



DEPARTMENT OF
ECOLOGY
State of Washington

Funding Guidelines

State Fiscal Year 2018

Water Quality Financial Assistance

Centennial Clean Water Program

Clean Water Act Section 319 Program

Stormwater Financial Assistance Program

*Washington State Water Pollution Control
Revolving Fund Program*

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For more information contact:

Water Quality Program

P.O. Box 47600

Olympia, WA 98504-7600

Phone: 360-407-6502

Washington State Department of Ecology - www.ecy.wa.gov

- Headquarters, Olympia 360-407-6000
- Northwest Regional Office, Bellevue 425-649-7000
- Southwest Regional Office, Olympia 360-407-6300
- Central Regional Office, Union Gap 509-575-2490
- Eastern Regional Office, Spokane 509-329-3400

To request ADA accommodation for disabilities including materials in a format for the visually impaired, call the Water Quality Program at 360-407-6600. Persons with impaired hearing may call Washington Relay Service at 711. Persons with speech disability may call TTY at 877-833-6341.

Funding Guidelines State Fiscal Year 2018

Water Quality Financial Assistance

by

Financial Management Section

Water Quality Program
Washington State Department of Ecology
Olympia, Washington

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Contact Information

General Information	Jeff Nejedly, 360-407-6572, jeffrey.nejedly@ecy.wa.gov Daniel Thompson, 360-407-6510, daniel.thompson@ecy.wa.gov
Funding Program Coordinators	
Centennial Clean Water Program:	Pat Brommer, 360-407-6566, patricia.brommer@ecy.wa.gov
Clean Water Act Section 319 Program:	Alissa Ferrell, 360-407-6509, alissa.ferrell@ecy.wa.gov
Clean Water State Revolving Fund:	Shelly McMurry, 360-407-7132, shelly.mcmurphy@ecy.wa.gov Daniel Thompson, 360-407-6510, daniel.thompson@ecy.wa.gov
Stormwater Financial Assistance Program:	Jessica Schwing, 360-407-6216, jessica.schwing@ecy.wa.gov
Projects Specific Questions	
Environmental Review:	Liz Ellis, 360-407-6429, liz.ellis@ecy.wa.gov
Green Project Reserve:	David Dunn, 360-407-6503, david.dunn@ecy.wa.gov
Hardship:	Daniel Thompson, 360-407-6510, daniel.thompson@ecy.wa.gov
Nonpoint Source Activity Projects:	Alissa Ferrell, 360-407-6509, alissa.ferrell@ecy.wa.gov
Onsite Sewage System Projects:	Rebecca Brown, 360-407-6703, Rebecca.brown@ecy.wa.gov
Stormwater Projects:	Jessica Schwing, 360-407-6216, jessica.schwing@ecy.wa.gov
Wastewater Facility Engineering:	David Dunn, 360-407-6503, david.dunn@ecy.wa.gov
Wastewater Facility Projects:	Tammie McClure, 360-407-6410, tammie.mcclure@ecy.wa.gov
Regional Office Project Managers	
<i>Central Regional Office – Yakima</i>	
Activity Projects: Facility Projects: Stormwater Projects:	Heather Simmons, 509-454-7207, heather.simmons@ecy.wa.gov Dan Ferguson, 509-457-7108, dan.ferguson@ecy.wa.gov Brandi Reynecke, 509-329-3421; brandi.reynecke@ecy.wa.gov
<i>Eastern Regional Office – Spokane</i>	
Activity Projects: Facility Projects: Stormwater Projects:	Karin Baldwin, 509-329-3601, karin.baldwin@ecy.wa.gov Ellie Key, 509-329-3519, ellie.key@ecy.wa.gov Cynthia Wall, 509-329-3537, cynthia.wall@ecy.wa.gov Brandi Reynecke, 509-329-3421; brandi.reynecke@ecy.wa.gov
<i>Northwest Regional Office – Bellevue</i>	
Activity Projects: Facility Projects: Stormwater Projects:	Melisa Snoeberger, 425-649-7047, melisa.snoeberger@ecy.wa.gov Ken Ziebart, 425-649-7164, kenneth.ziebart@ecy.wa.gov Heather Khan, 425-649-7003, heather.khan@ecy.wa.gov
<i>Southwest Regional Office – Lacey</i>	
Activity Projects: Facility Projects: Stormwater Projects:	Tammy Riddell, 360-407-6295, tammy.riddell@ecy.wa.gov Dave Dougherty, 360-407-6278, david.dougherty@ecy.wa.gov David Mora (Vancouver Field Office), 360-690-4782, david.mora@ecy.wa.gov
Document Requests	Elaine Markham 360-407-6502, elaine.markham@ecy.wa.gov

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Chapter 1: Program Overview

The Washington State Department of Ecology's (Ecology) Water Quality Program administers four main funding programs under an integrated annual funding cycle. Ecology awards grants and loans on a competitive basis to eligible public bodies for high priority water quality projects throughout Washington State. Proposed projects may address point and/or nonpoint source water pollution control issues. This document describes how to apply for funding, meet program requirements, and manage funded projects.

The four main funding programs are:

- The Centennial Clean Water Program (Centennial).
- The Clean Water Act Section 319 Nonpoint Source Grant Program (Section 319).
- The Washington State Water Pollution Control Revolving Fund Program (CWSRF).
- Stormwater Financial Assistance Program (SFAP).

Eligible public bodies include:

- Counties, cities, and towns.
- Water districts and sewer districts.
- Port districts.
- Conservation districts.
- Irrigation districts.
- Quasi-municipal corporations.
- Federally recognized tribes.
- Washington State institutions of higher education if the project is not included in the institution's statutory responsibilities.
- Not-for-profit organizations that are recognized as tax exempt by the Internal Revenue Service. Not-for-profit organizations are only eligible for Section 319 funding.

Eligible project types include:

- Wastewater facility
 - Planning, environmental review, design, and construction.
 - Facilities for wastewater conveyance and treatment.
 - Combined sewer overflow (CSO) abatement.
 - Infiltration and inflow (I/I) correction.
 - Water reclamation and reuse, including reclaimed water distribution.
- Onsite sewage system
 - Large onsite sewage systems/community systems (planning, design, and construction).
 - Planning, outreach, surveys.
 - Local grant/loan repair/replacement program.
- Stormwater facility

- Planning and design.
- Construction of facilities for stormwater treatment and flow control.
- Low impact development or green retrofit projects.
- Stormwater activity
 - Stormwater management program plans.
 - Education and outreach.
 - Inspection programs.
 - Purchase of high-efficiency vacuum sweepers.
- Nonpoint source activity
 - Agricultural best management practices design and implementation.
 - Irrigation efficiency projects.
 - Demonstration projects (as approved by Ecology).
 - Groundwater/aquifer/source water/wellhead planning and/or protection.
 - Lake restoration planning and implementation.
 - Riparian/wetland restoration planning and implementation.
 - Public outreach and education.
 - Total maximum daily load (TMDL) support.
 - Water quality monitoring.
 - Watershed planning and implementation.

Statutory requirements, administrative rule uses and limitations, and program and agency policy provide the framework for the Funding Guidelines. Listed are the key statutes, rules, and policies, along with web links to the documents.

- Chapter 173-98 WAC, *Uses and Limitations of the Water Pollution Control Revolving Fund*; see <http://app.leg.wa.gov/WAC/default.aspx?cite=173-98>.
- Chapter 173-95A WAC, *Uses and Limitations of the Centennial Clean Water Program*; see <http://app.leg.wa.gov/WAC/default.aspx?cite=173-95A>.
- Chapter 70.146 RCW, *Water Pollution Control Facilities Financing*; see <http://app.leg.wa.gov/RCW/default.aspx?cite=70.146>.
- Chapter 90.50A RCW - *Water Pollution Control Facilities – Federal Capitalization Grants*; see <http://app.leg.wa.gov/RCW/default.aspx?cite=90.50A>.
- Federal Clean Water Act, Section 319; see <http://water.epa.gov/polwaste/nps/cwact.cfm>.
- *Administrative Requirements for Recipients of Ecology Grants and Loans Managed in EAGL*; see <https://fortress.wa.gov/ecy/publications/summarypages/1401002.html>.
- Chapter 173-240 WAC, *Submission of Plans and Reports for Construction of Wastewater Facilities*; see <http://app.leg.wa.gov/WAC/default.aspx?cite=173-240>.
- Chapter 90.46 RCW, *Reclaimed Water Use*; see <http://app.leg.wa.gov/RCW/default.aspx?cite=90.46>.

Chapter 2: Funding Programs

This chapter provides a basic overview of each of the four funding programs, including applicant and project eligibility and funding provisions. More specific information about project eligibility may be found in Chapter 3 and Appendices D, E, F, G, and J.

Ecology manages the four primary sources of funding under an integrated annual funding cycle. Each of the programs has different eligibility requirements and limitations, and may have specific set-asides or funding priorities. Applicants use one integrated financial assistance application to apply for funds from the four funding sources simultaneously. Ecology reviews, rates, and ranks applications and then distributes funds to the highest priority projects in a combination of grants and loans, depending on the project type and funding source.

Total funds available for the Water Quality Financial Assistance Program have varied. The amount of funding available on a competitive basis for each State Fiscal Year (SFY) is based on program policies, legislative directives, previous commitments, and funding levels. Ecology does not know the exact amount of funding available at the time a particular funding cycle begins. The amount of funding will not be known until state and federal appropriations are made.

CWSRF

The United States Congress established the CWSRF as part of the Clean Water Act (CWA) Amendments of 1987. The Environmental Protection Agency (EPA) offers states capitalization grants each year according to a formula established in the CWA. The state must provide a 20 percent match of the Capitalization Grant. Each year Ecology estimates the funds from the Capitalization Grant, state match, known and expected repaid principal and interest from previous loans, interest earned through investments by the Washington State Treasurer's Office, early repayments of previous loans, declined offers, and differences between offers and agreements; the combined total is offered in new loans to eligible public bodies.

Due to repayment of previous loans and interest plus infusions from the Capitalization Grant, state match, and investments, the CWSRF continues to revolve and grow, and more money becomes available to fund water quality projects. The majority of the fund now consists of repaid principal and interest. The CWSRF has funded approximately \$1.7 billion in projects since its inception.

Eligible Applicants

Applicants eligible for CWSRF funding include:

- Counties, cities, and towns.
- Water districts and sewer districts.
- Port districts.
- Conservation districts.
- Irrigation districts.
- Quasi-municipal corporations.

- Federally recognized tribes.
- Washington State institutions of higher education if the project is not included in the institution's statutory responsibilities.

Interest Rates and Loan Terms

Ecology may issue loans for a term of up to 20 years. The loan term may not exceed the useful life of the project being financed.

Ecology bases interest rates for non-hardship projects on the average market interest rate for tax-exempt municipal bonds. Ecology uses the average 11-Bond GO Index rate for the period 30-60 days prior to the beginning of a new funding cycle and sets the interest rate, depending on the loan term, at either 60 percent or 30 percent of that average. Table 1 shows the term and interest rates for standard CWSRF loans for SFY18.

Table 1: SFY18 Interest Rates for Standard CWSRF Loans

Term	Interest Rate
1 to 5 Years	0.7%
6 to 20 Years	1.5%

Eligible Funding Categories

- Preconstruction for wastewater and stormwater facilities (forgivable principal available for hardship).
- Facilities
 - Wastewater (subsidized loans and Centennial grants available for hardship).
 - Stormwater.
 - Large onsite sewage system (subsidized loans and Centennial grants available for hardship).
- Activities
 - Nonpoint source planning and implementation.
 - Low impact development techniques planning and implementation.
 - Local loan fund for onsite sewage repair and replacement.

Set-asides

Ecology splits the CWSRF funds as follows:

- Five percent dedicated for preconstruction.
- 75 percent dedicated for facilities.
- 20 percent dedicated for activities.

Of the CWSRF loan set-aside for preconstruction projects, Ecology will award no more than 20 percent for a single applicant. In both the facility and activity funding categories, Ecology will award no single applicant more than 50 percent of the available CWSRF loan dollars. For more information about project eligibility refer to Chapter 3 of these Guidelines.

Funding Provisions

Preconstruction

Eligible preconstruction projects include facility planning, facility design, rate studies, sewer use ordinance, and value engineering. Applicants with a population of 25,000 or less and a Median Household Income (MHI) below the state MHI are eligible for funding under the preconstruction category. Applicants who do not meet either the population or MHI criteria for this category can still receive funding for preconstruction projects under the facilities category.

Hardship

Ecology may offer qualified hardship applicants a combination of, forgivable principal loans, subsidized loans, and Centennial grants for wastewater facility preconstruction projects, wastewater facility construction projects, onsite sewage repair and replacement local loan fund projects, and stormwater facility preconstruction projects.

If Ecology offers only partial funding to a hardship eligible project because insufficient funds are available, Ecology may place the project at the top of the priority funding list for the next funding cycle. The applicant must be able to demonstrate that the project can be completed within the allowable funding timeframe in order to be placed on the priority funding list for the next funding cycle.

Hardship for Wastewater Facility Preconstruction Projects

Wastewater facility preconstruction projects funded through the CWSRF are eligible for hardship consideration if the project meets the following criteria:

- The existing residential population of the service area for the proposed project is 25,000 or less at the time of application.
- The MHI for the proposed service area is less than 80 percent of the state MHI.

Ecology may award applicants who meet these criteria a forgivable principal loan for 50 percent of the eligible project costs.

Hardship for Wastewater Facility Construction Projects

Wastewater facility construction projects funded through the CWSRF are eligible for financial hardship consideration if the project meets the following criteria:

- The existing residential population of the service area for the proposed project is 25,000 or less at the time of application.
- Financing the project without subsidy would cause existing residential sewer fees to be two percent or more of the MHI for the service area.

If Ecology determines that financial hardship exists, it may structure an offer that includes a combination of subsidized loan terms and Centennial grant. Table 2 shows the SFY18 hardship interest rates and grant continuum.

