




**Washington State  
Water Pollution Control Revolving Fund**

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**Final Intended Use Plan  
FY 2004**

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## I. Funds Available for Projects

This Final Intended Use Plan (IUP) describes how the state of Washington plans to use the moneys available to the Washington State Water Pollution Control Revolving Fund (SRF) during state fiscal year 2004 (FY 2004). Total funds available for this year's IUP will be \$85,311,513. This total is based on receiving the federal fiscal year (FFY) 2003 Title VI capitalization grant from the U.S. Environmental Protection Agency (EPA), the required 20% state match to the federal grant from Washington State's 2003-2005 biennial appropriations, deobligated funds from previous funding cycle loan recipients, principal and interest repayments carried over from state fiscal year 2003, principal and interest repayments from previous funding cycle loan recipients, and the redirection of remaining funds reserved for technical assistance under the federal Hardship Grant Program for Rural Communities to a grant for an eligible community. Four percent of the federal Title VI capitalization grant is designated for the Department of Ecology's (Ecology) eligible administration costs. The remaining \$84,390,187 will be available as loans and one grant for water pollution control projects.

The following table illustrates SRF funds available for FY 2004.

|   |                    |
|---|--------------------|
| Federal Fiscal Year 2003 Title VI Grant                                   | \$23,033,142       |
| State Match (20%) to Federal Fiscal Year 2003 Federal Title VI Grant      | \$4,606,628        |
| Principal and Interest Repayments from Previous Funding Cycle Recipients  | \$23,241,039       |
| Deobligated Funds from 7/1/02 to 6/30/03                                  | \$20,743,497       |
| Principal and Interest Repayments Carried Over from FY 2003               | \$13,638,885       |
| Federal Hardship Grant Program for Rural Communities                      | <u>\$48,322</u>    |
| Total SRF Funds   | \$85,311,513       |
| Less 4% of Federal Fiscal Year 2002 Title VI Grant for SRF Administration | <u>(\$921,326)</u> |
| SRF Funds Available for Projects  | \$84,390,187       |

Local governments' demand for SRF financial assistance this funding cycle exceeded the funds available. The SRF program received 39 eligible applications from local governments requesting over \$209 million. Ecology is proposing to offer approximately \$84.3 million in low-interest loans to 35 local governments for 38 high-priority water quality projects.

The list of projects proposed for funding in this Final IUP represents efforts that will help improve and protect Washington state's surface and groundwater by implementing actions identified in Washington's Water Quality Management Plan to Control Nonpoint Sources of Pollution, Appendix A, address 303(d)-listed waters and impacted beneficial uses, correction of combined sewer overflows, assists Ecology with development and implementation of Total Maximum Daily Loads to receiving waters, upgrades of existing wastewater treatment facilities to meet National Permit Discharge Elimination System requirements, and construction of two new wastewater treatment facilities to protect public health.

## **II. Goals**

Ecology has both long- and short-term goals that guide the administration of the SRF program. These goals are:

### **A. Short-Term Goals**

1. Work with Ecology's Water Quality Financial Advisory Council to implement a new section in Chapter 70.146 RCW "Water Pollution Control Facilities Financing". The new section requires Ecology to:
  - Require applicants to incorporate the environmental benefits of the project into its applications. Ecology already meets this requirement.
  - Develop appropriate outcome-focused performance measures to be used for management and performance assessment of the financial assistance program.
  - Coordinate its performance measure system with other natural resource related agencies.
2. Continue the process to integrate, within federal and state laws, the SRF with the Centennial Clean Water Fund (Centennial), and the federal Clean Water Act Section 319 Nonpoint Source Program (Section 319) to maximize limited state and federal grant and loan funds to improve and protect the water quality of the state of Washington.
3. Continue to develop and implement the SRF program so that financial assistance for water pollution control needs is available in perpetuity to communities statewide.
4. Provide low-interest loans to local governments for 25 water pollution control facility projects.
5. Provide low-interest loans to local governments for nine nonpoint source pollution control projects.
6. Provide four low-interest loans to local governments to refinance debt obligations for a municipally-owned wastewater facilities.
7. Administer the SRF program and provide technical and financial assistance to loan recipients and potential applicants.
8. Continue working with EPA in implementing the SRF and in developing the FY 2005 IUP and capitalization grant agreement.

## **B. Long-Term Goals**

1. To integrate, to the greatest extent possible, the SRF with the Centennial Clean Water Fund (Centennial) and the federal Clean Water Act Section 319 Nonpoint Source Program (Section 319) to maximize limited state and federal grant and loan funds to improve and protect the water quality of the state of Washington.
2. To provide financial assistance to communities to achieve compliance with state and federal water pollution control requirements, implement nonpoint source pollution control programs, and develop and implement estuary conservation and management programs.
3. To protect public health and water quality, and to achieve overall improvement and protection of the environment.
4. To encourage local governments to develop and implement projects which will prevent water quality degradation, including wetland protection projects.
5. To assist communities with financial difficulties in meeting required public health and water quality standards while maintaining the health and perpetuity of the SRF according to federal law and guidance.
6. To provide the type and amount of financial assistance most advantageous to communities, consistent with the long-term health of the fund.
7. To administer the SRF program to ensure that the financial integrity, viability, and revolving nature are maintained.

## **III. Uses and Terms of Financial Assistance**

### **A. Uses**

Details of specific uses of SRF moneys are contained in the state regulation (Chapter 173-98 WAC "Uses and Limitations of the Water Pollution Control Revolving Fund"), program guidelines (revised December, 2002), and the Operating Agreement (dated September 11, 1989.) In summary, SRF moneys can be used to support projects in two funding categories: 1) water pollution control facilities and 2) nonpoint source pollution control and comprehensive estuary conservation and management.

SRF moneys can be issued for the following purposes:

1. To make loans, at or below market interest rates, to applicants in order to finance the planning, design, implementation, development and construction of facilities and activities.

2. To buy or refinance the debt obligations, for construction of water pollution control facilities, incurred after March 7, 1985.
3. To guarantee or purchase insurance for local obligations to improve credit rating.
4. To provide security or a source of revenue for SRF-issued bonds.
5. To finance reasonable costs incurred by Ecology in administering the SRF program.

**B. Terms**

Ecology bases interest rates for projects on the average market interest rate for tax exempt municipal bonds (as published in the *Bond Buyer's Index*). According to Chapter 173-98 WAC, Ecology calculates the average market rate before the funding cycle begins, based on the daily market interest rate for the period from sixty days before the start of the application cycle to thirty days before the start of the application cycle. The rates are determined based on repayment time. For a repayment period of up to five years, the rate is determined to be 30% of market rate for tax exempt municipal bonds. For a repayment period of more than five years but no more than 20 years the rate is determined to be 60% of market rate for tax exempt municipal bonds.

However, the rule also allows Ecology to set interest rates lower than this if a financial analysis of the fund demonstrates that lower interest rates for that year are not detrimental to the perpetuity of the fund. An analysis has shown that lower interest rates for the FY 2004 funding cycle will not effect the perpetuity of the SRF program. In addition, the lower rates have a positive impact on the water quality of the state and the fiscal health of small towns struggling to fund projects. Lower interest rates have also helped to market the program.

For FY 2004, the following terms are offered to applicants:

| <b>Repayment Period</b>                    | <b>Interest Rate</b> |
|--|----------------------|
| Up to five years:                          | 0.5%                 |
| Over five years but no more than 20 years: | 1.5 %                |

Applicants may be considered for financial hardship terms if their proposed projects would cause user charges to exceed 1.5% of the median household income. If Ecology determines that financial hardship exists, it may structure SRF loan agreements with terms to help keep user charges below the financial hardship level, if possible. Hardship terms may include lengthening the repayment period to a maximum of 20 years and/or adjusting the interest rate to as low as 0%.



Ecology proposes to provide SRF financial hardship assistance to the following local governments:

| <b>Application Number</b> | <b>Applicant Name/Project Title</b>   | <b>Interest Rate</b> | <b>Term In Years</b> | <b>Funds Proposed</b> |
|---------------------------|---|----------------------|----------------------|-----------------------|
| FP04069                   | <b>Kalama City of</b><br>Kalama Wastewater Treatment Facility Upgrade                   | 0%                   | 20                   | \$5,275,130           |
| FP04041                   | <b>Long Beach City of</b><br>WWTP Phase II & III Upgrade Construction                   | 0%                   | 20                   | \$3,020,000           |
| FP04079                   | <b>Klickitat PUD</b><br>Lyle Wastewater Treatment Facility Improvements,<br>Phase III   | 0%                   | 20                   | \$1,268,224           |
| FP04059                   | <b>Colville City of</b><br>Colville Wastewater Treatment Phase 2/3                      | 0%                   | 20                   | \$5,600,000           |
| FP04031                   | <b>Reardan Town of</b><br>Reardan WWTF Improvements Project                             | 0%                   | 20                   | \$1,259,676           |
| FP04113                   | <b>Coulee City</b><br>Sump Pump Collection and Disposal for Coulee City                 | 0%                   | 20                   | \$320,000             |
| FP04076                   | <b>Vashon Sewer District</b><br>Health Hazard Areas Loan Refinance                      | 0%                   | 20                   | \$2,832,852           |
| FP04001                   | <b>Stevens Public Utility District</b><br>Addy/Blue Creek Sewer System Loan Refinancing | 0%                   | 20                   | \$447,821             |

#### **IV. Assurances and Certifications**

The necessary assurances and certifications required by Title VI of the Clean Water Act, as amended by the Water Quality Act of 1987, and the EPA have been included in the Operating Agreement between the state of Washington and EPA.

