



DEPARTMENT OF  
**ECOLOGY**  
State of Washington

# **NEP Toxics and Nutrients Grant Program**

## **Reducing Nutrient Pollution in the Budd Inlet Watershed**

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*Funding Guidelines*

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## Publication and Contact Information

This report is available on the Department of Ecology's website at [www.ecy.wa.gov/biblio/1210014.html](http://www.ecy.wa.gov/biblio/1210014.html)

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Water Quality Program  
Washington State Department of Ecology  
Olympia, Washington

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# Summary

In January of 2011, the Department of Ecology (Ecology) entered into a cooperative agreement with the Environmental Protection Agency (EPA) to reduce toxics and nutrients in Puget Sound. The Grant that was awarded as a result of this agreement is part of the federal National Estuary Program (NEP).

The funds from the NEP have been subdivided into different funding categories to create grant programs that address different subjects and concerns identified as needs in the Puget Sound. As a result, Ecology is administering a competitive grant program for eligible applicants with projects to reduce toxic or nutrient issues in the marine waters of Puget Sound or fresh waters in the Puget Sound watershed. This program is part of this larger effort to protect and restore Puget Sound.

## How to Use These Guidelines

These guidelines describe the application process for the NEP Toxics and Nutrients Grant Program: Reducing Nutrient Pollution in the Budd Inlet Watershed. The guidelines also explain what will be required once a grant is awarded. These guidelines are not intended to be a comprehensive listing and explanation of all rules and policies that may apply to funding, but rather will provide initial information on the grant approval process and the outline how to administer a funded project.

## Funding Program Purpose

The NEP Toxics and Nutrients Grant Program will fund projects or project components to prevent and reduce the sources of nutrients entering waterbodies in the Budd Inlet watershed.

Nutrients include both nitrogen and phosphorus. When human activities add additional nutrients to fresh and marine waters, it can cause excess algae growth. As the algae dies and decays, they rob the water of the dissolved oxygen that fish need to survive. Ecology will fund one project to reduce the sources of nutrients entering the environment.

The Budd Inlet watershed, dominated by the Deschutes River, is an area of high concern for nutrients. High nutrient loading has caused some of the lowest levels of dissolved oxygen in Puget Sound. Despite upgrading the wastewater treatment plant, violations of water quality standards still exist and the Budd Inlet watershed still has one the highest nitrogen loads per land area in Puget Sound ([www.ecy.wa.gov/pubs/1103057.pdf](http://www.ecy.wa.gov/pubs/1103057.pdf)). To investigate pollutant loads and come up with a water quality pollution strategy, Ecology is conducting a multi-parameter TMDL for the Deschutes River watershed that is near completion ([www.ecy.wa.gov/programs/wq/tmdl/deschutes/index.html](http://www.ecy.wa.gov/programs/wq/tmdl/deschutes/index.html)).

To solve the problem, a wide range of innovative solutions to address all aspects of nutrient pollution is needed. A wide range of partners are willing to address the problem, but the more funding is needed to implement projects.

## **Eligibility**

### **Eligible applicants**

State and federal agencies, institutions of higher learning, tribal governments and technical consortia, local governments, special purpose districts, conservation districts, watershed planning units, local management boards, salmon recovery lead entities, regional fisheries enhancement groups, and non-profit entities are eligible to apply. For-profit entities are not eligible.

Eligible applicants may partner on projects with non-eligible entities. Ecology will consider the eligible applicant the lead agency on the agreement; the lead agency is the responsible party to accomplish project goals and collaborate and coordinate with their partners.

### **Available funding and ceiling amounts**

Ecology will distribute a total of \$255,612 as grant awards under this program.

The maximum grant amount for individual projects is \$255,612 of total eligible costs. Multiple departments from one jurisdiction may apply for funding.