Table 2: SFY18 Hardship Interest Rates and Grant Continuum

Sewer Fee ÷ MHI:	< 2%	≥ 2% but < 3%	≥ 3% but < 5%	≥ 5%
<i>Hardship Designation:</i>	Non-hardship	Moderate hardship	Elevated hardship	Severe hardship
<i>20-Year Loan Rates:</i>	1.5%	1.0%	0.5%	0.0%
<i>Grant Eligibility:</i>	Not eligible	50% (up to \$5M)	75% (up to \$5M)	100% (up to \$5M)

Hardship for Onsite Sewage System Projects

Hardship funding is available for onsite sewage system (OSS) repair and replacement local loan projects in the form of subsidized loans and Centennial grants. Ecology determines the final blended subsidized interest rate for the subsidized CWSRF loan based on the loans provided to homeowners and small commercial enterprises during the project. Ecology will award no more than \$500,000 in Centennial grant to cover all eligible costs, including hardship, for an OSS project.

The following are requirements in order for project activities to qualify for a subsidized loan interest rate based on hardship:

- Household income not to exceed 80 percent of county MHI.
- Small commercial enterprise annual gross revenue not to exceed \$100,000.

Ecology may adjust interest rates to below the standard rate based on evaluation of the recipient's total portfolio of local on-site sewage system loans issued to homeowners and small commercial enterprises.

Table 3 provides the CWSRF interest rate schedule for loans targeted to homeowners at three levels of county median household income. Table 4 provides the CWSRF interest rate schedule for loans targeted to small commercial enterprises at three levels of annual gross revenue.

Table 3: CWSRF Adjustable Interest Rate Schedule Based on Loans Made to Homeowners

County Median Household Income	20-Year Term	5-Year Term
Above 80% (non-hardship)	1.5%	0.7%
50 – 80% (moderate hardship)	0.7%	0.4%
Below 50% (severe hardship)	0.4%	0.0%

Table 4: CWSRF Adjustable Interest Rate Schedule Based on Loans Made to Small Commercial Enterprises

Small Commercial Enterprise Annual Gross Revenue	20-Year Term	5-Year Term
Above \$100,000 (non-hardship)	1.5%	0.7%
\$50,000 - \$100,000 (moderate hardship)	0.7%	0.4%
Below \$50,000 (severe hardship)	0.4%	0.0%

In order for a small commercial enterprise to be considered for extreme hardship, the business must provide documentation to substantiate that annual gross revenue is less than \$100,000.

Hardship for Stormwater Facility Preconstruction Projects

Stormwater facility preconstruction projects funded through the CWSRF are eligible for hardship consideration if the project meets the following criteria:

- The existing residential population of the service area for the proposed project is 25,000 or less at the time of application.
- The MHI for the proposed service area is less than 80 percent of the state MHI.

Ecology may award applicants who meet these criteria a forgivable principal loan for 50 percent of the eligible project costs. The same project may not receive hardship incentives from both the SFAP, which provides a reduced match requirement (see "Green Project Reserve" section), and the CWSRF. In other words, a project that has a reduced match requirement based on a hardship determination under the SFAP will not receive forgivable principal subsidy under the CWSRF.

Green Project Reserve

Green Project Reserve (GPR) is a category of projects or project components that focus on green infrastructure, water efficiencies, energy efficiencies, or "environmentally innovative" activities. Although GPR projects can be stand-alone projects, GPR is typically a component of a larger project type. To qualify for GPR consideration, projects or project components must meet the GPR criteria defined by EPA guidelines. EPA guidelines can be found in Appendix J.

To encourage GPR applications, Ecology may offer up to 25 percent of the loan funding for GPR-eligible components in the form of a forgivable principal loan. Only loan offers will receive principal forgiveness. If the actual cost of a GPR-eligible component changes, only 25 percent of the actual cost will be forgiven. Any one project that is categorized for GPR may receive no more than 50 percent of the total amount of available forgivable principal. Ecology calculates the amount of forgivable principal in this category based only on the components of the project that meet the GPR criteria.

Stormwater projects that meet the requirements for GPR and have a reduced match requirement in accordance with a hardship determination under the SFAP are not eligible for GPR forgivable principal subsidy.

Requests for Additional Funding and Budget Adjustments

Subject to available funding, Ecology may provide additional CWSRF funds to a facility project to cover additional costs or address unforeseen circumstances. Requests for additional funding for construction bid overruns and change orders are subject to the following limitations.

Construction Bid Overruns

Ecology may adjust a recipient's facility construction loan or grant agreement by amendment to be consistent with the low, responsive, responsible bid. If the low, responsive, responsible bid exceeds the engineer's estimate of construction costs, Ecology may approve a funding increase for up to 10 percent of the engineer's cost estimate as supplied with the bid documents. If funding is available for bid overruns, hardship communities will be given first priority based on the severity of financial need of the community. Ecology will fund bid overruns for non-hardship recipients on a first-come, first-served basis.

If the low, responsive, responsible bid falls below the existing loan or grant agreement amount, Ecology will amend the agreement to match the actual eligible bid amount based on the percentage of Ecology's participation in the overall funding of the project. Ecology will begin

the amendment process as soon as possible after the completion of the bid process in order to make any surplus funds available to other public bodies.

Construction Change Orders

A change order is a formal document that modifies some condition(s) of the original construction contract. Ecology reviews all construction change orders for funding eligibility and approves or disapproves them. Significant changes that reflect a deviation from the approved planning document require pre-approval. Variations typically include changes in scope of work, contract price, construction methods, times to complete the work, and major design or process changes (such as changes in location, size, or capacity). Ecology may require a final quantity adjustment at the end of each contract to reconcile the originally contracted quantities with the quantities actually used.

Ecology may provide a five percent contingency for change orders subject to available funding. The five percent contingency will be based on the actual low, responsive, responsible bid. The five percent contingency can be included in the grant or loan agreement. Change orders are not eligible for design-build or design-build-operate projects. If funding is available for change orders, hardship communities will be given first priority based on the severity of financial need of the community. Ecology will provide a contingency for change orders to non-hardship recipients on a first-come, first-served basis.

Refinancing Existing Debt

CWSRF loans are available for refinancing of existing debt. Refinancing can take the form of interim refinance and standard refinance.

Interim Refinance

Interim refinancing is available for projects that are in progress and using non-Ecology funds. Any project that is eligible for a CWSRF loan is eligible for interim refinance.

Applicants for interim refinancing apply for funding in the same manner as any new project. Ecology rates and ranks applications for interim refinance along with all other applications for new projects. Ecology awards funding on a competitive basis for all applications (including interim refinance application) based on project ranking, project category, funding program eligibility, and funding availability.

Applicants need to clearly state in the project description that the project is underway. As with any other project, an applicant must meet all applicable requirements for that project type.

Standard Refinance

Standard refinance is for projects that have been successfully completed using non-Ecology funding sources where the recipient wants to refinance at a lower interest rate. Standard refinance is limited to water pollution control facilities where project construction began after March 7, 1985. Applicants must meet all applicable requirements for the project and must meet all Ecology prerequisites at the time the project was undertaken. Hardship assistance is not available for standard refinance projects.

Standard refinance projects are a low priority, and Ecology does not rate and rank them as competitive projects. Ecology makes funding offers for standard refinance projects only if CWSRF money is left after funding of competitively ranked projects. Ecology ranks multiple standard refinance projects competing for funding according to financial burden on the ratepayers.

Applicants must explain the original source of project funding (e.g., internal funds, other agencies, bond issuance). Applicants must also explain the specific provisions for repayment. The debt for the project must still be outstanding. Ecology will not advance refund a prior debt.

Stormwater Financial Assistance Program

The SFAP is designed to fund stormwater projects and activities that have been proven effective at reducing impacts from existing infrastructure and development.

Eligible Applicants

Applicants eligible for SFAP funding include:

- Counties, cities, and towns.
- Port districts.

Eligible Funding Categories

Stormwater facilities and a limited suite of stormwater activities may be funded through SFAP.

Stormwater Facility Projects

SFAP-eligible facility projects must reduce stormwater pollution from existing development, and all stormwater projects will be reviewed by Ecology to ensure compliance with Ecology design standards and Ecology-approved manuals.

For additional information about Ecology stormwater facility review requirements please see <http://www.ecy.wa.gov/programs/wq/funding/Res/Forms/SWDesignDeliv081315.pdf>.

Applicants may receive funding for design, design/construct, or construction-only stormwater facility projects; however applicants are encouraged to apply for design dollars prior to requesting construction funding unless their design has been formally accepted by Ecology.

Projects that propose analysis of existing developed areas to evaluate locations for stormwater facilities are eligible. However, those projects must result in a stormwater capital improvement project list designed to achieve measurable water quality benefits. Facility planning for conveyance only, flood control, or new development is not eligible.

Stormwater Activity Project

Eligible stormwater activities include:

- Inspections of privately-owned stormwater treatment facilities installed prior to being required by a Municipal National Pollutant Discharge Elimination System (NPDES) permit.

- Source control sweeping projects that quantify pollutant removal from existing development.
- Legacy pollutant source identification, tracing, and removal.

Applicants requesting funding for activity projects must provide sufficient documentation to demonstrate water quality benefits above and beyond what would be achieved through compliance with NPDES municipal stormwater permit requirements.

Source control activity expenses will be reimbursed as work is completed over the grant period (typically three years). Equipment rental costs and use allowances for items such as sweepers are eligible expenses. If the total rental cost or use allowance of the equipment over the grant period is estimated to exceed the cost to purchase the equipment, recipients may request Ecology approval to purchase the equipment.

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

- Projects previously funded by Ecology. Multiple phases of the same project may be eligible; however phases should address stormwater from additional geographic areas and provide additional water quality benefits beyond those identified in earlier phases.
- Construction of BMPs/facilities for new development or re-development. (NOTE: grant funds may be used to pay for the portion of a BMP/facility that treats a combination of runoff from existing hard surfaces (retrofit) and new or replaced surfaces (new or re-development). Applicants are responsible for providing a detailed budget that clearly illustrates the portion of the project that is strictly retrofit.
- Projects that treat run-off from undeveloped lands or agricultural areas.
- Stormwater runoff from private property where the recipient has not taken ownership or maintenance responsibilities for the facility by acquiring land or an easement. Applicants proposing to purchase property must get pre-approval from Ecology and follow the property acquisition guidelines available at <http://www.ecy.wa.gov/programs/wq/funding/Res/Resources.html>.
- Land acquisition beyond the footprint of a stormwater facility or the footprint of a facility that has been re-located to install a stormwater facility.
- Proprietary structural BMPs that have not received a TAPE GULD rating; see <http://www.ecy.wa.gov/programs/wq/stormwater/newtech/index.html>.
- Projects that treat process water.
- Equipment purchase without pre-approval from Ecology.

For more information about project eligibility please refer to Chapter 3 of these guidelines.

Funding Provisions

Maximum Grant Award

The maximum total SFAP grant award is \$5 million dollars per funding cycle per city, county, town, or port.

Match

SFAP-funded projects must provide 25 percent cash match. The recipient may use CWSRF loan awards for the project as cash match. Property dedicated to stormwater facilities may be used as match with pre-approval from Ecology as long as the property is appraised and restricted according to the property acquisition guidelines available at <http://www.ecy.wa.gov/programs/wq/funding/Res/Resources.html>. Property appraisals must be at least as recent as one year prior to the opening of the Ecology Water Quality Combined Funding program application period. If Ecology is providing funding for land to relocate a structure or feature to install water quality BMPs, a recipient may not use the value of the structure's original location as match. For example, if a project expands a right-of-way and moves a sidewalk to make room for a bio-retention feature, it cannot use as match the land value of the sidewalk's original location.

Green Retrofit Projects

Green Retrofit design projects are eligible to compete for 100% grant funding (no match required) up to a maximum total eligible cost of \$250,000.

The SFAP funding program defines a green retrofit project as a stormwater and land use management project that strives to mimic pre-disturbance hydrologic processes of infiltration, filtration, storage, evaporation, and transpiration. Project designs meet those goals by emphasizing conservation, use of on-site natural features, site planning, and distributed stormwater management practices.

Hardship

Stormwater projects in cities, towns, and counties funded through SFAP are eligible for financial hardship consideration if the project meets the following criteria:

- The existing residential population of the city or county is 25,000 or less at the time of application.
- The MHI for the city or county is less than 80 percent of the state MHI.

Hardship eligible SFAP-funded stormwater projects will have a reduced match requirement of 15 percent of the total grant award.

Ports are not eligible for SFAP hardship.

Requests for Additional Funding and Budget Adjustments

If funding is available, Ecology may provide SFAP funds to a project to cover additional costs or address unforeseen circumstances. Requests for additional funding for construction bid overruns and change orders are subject to the following limitations.

Construction Bid Overruns

If the low responsive, responsible bid for a facility construction project exceeds the engineer's estimate of construction costs, Ecology may approve a funding increase for up to 10 percent of the engineer's cost estimate as published with the bid documents.

Ecology may adjust a recipient's grant agreement by amendment to be consistent with the low, responsive, responsible bid. If the low, responsive, responsible bid falls below the existing loan or grant agreement amount, Ecology may amend the agreement to match the actual eligible bid amount based on the percentage of Ecology's participation in the overall funding of the project. Ecology may begin the amendment process as soon as possible after the completion of the bid process in order to make any surplus funds available to other eligible projects.

Construction Change Orders

A change order is a formal document that modifies some condition(s) of the original construction contract. Ecology reviews all construction change orders for funding eligibility and approves or disapproves them. Significant changes that reflect a deviation from the approved planning document require pre-approval. Variations typically include changes in scope of work, contract price, construction methods, times to complete the work, and major design or process changes (such as changes in location, size, or capacity). Ecology may require a final quantity adjustment at the end of each contract to reconcile the originally contracted quantities with the quantities actually used.

For Ecology-approved change orders, Ecology may provide additional SFAP funding to facility construction projects of up to five percent of the low responsive, responsible bid minus any contingency included in the bid. Ecology will provide funding for change orders on a first-come, first-served basis.

Centennial

Centennial is a state funded program created by the Washington State Legislature in the middle 1980s. Centennial may be funded from various state sources, including the State Building Construction Account, and the State and Local Toxics Account.

Ecology must manage Centennial in accordance with state laws and rules, including Chapter 70.146 RCW and Chapter 173-95A WAC.

Eligible Applicants

Applicants eligible for Centennial funding include:

- Counties, cities, and towns.
- Water districts and sewer districts.
- Port districts.
- Conservation districts.
- Irrigation districts.
- Quasi-municipal corporations.
- Federally recognized tribes.
- Washington State institutions of higher education if the project is not included in the institution's statutory responsibilities.