Section IV.C of the Operating Agreement states "The Department of Ecology shall transfer into the SRF a state match consisting of either cash or a letter of credit, which equals 20% of each federal grant payment, on or before the date when the state of Washington receives the federal grant payment." To further clarify this, Washington State will provide EPA with a "Letter of

Commitment" which shows that the required state match has been committed. Washington's matching share will be deposited into the SRF account when an actual draw is made for the federal share of SRF moneys.

## **V. Criteria and Method for Distribution of Funds**

The following approach was used to develop the proposed distribution of \$84.3 million to local governments from the SRF:

### **A. Applications for Funding**

Information about the SRF program, workshops and the application period for SRF assistance was distributed to local governments and interested persons statewide. During January 2003, four public workshops were held statewide in these locations: Spokane, Ellensburg, Everett, and Tacoma. At the workshops, information on the SRF program and the application process was presented.

Applications for funding were accepted during the application period from January 2, 2003, through March 5, 2003. Based on information provided in the applications, projects were evaluated and prioritized. A detailed description of the application and project evaluation process is found in Chapter 3 of the Funding Guidelines. A summary of the process is described below.

### **B. Project Evaluation**

Ecology used a new evaluation process during the FY 2000 funding cycle. This process was refined for the SRF FY 2004 funding cycle. The process incorporates changes from previous funding cycles suggested by Ecology's external group, the Water Quality Program Financial Assistance Council (Council). The Council is comprised of representatives from many stakeholder groups which include grant and loan recipients. The Council reviewed the previous evaluation and ranking process and identified areas where changes were needed. Ecology used these recommendations to develop the evaluation system for the FY 2004 funding cycle. In addition, Ecology also incorporated these recommendations in the SRF rule; Chapter 173-98 WAC, "Uses and Limitations of the Water Pollution Control Revolving Fund", updated in 2000.

In their most important guidance, the Council recommended to continue using evaluation criteria with assigned point values. Ecology had used points in the past, but had not used them for several funding cycles. In the revised system, evaluators assigned points for answers provided by applicants to questions in five categories. The categories are:

1. Water quality problem and impairments. (Category total: 340 points)
2. How the proposed project address the water quality problem and measures of success. (Category total: 340 points)

3. Local initiatives taken that will help make the project a success. (Category total 120 points)
4. State of Washington or federal mandates that this proposed project addresses. (Category total: 100 points)
5. Local Priority-Setting Process. (Category total: 100 points)

Ecology evaluated the proposals, assigned points, and used the points to develop a statewide priority list in numerical order. At their discretion, other state agency staff involved in water pollution control and public health provided funding recommendations to Ecology evaluators.

The above process was followed to evaluate projects that have not been constructed/implemented.

A new evaluation process was developed for the FY 2002 funding cycle for refinance projects. The refinance evaluation process was also used for the FY 2004 funding cycle. In past funding cycles, refinance projects were evaluated along with projects that have not been constructed/implemented. One of Ecology's goals is to help improve and protect the water quality of Washington. As a result, Ecology decided that local governments with projects that have not been constructed/implemented should be offered funding before refinance projects.

If there are any funds remaining after all local governments with new projects are offered funding, then those local governments requesting funds to refinance a wastewater treatment facility would be considered for funding.

For refinance projects, applicants requesting funding use a shorter, simpler application form. The form asks basic questions about the project and about the applicant's financial capability to pay for the project with and without the refinance.

All applicants with refinance projects applying for funding in a fiscal year will be ranked by financial capability using the same criteria used for evaluating hardship, and giving the highest ranking to the applicants with the greatest financial need.

Ecology incorporated this new process in the SRF rule update.

## **VI. Distribution of Funds**

### **A. State Revolving Fund**

The SRF state rule requires Ecology to distribute money according to the following category allocations: 80% of the fund is to be used for water pollution control facilities; 20% of the fund is reserved for nonpoint source pollution control and for comprehensive estuary conservation and management. Unless the demand for funds is limited, not more than 50% of each funding category allocation can be awarded to any one applicant. In addition, if requests for SRF

assistance in one category do not result in the offer of all available funds, any remaining funds are transferred to other categories. Loans may be provided for up to 100% of the total eligible project cost.

Loan offers identified on the Final IUP will be effective for up to one year from the date of the offer. All SRF loan offers that do not result in a signed SRF loan agreement within the effective offer period are automatically terminated. Funds reserved for SRF loan agreements that are not signed within the effective period may be carried over and made available for the next year's funding cycle, offered to applicants who did not receive all funds requested, or to other applicants on the Final IUP who did not receive funding offers.

The SRF Final IUP for FY 2003 briefly discussed that Ecology was beginning a pilot program which will allow local governments to use SRF funding for Alternative Contracting/Service Agreement Provisions (AC/SA). The pilot rule and program are in place for FY 2004 and Ecology received two requests from local governments to participate in the program. They include Spokane County and the city of Tacoma. The County has requested \$73,400,000 to construct a new wastewater treatment facility and the City has requested \$47,000,000 to upgrade its existing wastewater treatment facility.

Currently, Ecology will offer all funding requested by a local government providing the request does not exceed the ceiling limits discussed above. If the pilot projects rated high on the IUP there is the potential for the two projects to be offered all available funds for FY 2004. In order to ensure that other high priority projects receive SRF funding, Ecology will use a new process for encumbering funds for AC/SA projects. AC/SA applicants will be evaluated the year they are ready to proceed. Applicants will not be evaluated during subsequent funding cycles. The project will be put at the top of the funding offer list each year until the project is fully funded.

Applicants need to include a budget for the entire project and they need to indicate the amount of funding required to complete work from October first through September thirtieth. Each year applicants need to submit Application Part 1 (name, etc.) and a detailed budget for the entire project and one outlining the needs for the subsequent year's funding.

After the pilot projects are constructed, Ecology will evaluate the environmental and economic benefits of the pilot program and make a decision to continue the program or conclude it. If Ecology decides to continue the program, a formal rule making process will begin at that time.

#### Overview of the State of Washington's Alternative Contracting/Service Agreement Provisions

In accordance with "pilot" SRF rulemaking provisions for Alternative Contracting/Service Agreements, a facilities project will not be required to proceed according to the traditional "step process" (planning – design – construct) in order to be eligible for an SRF loan. Such projects are to comply with the pilot rule and an Alternative Contracting and/or Service Agreement process authorized by and complying with applicable state statutes that permit alternative contracting (including design/build).

The following “eligibility documents,” which may be combined by the applicant as appropriate for efficiency, must be provided to Ecology for Alternative Contracting/Service Agreement projects (hereinafter referred to as AC/SA projects) at the time of application for financial assistance:

1. Application for financial assistance according to the funding cycle, including documentation of Ecology approval of a current facilities plan or general sewer plan;
2. Documentation of specific public works and financial management expertise (experience, number of staff, etc.) to certify that the public body has the technical and financial management capability to accept the AC/SA process responsibilities noted in *Preliminary Issues for Applicants to Consider* (below);
3. A written opinion from the attorney of the public body that the public body is legally capable of assuming responsibilities under Chapter 70.150 RCW, *Water Quality Joint Development Act*, and/or Chapter 39.10 RCW, *Alternative Public Works Contracting Procedures*, and other applicable State and federal statutes;
4. A cost and time-to-complete comparison of AC/SA versus conventional design/bid/construct (including estimated costs using both the AC/SA and the conventional step 1, 2, 3 processes).

If the project is offered AC/SA financial assistance, other documentation will be required as a condition of the offer. However, once appropriate documents are approved, design and construction may be completed in the sequence that best suits local needs without the need for further reviews by Ecology. Staff at Ecology will be available only in an advisory capacity at the request of the loan recipient.