### **Eligible projects**

Eligible project activities must prevent and reduce nutrient loading to the environment. Innovative approaches are strongly encouraged. These projects must not only address specific problem areas but they must evaluate their effectiveness for use throughout Puget Sound. All projects funded must result in reduced nutrient loading.

Applicants must demonstrate how their project focuses on problem areas and/or problem sources within the Budd Inlet watershed. One source of technical information is the Deschutes River, Capitol Lake, and Budd Inlet Water Quality Study:  
[www.ecy.wa.gov/programs/wq/tmdl/deschutes/index.html](http://www.ecy.wa.gov/programs/wq/tmdl/deschutes/index.html).

Funding can be used to reduce nutrient loads from on-site septic, fertilizer use, manure, wastewater treatment plants, stormwater, or other sources of nutrients related to human activities. It can be used to address marine or freshwater and nitrogen or phosphorus loading. Projects must be completed by June 30, 2015.



To be eligible, the project must:

- Implement activities that will reduce nutrient loading to the environment from one or more human-caused sources. The applicant must calculate the expected reductions in nutrient loads.
- Conduct water quality effectiveness monitoring under an Ecology-approved Quality Assurance Project Plan to determine effectiveness of the project in reducing nutrient loads.
- Prepare a report summarizing:
  - The actions taken.
  - The reductions in nutrient loads from the actions.
  - The applicability of using the approach taken by the project to other areas of Puget Sound.

The priority outcomes are:

- Improved dissolved oxygen concentrations in marine or freshwater.
- Improved aquatic life health due to lower pollution pressures.

All new federal NEP grants come with extensive reporting and accountability requirements. Potential applicants should read and understand these requirements before applying for the grant.

## Ineligible projects

Planning activities and re-creating programs that are already up-and-running at other entities are ineligible.

## Application Process

Potential applicants may request an application packet, including the application form and these guidelines. Application materials are also available electronically on Ecology's Web site at: [www.ecy.wa.gov/puget\\_sound/grants\\_fed\\_toxics.html](http://www.ecy.wa.gov/puget_sound/grants_fed_toxics.html).

Application Submittal:

1. Mail one hardcopy with original signature and an electronic copy. Include a MS-WORD version of the complete application. (E-mail electronic copies to [sarah.ralph@ecy.wa.gov](mailto:sarah.ralph@ecy.wa.gov) and [andrew.kolosseus@ecy.wa.gov](mailto:andrew.kolosseus@ecy.wa.gov) or include a CD with written materials.)
2. All application materials must be received at Ecology headquarters prior to 5:00 p.m., May 28, 2012. **Application packets received after the deadline date and time will not be considered for funding. Post marks not accepted.**
3. Faxed submittals will not be accepted.

Submit original signed paper version and copies to:

**U.S. Postal Mailing Address:**

Department of Ecology  
Water Quality Program  
Financial Management Section  
P.O. Box 47600  
Olympia, WA 98504-7600

**Overnight Mail or Hand Delivery Address:**

Department of Ecology  
Water Quality Program  
Financial Management Section  
300 Desmond Drive  
Lacey, WA 98503

For more information or financial questions, contact Sarah Ralph at 360-407-6703 or [sarah.ralph@ecy.wa.gov](mailto:sarah.ralph@ecy.wa.gov). For technical questions, contact Andrew Kolosseus at 360-407-7543 or [andrew.kolosseus@ecy.wa.gov](mailto:andrew.kolosseus@ecy.wa.gov).

<b>Grant Schedule</b>	
Application Submittal	May 28, 2012
Evaluate proposals	May 28, 2012 – June 1, 2012
Award Notification	June 4, 2012
Funding agreements must be signed by	July 2, 2012
Projects must be completed	June 30, 2015

## **Application Requirements**

### **At time of application**

Applicants must submit a completed application, available at [www.ecy.wa.gov/puget\\_sound/grants\\_fed\\_toxics.html](http://www.ecy.wa.gov/puget_sound/grants_fed_toxics.html).