Eligible Funding Categories

Centennial provides grants for wastewater infrastructure and nonpoint source pollution control projects. Examples of fundable nonpoint source pollution control projects include stream restoration and buffers, agricultural best management practices (BMPs), OSS repair and replacement, stormwater activities, and protection of drinking water sources. Infrastructure projects are limited to wastewater facility construction projects in qualified hardship communities. Although it is rarely done, Ecology may also make loans using funds from Centennial.

Set-asides

Ecology has established the following set-asides and limits on the Centennial funds.

- One-third is set aside for wastewater facility construction projects in hardship communities.
 - The total amount may not exceed \$5 million for any single project.
- One-third is set aside for nonpoint source pollution control activities projects.
- The remaining one-third is awarded based on priority ranking.

Section 319

Congress established Section 319 as part of the CWA amendments of 1987 to address nonpoint sources of water pollution. EPA offers an annual grant to Washington to implement its plan to control nonpoint sources of pollution, *Washington's Water Quality Management Plan to Control Nonpoint Sources of Pollution*. The grant from EPA requires a 40 percent state match, and Ecology provides this match through Centennial grants for nonpoint source pollution control projects.

There are no specific state laws or rules for Section 319, but Ecology uses federal laws, rules, and guidelines and Centennial laws and rules to steer the program.

Eligible Applicants

Applicants eligible for Section 319 include:

- Counties, cities, and towns.
- Water districts and sewer districts.
- Port districts.
- Conservation districts.
- Irrigation districts.
- Quasi-municipal corporations.
- Federally recognized tribes.
- Washington State institutions of higher education if the project is not included in the institution's statutory responsibilities.

- Not-for-profit organizations that are recognized as tax exempt by the Internal Revenue Service.

Eligible Funding Categories

Section 319 provides grants for a variety of activity projects that address nonpoint sources of pollution, including watershed planning, implementation of BMPs, water quality monitoring, and outreach and education. Ecology requires applicants with projects that implement BMPs to collect and report data to estimate load reductions of nitrogen, phosphorus, and sediments; Ecology must report these reductions to EPA annually.

Grant Match Requirements

All nonpoint source activity grants and stormwater grants have matching requirements. The following bullets describe the match requirements for the various sources of funds.

- Match for nonpoint source activity projects funded through Centennial, Section 319, and non-hardship SFAP is 25 percent.
- Match for hardship projects funded through SFAP is 15 percent.
- There is no match required for green retrofit design projects funded through SFAP up to \$250,000 total eligible costs.
- Match for OSS repair and replacement projects funded through Centennial is 50 percent.
- There is no match required for wastewater facility construction projects awarded hardship Centennial grants.

Match is often in the form of cash, but a recipient may match some grants with other in-kind contributions. The type of match allowed depends on the type of grant or the amount of the grant. The following describes the form of match requirements that apply.

- Projects awarded a Centennial or Section 319 grant of \$250,000 or less may have any combination of match.
- Projects awarded a Centennial or Section 319 grant of more than \$250,000 up to the maximum amount of \$500,000 must supply a cash-only match.

Cash Match

Cash match includes any eligible project costs paid for directly by the recipient that are not reimbursed by the Ecology grant or another third party. Donations that become the long-term property of the recipient are considered cash match. Loan money provided through the CWSRF is considered cash match.

Grants Used to Match Grants

If a recipient wants to use a grant from another funding agency as match, the recipient should check with the funding agency issuing the grant to ensure that it can be used as match for an Ecology grant. The following applies when using other grants to match an Ecology grant.

- The scope of work on the matching grant must directly satisfy the portion of the scope of work on the Ecology grant where the work is contributed.
- The date that the costs for the matching grant are incurred must fall within the effective and expiration dates of the Ecology grant.
- The costs incurred under the matching grant must be eligible according to all criteria for the Ecology grant.
- The matching grant cannot originate from the same funding source as the Ecology grant.
- Water Quality Program grants cannot be used to match each other.
- Grants provided by the Washington State Conservation Commission can be used to match Water Quality Program grants.
- Funds, goods, or services cannot be used as match more than once.

Ecology uses nonpoint source activities projects funded by Centennial to meet EPA's Section 319 match requirements. The grant agreement will state if Ecology is using the project as Section 319 match. Projects designated for Section 319 match cannot be used to meet match requirements for other funding programs.

Loans Used to Match Grants

A recipient may use CWSRF loans to provide the match for Centennial, Section 319, and SFAP grants. These are considered cash match.

Interlocal Contributions

Interlocal contributions are those made by another governmental agency through an interlocal agreement and not reimbursed by the grant or other outside funding source. The interlocal agreement should detail the work to be accomplished, the goods and services to be provided, and its value. Interlocal contributions can satisfy a cash match requirement. Interlocal contributions differ from other in-kind contributions because the following are eligible costs:

- An indirect rate of up to 25 percent of salaries and benefits.
- Cost of transportation through mileage (at the current state rate) or an indirect rate.
- Per Diem, travel, and subsistence expenses at state travel rates.
- Prevailing wages of the public body.

Other In-kind

Examples of other in-kind match contributions are property, goods, or services contributed to the recipient (or any contractor under the agreement) without direct monetary compensation. Other in-kind match includes donated or loaned real or personal property, volunteer services, and employee services donated to a project. Other in-kind match does not include eligible project costs paid directly by the recipient (see Cash Match above). Other in-kind contributions must be fully documented and reported separately when requesting reimbursement.

The current in-kind rate for volunteer services includes the value of travel expenses contributed by volunteers.

The following are examples of **ineligible** other in-kind contributions:

- Contributions of overhead costs, per-diem, travel, and subsistence expenses.
- Contributed time from individuals receiving compensation through the grant, except when those individuals are off duty and contributing on their own time.
- Time spent at advisory groups or meetings that do not directly contribute to project activities.
- Studies conducted by other state or federal agencies.
- Any activities or expenses that are ineligible for Ecology funding are also ineligible to be used as match.

Third-party In-kind Contribution

When a third-party employer (not the recipient, state agency, or a contractor under the agreement) contributes the services of an employee, in the employee's normal line of work, to the project at no charge to the recipient, the services may be valued at the employee's regular rate of pay.

Chapter 3: Eligible Project Types

Some projects are eligible for both loans and grants, while other projects are eligible for only loans. Eligible projects fall into five main categories: wastewater facilities, onsite sewage systems, stormwater facilities, stormwater activities, and nonpoint source activities.

Wastewater Facility Projects

Water pollution control facilities projects can include planning, design, and construction of wastewater infrastructure, including treatment, collection, combined sewer overflow (CSO) abatement, and infiltration and inflow (I/I) correction. The technical prerequisites and approval process for facilities projects can be extensive. Ecology encourages applicants to work closely with the Ecology project engineers to ensure that all technical prerequisites are in place when planning facilities projects.

Planning

Costs of preparing planning documents, including General Sewer Plans, Engineering Reports, environmental review, value engineering studies, and rate studies are eligible for Water Quality Financial Assistance Program funding. Applicants must comply with planning requirements in order to be eligible for financial assistance from Ecology.

Subsequent project steps often require Ecology approval of a planning document. If a planning document was approved by Ecology more than two years prior to the close of a loan and grant application period, an applicant must have Ecology complete a more recent review to ensure that the document reflects current conditions.

Water Reclamation Facilities

Water reclamation facilities are eligible for loans. Water reclamation facilities must meet the same eligibility standards as other water pollution control facilities, including demonstrating that the project is the cost effective solution to a water quality problem. Cost effectiveness can include the environmental benefits of advanced wastewater treatment as well as the provision of additional water supplies.

Generally, project components with water quality benefits are eligible. Components with strictly water supply benefits are not eligible. Eligible project components may include, but are not limited to:

- Wastewater treatment plant facilities.
- Rapid infiltration basins.
- Dedicated irrigation systems necessary to support the use of the water, such as poplar plantations.
- Purchase of land when that purchase is necessary for water storage or is the cost effective option, such as a dedicated land application site.
- Distribution piping and appurtenances needed to transport reclaimed water to the reuse site.

The purchase of land and distribution systems for recreation facilities (e.g., golf courses, ball fields, and parks) and similar community development features not directly related to water and wastewater infrastructure needs are not eligible for financial assistance.

Design

Facility design is eligible for funding. Design plans and specifications must be consistent with:

- Chapter 173-240 WAC, *Submission of Plans and Reports for Construction of Wastewater Facilities*; see <http://app.leg.wa.gov/wac/default.aspx?cite=173-240>.
- An approved planning document.
- Conditions resulting from the State Environmental Review Process (SERP).
- Ecology's *Criteria for Sewage Works Design* (the "Orange Book"); see <https://fortress.wa.gov/ecy/publications/summarypages/9837.html>.
- Other applicable requirements.

Applicants must base the plans and specifications on the preferred cost-effective alternative identified in the cost effectiveness analysis.

Construction

Recipients of grants and loans for facility construction must ensure that the project complies with the approved Plans and Specifications. To this end, the applicant must provide adequate and competent construction management and inspection. This may involve procuring professional engineering services.

Design and Construction

Applicants can also apply for a combined facility design and construction project. The total project cost for both phases of a "Design and Construct" project must be less than \$5 million to be eligible to apply under one application. All the applicable requirements for both design and construction projects apply, including the possibility of hardship assistance for the construction components and preconstruction funding for the design portion of the project.

Table 5 provides a summary of the funding eligibility of some wastewater facility projects and components.

Table 5: Wastewater Facility Projects and Components Eligibility

Description	Centennial Grant	CWSRF Loan
Combined sewer overflow abatement facilities	No ¹	Yes
Construction administration and inspection services	No ¹	Yes
Cost and effectiveness analysis	No	Yes ²
Environmental review	No	Yes ²
Equipment and/or tools pre-approved for a funded project	No ¹	Yes
Facilities for the control, storage, treatment, disposal, or recycling of domestic wastewater	No ¹	Yes
Facilities with reserve capacities to accommodate flows associated with 20-year projected growth	No	Yes
Fiscal sustainability plans required for facility construction projects	No	Yes
Indirect rate (up to 25% of salaries and benefits)	No ¹	Yes
Investment grade efficiency audit	No	Yes ²
Land acquisition as an integral part of the treatment process (e.g., land application) or for prevention of water pollution	No	Yes
Landscaping for erosion control directly related to a project	No ¹	Yes
Legal expenses associated with use of a bond counsel in developing a loan agreement	No	Yes
Light refreshments for meetings if pre-approved	No ¹	Yes
Mitigation to comply with requirements in SEPA/NEPA or other environmental review directly related to a project	No ¹	Yes
Permits required for project implementation	No ¹	Yes
Planning, including feasibility studies, value engineering, rate studies, and general sewer plans and engineering reports that include environmental review	No	Yes ²
Plans and specifications (facility design)	No	Yes ²
Reclaimed water distribution infrastructure for transportation to reuse site.	No ¹	Yes
Refinancing: <i>Interim</i> for any project eligible for a CWSRF loan or <i>Standard</i> for water pollution control facilities begun after March 7, 1985	No	Yes
Sewers and side-sewer laterals on public property for infiltration and inflow correction projects	No ¹	Yes
Side-sewer laterals, individual pump stations, other appurtenances on private residential property, where the facilities are owned and maintained by a public body	No ¹	Yes
Side-sewer laterals, individual pump stations, other appurtenances on private residential property, where the project addresses a nonpoint pollution source	No ¹	Yes

¹ Qualified hardship applicants may be eligible.

² Up to 50 percent forgivable principal for qualified hardship applicants.

Onsite Sewage System (OSS) Projects

OSS projects are eligible for both grants and loans. Eligible projects include planning, design, and construction of community large onsite sewage systems (LOSS), surveys of existing OSS throughout watersheds, local government loan programs provided to homeowners and small commercial enterprises for the repair and replacement of failing OSS, and homeowner education and outreach on the topic of OSS operation and maintenance.

Large Onsite Sewage Systems (LOSS)

The Department of Health permits LOSS designed to treat less than 100,000 gallons per day through Chapter 246-272B WAC, *Large On-site Sewage System Regulations*; see <http://app.leg.wa.gov/WAC/default.aspx?cite=246-272B&full=true>. With the exception that planning and design documents are approved through the Department of Health, these systems are considered facilities, and all the rules and requirements for facility projects apply. For

example, LOSS projects are eligible for hardship subsidy, and must complete SERP prior to applying for funding.

Planning and Survey

OSS pollution identification and survey projects may be conducted throughout a watershed. Funded projects have included OSS data collection and management, system inspections and dye testing, and shoreline surveys to identify fecal coliform hotspots within the water source. Recipients may use grant or loan dollars to conduct door-to-door surveys for sewer infrastructure evaluation and to provide education and outreach, including Homeowner Septic Self-Inspection Trainings or Septics 101 classes.

Local Loan Program

Ecology may provide loans and grants to local governments to establish and manage OSS repair and replacement local loan programs. OSS funding programs through local governments provide low-interest loan options to homeowners and small commercial enterprises for OSS repair and replacement. Local governments that have OSS funding programs in place have ensured improvement to water quality, protection of public health, and assisted in the protection and restoration of critical commercial and recreational shellfish habitat through the reduction of fecal coliform bacteria and nutrient levels in surface waters.

Recipients may use Centennial grants and CWSRF loans for the following:

- Subsidized loans to property owners with financial hardship.
- Project administration and management.
- A loan loss reserve account in accordance with the following:
 - The grant recipient can establish and accumulate a reserve account using Centennial funds and local sources to secure the potential loss from default on individual homeowner OSS repair and replacement local loans.
 - Up to 10 percent of the total eligible cost for an individual OSS repair and replacement project may be deposited from the Centennial grant into the reserve account.
 - Recipients must apply the amount of Centennial funds on deposit in the reserve account to either:
 - Cover, in part or in full, losses realized by the grant recipient on homeowner default.
 - Additional OSS repair and replacement local loans at the timing discretion of the grant recipient.

OSS repair and replacement programs may also be used for LOSS projects. However, because the LOSS is considered a “facility”, completion of the SERP process will be required before a local OSS repair and replacement program may be used for a LOSS.

Centennial grants for up to \$500,000 may be awarded for repair and replacement local loan programs with a 50 percent cash match. Match may be either a CWSRF loan or the recipient’s own source of funds.