#### Preliminary Issues for Applicants to Consider

Before considering using the AC/SA approach, applicants need to assess its cost effectiveness (e.g., overall cost and/or time savings with the AC/SA process versus the conventional design/bid/construct process). Public bodies should also determine whether they can undertake the additional responsibilities associated with the overall delegation of plans and specifications approval, and cost controls (e.g., an experienced public works director and financial officer with adequately staffed department(s) and/or internal expertise supplemented by outside experienced consultant assistance). Delegation of these responsibilities is one of the critical elements of the AC/SA approach.

Recipients of SRF financial assistance for AC/SA projects must comply with all applicable state, federal, and local statutes, ordinances, and regulations, including but not limited to all applicable provisions of Title 39 RCW, Chapter 70.150 RCW, and Chapter 90.48 RCW.

#### **B. Hardship Grants Program for Rural Communities**

During FY 1998, EPA awarded Ecology a grant under the Hardship Grants Program for Rural Communities. The purpose of the hardship grant is to provide financial assistance to eligible rural hardship communities for the planning, design, and construction of publicly owned wastewater treatment facilities and alternative wastewater systems. The hardship grant can also be used to provide training, technical assistance, and educational programs to eligible

communities for the operation and maintenance of publicly owned wastewater treatment works and alternative systems.

EPA awarded a \$936,000 hardship grant to the state of Washington and the State agreed to provide the 5% match (\$46,825) to the federal grant. Ecology awarded \$810,000 of the hardship grant to the city of Mattawa during FY 1998 and overmatched the hardship grant with a Centennial grant of \$1,570,000. This overmatch satisfied the required 5% match to the entire grant. Ecology also awarded an SRF loan for \$173,325 with a 0% interest rate and a 20-year term. The remaining \$172,825 was reserved for Ecology to provide technical assistance to eligible hardship communities.

During FY 1999 Ecology used some of the grant for technical assistance to eligible rural hardship communities. During FY 2000 Ecology requested and EPA approved the redirection of \$100,000 reserved for technical assistance to the town of Addy (Public Utility District of Stevens County) to assist in constructing a new publicly owned wastewater treatment facility. Ecology also provided the Town a \$465,676 Centennial grant.

There is \$48,322 of the grant remaining for technical assistance. No engineering staff have charged time to this grant since the year 2000.

The grant is scheduled to expire at the end of the federal fiscal year, September 30, 2003. According to EPA, the expiration date can be extended. Ecology requests that EPA extend the expiration date to September 30, 2005, in order to ensure that Ecology can provide the remaining grant to an eligible hardship community.

EPA Region 10 staff have stated that Ecology can use the old benchmarks for per capita annual income or the 2000 census. Ecology will use the 2000 census as reported by the Bureau of the Census and the federal Guidelines for Implementing the Hardship Grants Program for Rural Communities. There are no changes to the other eligibility requirements.

The community of Curlew meets all eligibility requirements for receiving a \$48,322 grant from the Hardship Grants Program for Rural Communities. Those eligibility requirements include:

- A population of not more than 3,000.

The community of Curlew has a current population of 140.

- The Town is not a remote area within the corporate boundaries of a larger city.

Curlew is a small rural community located in Ferry County that is not within the corporate boundaries of a larger city.

- The community lacks a centralized wastewater treatment and collection system.

There is no public sewer system in Curlew.

- Per capita annual income of residents served by the project cannot exceed \$17,270 based on the Bureau of the Census 2000 data and the federal guidelines for implementing the Hardship Grants Program for Rural Communities.

The Bureau of the Census 2000 data does not contain the per capita annual income for the community of Curlew. However, Curlew conducted an income survey in 2000 for the US Department of Agriculture Rural Development. The results of that survey showed that the per capita income for the year 2000 was \$9,439.

- On the date the community applies for assistance, the local unemployment rate exceeds by one percentage point or more the most recently reported, average yearly national unemployment rate. The national unemployment rate was 5.8% for 2002.

The Washington State Employment Security Department does not report unemployment rates for cities, towns, census defined places, and communities on a monthly basis. Rather they provide monthly unemployment data for counties. Curlew is located in Ferry County. The County's unemployment rate for March 2003, the month Curlew applied for funding, was 19.3%. Ferry County has the highest unemployment rate of all counties in Washington State.

Ecology obtained a low-income worksheet prepared by Curlew for a grant eligibility determination by the Community Development Block Grant program. The worksheet showed, in part, in the year 2000 that 63% of the persons in the target area had low and moderate incomes.

Ecology has determined that Curlew's low per capita income combined with an exceptionally high unemployment rate, and the fact that 63% of the persons in the target area had low and moderate incomes, the community cannot afford an SRF loan as a match to the hardship grant.

Curlew will use the hardship grant to assist in preparing a General Sewer and Wastewater Facilities Plan to evaluate the feasibility of replacing existing failing private septic systems with a publicly owned sewer and wastewater treatment system.

## **VII. Allocation of Funds Among Projects**

This Final IUP contains a list of all local governments with projects considered for funding and those that are proposed to receive assistance during this funding cycle. This list was established based on the total amount of funds available for each category and after the eligible applicants' projects had been evaluated and prioritized. The list of local governments considered for funding and those with projects proposed for funding are included as Attachment 1.

## **VIII. Descriptions of Projects Proposed for Funding**

All projects considered and proposed for funding are described in Attachment 2.

## IX. Proposed SRF Payment Schedule

The proposed schedule of payments from EPA to the state of Washington are shown on Attachment 3.

## X. Public Review and Comment

### A. Funding Cycle

The FY 2004 Draft IUP was mailed to applicants on June 23, 2003. Notification of the availability of the Draft IUP was also be mailed to interested parties on June 23, 2003. There was a 30-day public review and comment period for the Draft IUP, beginning on June 23, 2003, and ending on July 22, 2003.

A public meeting was held to discuss the preparation of the Draft IUP. The public meeting was held at the following location:

|           |  |
|-----------|--|
| Location: | Pierce County Library<br>Administrative Service Center<br>3005 112 <sup>th</sup> Street East<br>Tacoma, Washington |
| Date:     | Wednesday, July 2, 2003  |
| Time:     | 10:00 a.m.   |

### B. Responses to Comments

During the 30-day public review and comment period Ecology received four comment letters on the Draft IUP. Staff carefully reviewed and addressed all comments. All issues identified by staff, applicants, or interested parties are addressed in this section, with each comment summarized first and the response following. Any resulting changes to the list are identified in the response as well as on the Final IUP.

#### 1. Klickitat Public Utility District, Ms. Lorraine Reynolds, Water/Wastewater Manager, FP04079/Lyle Wastewater Treatment Facility Improvements, Phase III

**Comment:** Ms. Reynolds wrote that based on the total project cost the proposed hardship grant should be increased and the proposed loan decreased as shown on the Draft Offer and Applicant List and the Draft IUP.

**Response:** In accordance with WAC 173.95A.030 (7)(g) the hardship grant amount for the Lyle project shown on the Draft Offer and Applicant List was based on the total eligible hardship grant project cost (supported by the existing residential population), which is lower than the total project cost. Therefore, no changes to the Final Offer List or the Final IUP were made.



## **2. Town of Conconully, The Honorable Marcus Bertrand, Mayor, FP04003/ Sewer Lift Station Rehabilitation**

**Comment:** Mayor Bertrand wrote that the Town would like their project removed from the Final Offer and Applicant List and the Final IUP. The Town has secured other funding.

**Response:** Ecology removed the Town's project from the Final Offer and Applicant List and the Final IUP. Funds proposed for the Town's project have been offered to another project on the Final Offer and Applicant List and the Final IUP.

## **3. Town of Coulee City, The Honorable Otto Jensen, Mayor, FP04105/Design of Evaporative Lagoons for Coulee City, FP04113/Sump Pump Collection and Disposal for Coulee City**

**Comment:** Mayor Jensen thanked Ecology for ranking these two projects in the fundable portion of the Draft Offer and Applicant List and the Draft IUP. He also asked that both the design and the construction projects be offered grants or grant/loan combinations.

**Response:** The staff completed a hardship analysis, and the construction project qualified for a 0% 20-year term loan and some grant funding. However, Centennial funds did not extend far enough to provide grant assistance. In response to Mayor Jensen's second request, in accordance with WAC 173-95A-030 (7) (d), only the construction step is eligible for financial hardship assistance. Therefore, no changes were made to the Final Offer List and Final IUP.

## **4. City of Colville, The Honorable Richard Nichols, Mayor Pro-tempore, FP04059/City of Colville Wastewater Treatment Plant Improvements**

**Comment:** Mayor Pro-tempore Nichols noted that he believed the proposal submitted early this year adequately demonstrated the construction of the facility would create a serious financial hardship on the residents of Colville. He noted that raw data on residential households in Section IV of the form was in error. However, the correct figure for residential households was used in Section V of the financial hardship assistance form demonstrated the hardship according to Water Quality Program Regulations and Guidelines.

