are cost-effective at alleviating hardship during the drought declaration, as described in WAC 173-167-250.
- Demonstrate that the current declared drought will likely result in undue hardship for the applicant and/or instream resources, as described in WAC 173-167-230.
- Provide a detailed description and documentation of the agricultural, fishery impact, or public health concerns resulting from the reduced water supply. Include specific financial hardship information if applicable.
- Demonstrate availability of cost-share funds for 50 percent of the Total Cost (such as from other private, Tribal, local government, or federal sources), unless an applicant meets the exemption for public water systems in WAC 173-167-200.

Table 2. Scoring criteria

Category	Criteria	Score
Cost-Effective	The project provides an acceptable result at a reasonable cost (WAC 173-167-250).	Yes = 10 points No = 0 points
Hardship	Application demonstrates that hardship to the applicant is caused by the currently declared drought (WAC 173-167-230).	Yes = 10 points No = 0 points
Benefits	Application demonstrates that the benefits of the project will reduce hardship caused by the current drought conditions. (WAC 173-167-180 and 250).	Yes = 10 points No = 0 points
Cost-Share Funds	The applicant demonstrates the availability of cost-share funds of at least 50 percent of the Total Cost of the project, unless the applicant qualifies for an exemption (WAC 173-167-200).	Yes = 10 points No = 0 points
Total Score Possible		40

Environmental review

Cultural resource review

All federal or state cultural resources requirements must be completed prior to the start of any work on a project site. Grant recipients must take reasonable action to avoid, minimize, or mitigate adverse effects to archeological and historic resources.

All activities associated with site assessments for historic properties are grant eligible.

[Appendix B](#) provides more information regarding cultural resources review requirements and the process.

Standard agreement terms and conditions

The following are important terms and conditions that play a role in the day-to-day decisions made on loan or grant projects. A complete listing of the administrative requirements for all grants and loans administered by Ecology is contained in the [Administrative Requirements for Recipients of Ecology Grants and Loans Managed in EAGL](#) at:

<https://apps.ecology.wa.gov/publications/SummaryPages/2301002.html>

Budgets

All recipients must track the project budget by task. Object-based budget management is not permitted. Object budget information provided in the application is used to evaluate if all costs

were considered by the applicant at the time of application and to track requested purchases during project implementation.

The budget amount for Administration cannot exceed 15 percent of the total eligible cost of the project.

Disbursements of grant funds

Ecology disburses grant funds to recipients on a cost-reimbursable basis. The recipient must incur eligible costs within the approved grant-funding period; from the effective date to the expiration date of the funding agreement.

Payment requests processing

Payment requests are initiated and processed through the EAGL system. Backup documentation is required for all costs listed in a payment request.

Procuring goods and services

The recipient is responsible for procuring professional, personal, and other services using sound business judgment and good administrative procedures consistent with applicable federal, state, and local laws, orders, regulations, and permits. This includes issuing the invitation for bids, requesting proposals, selecting contractors, awarding sub-agreements, and other related procurement matters.

The Office of Minority and Women Owned Business Enterprises (OMWBE) has established voluntary goals for the participation of minority- and women-owned businesses in procurements made with Ecology funds. Each grant agreement will contain a condition regarding OMWBE. While participation is voluntary, Ecology requires reporting the level of participation.

Progress reports

Progress Reports must be submitted quarterly even if expenditures are not being submitted.

Project site visits and post project assessments

Ecology's Project Management Team may conduct site visits to provide technical assistance, ensure compliance with applicable laws and rules, and verify progress or payment information for projects.

Transportation costs

The recipient may charge mileage to the project at the current state mileage rate. The mileage charge includes all vehicle-related needs, such as fuel, insurance, and maintenance.

6. Agreement Management

Contractor or consultant role permissions in EAGL

Recipients may not allow any contractors or consultants to hold the Authorized Official role in EAGL. Only organization staff can have an Authorized Official role for an active grant so as to maintain effective internal controls and accountability, and to avoid related audit findings. This role is able to certify and submit payment requests and progress reports, submit amendment requests, and to change member roles. If a contractor needs access permissions for grant administration, recipients may assign them to a Contractor or Writer role.

Incurring eligible costs - important dates

The *effective date* is the earliest date on which eligible costs may be incurred. The effective date is negotiated between the applicant and the Ecology Project Manager (Project Manager) during development of the Grant Agreement.

The applicant may incur project costs on and after the effective date and before Ecology's signature of the final agreement, but expenditures cannot be reimbursed until the agreement has been signed by Ecology's Water Resources Program Manager. While applicants can incur eligible costs before the agreement is signed, they do so at their own risk.

The *expiration date* (of the agreement) is the last date on which costs may be incurred and be considered eligible with appropriate backup documentation. The *project completion date* is the date specified in the agreement on which the Scope of Work will be fully completed. Both dates are negotiated between the applicant and the Project Manager.