Ecology may adjust CWSRF loan interest rates to a lower rate at the end of the project based on the recipient's assistance to financially challenged homeowners. Ecology adjusts the interest rate on the local loan program based on the income of loan recipients in comparison to the county MHI.

A local government can tailor the OSS financial assistance program to fit into its existing water quality management strategies and efforts. Local governments may use an outside administrator for complete program management or provide some or all aspects of the loan program using internal resources. Local governments with successful local loan programs use a variety of internal and external resources for marketing and implementing the OSS loan program, application review, loan authorization and processing, and establishment and collection of homeowner installment payments.

Aspects of a successful program include one or more of the following:

- Establishment of a program framework that addresses the identification and/or assessment of the failing OSS, homeowner loan application processing and management, and an on-going operation and maintenance program for repaired septic systems.
- Establishment of environmental and credit worthiness criteria.
- Staffing for program oversight.
- Marketing and promotion of the program through the local health jurisdiction, Septics 101 workshops, and local septic designers, installers, and pumpers.
- Septic surveys to identify OSS failures.

Before signing a loan agreement, the Water Quality Program must review and approve:

- The priority system used by a local government to identify and fund projects with the most critical water quality and public health problems.
- The local government's dedicated source of revenue to repay the loan to Ecology.
- Procedures to ensure that the citizens repay their loans to the local governments.
- Procedures to ensure adequate inspection of the project by the local government during implementation.
- Assurances that citizens receiving local loan funds will properly operate and maintain the systems that are constructed.

The following guidelines must be used when local governments consider providing loans from local loan funds to small commercial enterprises for OSS rehabilitation or replacement:

- No more than one-third of the local loan fund may be used by small commercial enterprises for onsite wastewater treatment corrections.
- No more one-sixth of the local fund may be loaned to any single individual or business, up to a maximum of \$50,000.
- The average daily flows for any small commercial enterprise cannot exceed 3,500 gallons per day.

Small commercial enterprises may include public lodging (including motels, hotels, and bed and breakfast establishments), rentals (apartments, duplexes, or houses), small restaurants, stores, or taverns.

Table 6 provides a summary of the funding eligibility of some OSS projects and components.

Table 6: Onsite Sewage System Projects and Components Eligibility

Description	Centennial Grant	Section 319 Grant	CWSRF Loan
Cost and effectiveness analysis	No	No	Yes
Equipment and/or tools pre-approved for a funded project	Yes	Yes	Yes
Fiscal sustainability plans required for facility construction projects	No	No	Yes
Indirect rate (up to 25% of salaries and benefits)	Yes	Yes	Yes
Landscaping for erosion control directly related to a project	Yes	Yes	Yes
Light refreshments for meetings if pre-approved	Yes	Yes	Yes
LOSS/community wastewater systems construction	No ¹	No	Yes
LOSS/community wastewater systems cost and effectiveness analysis	No	No	Yes ²
LOSS/community wastewater systems environmental review	No	No	Yes ²
LOSS/community wastewater systems investment grade efficiency audit	No	No	Yes ²
LOSS/community wastewater systems planning, including feasibility studies, value engineering, rate studies, and general sewer plans and engineering reports that include environmental review	No	No	Yes ²
LOSS/community wastewater systems plans and specifications (facility design)	No	No	Yes ²
LOSS/community wastewater systems repair and replacement through a local loan/grant fund	No ¹	No	Yes
Mitigation to comply with requirements in SEPA/NEPA or other environmental review directly related to a project	Yes	Yes	Yes
Onsite sewage system education, information, and technical assistance programs	Yes	Yes	Yes
Onsite sewage system repair and replacement programs through a local loan/grant fund	Yes	No	Yes
Onsite sewage system surveys	Yes	Yes	Yes
Permits required for project implementation	Yes	Yes	Yes
Side-sewer laterals for OSS abandonment and connection projects.	No ¹	No	Yes

¹ Qualified hardship applicants may be eligible.

² Up to 50 percent forgivable principal for qualified hardship projects.

Stormwater Facility Projects

Stormwater facility projects provide water quality benefits by treating and/or providing flow control for water generated from impervious surfaces such as roads and buildings prior to discharge to receiving waters. Grant and loan funding is available for planning, design, and construction of stormwater facilities projects. Projects may be submitted as planning and design only; planning, design, and construction; or construction only. Applicant eligibility and project type will determine the type (grant or loan) of funding available for a specific project.

In order to receive funding, stormwater BMPs/facilities must be proven to be effective at reducing pollution from existing development. Eligible BMPs/facilities include those structural BMPs which have been designed in accordance with the Stormwater Management Manuals for Eastern or Western Washington (<http://www.ecy.wa.gov/programs/wq/stormwater/tech.html>), equivalent Ecology-approved manual as listed in Appendix 10 of the Phase I Municipal NPDES Stormwater Permit

(<http://www.ecy.wa.gov/programs/wq/stormwater/municipal/MUNIdocs/permitmod090110/PermitModificationAppendix10.pdf>), or have received a General Use Level Designation (GULD) through the Technology Assessment Protocol – Ecology (TAPE) program (<http://www.ecy.wa.gov/programs/wq/stormwater/newtech/index.html>).

Stormwater facility projects may include:

- Treatment or flow control best management practices.
- Low impact development techniques that treat stormwater and/or provide infiltration.
- Decant facilities that separate liquid waste from solid waste generated by stormwater maintenance activities such as street sweeping and the cleaning of catch basins.

Applicants proposing to purchase property must get pre-approval from Ecology and follow the property acquisition guidelines available at <http://www.ecy.wa.gov/programs/wq/funding/Res/Resources.html>. The land purchase must be limited to the footprint necessary for installation of a BMP/facility or the relocation of a facility displaced by construction of a BMP/facility. Installation of a BMP/facility to treat run-off generated by private property requires the local jurisdiction to take responsibility for all operation and maintenance for the BMP/facility and to obtain a permanent easement to allow for access to the BMP/facility or purchase of the land itself.

All projects that propose retrofit or installation of BMPs that meet the definition of an Underground Injection Control (UIC) well must follow guidelines and regulation for stormwater management using UIC wells. More information about guidelines and regulations for UIC wells is available at <http://www.ecy.wa.gov/programs/wq/grndwtr/uic/index.html>.

Planning and Design

Costs of stormwater facility siting and design, including preparing planning documents, cultural resource determinations, geotechnical work, engineering design reports, environmental review, value engineering studies, and rate studies are eligible for grant and loan funding.

Planning documents require Ecology review prior to receiving construction funding. If a planning document was accepted by Ecology more than two years prior to the close of a loan and grant application period, an applicant must have Ecology complete a more recent review to ensure that the document reflects current conditions.

Construction

Ecology may provide loans or grants to eligible applicants for construction of stormwater facility projects. Eligible cities and counties may apply for financial hardship consideration for a stormwater-related project. Applicants must comply with Ecology-approved design standards as listed in Western and Eastern Washington Stormwater Management Manuals or an equivalent Ecology-approved manual as listed in Appendix 10 of the Phase I Municipal NPDES Stormwater Permit in order to be eligible for financial assistance from Ecology; see <http://www.ecy.wa.gov/programs/wq/stormwater/tech.html> and <http://www.ecy.wa.gov/programs/wq/stormwater/municipal/MUNIdocs/permitmod090110/PermitModificationAppendix10.pdf>.

Table 7 provides a summary of the funding eligibility of some stormwater facility projects and components.

Table 7: Stormwater Facility Projects and Components Eligibility

Description	SFAP Grant	CWSRF Loan
Acquisition/installation of native plant material	Yes	Yes
Acquisition/installation of plant material stabilizer	Yes	Yes
BMPs that have not received a GULD rating	No	Yes
Cost and effectiveness analysis to meet federal requirements	No	Yes ¹
Detention facilities (ponds, tanks, vaults, etc.)	Yes	Yes
Environmental review	Yes	Yes ¹
Equipment and/or tools pre-approved for a funded project	Yes	Yes
Fiscal sustainability plans required for facility construction projects	No	Yes
Indirect rate (up to 25% of salaries and benefits)	Yes	Yes
Individual residential stormwater infiltration treatment and collection systems, such as bioretention swales on private property	Yes ²	No
Infiltration systems (dry wells, swales, trench, pond)	Yes	Yes
Installation of rip rap, boulders, and retaining walls to prevent sediment discharge into stormwater BMPs	Yes	Yes
Investment grade efficiency audit	No	Yes ¹
Land acquisition for facility siting	Yes	No
Landscaping for erosion control directly related to a project	Yes	Yes
Light refreshments for meetings if pre-approved	Yes	Yes
Low impact development BMP implementation	Yes	Yes
Low impact development site-specific planning	Yes ³	Yes
Mitigation to comply with requirements in SEPA/NEPA or other environmental review directly related to a project	No	Yes
Outreach to property owners/residents potentially affected by installation of a facility project	Yes	Yes
Permits required for project implementation	Yes	Yes
Site preparation work (e.g., weed removal)	Yes	Yes
Stormwater facility projects required by court or administrative order	No	Yes
Stormwater facility, retrofit, or low impact development projects not required by stormwater permits	Yes	Yes
Stormwater infiltration facilities	Yes	Yes
Stormwater treatment facilities (constructed wetlands, bioretention, etc.)	Yes	Yes
Use of sediment settlers (e.g., Polyacrylamide)	Yes	Yes

¹ Up to 50 percent forgivable principal for qualified hardship applicants.

² Approval on a case by case basis with appropriate easements/landowner agreements.

³ In permitted communities.

Stormwater Activity Projects

A project will be eligible for grants or loans depending on the activity type and the jurisdiction where the activity takes place. Activity projects which are required by a NPDES Municipal Stormwater Permit are eligible for loans only. These same projects, when proposed for implementation in an un-permitted community, may be eligible for both loans and grants. Examples of these types of projects include:

- Land use/stormwater management planning.
- Review of existing local stormwater regulations.
- New BMP development and assessment through the Ecology TAPE program (loan only).
- Conducting inventories and mapping of stormwater sources and infrastructure.

- Education and outreach.

A limited suite of activity projects are eligible for SFAP grants in both permitted and unpermitted communities. These projects include:

- Inspections of privately-owned stormwater treatment facilities installed prior to being required by a Municipal NPDES permit.
- Source control sweeping projects that quantify pollutant removal from existing development.
- Legacy pollutant source identification, tracing, and removal.

Please refer to the description of the SFAP funding source (located in Chapter 2) for additional eligibility information. Due to the complex eligibility rules for stormwater activities, Ecology strongly recommends contacting appropriate regional or headquarters staff listed near the beginning of this document to discuss eligibility prior to submitting an application.

Table 8 provides a summary of the funding eligibility of some stormwater activity projects and components.

Table 8: Stormwater Activity Projects and Components Eligibility

Description	Centennial Grant or Section 319 Grant	SFAP Grant	CWSRF Loan
Activities required by a NPDES municipal stormwater permit	No	No	Yes
Basin modeling for BMP prioritization not required by a permit	Yes	No	Yes
Cost and effectiveness analysis to meet federal requirements	No	No	Yes
Equipment and/or tools pre-approved for a funded project	Yes	Yes	Yes
Establishment of stormwater utilities not required by permit	Yes	No	Yes
Establishment of stormwater utilities required by permit	No	No	Yes
Implementation of educational activities not required by permit	Yes	No	Yes
Indirect rate (up to 25% of salaries and benefits)	Yes	Yes	Yes
Inspection programs for private parcel stormwater BMPs not required by permit	No	Yes	Yes
Land acquisition for prevention of water pollution	No	No	Yes
Land acquisition for wetlands protection, restoration, and construction	No	No	Yes
Landscaping for erosion control directly related to a project	No	Yes	Yes
Light refreshments for meetings if pre-approved	Yes	Yes	Yes
Outreach and education projects not required by stormwater permits	Yes	No	Yes
Outreach and education projects required by stormwater permits	No	No	Yes
Pet waste signs	Yes	Yes	Yes
Purchase, rental or use fees for high-efficiency vacuum sweepers	No	Yes	Yes
Stormwater infrastructure inventories not required by a permit	Yes	No	Yes
Stormwater infrastructure inventories required by a permit	No	No	Yes
Stormwater related land use planning not required by permit	Yes	No	Yes
Stormwater related land use planning required by permit	No	No	Yes
Water quality monitoring not required by stormwater permits	Yes	No	Yes
Water quality monitoring required by stormwater permits	No	No	Yes

Nonpoint Source Activity Projects

Nonpoint source water pollution control activities include a wide variety of projects that do not involve constructing or preparing to construct a traditional water pollution control facility. These types of projects involve activities such as installing best management practices (BMPs) and using outreach and education to help improve water quality by addressing nonpoint source pollution. Ecology may require specific review and approval for certain BMPs in the individual

loan or grant agreements. Projects that implement direct water quality benefits are prioritized in the application evaluation process.

All proposed nonpoint source activity projects must implement an element of a state or local plan directed at addressing water quality issues (e.g., watershed management plan, nonpoint source pollution control plan, TMDL). The plan being implemented must meet the criteria of the nine Key Elements for nonpoint source projects as outlined in EPA's *Handbook for Developing Watershed Plans to Restore and Protect Our Waters*; see <https://www.epa.gov/polluted-runoff-nonpoint-source-pollution/handbook-developing-watershed-plans-restore-and-protect>.

All Ecology funded nonpoint source activity projects must also meet the objectives of *Washington's Water Quality Management Plan to Control Nonpoint Sources of Pollution*; see <https://fortress.wa.gov/ecy/publications/SummaryPages/1510015.html>.

Following is an overview of project types that qualify as nonpoint source activity projects.

Best Management Practices (BMPs) Implementation Projects

Water quality best management practices (BMPs) are defined as structural or non-structural methods recommended through a planning process that have a demonstrated success for addressing or preventing water quality degradation. Implementation of BMPs refers to the use of established approaches or practices to address water quality problems. BMPs are physical, structural, and managerial practices that prevent or reduce nonpoint source pollution.

Ecology may fund BMPs that address or correct water quality degradation through facility- or activity-focused projects. However, BMP eligibility is not the same for loans and grants.

BMP Funding Eligibility

BMPs for water quality improvements on private property, public property, public easements, or public rights-of-way through private property are eligible for grant and loan funding. Nonpoint source BMPs eligible for grants are limited to livestock exclusion fencing, riparian buffer establishment and planting, stream restoration activities, direct seeding, and certain livestock feeding practices.