### **At time of contract negotiations**

Projects must meet the following requirements prior to receiving grant funding:

- State Environmental Policy Act (SEPA).
- Cultural Resource Review, coordinated through Ecology, with the Department of Archaeology & Historic Preservation (DAHP) and affected tribes to comply with the Governor's Executive Order 05-05.

## **Growth Management Act compliance**

Ecology does not require applicants to comply with the Growth Management Act (GMA) prior to applying for or receiving funding from this program. However, Ecology strongly encourages GMA compliance, because other funding sources may require it to be eligible for funding.

## Evaluation criteria

The following points will be assigned to the proposal for evaluation purposes:

<b>Review Scoring Guidelines</b>		
<b>Evaluation Criteria</b>	<b>Description Statement</b>	<b>Maximum Points</b>
<b>Project Purpose</b>	<ul style="list-style-type: none"> <li>• Is the project addressing an important source of nutrients?</li> <li>• What is the overall scope of the problem and what aspect of the problem will this project address?</li> <li>• Is the purpose clear and compelling?</li> <li>• Does the project focus on areas with nutrient problems?</li> <li>• Does the project help make ongoing activities more effective, efficient, affordable, or sustainable?</li> <li>• Does the project enhance existing funding for your program?</li> </ul>	30
<b>Scope of Work</b>	<ul style="list-style-type: none"> <li>• Is the project well-structured and clearly described?</li> <li>• Does the project use innovative approaches?</li> <li>• Is the project schedule reasonable and achievable?</li> <li>• What is your long-range vision and what steps are you taking to improve and sustain your program?</li> <li>• Is an effectiveness monitoring plan included?</li> <li>• Does the project involve collaboration with other jurisdictions?</li> <li>• Will the results of the project inform future activities throughout Puget Sound?</li> </ul>	30
<b>Proposed Budget</b>	<ul style="list-style-type: none"> <li>• Complete project budget is consistent with the scope of work.</li> <li>• The cost estimate process is reasonable.</li> <li>• The project budget represents a good value for the work and water quality benefits achieved.</li> </ul>	5
<b>Programmatic Capability</b>	<ul style="list-style-type: none"> <li>• Capacity, expertise, and demonstrated ability to successfully carry out the project.</li> </ul>	5
<b>Project Outputs and Outcomes</b>	<ul style="list-style-type: none"> <li>• What reductions are expected in nutrient loads?</li> <li>• How will the results/changes be measured, and how do they align with local and regional performance measures and targets?</li> <li>• Does the project lay out clear and realistic activities, objectives, outputs, and outcomes? Do they align and fit together to facilitate successful implementation?</li> </ul>	30

Ecology reserves the right to award the contract to the Applicant whose proposal is deemed to be in the best interest of Ecology and the state of Washington.

# Ecology's Project Management Team

The funding agreement is the formal written contractual arrangement signed by authorized representatives of the recipient and Ecology. The agreement includes at a minimum: an approved scope of work, total project costs, a budget, and performance schedule. Ecology assigns a Project Management Team to each funded project. The team consists of:

- A **project manager** from the regional office nearest the recipient (primary contact for technical assistance and day-to-day questions).
- A **financial manager** from the Lacey headquarters office.

The financial manager reviews and approves payment requests and helps the project manager negotiate agreements and track performance. The project manager is the point of contact for day-to-day project and technical related questions and works with the financial manager to resolve payment or eligibility issues if they arise. The following will be the project management team for grant agreements funded through this guidance and application process:

Ecology Project Manager	Ecology Financial Manager
Department of Ecology Water Quality Program Attn: Andrew Kolosseus P.O. Box 47600 Olympia, WA 98504-7600 360-407-7543 <a href="mailto:andrew.kolosseus@ecy.wa.gov">andrew.kolosseus@ecy.wa.gov</a>	Department of Ecology Water Quality Program Attn: Sarah Ralph P.O. Box 47600 Olympia, WA 98504-7600 360-407-6703 <a href="mailto:sarah.ralph@ecy.wa.gov">sarah.ralph@ecy.wa.gov</a>

## Agreement Development

The Ecology Project Management Team will use information contained in the application as the basis for developing the funding agreement. It will take less time to develop a funding agreement with a clearly defined project proposal that includes measurable objectives and an accurate budget. To speed development and negotiations, Ecology standardizes much of the funding agreement content with boilerplate language that includes general and special terms and conditions and other requirements that are necessary because of state and federal law. These requirements are incorporated as attachments.