Appendix A. Water Resource Inventory Areas



1. Nooksack
2. San Juan
3. Lower Skagit-Samish
4. Upper Skagit
5. Stillaguamish
6. Island
7. Snohomish
8. Cedar-Sammamish
9. Duwamish-Green
10. Puyallup-White
11. Nisqually
12. Chambers-Clover
13. Deschutes
14. Kennedy-Goldsborough
15. Kitsap
16. Skokomish-Dosewallips
17. Quilcene-Snow
18. Elwha-Dungeness
19. Lyre-Hoko
20. Soleduc-Hoh
21. Queets-Quinault/Lower Chehalis
22. Upper Chehalis
23. Willapa
24. Grays-Elochoman
25. Cowlitz
26. Lewis
27. Salmon-Washougal
28. Wind-White Salmon
29. Klickitat
30. Rock-Glade
31. Walla Walla
32. Lower Snake
33. Palouse
34. Middle Snake
35. Esquatzel Coulee
36. Lower Yakima
37. Naches
38. Upper Yakima
39. Alkali-Squilchuck
40. Lower Crab
41. Grand Coulee/ Upper Crab-Wilson
42. Moses Coulee
43. Wenatchee
44. Entiat
45. Chelan
46. Methow
47. Okanogan
48. Foster
49. Nespelem
50. Sanpoil
51. Lower Lake Roosevelt
52. Lower Spokane
53. Little Spokane
54. Hangman
55. Middle Spokane
56. Middle Lake Roosevelt
57. Colville
58. Kettle
59. Upper Lake Roosevelt
60. Pend Oreille
61. Upper Lake Roosevelt
62. Pend Oreille

Appendix B: Cultural Resource Review

Cultural Resources Requirement

Under [Governor's Executive Order 21-02](#)², projects funded by any state funds for construction, demolition or acquisition require Ecology review for potential impacts to cultural resources. Examples of cultural resources include Native American sacred places and landscapes; archaeological sites or objects; buildings, objects, sites, structures or districts older than 45 years; locations of significant events or pre-contact or historic occupation, such as trails, petroglyphs, village sites, or battlefields. State and local regulatory standards vary by project type, type of funding, and location. The goal of the review is to identify any cultural resources potentially affected by the proposed action, assess the effects of the proposed action, and seek ways to avoid, minimize, or mitigate any adverse impacts.

Cultural resources consultation and Inadvertent Discovery Plans

Ecology will review all drought response projects for potential impacts to cultural resources. We will consult with the Department of Archaeology and Historic Preservation and affected tribes for all projects involving field activities. The consultation process includes providing a completed [Ecology Cultural Resources Review Form](#)³. Applicants need to contact the Ecology project manager to coordinate completion of this form.

Applicants are encouraged to work with the Ecology project manager to initiate a cultural resources consultation as soon as possible. The consultation process can take months to complete, and Ecology may not reimburse otherwise grant-eligible costs if consultation is not completed prior to initiating field activities.

For all projects involving field activities, recipients also need to complete an Inadvertent Discovery Plan (IDP), which outlines steps to take in the event of a discovery of archaeological materials or human remains, in accordance with applicable state and federal laws. Recipients may use Ecology's [IDP template](#)⁴ or an alternative that contains similar information. Provide the IDP to the Ecology project manager for review during planning for field activities.

Ecology is responsible, as the funding agency, for contacting the Department of Archaeology and Historic Preservation (DAHP), tribes, and other interested parties to meet cultural resource review requirements. Previous approval from DAHP does not fulfill these requirements. Communication that may have occurred during a SEPA review is not sufficient to meet cultural resources review requirements.

² https://www.governor.wa.gov/sites/default/files/exe_order/eo_21-02.pdf

³ <https://apps.ecology.wa.gov/publications/SummaryPages/ECY070537.html>

⁴ <https://apps.ecology.wa.gov/publications/SummaryPages/ECY070560.html>

The Area of Potential Effect (APE) is not the project boundary. The APE is the maximum geographic area where your project could potentially have an effect on historic properties, if any are present. The APE will vary with the type of project. To determine the APE you must know the nature and full extent of your project. For example, the APE for a natural gas pipeline might include not only the actual pipeline trench, but also includes the construction right-of-way, compressor stations, meter stations, staging areas, storage yards, access roads, and other ancillary facilities. The APE for a construction project will include the construction site but might also include the buildings in a downtown area adjacent to the construction where vibrations may cause foundations to crack. Use the APE to determine your survey boundary.

If the recipient changes the project area or design after review has been completed, the recipient will have to reinitiate review to capture the changes.

For geo-tech work that occurs in the planning or design phases, ensuring your cultural review is completed early can not only help identify the appropriate locations from a subsurface perspective, you can obtain valuable input early in the planning process about sensitive locations.

Eligibility

All activities associated with cultural resources review are grant and loan eligible.

Construction or Best Management Practices implementation that occurs prior to cultural resources review will not be eligible for reimbursement.