Implementation of BMPs on property owned by Washington State and federal governments are largely ineligible, regardless of the eligibility of the applicant. However, Ecology may provide financial assistance to an eligible public body to participate with other state and federal agencies in comprehensive watershed planning and large scale monitoring programs that extend substantially beyond federal and state lands.

The costs associated with project-specific planning and technical assistance for planning, design, and implementation of grant and loan eligible water quality BMPs are reimbursable. Site specific planning for resource and land management is an eligible activity if the resulting plan includes eligible water quality BMPs consistent with the criteria required under these guidelines. Any plan for riparian buffer protections must include recommendations that meet or exceed the buffer width guidance found in Appendix G.

As an incentive to implement the riparian buffer requirements, Ecology will provide 100 percent grant funding for the buffer implementation project task in applications that rate and rank highest in the evaluation process. This 100 percent funding will include site-specific planning, design, and implementation of riparian buffer planting projects and associated livestock exclusion fencing only. All other BMPs will be reimbursed at the 75 percent grant share with a 25 percent match required on the project level.

All BMPs must meet the conditions of these funding guidelines and be reviewed by Ecology prior to installation. Ecology will require recipients to submit a BMP Approval form that describes the implementation plan for all BMPs with any supporting documents such as maps, designs, and maintenance plans, etc. to the regional Project Manager; a BMP Approval Form template is available at www.ecy.wa.gov/programs/wq/funding/Res/Training/NonpointBMPAppvalForm070215.doc. Ecology's Project Manager or Project Engineer will review the proposed project and provide written notice to proceed with implementation. If the recipient installs un-reviewed BMPs, the recipient assumes the risk that Ecology may delay or deny part or all of the reimbursement for that activity.

Eligible BMPs

Eligible BMPs include, but are not limited to, those that:

- Are recommended through a multi-agency watershed management planning process and approved by Ecology as an effective technique to reduce nonpoint source pollution.
- Provide public benefits through improved water quality.
- Are based on water quality improvements and not on agricultural production needs.
- Target the most critical areas and structural and non-structural practices that, if properly managed, will provide the greatest protection or improvement in water quality.

Ecology limits its financial assistance to public bodies. However, the public body that receives a grant or a loan can provide financial assistance to a private landowner.

BMPs on Private Property Limitations

BMPs on private property are limited to those that involve the following:

- A landowner agreement or conservation easement is granted and signed by the landowner. An example landowner agreement can be found at <http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/NPres.html>.
- Site-specific project plans that have been reviewed and approved by Ecology in writing prior to implementation.
- Implementation of BMPs in the riparian zone consisting of revegetation or fence construction that meets the riparian restoration criteria in Appendix G.
- Implementation of no-till BMPs in areas where sedimentation and erosion affect water quality in streams and rivers.
- Implementation of livestock feeding BMPs where:

- Activity from livestock is contributing to fecal coliform or sedimentation problems and/or other degradation to the riparian area, stream, and water quality.
- The installation meets all of Ecology's prerequisites for eligibility.
- Implementation of new, innovative, or alternative technology BMPs not yet demonstrated in the Ecology region in which they are proposed. Demonstration projects are approved by Ecology on a case-by-case basis for grant eligibility.

Agricultural BMPs must comply with the Natural Resource Conservation Service (NRCS) Field Office Technical Guide (FOTG) construction specifications or equivalent construction standards. If NRCS specifications are not available, the structural design of the proposed BMP must be designed by a licensed engineer. For further information, see Section IV of the FOTG at <http://efotg.nrcs.usda.gov/treemenuFS.aspx?Fips=53077&MenuName=menuWA.zip>.

Stream restoration and stabilization projects must meet the standards established in Appendix G of this document and the Washington State Aquatic Guideline Program's *Stream Habitat Restoration Guidelines*. The current version of this guidance can be found at <http://wdfw.wa.gov/publications/01374/>.

More specific BMP provisions are discussed in Appendices D, E, and F.

Agricultural Best Management Practices

Direct Seed Systems

Direct seed systems are eligible for Water Quality Program financial assistance. Direct seed systems plant and fertilize row crops into undisturbed soil and eliminate full width tillage for seedbed preparation. Equipment used for direct seeding disturbs only a narrow strip of soil and retains a majority of residue from the previous crop. Direct seed systems significantly reduce erosion, improve soil quality, reduce fuel consumption, and are a viable alternative to traditional, full tillage systems. Direct seeding practices are eligible for three types of funding:

- Equipment rental cost reimbursement.
- Cost of custom application fee reimbursement.
- Direct seed equipment purchase.

Appendix D contains the eligibility conditions for direct seed systems.

Livestock Exclusion Fencing

Livestock exclusion fencing is eligible for Water Quality Program financial assistance when installed at a minimum setback from the ordinary high watermark consistent with the riparian restoration guidance found in Appendix G. Exclusion fencing protects riparian areas from impacts due to livestock activities in and around streams. Recipients are required to plant the buffer established by the fencing setback with native trees and shrubs to provide a higher level of water quality improvement. This minimum setback and vegetation helps protect surface waters from pollutants such as pathogens, sediment, and nutrients, and provides physical protection so riparian areas may be restored. Grass filter strips are not sufficient to meet this requirement.

Livestock Off-stream Watering Facilities

If an applicant proposes to install livestock exclusion fencing as part of a riparian protection/restoration project and the fencing meets the minimum standards for that BMP, Ecology may award grant dollars to install an off-stream watering facility. A livestock owner uses off-stream watering to provide an alternative source of watering where fencing or other method(s) exclude livestock from streams in order to protect water quality. Off-stream watering facilities (including well construction) are conditionally eligible for Water Quality Program financial assistance for projects that include privately owned livestock operations.

Appendix E contains the eligibility conditions for off-stream watering facilities.

Livestock Feeding BMPs

Livestock feeding BMPs are intended to support the relocation of livestock activities that threaten water quality, or to enhance existing feeding areas distanced from surface waters. Recipients may install a combination of these BMPs when appropriate. Funding for livestock feeding BMPs only applies to projects that will improve existing water quality problems, and may not be used to rebuild feeding facilities where the primary purpose is to repair existing structures. Ecology's Project Management Team must approve all projects before installation. Livestock exclusion fencing is a required prerequisite for these practices and must meet the minimum setback requirement. Eligible livestock BMPs include heavy use area protection, waste storage facilities, and windbreaks.

Appendix F contains the eligibility conditions for livestock feeding BMPs.

Demonstration Nonpoint BMP Projects

Ecology will consider demonstration BMP activity projects for funding if they meet the following two conditions.

- The practice has a proven record to improve the water quality problem of concern.
- The practice has not previously been demonstrated in the Ecology region where the project is proposed.

Demonstration projects should be relatively small in scope, yet large enough to clearly evaluate BMP effectiveness. Demonstration projects also need to incorporate education and outreach, including direct involvement from the local county cooperative extension office or local conservation district. The applicant should plan outreach efforts that include news articles, focus sheets, or other written materials to maximize public exposure and increase the public awareness of the project. The applicant should describe approaches for planned outreach in the application.

Ecology expects recipients with demonstration projects to include a thorough analysis of the effectiveness and outcomes of the project in the final report and provide recommendations for the potential of the BMP to become a grant-eligible activity.

Groundwater, Aquifer, Wellhead Planning and Implementation

Planning for and implementation of wellhead protection projects, groundwater protection projects, source water (including groundwater and surface water) protection, and critical aquifer

recharge area projects are eligible for loan or grant funding. Applicants undertake these projects to protect the quality of water used as a public drinking water supply. Decommissioning of abandoned wells and land acquisition for groundwater protection are only eligible for loan funding.

Drinking water system data are available at

<http://www.doh.wa.gov/DataandStatisticalReports/EnvironmentalHealth/DrinkingWaterSystemData.aspx>.

Lake Restoration Planning and Implementation

Lake restoration planning and implementation projects on lakes with public access are eligible for loans or grants. Lake restoration implementation projects where there is no public access are not eligible for funding. The “Step Process” is required for all lake restoration projects (see Application Requirements in Chapter 4 for a description of the Step Process). Step 1 is planning: it involves the identification of problems and evaluation of cost-effective alternatives. Step 2 is the implementation of the planning document. If the project includes construction, a design component may be included before the implementation step.

In-lake treatments, such as alum, are only eligible for CWSRF loans.

Public Outreach and Education Projects

Projects with public outreach and education components are eligible for loan or grant funding. Public outreach and education use effective methods and programs, guided by a detailed outreach strategy, to engage the public's interest in improving water quality. Applicants should consider that the public has different levels of background knowledge of both water quality management and its role in reducing water pollution. Therefore, applicants should consider a multi-pronged approach to outreach. Public outreach efforts should include:

- Generating basic awareness of water pollution.
- Educating at a more sophisticated level using more comprehensive content.
- Building on existing recognition of the issue to prompt behavior changes that reduce pollution or opportunities for pollution.

The strategy should also specifically address combining public outreach with the implementation of other water quality management measures. This aspect of outreach could involve more in-depth education, short training courses, live presentations and slideshows, handbooks, posters with educational content and captioned illustrations, and web-based training modules, or websites with photos of good and bad practices.

Applicants should target their outreach and education efforts to landowners with properties adjacent to surface waters. Ecology acknowledges it is important to educate the general public about behaviors and impacts to water quality. However, for grant project purposes, the most benefit is gained by targeting landowners with properties adjacent to surface waters.

Appendix H provides guidance on how to develop outreach and education project proposals. Ecology provides this information as a resource or checklist and does not require the applicant to follow it. The goal of the checklist is to help design effective projects that change behaviors and achieves environmental results.

Riparian and Wetland Restoration Planning and Implementation

Planning and implementing riparian and wetland habitat restoration projects are eligible for loans or grants. Land acquisition for prevention of water pollution or wetland habitat preservation is eligible for loans only. Applicants can include installation of livestock exclusion fencing as part of a riparian protection/restoration project. The Step Process is not required for riparian and wetland projects, but Ecology strongly encourages it.

Ecology's *Restoring Wetlands in Washington: A Guidebook for Wetland Restoration, Planning & Implementation* provides guidance in developing a project proposal; see <https://fortress.wa.gov/ecy/publications/SummaryPages/93017.html>.

Appendix G contains requirements for riparian restoration and planting projects.

Total Maximum Daily Loads (TMDL) Support Projects

Projects that support the planning and implementation of TMDL programs are eligible for grants and loans. The BMPs recommended for TMDL implementation are subject to the same eligibility criteria as projects that are not part of a TMDL implementation plan.

Applicants should work directly with Ecology's TMDL coordinators in their region on planning for and managing these projects; see <http://www.ecy.wa.gov/programs/wq/tmdl/contacts.html>.

Water Quality Monitoring

Water quality monitoring before and during implementation, and after project completion is critical for tracking environmental and project results. Ecology may provide loans or grants for water quality monitoring projects. Typically, a recipient undertakes monitoring to characterize the existing conditions of ground waters and surface waters, to identify or quantify pollutant sources or loads, or to establish the effectiveness of BMPs. Monitoring may be the entire project or a component of a larger project.

Water quality sampling for Deoxyribonucleic Acid (DNA)-typing is not an eligible activity.

Watershed Planning and Implementation

Watershed planning projects are eligible for loans or grants. If the project is located in the 12 counties that border Puget Sound, it must comply with planning criteria contained in Title 400 WAC, *Puget Sound Partnership*; see <http://app.leg.wa.gov/WAC/default.aspx?cite=400>. Ecology provides guidance for other jurisdictions.

All watershed plans must comply with the State Environmental Policy Act (SEPA) and must be submitted to Ecology for review and approval. Watershed-wide planning projects funded by Section 319 must also meet the nine Key Elements for Watershed Plans in EPA's *Handbook for Developing Watershed Plans to Restore and Protect Our Waters*; see <https://www.epa.gov/polluted-runoff-nonpoint-source-pollution/handbook-developing-watershed-plans-restore-and-protect>.

Table 9 provides a summary of the funding eligibility of some nonpoint source activity projects and components.

Table 9: Nonpoint Source Activity Projects and Components Eligibility

Description	Centennial Grant or Section 319 Grant	CWSRF Loan
Acquisition/installation of fencing along stream ^{1, 2, 6}	Yes	Yes
Acquisition/installation of native plant material ^{2, 6}	Yes	Yes
Acquisition/installation of plant material stabilizer ^{2, 6}	Yes	Yes
Activities required by NPDES municipal stormwater permits	No	Yes
Agricultural BMP implementation on private property at concentrated animal feeding operations (CAFOs) (only CAFOs in areas covered by federally designated National Estuaries are eligible for CWSRF loans)	No	Yes
Agricultural BMP implementation on private property for the following: riparian re-vegetation or fence construction; livestock feeding BMPs including heavy use area protection, waste storage facilities, and windbreaks; certain activities that contribute to converting conventional tillage practices to direct seed practices; new innovative/alternative technology if they have not yet been demonstrated in the Ecology Region in which they are proposed; new BMPs approved by Ecology that are environmentally sound, effective, and consistent with the funding program goals and objectives	Yes	Yes
Aquatic plant control when it has been established that water quality degradation is due to the presence of aquatic plants, and sources of pollution have been addressed sufficiently	Yes	Yes
Armoring of the toe ^{2, 6}	Yes	Yes
BMP's on public property other than state or federal property (e.g., city, county property)	Yes	Yes
Bridges (livestock only) – up to 6 feet wide and no culverts ^{2, 5, 6}	Yes	Yes
Channel re-establishment or naturalization/meander reconstruction/ re-sloping ^{1, 2}	Yes	Yes
Comprehensive planning for basin, watershed, and area-wide water quality	Yes	Yes
Computer equipment, software, etc. specific to a funded project	Yes	Yes
Conservation easement administration and legal costs associated with establishing conservation easements	Yes	Yes
Conservation plans (site-specific) targeted to water quality BMP implementation ¹	Yes	Yes
Cost and effectiveness analysis	No	Yes
Cultural resources review for BMP implementation	Yes	Yes
Culvert removal for improved water quality and riparian restoration ^{2, 6}	Yes	Yes
Diagnostic studies to assess current water quality	Yes	Yes
Direct seed custom application fee reimbursement ^{1, 2, 6}	Yes	Yes
Direct seed equipment purchase by public body for rental purposes ¹	Yes	Yes
Direct seed equipment purchase for private landowner use	No	Yes
Direct seed equipment rental by private landowner - reimbursement ^{1, 6}	Yes	Yes
Education and stewardship programs related to water quality	Yes	Yes
Educational signage	Yes	Yes
Equipment and/or tools pre-approved for a funded project	Yes	Yes
Site-specific BMP or watershed planning when it results in water quality BMP recommendations consistent with these guidelines	Yes	Yes
Grass filter strips ^{1, 2, 6}	Yes	Yes
Groundwater and source water protection	Yes	Yes
Hardened stream crossings for livestock ^{1, 2, 3, 5, 6}	Yes	Yes
Indirect rate (up to 25% of salaries and benefits)	Yes	Yes
In-lake treatments, such as alum	No	Yes
Installation of log structures ^{1, 2, 6}	Yes	Yes
Installation of root wads ^{2, 6}	Yes	Yes
Installation of siphons	No	Yes
Installation of tide or flood gates	No	Yes
Irrigation canal efficiency measures (such as lining or piping existing canals)	No	Yes
Irrigation efficiency implementation (such as drip, mist, or low delivery systems)	No	Yes
Lake restoration implementation that has gone through the Step process	Yes	Yes
Lake water quality planning	Yes	Yes
Lakeshore riparian installation ^{1, 2, 6}	Yes	Yes
Land acquisition for wetlands protection, restoration, and construction	No	Yes