After the agreement is developed, the final draft goes through an internal funding program review. The financial manager will then send the funding agreement to the applicant for signature. The applicant will send the funding agreement back to Ecology for the final signature by Ecology's authorized designee.

The agreement becomes effective once signed by Ecology's designee. A fully signed original will be returned to the recipient. (Note that the applicant becomes the recipient once the agreement is signed).

## **Project budget**

The funding agreement must include a project budget that establishes eligible costs for task elements or budget objects. The budget will also detail funding sources, amounts, and requirements. Ecology's financial manager will help answer additional questions about budget development during project negotiations.

**There are no additional** funds available to cover project overruns. Ecology will obligate all of the money available through the NEP. The applicant must be certain that all deliverables can be accomplished as budgeted.

## **Disbursement of funds**

Ecology will disburse funds on a cost-incurred basis.

## **Amendment process**

Modifications and changes to the funding agreement may become necessary. The recipient and Ecology's Project Management Team must negotiate changes and execute a formal amendment to the funding agreement to reflect those changes.

## **Extensions**

Time extensions are discouraged by Ecology. Recipients should request a time extension at least three months prior to the expiration date of the funding agreement.

## **Progress reports**

Ecology requires recipients to submit progress reports on a regular basis. Progress reports that include a disbursement request must describe the Scope of Work item for which disbursement is requested. Unless specified in the funding agreement, progress reports are submitted quarterly for the following periods:

- January 1 through March 31
- April 1 through June 30
- July 1 through September 30
- October 1 through December 31

Quarterly progress reports are due 15 days following the end of the quarter being reported.

## **Administrative general terms and conditions**

General Terms and Conditions are general requirements contained in all Ecology grant agreements and are not negotiable. The General Terms and Conditions are found in the *Administrative Requirements for Grants and Loans*, Publication No. 91-18, available at [www.ecy.wa.gov/biblio/9118.html](http://www.ecy.wa.gov/biblio/9118.html). The policies and procedures outlined in the Administrative Requirements document apply to all grant and loan agreements funded through Ecology.

## **Special terms and conditions**

Special Terms and Conditions are written into an agreement to modify or clarify project elements that are specific to the project or the program guidelines. Special Terms may be different, more specific or restrictive to General Terms and Conditions and have precedence over conditions outlined in the agreement attachments.

## **Federal administrative and programmatic terms and conditions**

Grants awarded through this process are federal NEP funds and the federal administrative and programmatic conditions provided under Attachment A apply.

## **Equipment purchase/equipment fees**

Equipment purchase will be considered on a project-by-project basis and must be approved by the Ecology Project Management Team. If equipment is owned by the recipient, an appropriate use fees may be charged.

A use fee for equipment owned by the recipient or used through a valid interlocal agreement:

- Must be justifiable, fair, and reasonably attributed to the project.
- Must directly satisfy the project scope of work.
- Must be shown to be cost effective.
- Cannot exceed the acquisition cost of the equipment or facilities.
- Cannot exceed the rental rate or purchase price for comparable equipment or facilities in the recipient's market.

## **Incurring eligible costs**

The recipient can begin incurring costs on the date that the funding agreement is signed by Ecology. In some instances, eligible costs can be incurred before the effective date of an agreement.