**Response:** After reviewing the Financial Hardship Assistance Form submitted with the corrections Colville qualifies for financial hardship. The City is not ready to proceed with construction for 18 months. Therefore, Ecology has elected to provide the City a \$4.4 million hardship grant that will be identified on the FY 05 Offer and Applicant List. In addition, the City is now slated to receive \$5.6 million in FY 2004 SRF loan funds at zero interest over a 20 year term.

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## **Attachment 1**

### **List of Projects Considered and Offered Funding**

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**Washington State Water Pollution Control Revolving Fund  
State Fiscal Year 2004 Final Intended Use Plan  
List of Projects Considered and Offered Funding**

| <b>Application Number</b> | <b>Rank</b> | <b>Applicant Name/Project Title</b>  | <b>Permit Number &amp; Effluent Limits</b> | <b>Time Frame</b>                | <b>Funds Requested</b> | <b>Funds Proposed</b> | <b>Category</b>                    | <b>Interest Rate</b> | <b>Term In Years</b> | <b>Footnotes</b> |
|---------------------------|-------------|--|--|----------------------------------|------------------------|-----------------------|------------------------------------|----------------------|----------------------|------------------|
| FP04037                   | 1           | <b>Chehalis City of</b><br>Chehalis Regional Water Reclamation Facility (CRWRF)    | N/A  | 6/1/03 - 6/1/06<br>(36 Months)   | \$4,553,652            | \$3,885,652           | Water Pollution Control Facilities | 1.5%                 | 20                   | 1 & 2            |
| FP04038                   | 2           | <b>Clark County Health Department</b><br>Gibbons Creek TMDL Implementation Project | N/A  | 1/1/04 - 6/30/05<br>(18 Months)  | \$100,000              | \$100,000             | Nonpoint                           | .5%                  | 5                    |                  |
| FP04097                   | 3           | <b>Bremerton City of</b><br>Cherry/Trenton CSO Reduction - Final Improvements      | WA-0029289<br>BOD 30 mg/l<br>TSS 30 mg/l   | 6/1/04 - 10/1/04<br>(4 Months)   | \$1,075,000            | \$1,075,000           | Water Pollution Control Facilities | 1.5%                 | 20                   |                  |
| FP04072                   | 4           | <b>Kitsap County Public Works</b><br>Kingston Wastewater Treatment Plant & Outfall | WA-0023264<br>BOD 25 mg/l<br>TSS 30 mg/l   | 12/1/03 - 9/30/05<br>(31 Months) | \$14,188,000           | \$14,188,000          | Water Pollution Control Facilities | 1.5%                 | 20                   |                  |
| FP04052                   | 5           | <b>Skagit County Permit and Planning Center</b><br>Skagit County Local Loan Fund   | N/A  | 1/1/04 - 12/31/05<br>(24 Months) | \$1,500,000            | \$1,500,000           | Nonpoint                           | 1.5%                 | 20                   |                  |
| FP04069                   | 6           | <b>Kalama City of</b><br>Kalama Wastewater Treatment Facility Upgrade              | WA-0020320<br>BOD 30 mg/l<br>TSS 30 mg/l   | 9/1/03 - 4/1/05<br>(18 Months)   | \$6,980,000            | \$5,275,130           | Water Pollution Control Facilities | 0%                   | 20                   | 3 & 4            |
| FP04041                   | 7           | <b>Long Beach City of</b><br>WWTP Phase II & III Upgrade Construction              | WA-0022489<br>BOD 30 mg/l<br>TSS 30 mg/l   | 11/1/03 - 4/1/05<br>(18 Months)  | \$3,020,000            | \$3,020,000           | Water Pollution Control Facilities | 0%                   | 20                   |                  |
| FP04106                   | 8           | <b>Curlew Water &amp; Sewer District</b><br>Curlew Wastewater Facility Plan        | N/A  | 10/1/03 - 9/30/03<br>(11 Months) | \$50,000               | \$48,322              | Water Pollution Control Facilities | N/A                  | N/A                  | 5                |
| FP04043                   | 9           | <b>Seattle Public Utilities</b><br>High Point Natural Systems Drainage             | N/A  | 6/1/03 - 6/1/08<br>(60 Months)   | \$2,714,959            | \$2,714,959           | Nonpoint                           | 1.5%                 | 20                   |                  |

**Washington State Water Pollution Control Revolving Fund  
State Fiscal Year 2004 Final Intended Use Plan  
List of Projects Considered and Offered Funding**

| <b>Application Number</b> | <b>Rank</b> | <b>Applicant Name/Project Title</b>  | <b>Permit Number &amp; Effluent Limits</b>   | <b>Time Frame</b>                | <b>Funds Requested</b> | <b>Funds Proposed</b> | <b>Category</b>                    | <b>Interest Rate</b> | <b>Term In Years</b> | <b>Footnotes</b> |
|---------------------------|-------------|--|--|----------------------------------|------------------------|-----------------------|------------------------------------|----------------------|----------------------|------------------|
| FP04081                   | 10          | <b>Warden City of</b><br>Collection System & WWTF Improvements Design  | ST-5380<br>BOD 45 mg/l<br>TSS 45 mg/l        | 11/1/03 - 6/1/04<br>(10 Months)  | \$429,000              | \$429,000             | Water Pollution Control Facilities | 1.5%                 | 20                   |                  |
| FP04079                   | 11          | <b>Klickitat PUD</b><br>Lyle Wastewater Treatment Facility Improvements, Phase III                                     | WA-0050482<br>BOD 30 mg/l<br>TSS 30 mg/l     | 1/1/04 - 8/1/05<br>(18 Months)   | \$2,237,000            | \$1,268,224           | Water Pollution Control Facilities | 0%                   | 20                   | 3 & 4            |
| FP04040                   | 12          | <b>Cathlamet Town of</b><br>Cathlamet Wastewater Treatment Facility Upgrade  | WA0022667<br>BOD 45 mg/l<br>TSS 75 mg/l      | 10/1/03 - 3/2/05<br>(17 Months)  | \$881,000              | \$881,000             | Water Pollution Control Facilities | 1.5%                 | 10                   |                  |
| FP04011                   | 13          | <b>Clark Public Utilities</b><br>Yacolt On-Site Wastewater Disposal Systems Inspection Equipment                       | N/A  | 12/1/03 - 12/1/04<br>(12 Months) | \$213,705              | \$213,705             | Nonpoint                           | 1.5%                 | 20                   |                  |
| FP04094                   | 14          | <b>Spokane County</b><br>Spokane County Regional Wastewater  | N/A  | 4/1/04 - 12/1/06<br>(32 Months)  | \$73,400,000           | \$8,500,000           | Water Pollution Control Facilities | 1.5%                 | 20                   | 6                |
| FP04059                   | 15          | <b>Colville City of</b><br>Colville Wastewater Treatment Phase 2/3   | WA-00262616<br>BOD 30 mg/l<br>TSS 30 mg/l    | 3/1/04 - 7/31/06<br>(29 Months)  | \$10,000,000           | \$5,600,000           | Water Pollution Control Facilities | 0%                   | 20                   | 3 & 10           |
| FP04023                   | 16          | <b>Roslyn City of</b><br>Roslyn Regional Wastewater System Improvements  | WA-0022331<br>BOD 20 mg/l<br>TSS 35 mg/l     | 8/1/03 - 8/1/05<br>(24 Months)   | \$237,000              | \$237,000             | Water Pollution Control Facilities | 1.5%                 | 20                   |                  |
| FP04119                   | 17          | <b>Cashmere City of</b><br>Cashmere (Mission, Brender, No-Name Creeks) Sewer Hook-Up and Septic System Upgrade Program | WA-0023183<br>BOD 45 mg/l<br>TSS 75 mg/l     | 1/1/04 - 12/31/09<br>(60 Months) | \$350,000              | \$350,000             | Water Pollution Control Facilities | 1.5%                 | 10                   | 7                |
| FP04015                   | 18          | <b>Duvall City of</b><br>Wastewater Facility Upgrade - Construction  | WA-002951-3<br>CBOD 18.3 mg/l<br>TSS 30 mg/l | 11/1/03 - 5/1/05<br>(18 Months)  | \$11,197,000           | \$7,197,000           | Water Pollution Control Facilities | 1.5%                 | 20                   | 8                |