Description	Centennial Grant or Section 319 Grant	CWSRF Loan
Legal expenses associated with development of local ordinances for water quality protection	Yes	Yes
Light refreshments for meetings if pre-approved	Yes	Yes
Livestock exclusion fencing on private property ^{1, 2, 6}	Yes	Yes
Livestock exclusion fencing on public property ^{1, 3, 6}	Yes	Yes
Livestock feeding BMPs including heavy use area protection, waste storage facilities, and windbreaks ^{1, 2, 5, 6}	Yes	Yes
Manure waste storage lagoon	No	Yes
Mitigation to comply with requirements in SEPA/NEPA or other environmental review directly related to a project	Yes	Yes
Model ordinances to prevent or reduce pollution from nonpoint sources (development and dissemination)	Yes	Yes
Monitoring equipment used for water quality assessment	Yes	Yes
Off-stream watering provisions ^{1, 2, 5, 6}	Yes	Yes
Permits required for project implementation	Yes	Yes
Planting trees for future harvesting	No	Yes
Pledge programs	Yes	Yes
Residue management via no till, direct seeding ^{1, 2, 6}	Yes	Yes
Riparian and wetlands habitat restoration and enhancement	Yes	Yes
Riparian forest buffers (not for future harvest) ^{1, 2, 6}	Yes	Yes
School programs (water quality related) ^{1, 4}	Yes	Yes
Sediment control basins ^{2, 6}	No	Yes
Site monitoring and follow-up maintenance ¹	Yes	Yes
Site preparation work (e.g., weed removal) ²	Yes	Yes
Spring development ^{1, 2, 3, 5, 6}	Yes	Yes
Stream bank revegetation and stabilization ^{1, 2, 6}	Yes	Yes
Stream restoration projects for water quality purposes	Yes	Yes
Technical assistance for irrigation water management such as planning and soil testing	Yes	Yes
Technical assistance for the planning, design, and implementation of eligible water quality BMPs and stream restoration activities	Yes	Yes
TMDL plan development and implementation	Yes	Yes
Use of sediment settlers (e.g., Polyacrylamide) ^{1, 2}	No	Yes
Water quality monitoring	Yes	Yes
Watering riparian plantings ^{2, 3}	Yes	Yes
Weed control associated with riparian revegetation ²	Yes	Yes
Well decommissioning	No	Yes
Wellhead protection	Yes	Yes
Wetland creation ^{1, 2, 6}	No	Yes
Wetlands restoration ^{1, 2, 6}	Yes	Yes

¹ Specific criteria or guidelines apply.

² Work on private property requires landowner agreement.

³ May have Ecology's Water Resources or Shorelands and Environmental Assistance Program issues. Applicants, recipients, and Ecology staff may need to inquire as to specific project limitations.

⁴ School districts are not eligible for funding.

⁵ Requires exclusion fencing with a minimum setback from the ordinary high water mark consistent with the riparian restoration guidance found in Appendix G.

⁶ Requires prior review and approval from Ecology's Project Manager before implementation.

Ineligible Projects and Components

In general, projects or project components that do not have a direct water quality benefit are not eligible for funding. Projects or project components prohibited by statute, federal appropriation, or administrative rules are also ineligible. Table 10 contains a list of some projects and project components that are ineligible for all funding sources.

Table 10: Ineligible Projects or Project Components

Description
Acquisition/installation of side/cross fencing
Annual permit fees
Application preparation (grant or loan)
Aquatic plant control for aesthetic reasons, navigational improvements, or other purposes unrelated to water quality
BMPs implementation on most federal and state owned property
BMPs implementation that affect upland areas
BMPs implementation that are production oriented
Bond costs for debt issuance
Bonus or acceleration payments to contractors to meet contractual completion dates for construction
Cost-plus-a-percentage-of-cost contracts (also known as multiplier contracts), time and materials contracts, and percent-of-construction contracts; this does not apply to General Contractor/Construction Manager (GC/CM) contracts procured in accordance with Chapter 39.10 RCW
Culvert installation, repair, or replacement for any reason
Engineering reports that do not include SERP
Facilities designed solely to provide primary treatment
Facilities located on private property
Facilities or portions of facilities that are solely intended to control transport, treat, dispose or otherwise manage commercial, institutional, or industrial wastewater
Farm planning - general
Fines and penalties due to violations of or failures to comply with federal, state, or local laws
Installation of rip rap, boulders, and retaining walls/bulkheads intended for armoring
Lake restoration implementation where there is no public access
Land acquisition to site wastewater treatment plants, sewer rights-of-way and easements, and associated costs
Landscaping for aesthetic reasons
Lobbying or expenses associated with lobbying
Monitoring equipment used by an industry for sampling and analyses of industrial discharges to municipal water pollution control facilities
Operating expenses of local government, such as the salaries and expenses of a mayor, city council member, city attorney, etc.
Operation and maintenance expenses
Overtime differential paid to employees of local government to complete administrative or force account work
Previously funded objectives
Projects related to acts of nature that alter the natural environment, thereby causing water quality problems
Projects solely for flood control
Reclamation of abandoned mines
Removal of existing structures or demolition of structures that are not interfering with proposed construction
Scientific research unrelated to a specific activity or facility
Side-sewer laterals, individual pump stations, other appurtenances on private residential property, where the facilities are not owned and maintained by a public body and the project does not address a nonpoint pollution source
Solid and hazardous waste cleanup
State and federal agency facilities and other duties and responsibilities
Terralift technology for repairing OSS
Vehicle purchase, except where Ecology has determined that a specialized vehicle is essential to directly satisfy the project scope of work and to achieve the project water quality goals and outcomes
Water supply and conveyance

Chapter 4: Applying for Funding

Ecology manages the four major funding programs for water quality projects as one program. We have one combined funding cycle, one application process, and one Final Offer List and Intended Use Plan.

The Funding Cycle

The SFY18 application cycle begins on August 15, 2016. Before the application period opens, Ecology posts information explaining the application process and sends out a notice about the application period and corresponding applicant workshops.

During the annual funding cycle, Ecology:

- Accepts applications for approximately two months.
- Holds applicant training workshops around the state.
- Rates and ranks the eligible applications based on the evaluation criteria.
- Solicits advice on project scope of work from other state agencies and other Ecology programs, if applicable.
- Conducts evaluators' meetings to discuss the project proposals water quality priorities, finalize evaluations, and develop a Draft Water Quality Funding Offer List and Intended Use Plan (Draft List).
- Sends the Draft List to the Governor's Office of Financial Management and the State Legislature for consideration during the funding appropriation process and makes adjustments based on legislative provisions.
- Holds a 30-day public review and comment period.
- Conducts a public meeting during the 30-day public review process to present the Draft List.
- Publishes the Final Water Quality Funding Offer List and Intended Use Plan (Final List) that includes a responsiveness summary to comments received on the Draft List.
- Develops agreements.
- Manages agreements.
- Closes-out agreements.

Figure 1 illustrates the estimated timeline for the SFY18 funding cycle steps.

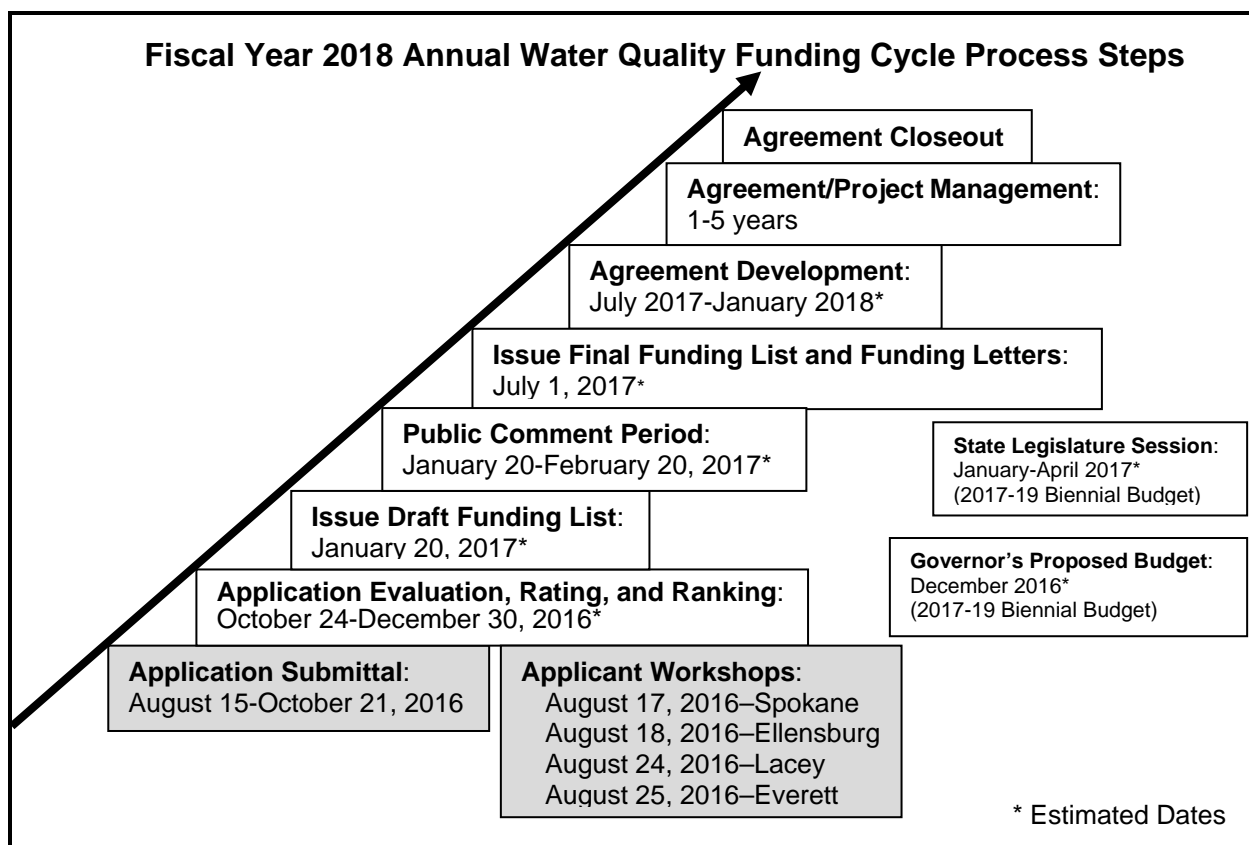


Figure 1: The SFY18 Funding Cycle

How to Apply

The Application

Applicants submit applications for funding through the Ecology Administration of Grants and Loans (EAGL) system. The funding application is available by going to <http://www.ecy.wa.gov/funding/EAGL.html> and following the instructions. Once in the EAGL system, applicants can access the funding application and an EAGL User's Manual that provides instructions on accessing and using the system.

Applicants can submit applications beginning August 15, 2016. All applications must be submitted by 5:00 pm on October 21, 2016.

Evaluation Process

Ecology evaluates project proposals based on responses provided on eight forms of the application. A total of 1,000 points are available. In order to obtain funding a project must receive a score of at least 600 total points, and it must receive at least 250 of the 500 possible points on the Water Quality and Public Health Improvements Form. Table 11 shows the scoring breakdown by form along with the rating criteria and guidance.