## **Incurring costs prior to an agreement**

Prior Authorization is written authorization that allows the recipient to incur eligible project costs before the funding agreement is effective. Prior Authorization is determined on a case-by-case

basis. It does not guarantee funding, work is performed at the risk of the applicant, and Ecology cannot release funds before the effective date of the agreement.

**To request Prior Authorization:**

- The applicant signatory must write a letter to Ecology’s Water Quality Program Manager requesting and justifying Prior Authorization with estimated costs to be incurred and the time frame.
- Costs incurred before the Prior Authorization date are the sole responsibility of the public body.
- The applicant assumes responsibility for costs incurred before a loan or grant agreement has been signed, as Ecology cannot guarantee that a loan or grant will be awarded.

**Reasons for Prior Authorization include, but are not limited to:**

- Work must be done in a specific environmental window.
- To meet required schedules in compliance order, consent decrees, or permits.
- The applicant is ready to proceed immediately.
- The project would otherwise be substantively delayed as the grant agreement was prepared.

## **Payment processing**

**Payment holds or termination**

If a recipient does not satisfy conditions in the funding agreement, Ecology may terminate the agreement and request that the recipient repay all of the funds disbursed, withhold a payment, or decrease the payment by the amount proportionate to the costs associated to the incomplete work.

**Submitting a payment request**

The recipient must submit a payment request at least quarterly, but no more frequently than monthly. The recipient must submit a completed A19 Invoice Voucher and all required forms to Ecology’s financial manager. The recipient’s authorized signatory must sign the A19 Invoice Voucher, preferably in blue ink. If the costs are eligible and project progress is acceptable, Ecology’s financial manager will approve the request. If not, the financial manger and project manager will work with the recipient to resolve the issue.

## **Payment requests forms**

Payment requests must include the following forms:

- A State of Washington Invoice Voucher Form A19-1A
- Running Budget Summary Form B1 (ECY 060-3) or B2 (ECY 060-7)
- Voucher Support Form C1 (ECY 060-8) or C2 (ECY 060-9)
- Contractor Participation Report Form D (ECY 060-11)

Where applicable, payment requests should also include the following:

- Monthly Time Sheet Form E (ECY 060-12)
- Record of Meeting Attendance Form F (ECY 060-13)

- Conversion to a Composite Hourly Billing Rate for an Employee Form H (F-21)
- Valuation of Donated Property Form I (ECY 060-15)

Ecology's financial manager may request additional documentation to support the costs reflected in a payment request at any time. Recipients must keep supportive documentation available in project files for the duration of the project and for five years following project completion.

## **Performance measures**

### **Post project assessment of performance measures**

The Legislature directed Ecology to implement an outcome-focused approach. As a result, Ecology is including a special condition in each loan and grant agreement that requires recipients to develop a post project assessment plan and to participate in a brief survey or possible interview to assess project results. The month and year of the project assessment will typically occur three years after project completion. This date will be negotiated between the applicant and Ecology's Project Management Team.

## **Environmental Review Requirements**

### **SEPA and state environmental review process**

All recipients must comply with State Environmental Policy Act (SEPA). The recipient must complete SEPA requirements prior to receiving state funds. Additionally, recipients must comply with all other applicable state and federal environmental statutes, regulations, and executive orders.

### **Historic and cultural resources review**

Many projects have the potential to significantly impact culturally or historically important locations or artifacts. Ecology is working with the Department of Archaeology and Historic Preservation (DAHP) to meet all state or federal requirements regarding cultural and historic preservation. All projects that disturb soils from their natural state must comply with the corresponding state or federal law. Staff from Ecology's Water Quality Program will help grant recipients follow the appropriate steps to work with DAHP and corresponding tribes to determine if a site has the potential of disturbing or significantly impacting cultural or historic resources.

Recipients should contact their Ecology Project and Financial Managers for detailed information, guidance, procedures, and other related resources. Information is also available on the DAHP website: [www.dahp.wa.gov/](http://www.dahp.wa.gov/)