**Washington State Water Pollution Control Revolving Fund  
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| <b>Application Number</b> | <b>Rank</b> | <b>Applicant Name/Project Title</b>   | <b>Permit Number &amp; Effluent Limits</b> | <b>Time Frame</b>                | <b>Funds Requested</b> | <b>Funds Proposed</b> | <b>Category</b>                    | <b>Interest Rate</b> | <b>Term In Years</b> | <b>Footnotes</b> |
|---------------------------|-------------|---|--|----------------------------------|------------------------|-----------------------|------------------------------------|----------------------|----------------------|------------------|
| FP04086                   | 19          | <b>Brewster City of</b><br>Wastewater Treatment Plant Upgrade Phase II                            | WA-0021008<br>BOD 30 mg/l<br>TSS 30 mg/l   | 3/1/04 - 3/1/05<br>(12 Months)   | \$250,000              | \$250,000             | Water Pollution Control Facilities | 1.5%                 | 20                   |                  |
| FP04031                   | 20          | <b>Reardan Town of</b><br>Reardan WWTF Improvements Project                                       | WA-0045306<br>BOD 30 mg/l<br>TSS 30 mg/l   | 8/1/03 - 12/1/05<br>(28 Months)  | \$1,875,622            | \$1,259,676           | Water Pollution Control Facilities | 0%                   | 20                   | 3 & 4            |
| FP04073                   | 21          | <b>Tacoma City of</b><br>Tacoma Central Wastewater Treatment Plant Upgrade                        | WA-0037087<br>BOD 30 mg/l<br>TSS 30 mg/l   | 3/1/03 - 9/1/07<br>(54 Months)   | \$47,000,000           | \$1,000,000           | Water Pollution Control Facilities | 1.5%                 | 20                   | 6                |
| FP04105                   | 22          | <b>Coulee City</b><br>Design of Evaporative Lagoons for Coulee City Wastewater Facility Expansion | ST-8049<br>No Discharge                    | 11/1/03 - 3/1/05<br>(16 Months)  | \$100,000              | \$100,000             | Water Pollution Control Facilities | 1.5%                 | 20                   |                  |
| FP04080                   | 23          | <b>Zillah City of</b><br>2004 WWTF Improvements   | WA-002016<br>BOD 30 mg/l<br>TSS 30 mg/l    | 10/1/03 - 5/1/04<br>(6 Months)   | \$200,000              | \$200,000             | Water Pollution Control Facilities | 1.5%                 | 20                   |                  |
| FP04113                   | 24          | <b>Coulee City</b><br>Sump Pump Collection and Disposal for Coulee City                           | ST-8049<br>No Discharge                    | 11/1/03 - 11/1/04<br>(12 Months) | \$320,000              | \$320,000             | Water Pollution Control Facilities | 0%                   | 20                   | 3                |
| FP04117                   | 25          | <b>Drainage Improvement District #8</b><br>Lake Stevens Phosphorous Loading Study                 | N/A  | 9/1/03 - 8/31/06<br>(36 Months)  | \$310,000              | \$310,000             | Nonpoint                           | 1.5%                 | 20                   |                  |
| FP04030                   | 26          | <b>Reardan Town of</b><br>Reardan Emergency Lift Station Improvements Project                     | WA-0045306<br>BOD 30 mg/l<br>TSS 30 mg/l   | 3/1/03 - 6/1/03<br>(4 Months)    | \$60,000               | \$60,000              | Water Pollution Control Facilities | 1.5%                 | 20                   |                  |

**Washington State Water Pollution Control Revolving Fund  
State Fiscal Year 2004 Final Intended Use Plan  
List of Projects Considered and Offered Funding**

| <b>Application Number</b> | <b>Rank</b> | <b>Applicant Name/Project Title</b>  | <b>Permit Number &amp; Effluent Limits</b> | <b>Time Frame</b>                 | <b>Funds Requested</b> | <b>Funds Proposed</b> | <b>Category</b>                    | <b>Interest Rate</b> | <b>Term In Years</b> | <b>Footnotes</b> |
|---------------------------|-------------|--|--|-----------------------------------|------------------------|-----------------------|------------------------------------|----------------------|----------------------|------------------|
| FP04104                   | 27          | <b>Sammamish City of</b><br>Pine Lake Subbasin Watershed Plan                                  | N/A  | 11/1/03 - 11/1/05<br>(24 Months)  | \$385,000              | \$385,000             | Nonpoint                           | 1.5%                 | 20                   |                  |
| FP04092                   | 28          | <b>Wenatchee City of</b><br>Wenatchee Wastewater Treatment Plant Improvements                  | WA0023949<br>BOD 30 mg/l<br>TSS 30 mg/l    | 7/1/04 - 7/1/06<br>(24 Months)    | \$8,459,000            | \$8,459,000           | Water Pollution Control Facilities | 1.5%                 | 20                   |                  |
| FP04033                   | 29          | <b>Spokane County Conservation District</b><br>Eastern Washington Conservation Tillage Program | N/A  | 9/1/03 - 8/1/06<br>(36 Months)    | \$2,000,000            | \$2,000,000           | Nonpoint                           | 1.5%                 | 20                   |                  |
| FP04103                   | 30          | <b>Sammamish City of</b><br>Laughing Jacob's Creek Watershed Plan                              | N/A  | 12/1/03 - 12/1/05<br>(24 Months)  | \$325,000              | \$325,000             | Nonpoint                           | 1.5%                 | 20                   |                  |
| FP04085                   | 31          | <b>Stevens Pass Sewer District</b><br>Stevens Pass Wastewater Treatment Facility Improvements  | WA-0029521<br>BOD 30 mg/l<br>TSS 30 mg/l   | 5/15/03 - 2/1/04<br>(4 Months)    | \$5,500,171            | \$5,500,171           | Water Pollution Control Facilities | 1.5%                 | 20                   |                  |
| FP04013                   | 32          | <b>Kahlotus City of</b><br>City of Kahlotus Sewer Facility Plan                                | N/A  | 12/1/03 - 12/1/04<br>(12 Months)  | \$30,000               | \$30,000              | Water Pollution Control Facilities | 1.5%                 | 20                   | 9                |
| FP04065                   | 33          | <b>Whatcom Conservation District</b><br>Whatcom Dairy Manure Methane Project                   | N/A  | 10/1/03 - 9/30/06<br>(36 Months)  | \$500,000              | \$500,000             | Nonpoint                           | 1.5%                 | 20                   |                  |
| FP04032                   | 34          | <b>Benton Conservation District</b><br>Glade Creek Salmonid Protection Project                 | N/A  | 12/1/03 - 12/31/06<br>(36 Months) | \$300,000              | \$300,000             | Nonpoint                           | 1.5%                 | 20                   |                  |

**Totals: \$200,741,109 \$77,481,839**



**Footnotes:**

1. The applicant requested that Ecology staff perform a financial hardship analysis on the effect of the project on residential sewer user fees. A financial hardship analysis was conducted and Ecology has determined that financial hardship cannot be shown.
2. Funds offered are less than funds requested because the applicant is also offered a Centennial Clean Water Fund loan that is identified on the FY 2004 Centennial Clean Water Fund/Clean Water Act Section 319 Nonpoint Source Fund/Washington State Water Pollution Control Revolving Fund Final Offer and Application List.
3. The applicant requested that Ecology staff conduct a financial hardship analysis on the effect of the project on residential sewer user fees. A financial hardship analysis was prepared and Ecology has determined that financial hardship exists. The applicant is offered SRF financial assistance at 0% interest with a term of 20 years.
4. Funds Offered are less than funds requested because the applicant is also offered a Centennial Clean Water Fund hardship grant that is identified on the FY 2004 Centennial Clean Water Fund/Clean Water Act Section 319 Nonpoint Source Fund/Washington State Water Pollution Control Revolving Fund Final Offer and Application List.
5. The amount offered is a grant from the federal Hardship Grants Program for Rural Communities. Because there is only \$48,322 of the hardship grant remaining Funds Offered are less than Funds Requested.
6. Funds Requested are less than Funds Offered because this is a pilot project for Alternative Contracting/Service Agreement. See page 8 for additional information.
7. The applicant requested that Ecology staff perform a financial hardship analysis on the project. The project is to establish a local loan fund for on-site septic systems and the preparation of a facilities plan. Applicant did not supply accurate financial hardship information for the local loan fund to make a hardship determination. A financial hardship analysis was not prepared because hardship assistance is reserved for water pollution control facilities construction projects per Chapter 173.98 WAC, "Uses and Limitations of the Water Pollution Control Revolving Fund".
8. Funds Offered are less than Funds Requested because the project is being offered a \$4 million grant in the Washington state 2003 Legislative Capitol Budget.
9. The remaining funds from the federal Hardship Grants Program for Rural Communities is offered to a higher rated project.
10. Funds Offered are less than funds requested because the applicant will be offered a Centennial Clean Water Fund hardship grant that will be identified on the FY 2005 Centennial Clean Water Fund/Clean Water Act Section 319 Nonpoint Source Fund/Washington State Water Pollution Control Revolving Fund Final Offer and Application List.