Table 11: Application Rating Criteria and Guidance

Funding Request Form
<p>Scoring This form is worth up to 15 total points as follows.</p> <ul style="list-style-type: none"> • 0-15 points: Applicant has identified adequate matching funds. (Full points if no match is required.) <p>Guidance</p> <ul style="list-style-type: none"> • To receive full points the match plus funding request must equal the project cost. • Applicants that will accept loan dollars will receive full points. • Match may exceed the minimum amount required.
Scope of Work - Additional Tasks Form
<p>Scoring This form is worth up to 75 total points as follows.</p> <ul style="list-style-type: none"> • 0-75 points: The scope of work represents a complete and concise description of the project tasks and outcomes, including deliverables. <p>Guidance</p> <ul style="list-style-type: none"> • Scope must demonstrate an understanding of all elements necessary to implement and complete the project. • Maps, plans, and detailed drawings of proposed BMPs and their locations, and other documents that show the feasibility of the project should be uploaded on the “Uploads” form. • Deliverables should provide evidence that the task has been successfully completed. Examples include: reports, maps, pictures, educational materials, meeting agendas and notes, construction documents, copies of agreements, lists and quantities of BMPs, etc.
Task Costs and Budget Form
<p>Scoring This form is worth up to 135 total points as follows.</p> <ul style="list-style-type: none"> • 0-50 points: The application demonstrates how the applicant arrived at the cost estimate for each task. The process used by the applicant to develop this estimate is based on real-world data. • 0-85 points: The cost to complete the scope of work is reasonable when compared to similar projects in the region. <p>Guidance</p> <ul style="list-style-type: none"> • Applicants should “show their work” and describe the general method used for cost estimation. Supporting documentation may be included as a separate upload. • Applicants should reference any similar projects that they have completed or have been completed in their region and explain why the cost of the proposed project is greater or less than the referenced project.
Water Quality and Public Health Improvements Form
<p>Scoring This form is worth up to 500 total points as follows.</p> <ul style="list-style-type: none"> • 0-135 points: Project proposes to reduce or prevent pollution in a waterbody that has been identified as a priority by a local, state or federal agency. • 0-150 points: The proposed project area is directly connected to the water body identified for improvement and applicant has provided sufficient technical justification to show the proposed project will reduce the pollutants of concern in the water body identified for improvement. • 0-50 points: Applicant has identified how each task will be evaluated in order to determine success, noted if the measure is quantitative or qualitative, and defined a goal. • 0-100 points: The project will achieve substantial water quality and public health benefits. • 0-50 points: Applicant has a plan and commitments in place to fund long-term maintenance and sustain the water quality benefits of this project. • 0-15 points: How well does the applicant and the project address greenhouse gas emission reductions in accordance with RCW 70.235.070? <p>Guidance</p>

- Responses to the questions on this form must clearly be tied to the tasks, goals, and outcomes delineated in the Scope of Work.
- If the project is required by the state or a federal agency, applicants should provide references or documentation, including permit conditions, Ecology orders, Court orders, or other correspondence.
- Applicants must reference and describe all local or regional water quality planning or regulatory documents that apply to the water body targeted for improvement including local watershed plans, TMDLS, and permits.
- Applicants should provide maps and aerial photos to illustrate how the project area is connected to the water body. Nonpoint projects should include basic topographic information to show direction of overland flow. Projects primarily designed to protect or recharge groundwater should describe the soils in the project area and any known aquifers, wells, or areas of high groundwater.
- The work proposed must be appropriate to address the pollutants generated in the project area and should support the goals outlined in the water quality planning documents.
- Goals should have clear numeric commitments (e.g., volumes or area treated, quantity installed, people contacted, feet restored, etc.). Goals that do not have a strong connection to improvement in water quality will not receive full points.
- Plans to sustain water quality benefits must include an estimate of project life cycle maintenance costs and identify how those costs will be met.
- Evaluators award full points for the greenhouse gas emission reductions question if both the applicant and the project address the issue. Partial points will be awarded if either the applicant or the project addresses the issue. No points will be awarded if neither the applicant nor the project addresses the issue.

Project Team Form

Scoring

This form is worth up to **65 total points** as follows.

- **0-50 points:** Team members' roles and responsibilities are well defined and adequate for the scope of work. Team members' past experience is relevant to the proposed project. Applicant has a plan in place to maintain sufficient staffing levels to complete the project.
- **0-15 points:** The applicant documents successful performance on other funded water quality projects, including Ecology funded projects. Previously constructed projects provided the water quality benefits described in the project application on time and within budget.

Guidance

- Application should demonstrate the applicant's understanding of the skill-set required to successfully complete the project and show that the proposed team has successfully demonstrated those skills. Specific information such as "managed construction of 10 stormwater projects in Washington", will score higher than "10 years' experience as a P.E.".
- If the project team includes staff that will be hired to complete the project, the application should list the skill set they will be seeking to hire.

Project Planning and Development Form

Scoring

This form is worth up to **60 total points** as follows.

- **0-40 points:** Applicant used a complete and well-defined set of criteria to determine the value and feasibility of the proposed project and included the useful life and long-term maintenance costs in their evaluation of the project and project alternatives.
- **0-20 points:** Applicant has provided documentation showing that key stakeholders have been identified and will support the project.

Guidance

- Project criteria should include all factors that were considered by the applicant when selecting a project to implement. Criteria should reflect both the feasibility of the project and the water quality value.
- Applicant must discuss how the proposed project and the rejected alternatives met or failed to meet these criteria.

- Documentation showing stakeholder support may include minutes from public or city council meetings, or letters of support from tribes, other local governments, non-governmental organization, homeowners associations, landowners, etc. Larger communities must include other relevant departments such as maintenance, parks and recreation, health, permitting, etc. in the stakeholder process to receive full points.

Project Schedule Form

Scoring

This form is worth up to **100 total points** as follows.

- **0-25 points:** The project schedule includes all tasks including pre-project administrative elements such as permitting, MOUs, landowner agreements, etc., and provides sufficient time to complete all elements.
- **0-75 points:** The applicant is ready to start on the proposed scope of work and can begin drawing down funds.

Guidance

- The schedule should have enough detail to show the reviewer that all tasks have been included. Applicants should consider providing a Gantt chart for complex projects with tasks that will run concurrently.
- The schedule should correlate with the scope of work.
- To receive full points, tasks that must be completed prior to beginning work on the proposed scope but are not part of scope of work, (e.g., design of a road repair project that will be simultaneous with a road stormwater project) must be completed, and the applicant must be ready to draw down funds within 10 months of the publication of the Final Offer List.

Financial Hardship Form

Scoring

This form is worth **0 or 50 points** as follows.

- **0 points:** If the applicant does not meet the criteria for financial hardship.
- **50 points:** If the applicant meets the criteria for financial hardship.

Guidance

- Evaluators award 50 points to wastewater facility construction projects in communities with less than 25,000 residents where the project costs may result in sewer fees greater than 2% of the median household income of the community.

Two Ecology staff review each project proposal; each reviewer gives the proposal a numeric score. One reviewer is from the Ecology region where the project is located, and the second reviewer is from one of the other regions or headquarters. Ecology staff compares the two scores to ensure evaluation consistency for the application. If needed, a third Ecology reviewer performs an evaluation to ensure accurate, consistent scoring. Ecology develops a ranked list of projects based on the project scores.

Ecology may request input from other state agencies and other Ecology programs about certain types of projects. This outside review may not generate a numerical score, but it can influence the score. Outside reviewers could include staff from the State Conservation Commission, Puget Sound Partnership, or the Washington State Department of Health as well as other Ecology programs.

The information provided in the application is the basis for the scope of work used in a funding agreement. If the applicant makes significant changes to the scope of work after the application deadline, Ecology may withdraw a funding offer.

The Successful Project Proposal

Demand for Water Quality Financial Assistance Program funding has routinely exceeded available funding. With such a competitive funding environment, applicants must develop a strong project application to display the project in the best light. While there is no guarantee that a project proposal will be funded, applicants can do several things to improve their chances of success.

A successful project proposal will:

Show how the project solves or addresses a water quality problem.

- Identify a documented water quality issue.
- Demonstrate a clear connection between the proposed project and how it will help resolve the identified water quality issue.
- Explain how the applicant will document the water quality benefit.

Explain why the applicant chose the project.

- Describe the process the applicant used to select the project over other solutions.
- Provide documentation of plan(s) that supports the project.
- Explain why the project is the applicant's highest priority.

Demonstrate that the project is well thought out.

- Include a well-defined scope of work that has goals, objectives, timelines, and measurable outcomes. A sample scope of work for stormwater facility projects can be found in Appendix N.
- Show how the project enjoys broad support by the community and agency partners.

Show that funds will be well spent.

- Provide an accurate and reasonable budget.
- Show that the funding request is reasonable compared to the proposed water quality benefit.

Illustrate that the project is ready to go.

- Confirm that the applicant has completed all required environmental review or has a plan and schedule to do so.
- Document that the applicant has obtained or applied for all permits.
- Verify that the applicant has completed all necessary easements, property owner agreements, or land acquisition.

Be easy to read and understand.

- Address all of the items identified in the evaluation criteria and scoring guide.
- Give clear, concise answers to all questions.
- Write in complete sentences.

Helpful hints:

- Include maps, diagrams, and pictures of the project and project area and display past projects (if any exist).
- Provide documentation to support answers.
- Include citations.

Application Requirements

Ecology evaluates all applicants on how they are implementing the State's requirements for Greenhouse Gas Emissions reductions. Applicants in the Puget Sound basin must be consistent with the Puget Sound Partnership's Action Agenda. Applicants with wastewater facilities projects need to complete certain prerequisites in order to be eligible for funding assistance.

The Step Process

Applicants that propose wastewater facilities projects must proceed according to a systematic method known as the Step Process. Funding for one Step does not guarantee funding for subsequent Steps. The Step Process consists of three steps.

- Step 1 (planning) involves preparing a site-specific facilities plan that identifies the cost-effective alternatives for addressing a water pollution control problem.
- Step 2 (design) involves preparing plans and specifications for use in construction.
- Step 3 (construction) is the actual building of the facilities based on the approved design.

There are no prerequisites to apply for a Step 1 (planning) project.

Prerequisites for a Step 2 (design) project include:

- Ecology approval of the appropriate planning document (Engineering report, General Sewer Plan, etc.)
- Ecology's determination that the project complies with SERP.
- Documentation that the project is the cost effective approach to achieving the water quality benefit.

Prerequisites for a Step 3 (construction) project include:

- Ecology approval of the appropriate planning document (Engineering report, General Sewer Plan, etc.)
- Ecology approval of the plans and specifications for the project.
- Ecology's determination that the project complies with SERP requirements.
- Documentation that the project is the cost effective approach to achieving the water quality benefit.

Irrigation efficiency projects, and other types of projects that are not required to prepare a General Sewer Plan or Engineering Report may substitute a pre-design report for Step 1 of the process.

Design and construction (Steps 2 and 3) can be combined into one application in certain cases; these projects are called Step 4 projects. To qualify for Step 4, the project must be \$5 million or less, and the applicant must be able to demonstrate that they can complete the design and have it approved by Ecology within one year of the funding agreement.

In some circumstances, approved plans and specifications are not required to apply for certain types of wastewater collection construction projects. As described in WAC 173-240-030 (5), if an applicant has received Ecology approval of a general sewer plan and standard design criteria, plans and specifications for sewer line extensions, including pump stations, are not required to be submitted for approval.

Stormwater facility projects must complete, and Ecology must accept, a Stormwater Facility Design Report prior to receiving construction funds. Ecology encourages applicants to apply for planning and design funding prior to construction funding, but will accept design/construct projects. Construction funding for design/construct projects may be conditional on the applicant completing the design process in a timely fashion. Additional information regarding the requirement in a Stormwater Facility Design Report are available at <http://www.ecy.wa.gov/programs/wq/funding/Res/Forms/SWDesignDeliv081315.pdf>

Ecology encourages applicants to follow the Step Process for activities projects; however, with one exception, it is not required and it may not be applicable in some cases. The Step Process is required for nonpoint source activity lake restoration projects.

Growth Management Act (GMA) Compliance

Any county, city, or town required or choosing to plan under the Growth Management Act (GMA) proposing a facility project must be in compliance with the applicable GMA requirements at the time a loan or grant agreement is signed unless exceptional situations exist. Ecology may make exceptions in situations involving a public health need or a significant environmental degradation.

GMA compliance impacts the program in several ways:

- 1) GMA compliance status may have an impact on the priority evaluation of proposed facilities projects, because facilities projects in areas out of compliance with the GMA may not be ready to proceed.
- 2) Ecology coordinates with the Washington State Department of Commerce to help ensure the applicants are in compliance when the financial assistance agreement is signed. If an applicant achieves GMA compliance during the fiscal year, Ecology may sign the agreement.
- 3) Under certain circumstances Ecology may make temporary exceptions to the GMA compliance requirement if the proposed project is required to address a “serious public health need” or a “significant environmental degradation.” Ecology looks at such designations very carefully and makes determinations on a case-by-case basis. However, Ecology exceptions do not relieve applicants of their responsibilities to comply with the GMA requirements.

GMA compliance does not affect activity project applications, such as watershed planning, water quality monitoring, public information and education, etc. GMA compliance also does not affect facilities projects proposed by counties, cities, or towns not planning under the GMA.

Environmental Review

A SERP environmental review applies to projects involving the construction of “treatment works” funded under the CWSRF. Treatment works include wastewater and stormwater collection, storage, and treatment facilities, including reclaimed water, combined sewer, and LOSS projects.

SERP for CWSRF Projects

Recipients with a *facility planning project* using CWSRF financing should prepare SERP documents as part of the scope of work in the loan agreement for the planning project. Completing SERP during a facility planning project is not an absolute requirement, but it is highly recommended. Applicants applying for CWSRF financing for a *facility design* or *construction project* must complete SERP prior to submitting the application for funding.

Ecology incorporates SERP into the facility planning process in order to ensure that the loan recipient fully considers and addresses environmental consequences before actions are taken.

The State Environmental Policy Act (SEPA) provides a unique mechanism to achieve environmental review and disclosure. Washington State’s SERP complements the SEPA process. SERP procedures supplement SEPA in order to meet federal requirements and incorporate review and determination by Ecology.

A basic overview of SEPA is available at www.ecy.wa.gov/programs/sea/sepa/e-review.html. SEPA applies to decisions made by every state and local agency, including state agencies, counties, cities, ports, and special districts. The SEPA lead agency is responsible for identifying and evaluating the potential environmental consequences of a proposal. This evaluation is documented and sent to other agencies and the public for review and comment. Every facility construction project is subject to SEPA review regardless of how the project is financed.

SEPA alone does not meet all the federal requirements that projects using CWSRF financing must meet. The following elements must be added:

- 1) Documentation of the SEPA review process.
- 2) Cost effectiveness analysis that includes consideration of alternatives.
- 3) Additional public participation opportunity.
- 4) Review and final SERP determination by Ecology.

If a federal agency (e.g., Rural Development or EPA) has completed a National Environmental Policy Act (NEPA) review of the project, that review can be used to satisfy SERP requirements.

Puget Sound Action Agenda

The Puget Sound Partnership is a Washington State agency created by the State Legislature and charged to create an Action Agenda that leads to a healthy Puget Sound. The Puget Sound Partnership Action Agenda prioritizes cleanup and improvement projects; coordinates federal, state, local, tribal, and private resources; and makes sure that they are all working cooperatively.

Water quality projects located in the Puget Sound basin must not be in conflict with the Puget Sound Partnership Action Agenda. The Puget Sound basin is defined as WRIAs 1 through 19 (see Appendix C for a map of WRIAs in Washington State).

Projects in the Puget Sound basin that address specific actions outlined in the Puget Sound Partnership Action Agenda will receive preference over projects in the Puget Sound basin that do not; see <http://psp.wa.gov/action-agenda-document.php>.