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List of Refinance Projects Considered and Offered Funding**

| <b>Application Number</b> | <b>% User Fee/MHI</b> | <b>Applicant Name/Project Title</b>   | <b>Permit Number &amp; Effluent Limits</b> | <b>Time Frame</b> | <b>Funds Requested</b> | <b>Funds Proposed</b> | <b>Category</b>                    | <b>Interest Rate</b> | <b>Term In Years</b> | <b>Footnotes</b> |
|---------------------------|-----------------------|---|--|-------------------|------------------------|-----------------------|------------------------------------|----------------------|----------------------|------------------|
| FP04017                   | 4.54%                 | <b>Vashon Sewer District</b><br>Health Hazard Areas Loan Refinance                      | WA-0022527<br>BOD 30 mg/l<br>TSS 30 mg/l   | N/A               | \$2,832,852            | \$2,832,852           | Water Pollution Control Facilities | 0%                   | 20                   | 1                |
| FP04001                   | 2.48%                 | <b>Stevens Public Utility District</b><br>Addy/Blue Creek Sewer System Loan Refinancing | ST-8084<br>BOD 45 mg/l<br>TSS 45 mg/l      | N/A               | \$447,821              | \$447,821             | Water Pollution Control Facilities | 0%                   | 20                   | 1                |
| FP04026                   | 0.80%                 | <b>Roslyn, City of</b><br>Standard Refinance FHA Loan #2                                | WA-0022331<br>BOD 20 mg/l<br>TSS 35 mg/l   | N/A               | \$36,435               | \$36,435              | Water Pollution Control Facilities | 1.5%                 | 20                   | 2                |
| FP04076                   | 0.66%                 | <b>Quincy, City of</b><br>Quincy Water Reclamation Plant Refinance                      | ST-5278<br>BOD 60 mg/l<br>TSS 60 mg/l      | N/A               | \$5,400,583            | \$3,591,240           | Water Pollution Control Facilities | 1.5%                 | 20                   | 2 & 3            |

**Totals:    \$8,717,691    \$6,908,348**

**Footnotes:**

1. The applicant requested that Ecology staff conduct a financial hardship analysis on the effect of the project on residential sewer user fees. A financial hardship analysis was prepared and Ecology has determined that financial hardship exists. The applicant is offered SRF financial assistance at 0% interest with a term of 20 years.
2. The applicant requested that Ecology staff perform a financial hardship analysis on the effect of the project on residential sewer user fees. A financial hardship analysis was conducted and Ecology has determined that financial hardship cannot be shown.
3. Funds offered are less than funds requested because no funds remain after higher priority projects were offered funding.

## **Attachment 2**

### **Project Summaries**

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**Washington State Water Pollution Control Revolving Fund  
State Fiscal Year 2004  
Project Summaries**

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| FP04001; Stevens Public Utility District; Addy/Blue Creek Sewer System Loan Refinancing; Constructed a complete sewer system for the existing old, low-income unincorporated communities of Addy and Blue Creek in Stevens County, Washington. The system consists of a septic tank/effluent pump (STEP) collection system, and a lagoon/spray irrigation treatment/disposal facility.  |
| FP04011; Clark Public Utilities; Yacolt On-Site Wastewater Disposal Systems Inspection Equipment; Establish a locally designed and mandated, rigorous program for inspecting and maintaining on-site wastewater disposal systems in Yacolt. The Town of Yacolt, Clark Public Utilities, and the Clark County Health Department will collaborate to establish and operate the program. Clark Public Utilities is seeking financial assistance to acquire and install inspection port risers on 333 on-site systems that do not have them, to facilitate efficient inspection and maintenance of every system in the community. |
| FP04013; Kahlotus City of; City of Kahlotus Sewer Facility Plan; The city of Kahlotus is seeking funding to hire an engineering firm to prepare a "sewer facility plan". The sewer facility plan will evaluate options for a wastewater treatment facility to serve the City. If on-site sewer systems serving residents, business or the public, that entity will be evicted.  |
| FP04015; Duvall City of; Wastewater Facility Upgrade - Construction; Duvall's WWTP upgrade will process current and future volumes (preventing NPDES violations) by: Replacing existing outdated system with membrane biological reactor filtration process to meet permit and wastewater reuse standards; Lifting development moratorium imposed by City in 1999; Enhancing influent screening, solids handling, and discharge conveyance systems.   |
| FP04017; Vashon Sewer District; Health Hazard Areas Loan Refinance; The projects have constructed sewage facilities for Beulah Park/Cove and Bunker Trail, Vashon Island Communities declared severe public health hazard areas by the Washington State Department of Health. The projects have eliminated numerous sewage discharges onto Marine beaches and nearby areas which were polluting marine waters, sediments, and shellfish.  |
| FP04023; Roslyn City of; Roslyn Regional Wastewater System Improvements; This application is to request design funds for the design of the equalization basin and interceptor required for Roslyn to close their existing wastewater treatment lagoons, cease discharge to Crystal Creek, and convey their wastewater to the Cle Elum Regional Treatment plant for improved levels of treatment.  |
| FP04026; Roslyn City of; Standard Refinance FHA Loan #2; This is an application to refinance an existing sewer system debt for the city of Roslyn. The City currently carries three loans for sewer system improvements at a 5% or higher interest rate. Converting these loans to a lower interest rate would make additional improvements affordable for the City ratepayers.   |
| FP04030; Reardan Town of; Reardan Emergency Lift Station Improvements Project; Project will construct emergency improvements and repairs to the Town's lift station. Repairs and improvements will include installation of a grinder unit to pulverize large solid wastes that are being improperly discharged to the collection system.  |
| FP04031; Reardan Town of; Reardan WWTF Improvements Project; This project will upgrade the existing facility to meet the requirements of its NPDES permit and improve water quality of Audubon Lake. Improvements include construction of a new headworks screening system, sampling unit, flow measurement flume and ultrasonic flowmeter, increasing the volume and lining the existing lagoons, installing diffused fine bubble aeration, synthetic fixed-film media filters, nitrogen bacteria dosing system, ...   |

**Washington State Water Pollution Control Revolving Fund  
State Fiscal Year 2004  
Project Summaries**

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| <p>FP04032; Benton Conservation District; Glade Creek Salmonid Protection Project; The overall goal is to improve water quality and salmonid habitat of Glade Creek, a tributary of the Columbia River. The Benton Conservation District will monitor water quality in Glade Creek, facilitate watershed planning, provide assistance to landowners through the implementation of BMPs, develop educational outreach programs, and, as needed, perform restoration work in support to the planning process. This project is a continuation of the Districts efforts to understand the impact of agriculture has on water quality in Benton County, and to assist landowners in reducing this impact. Implements Washington States Nonpoint Plan, Appendix A</p> |
| <p>FP04033; Spokane County Conservation District; Eastern Washington Conservation Tillage Program; The Eastern Washington Conservation Tillage Program will promote the implementation of direct seeding in Whitman and Asotin Counties, resulting in decreased erosion and improved water infiltration. Low interest loans provided to agricultural producers will facilitate the purchase of direct seeding equipment, making the transition to conservation tillage economically feasible. Implements Washington States Nonpoint Plan, Appendix A: Implements actions in the Hangman Creek, South Fork Palouse, and North Fork Palouse Watershed Plans.</p>  |
| <p>FP04037; Chehalis City of; Chehalis Regional Water Reclamation Facility (CRWRF); To construct a regional WWTP, a water reuse site and upgrade two pump stations to approved plans and specifications needed to meet NPDES permit and consent decree. We are requesting funding for construction of poplar tree plantation (phase 1) and property acquisition for both plantation and WWTP site.</p>  |
| <p>FP04038; Clark County Health Department; Gibbons Creek TMDL Implementation Project; The Gibbons Creek TMDL Implementation Project is designed to meet the bacteria TMDL that Ecology established in 2000 by identifying and controlling failing septic systems. Project implementation will assure that the Clark County Health Department meets the provisions set forth in an 11/00 Memorandum of Agreement between Ecology and CCHD. Implements Washington States Nonpoint Plan, Appendix A: Implements Gibbons Creek Fecal Coliform TMDL.</p>  |
| <p>FP04040; Cathlamet Town of; Cathlamet Wastewater Treatment Facility Upgrade; Construct Wastewater Treatment Plant Improvements including: baffling and aerators in the lagoon system; stabilization of lagoon dikes; effluent pumps and piping; mechanical fine screen, samplers and chart recorders. Construct collection system improvements including: replacement of 450 feet of sewer pipes; repair of 28 manholes; electrical/telemetry upgrades to four pump stations.</p>  |
| <p>FP04041; Long Beach City of; WWTP Phase II &amp; III Upgrade Construction; Construction and construction administration - WWTF Phase 2 and 3 upgrade: grit removal system; aeration basin modifications; conversion of aerobic digester into Secondary Clarifier No. 2; modifications to RAS, WAS, scum and plant drain pumping stations; aerobic digestion system; laboratory/administration building.</p>  |
| <p>FP04043; Seattle Public Utilities; High Point Natural Systems Drainage; SPU's High Point project will install innovative natural drainage elements such as bioswales, soil reservoirs, and porous pavement along 34 blocks to improve stormwater management throughout a 120-acre low-income redevelopment along Seattle's most important urban salmon creek. The project will provide significant benefits to water quality, wet weather flow reduction, and salmon survival in the 303(d) listed Longfellow Creek Watershed. Implements Washington States Nonpoint Plan, Appendix A: Addresses 303(d) listings and Impacted Beneficial Uses; implements Longfellow Creek Watershed Action Plan.</p>  |
| <p>FP04052; Skagit County Permit and Planning Center; Skagit County Local Loan Fund; The primary goal of this State Revolving Fund loan is to improve water quality in Skagit County, especially in the Skagit and Samish River Basins. The SRF will be used to continue a loan fund to land/home owners to make improvements to problems that are impacting water quality. This reduction is important because excessive nutrient and bacterial</p>  |

**Washington State Water Pollution Control Revolving Fund  
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Project Summaries**

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| loading has been identified as a problem in Skagit County. Implements Washington States Nonpoint Plan, Appendix A: Addresses 303(d) listings; implements Skagit County Health Onsite Sewage Program.  |
| FP04059; Colville City of; Colville Wastewater Treatment Phase 2/3; Construction of the Colville 1.45 mgd advanced wastewater treatment plant meeting NPDES limits, TMDL, goals and is consistent with approved facilities plan. The plant is needed to remediate and protect Colville River water quality which is rated as a high priority for the Upper Columbia River Watershed.  |
| FP04065; Whatcom Conservation District; Whatcom Dairy Manure Methane Project; This project will provide financial assistance to construct a methane digester(s) in Whatcom County. Methane digesters decompose manure and reduce greenhouse gases, pathogens and odor from dairy manure. The digester would aide nutrient management by producing marketable fiber that, when removed, will reduce loading of organic sources of nitrogen and phosphorus. Implements Washington States Nonpoint Plan, Appendix A: Implements TMDLs for Nooksack River, Fishtrap Creek, and Johnson Creek. |
| FP04068; Centralia City of; Centralia Wastewater Facilities; City of Centralia has contracted to build new WWTP. Monthly sewer rate exceeds hardship level and grant funds were limited to \$4.1 million in FY 2003. City requests additional grant funding to avoid raising sewer rates beyond the 65% already raised. Project is a major element for implementing the Upper Chehalis River TMDL.  |
| FP04069; Kalama City of; Kalama Wastewater Treatment Facility Upgrade; Construct wastewater treatment facility improvements including: New influent pump station; New headworks; Two activated sludge aeration basins; Two secondary clarifiers; Ultraviolet (UV) disinfection; Expansion of the aerobic digester capacity; Outfall modifications. Construct sewer replacement including: Replacement of 2,550 feet of PVC sewer main; Boring 130 feet of 21-inch sewer main under railroad.  |
| FP04072; Kitsap County Public Works; Kingston Wastewater Treatment Plant & Outfall; The Kingston wastewater treatment plant construction implements SEPA approved facilities plans to serve current and expanded community service areas. Kitsap County will simultaneously undertake replacement of outfall, damaged by Washington State ferries while dredging for expansion of their terminal, with an extended pipe into deeper waters bypassing geoduck/shellfish harvest areas.   |
| FP04073; Tacoma City of; Tacoma Central Wastewater Treatment Plant Upgrade; Design and construct an upgrade to the central wastewater treatment plant to increase the capacity to a maximum monthly flow of 60 mgd, and a peak hydraulic capacity of 150 mgd. Improvement areas include: Influent screening; influent pumping; grit removal; installing a peak wet weather flow treatment process; effluent pumping; chlorination; solids handling.   |
| FP04076; Quincy City of; Quincy Water Reclamation Plant Refinance; This request is intended to refinance the recently constructed domestic wastewater reclamation facility in Quincy. This project was part of a Design/Build/Finance/Operate contract upgrading a non-compliant treatment plant. The available financing of this project required the City to drastically increase sewer rates. Refinancing would allow rate stability.  |
| FP04079; Klickitat PUD; Lyle Wastewater Treatment Facility Improvements, Phase III; This project involves the rehabilitation of the Lyle Wastewater Treatment Facility. New construction will include a headworks, SBR system, equalization basin and UV disinfection system. The existing aeration basin and aerobic digester will be remodeled to accommodate aerobic digestion. Construction will include a laboratory/office and installation of an emergency generator.  |

**Washington State Water Pollution Control Revolving Fund  
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Project Summaries**

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| FP04080; Zillah City of; 2004 WWTF Improvements; The proposed project provides for the design element of the WWTF improvements outlined in the wastewater facilities plan. The improvements upgrade several of the wastewater treatment processes that are currently overloaded by existing flows and will provide increased capacity for the 20-year projected population growth.   |
| FP04085; Stevens Pass Sewer District; Stevens Pass Wastewater Treatment Facility Improvements; Upgrade of the existing treatment plant facilities to meet advanced wastewater discharge permit limits. Treatment plant process to include installation of membrane filter technology. Treatment facility improvements consist of already completed emergency repairs, improvements to Summit Pump Station, Pretreatment/Flow Equalization Facility and improvements to the wastewater treatment plant.   |
| FP04086; Brewster City of; Wastewater Treatment Plant Upgrade Phase II; The city of Brewster is under order from Ecology to make improvements to its wastewater treatment system to meet conditions of its NPDES permit. In addition, the City received notice in January of 2001 that its biosolids program is out of compliance with 173-308 WAC. This project is Phase 2 of the City's effort to complete construction of upgrades to replace outdated and marginally functioning components of the plant and collection system, bringing the facility into compliance with federal and state water quality and biosolids handling standards..... |
| FP04092; Wenatchee City of; Wenatchee Wastewater Treatment Plant Improvements; Improvements will be made to the secondary treatment and disinfection processes for the purpose of eliminating NPDES violations and complying with Consent Decree CY-01-3099-EFS with Columbia Riverkeeper and Waste Action Project and Consent Order No. DE 02 WQCR-4550 with Ecology. Specific improvements include fine bubble diffused aeration and ultraviolet disinfection.   |
| FP04094; Spokane County; Spokane County Regional Wastewater; The project is the design and construction of an 8 mgd wastewater treatment plant. The plant will incorporate two primary clarifiers, membrane bioreactors, UV disinfection, cascade aeration and biosolid storage. The entire facility will be enclosed. This project is sized to meet the County's treatment needs through the next 20 years.   |
| FP04097; Bremerton City of; Cherry/Trenton CSO Reduction - Final Improvements; The project will construct the Cherry Avenue Basin Beachmain Improvements, and also the Trenton Avenue Basin 18-inch Shore Drive Slipline. The Cherry Avenue improvements will provide conveyance capacity to the City's CSO treatment plant, and also allow cleaning of the beachmain. The Trenton Avenue Improvements will safeguard a critical pipeline.   |
| FP04103; Sammamish City of; Laughing Jacob's Creek Watershed Plan; The Laughing Jacobs Creek Watershed Plan will create a comprehensive approach for reducing impacts of development by improving fish and wildlife habitat, and assuring healthy water quality in Laughing Jacobs Creek for the future. The plan will update portions of "East Lake Sammamish Basin and Non-Point Action Plan", (King County, 1994). Implements Washington States Nonpoint Plan, Appendix A: Addresses 303(d) listed waters and impacted beneficial uses.   |
| FP04104; Sammamish City of; Pine Lake Subbasin Watershed Plan; The Pine Lake Subbasin Watershed Plan will create a comprehensive approach for reducing impacts of development by improving fish and wildlife habitat, and assuring healthy water quality in Pine Lake Creek for the future. The plan will update portions of "East Lake Sammamish Basin and Non-Point Action Plan", (King County, 1994). Implements Washington States Nonpoint Plan, Appendix A: Addresses 303(d) listed waters and impacted beneficial uses.  |



**Washington State Water Pollution Control Revolving Fund  
State Fiscal Year 2004  
Project Summaries**

|   |
|---|
| FP04105; Coulee City; Design of Evaporative Lagoons for Coulee City Wastewater Facility Expansion; Previous planning efforts have identified evaporative lagoons and a sump pump collection system as cost effective methods to bring the wastewater facility into compliance. This project requests funds for design of evaporative lagoons adjacent to the current evaporative lagoon facility to treat excess flows to the wastewater facility.  |
| FP04106; Curlew Water & Sewer District; Curlew Wastewater Facility Plan; The Curlew Water and Sewer District intends to prepare a General Sewer and Wastewater Facility Plan to evaluate the feasibility of replacing existing failing private septic systems with a community wide sewer and wastewater treatment system.  |
| FP04113; Coulee City; Sump Pump Collection and Disposal for Coulee City; A sump pump collection system will collect and divert excess ground water from the wastewater collection system. The project will help bring the wastewater facility into compliance. Planning studies have shown that sump pump use is widespread during the wet season due to poor drainage of shallow soils on top of basalt.   |
| FP04117; Drainage Improvement District #8; Lake Stevens Phosphorous Loading Study; The Lake Stevens Phosphorous Loading Study is proposed to begin addressing the 303(d) listing of the Lake for phosphorous. The Study will identify and quantify the sources of phosphorous to the lake and provide recommendations to reduce the phosphorous loads so that water quality standards can be met. Implements Washington States Nonpoint Plan, Appendix A: Addresses 303(d) listed waters and impacted beneficial uses.  |
| FP04119; Cashmere City of; Cashmere (Mission, Brender, No-Name Creeks) Sewer Hook-Up and Septic System Upgrade Program; This project will use a combination of loan and grant funds to plan and implement a three phase program to address failing septic systems in the Mission, Brender, and No-Name Creeks drainage (Cashmere, WA): Phase 1: Provide low interest loans and hardship grants to enable homeowners within connection distance of existing city of Cashmere sewer lines to hook up. Phase 2: Provide loan funds for the City to design and engineer plans for sewer line extensions. Phase 3... |

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## **Attachment 3**

### **Proposed Schedule of Payments From EPA to the State of Washington**

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**Washington State Water Pollution Control Revolving Fund  
State Fiscal Year 2004 Final Intended Use Plan  
Proposed Schedule of Payments from EPA to the State of Washington**

| <b>Federal Quarter</b> | <b>Requested FFY 2002 Title VI Grant Payments</b> |
|------------------------|---|
| 10/1/01                | \$0   |
| 1/1/02                 | \$7,677,714                                       |
| 4/1/02                 | \$7,677,714                                       |
| 7/1/02                 | \$7,677,714                                       |
| <b>TOTAL</b>           | <b>\$23,033,142</b>                               |

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## **Attachment 4**

### **Estimated Schedule of Binding Commitments**

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**Washington State Water Pollution Control Revolving Fund  
State Fiscal Year 2004 Final Intended Use Plan  
Estimated Schedule of Binding Commitments**

| <b>Application Number</b> | <b>Applicant Name/Project Title</b>  | <b>Date</b> | <b>Funds Proposed</b> |
|---------------------------|--|-------------|-----------------------|
| FP04073                   | <b>Tacoma City of</b><br>Tacoma Central Wastewater Treatment Plant Upgrade                     | 10/1/2003   | \$1,000,000           |
| FP04030                   | <b>Reardan Town of</b><br>Reardan Emergency Lift Station Improvements Project                  | 10/1/2003   | \$60,000              |
| FP04085                   | <b>Stevens Pass Sewer District</b><br>Stevens Pass Wastewater Treatment Facility Improvements  | 10/1/2003   | \$5,500,171           |
| FP04037                   | <b>Chehalis City of</b><br>Chehalis Regional Water Reclamation Facility (CRWRF)                | 10/1/2003   | \$3,885,652           |
| FP04043                   | <b>Seattle Public Utilities</b><br>High Point Natural Systems Drainage                         | 10/1/2003   | \$2,714,959           |
| FP04023                   | <b>Roslyn City of</b><br>Roslyn Regional Wastewater System Improvements                        | 10/1/2003   | \$237,000             |
| FP04031                   | <b>Reardan Town of</b><br>Reardan WWTF Improvements Project                                    | 10/1/2003   | \$1,259,676           |
| FP04069                   | <b>Kalama City of</b><br>Kalama Wastewater Treatment Facility Upgrade                          | 10/1/2003   | \$5,275,130           |
| FP04117                   | <b>Drainage Improvement District #8</b><br>Lake Stevens Phosphorous Loading Study              | 10/1/2003   | \$310,000             |
| FP04033                   | <b>Spokane County Conservation District</b><br>Eastern Washington Conservation Tillage Program | 10/1/2003   | \$2,000,000           |
| FP04106                   | <b>Curlew Water &amp; Sewer District</b><br>Curlew Wastewater Facility Plan                    | 10/1/2003   | \$48,322              |
| FP04040                   | <b>Cathlamet Town of</b><br>Cathlamet Wastewater Treatment Facility Upgrade                    | 10/1/2003   | \$881,000             |
| FP04080                   | <b>Zillah City of</b><br>2004 WWTF Improvements  | 10/1/2003   | \$200,000             |
| FP04065                   | <b>Whatcom Conservation District</b><br>Whatcom Dairy Manure Methane Project                   | 10/1/2003   | \$500,000             |
| FP04041                   | <b>Long Beach City of</b><br>WWTP Phase II & III Upgrade Construction                          | 11/1/2003   | \$3,020,000           |
| FP04081                   | <b>Warden City of</b><br>Collection System & WWTF Improvements Design                          | 11/1/2003   | \$429,000             |
| FP04015                   | <b>Duvall City of</b><br>Wastewater Facility Upgrade - Construction                            | 11/1/2003   | \$7,197,000           |

**Washington State Water Pollution Control Revolving Fund  
State Fiscal Year 2004 Final Intended Use Plan  
Estimated Schedule of Binding Commitments**

| <b>Application Number</b> | <b>Applicant Name/Project Title</b>  | <b>Date</b> | <b>Funds Proposed</b> |
|---------------------------|--|-------------|-----------------------|
| FP04105                   | <b>Coulee City</b><br>Design of Evaporative Lagoons for Coulee City Wastewater Facility Expansion                      | 11/1/2003   | \$100,000             |
| FP04113                   | <b>Coulee City</b><br>Sump Pump Collection and Disposal for Coulee City  | 11/1/2003   | \$320,000             |
| FP04104                   | <b>Sammamish City of</b><br>Pine Lake Subbasin Watershed Plan  | 11/1/2003   | \$385,000             |
| FP04017                   | <b>Vashon Sewer District</b><br>Health Hazard Areas Loan Refinance   | 11/1/2003   | \$2,155,348           |
| FP04072                   | <b>Kitsap County Public Works</b><br>Kingston Wastewater Treatment Plant & Outfall                                     | 12/1/2003   | \$14,188,000          |
| FP04011                   | <b>Clark Public Utilities</b><br>Yacolt On-Site Wastewater Disposal Systems Inspection Equipment                       | 12/1/2003   | \$213,705             |
| FP04103                   | <b>Sammamish City of</b><br>Laughing Jacob's Creek Watershed Plan  | 12/1/2003   | \$325,000             |
| FP04013                   | <b>Kahlotus City of</b><br>City of Kahlotus Sewer Facility Plan  | 12/1/2003   | \$30,000              |
| FP04032                   | <b>Benton Conservation District</b><br>Glade Creek Salmonid Protection Project   | 12/1/2003   | \$300,000             |
| FP04038                   | <b>Clark County Health Department</b><br>Gibbons Creek TMDL Implementation Project                                     | 1/1/2004    | \$100,000             |
| FP04052                   | <b>Skagit County Permit and Planning Center</b><br>Skagit County Local Loan Fund                                       | 1/1/2004    | \$1,500,000           |
| FP04079                   | <b>Klickitat PUD</b><br>Lyle Wastewater Treatment Facility Improvements, Phase III                                     | 1/1/2004    | \$1,268,224           |
| FP04119                   | <b>Cashmere City of</b><br>Cashmere (Mission, Brender, No-Name Creeks) Sewer Hook-Up and Septic System Upgrade Program | 1/1/2004    | \$350,000             |
| FP04086                   | <b>Brewster City of</b><br>Wastewater Treatment Plant Upgrade Phase II   | 3/1/2004    | \$250,000             |
| FP04059                   | <b>Colville City of</b><br>Colville Wastewater Treatment Phase 2/3   | 3/1/2004    | \$10,000,000          |

**Washington State Water Pollution Control Revolving Fund  
State Fiscal Year 2004 Final Intended Use Plan  
Estimated Schedule of Binding Commitments**

| <b>Application Number</b> | <b>Applicant Name/Project Title</b>   | <b>Date</b> | <b>Funds Proposed</b> |
|---------------------------|---|-------------|-----------------------|
| FP04094                   | <b>Spokane County</b><br>Spokane County Regional Wastewater                   | 4/1/2004    | \$8,500,000           |
| FP04097                   | <b>Bremerton City of</b><br>Cherry/Trenton CSO Reduction - Final Improvements | 6/1/2004    | \$1,075,000           |
| FP04092                   | <b>Wenatchee City of</b><br>Wenatchee Wastewater Treatment Plant Improvements | 7/1/2004    | \$8,459,000           |