Greenhouse Gas Emission Reductions

In 2009, the State Legislature passed ESSB 5560 adding new policies related to greenhouse gas (GHG) emissions to state funding for infrastructure. These policies are codified in RCW 70.235.070 (*Distribution of funds for infrastructure and capital development projects – Prerequisites*); see <http://app.leg.wa.gov/rcw/default.aspx?cite=70.235.070>.

Requirements of RCW 70.235.070 must be included in the CWSRF and Centennial programs as a factor for consideration as part of the competitive selection process. The integration of GHG consideration should be a factor that influences project selection, but should not overwhelm the underlying goals of the funding programs. Ecology's funding application includes questions related to applicant and project consistency with GHG emissions reduction goals, including asking the applicant to describe how it is meeting requirements of RCW 70.235.070.

Measures *the applicant* can take to reduce GHG emissions include:

- Enacting goals and policies committing to GHG emissions reduction targets.
- Adopting energy efficiency policies to reduce consumption in buildings and infrastructure.
- Adopting policies that promote and support the generation and use of alternative energy.
- Adopting waste reduction and diversion policies such as methane recovery or waste-to-energy programs.
- Adopting policies to replace or repower existing vehicles with cleaner, more efficient vehicles.
- Adopting equipment procurement policies that result in reduced consumption of fossil fuels.
- Implementing commute trip reduction plans and policies that establish reduction goals and strategies to reduce annual per capita vehicle miles travelled by the entity's community or workforce.
- Adopting policies that preserve forest, agricultural, and open space lands.
- Adopting comprehensive land use plans or planning policies that promote and support development patterns that encourage compact and transit-friendly communities and protect natural resources lands from conversion.

Examples of how *the project* can be designed or built to reduce GHG emissions include:

- The project site reduces GHG emissions by being located in:
 - Existing developed areas (e.g., high-density areas, urban growth areas, or designated urban centers) where services exist or are planned.
 - Areas where transportation options can be efficiently provided.

- Areas where conversion of natural resources and rural land is prevented.
- Areas that promote transportation choices such as transit, bicycle, and pedestrian accessibility.
- Brownfield redevelopment areas.
- Other areas that encourage the use of non-single occupancy vehicles and minimize the amount of land to be devoted to the project.
- Methods used to develop, construct, and operate the project reduce the use of fossil fuels (GHG emissions) by:
 - Using high performance sustainable building design, such as the use of green building standards.
 - Using green materials and high-energy efficiency measures.
 - Promoting the use of recycled content materials for building construction.
 - Supporting environmental/ecological footprint improvements (e.g., energy efficiency, water conservation, habitat preservation, green alternatives, waste-to-energy, and lowering surface disturbance).
 - Implementing new technologies, practices, and equipment to lower energy use for operation.
 - Using renewable energy (wind, geothermal, solar, etc.), distributed energy (solar photovoltaic panels), or purchased green power.

Rate Studies and Fee Ordinances

Ecology requires all applicants that receive CWSRF loan offers for facility construction to have a rate study and an adopted fee ordinance. The rate study must include the cost of the proposed facility. The fee ordinance must be based on the rate study and be adequate to fund all annual financial obligations for the entity, including operation and maintenance costs, repair and replacement costs, and annual debt service including required reserve accounts.

Public Review and Request for Reconsideration

Applicants and the public receive notice from Ecology about the 30-day public comment period on projects proposed for funding when Ecology issues the Draft List. During the 30-day public comment period, applicants may provide comment on the process or request reconsideration of a project proposal.

Official comments on the Draft List and process or requests for reconsideration must be submitted to Ecology in writing within the 30-day comment period. Any request for reconsideration must be well-defined and supported.

Ecology will provide a response to written comments when it issues the Final List. Ecology publishes the Final List following the final approval of the State's budget that provides appropriation authority for funding.

Chapter 5: Agreement Development, Management, and Conditions

Agreement Development

Project Management Team

Ecology makes formal funding offers at the time of the Final List publication. Ecology assigns a Project Management Team to each project receiving a funding offer. The Project Management Team consists of a Financial Manager from the headquarters office and a Project Manager from the regional office where the project is located. Ecology's Project Management Team contacts the applicant within four weeks of the loan or grant offer to schedule a time to discuss the funding offer and begin the process of developing a funding agreement. The Project Management Team works to develop and negotiate funding agreements and monitor recipient performance after an agreement is signed.

The Project Management Team uses information found in the funding proposal as the basis for developing the funding agreement. Funding agreements for clearly defined project proposals that include a detailed scope of work, measurable objectives, and accurate budgets take less time to develop. If the applicant makes significant changes to the scope of work after the award, Ecology may withdraw or modify a funding offer.

To speed development and processing, Ecology standardizes much of the funding agreement language and includes general terms and conditions and other conditions that are required by state or federal law.

The Financial Manager reviews and approves payment requests and assists the Project Manager in the negotiation of agreements. The Financial Manager also administers the project, determines eligibility, and maintains project files.

The Project Manager is the primary contact for technical assistance and day-to-day questions. The Project Manager also works with the Financial Manager to resolve payment or eligibility issues if they arise. When in doubt, call any member of the Project Management Team for information.

Ecology assigns a regional Project Engineer for most facilities projects to provide engineering technical assistance and conduct engineering review and approvals. The Project Engineer may also serve as the Project Manager.

After developing the agreement, the Project Management Team requests a funding program review. When the agreement is finalized, the applicant signs the agreement. The applicant will send the funding agreement to the Financial Manager for the final signature by the Water Quality Program Manager or the authorized designee.

Once the agreement is signed by Ecology, a fully executed original will be returned to the recipient. The *applicant* becomes the *recipient* once the agreement is signed.

Agreement Conditions

Contract Clauses and Specification Inserts

Agreements for projects funded through Centennial, CWSRF, and SFAP may contain several contract clauses and specification inserts.

The contract clauses and specification inserts for Centennial- and CWSRF-funded projects can be found at <http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/CWSRF/CWSRFres.html>.

The specification clauses for SFAP-funded projects can be found at <http://www.ecy.wa.gov/programs/wq/funding/Res/Forms/SWProgramSpecClauses052912.pdf>.

The bid inserts for SFAP-funded projects can be found at <http://www.ecy.wa.gov/programs/wq/funding/Res/Forms/SWProgramBidInsert032515.pdf>.

Historic and Cultural Resources Requirements

Many proposed projects have the potential to significantly impact traditional cultural properties, places, or historically significant locations or artifacts. Ecology staff coordinates with the Washington State Department of Archaeology and Historic Preservation (DAHP) to meet all state or federal requirements regarding cultural and historic preservation.

Staff from Ecology's Water Quality Program work with grant and loan recipients to follow the appropriate steps to work with DAHP and the tribe(s) to determine if a site has the potential of disturbing or significantly impacting cultural or historic resources. All activities associated with site assessments for historic properties are grant and loan eligible.

Appendix I provides more information regarding cultural resources review requirements and the process.

Initial Data Reporting and Federal Funding Accountability and Transparency Act (FFATA)

Recipients of funding from the CWSRF must complete the "CWSRF Federal Reporting Information" form in EAGL. The form will be available for completing in EAGL during the agreement negotiation process.

Recipients of funding from Section 319 or Centennial projects used for the state match for Section 319 must complete either the "Clean Water Act Section 319 Initial Data Reporting Sheet" (see <http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/NPres.html>) or the "Section 319 Initial Data Reporting" form in EAGL. The form will be available for completing in EAGL during the agreement negotiation process.

Recipients of CWSRF and Section 319 funding must also complete and submit the Federal Funding Accountability and Transparency Act (FFATA) form to Ecology; the FFATA form can be accessed at

<http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/CWSRF/CWSRFres.html> or <http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/NPres.html>.

Investment Grade Efficiency Audit (IGEA)

Recipients of funding from the CWSRF and Centennial with Step 2, Step 3 and Step 4 facilities projects may be required to conduct an investment grade efficiency audit (IGEA). Ecology's appropriation in the 2015-17 Biennial Budget states in part,

“For projects involving repair, replacement, or improvement of a wastewater treatment plant or other public works facility for which an investment grade efficiency audit is obtainable, the department of ecology must require as a contract condition that the project sponsor undertake an investment grade efficiency audit.”

The IGEA may be paid for with Centennial grant or CWSRF loan funds.

Minority- and Woman-Owned Business Enterprises (MBE/WBE) and Disadvantaged Business Enterprises (DBE)

To document voluntary and mandatory state and federal reporting requirements around Minority- and Women-Owned Business Enterprises (MBE/WBE) and Disadvantaged Business Enterprises (DBE), Ecology requires all recipients to report on contracting by completing Form D when submitting all payment requests. Form D is available at <https://fortress.wa.gov/ecy/publications/summarypages/ecy06011.html>.

Project Management Consultant

In some cases it may be beneficial or necessary for recipients to hire a “Project Management Consultant” (PMC). The PMC should be well-versed in preparing and managing contracts. The PMC would represent the recipient and be completely independent of the recipient's consulting engineer and all other contractors. Smaller communities would be most likely to benefit from having a PMC. Ecology maintains the option to require a PMC in accordance with its “*Grant and Loan Project Monitoring and Oversight*” policy. Applicants who are considering hiring a PMC should consider the costs when submitting their project budget. PMC costs are eligible for funding.

Special Conditions for CWSRF Loans

The following items are required conditions of specified recipients of CWSRF loans.

American Iron and Steel (AIS)

Recipients of CWSRF loans for Step 3 or Step 4 wastewater facility projects and stormwater facility projects with a construction component must meet the American Iron and Steel (AIS) requirements. Such projects may use only specific iron and steel products that are produced in the United States.

The requirements apply to:

- Projects involving the construction, alteration, maintenance, or repair of wastewater or stormwater facilities funded in part or in full by the CWSRF for which the agreement is signed on or after January 17, 2014.

- In cases where construction on the project began before January 17, 2014, the requirement applies to all construction that occurs on or after January 17, 2014.

The requirements do not apply if:

- The funding agreement was signed before January 17, 2014.
- Ecology approved the engineering plans and specifications before January 17, 2014.
- The project is strictly for planning or design.
- The project is an activity project.

For additional guidance visit EPA's AIS website at

www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement.

Architectural and Engineering (A/E) Services Procurement

Recipients of CWSRF loans for Step 3 or Step 4 wastewater facility projects identified by Ecology in its *Funding Offer List and Intended Use Plan* as equivalency projects are required to procure architectural and engineering (A/E) services in accordance with the federal requirements found in Chapter 11 of Title 40, U.S.C. (see

www.gpo.gov/fdsys/pkg/USCODE-2011-title40/pdf/USCODE-2011-title40-subtitleI-chap11.pdf).

The federal requirements differ somewhat from the state requirements found in Chapter 39.80 RCW (see <http://app.leg.wa.gov/rcw/default.aspx?cite=39.80&full=true>).

A/E services include, but are not limited to, program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, and architectural related services.

Ecology implements this requirement by including in agreements signed for equivalency projects a Scope of Work task to procure A/E services in accordance with the federal requirements and to provide a certification to Ecology that they have done so as a deliverable under the task.

Authorizing Ordinance or Resolution

Recipients must provide an authorizing ordinance or resolution that states that the recipient accepts its responsibility to repay the loan and abide by the provisions of the agreement. The resolution must be signed by the governing board or council and is included in the loan agreement as an attachment.

Cost and Effectiveness Analysis (CEA)

All recipients of CWSRF loans, regardless of the type of project, must certify that they have conducted a Cost and Effectiveness Analysis (CEA).

For projects involving construction, the CEA must be completed and the certification of completion provided to Ecology before Ecology can provide CWSRF assistance for final design or construction.

The minimum requirements of a CEA are:

- A study and evaluation of the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity.
- The selection, to the maximum extent practicable, of a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account:
 - The cost of constructing the project or activity.
 - The cost of operating and maintaining the project or activity over the life of the project or activity.
 - The cost of replacing the project or activity.

Recipients must complete a certification and submit it to Ecology or upload it directly to EAGL. Completion of the certification must occur prior to loan signing for design or construction projects. Completion of the certification must occur during the project for planning projects. The certification is available at

<http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/CWSRF/CWSRFres.html>.

Davis-Bacon Act Wages

Recipients of CWSRF loans for Step 3 or Step 4 wastewater facility projects and stormwater facility projects with a construction component must comply with the federal Davis-Bacon Act wage requirements.

Equivalency Requirements and Equivalency Projects

“Equivalency requirements” refer to specific requirements EPA applies to Ecology’s funding for CWSRF. “Equivalency” means that Ecology is required to report and/or track compliance with the requirements by CWSRF loan recipients up to an amount equivalent to the amount of the Capitalization Grant Ecology receives from EPA.

“Equivalency projects” are projects to which Ecology applies all the equivalency requirements. The following are the criteria for determining which projects are equivalency projects.

- Step 3 and Step 4 wastewater facility projects.
- Population of the applicant is 25,000 or more.

The following equivalency requirements apply to CWSRF equivalency projects:

- Architectural and engineering (A/E) services procurement.
- Disadvantaged Business Enterprises (DBE).
- Federal Funding Accountability and Transparency Act (FFATA).
- The Uniform Act requirements for acquisition of real property.
- Most of the federal cross cutters.

Ecology applies the DBE and FFATA requirements to all recipients of federal funding.

Recipients of CWSRF funding for equivalency projects must certify compliance with the A/E services procurement requirements and complete a federal cross cutters report as described in Ecology policy and guidance.

Federal Environmental Cross Cutter Requirements for CWSRF Equivalency Projects

CWSRF funding applicants/recipients for wastewater facility construction (Step 3) and combined design and construction (Step 4) projects designated by Ecology in its *Funding Offer List and Intended Use Plan* as “equivalency projects” must complete federal cross cutter review and receive an Ecology determination. For Step 3 projects, cross cutter review and an Ecology determination must occur before the Water Quality Program Manager signs the CWSRF loan agreement. For Step 4 projects, cross cutter review and an Ecology determination must occur before starting construction activities. Any construction activities that occur prior to an Ecology’s cross cutter determination will not be eligible for reimbursement.

Federal cross cutter review is a requirement for wastewater treatment, wastewater collection, reclaimed water, infiltration and inflow correction, and combined sewer projects identified by Ecology as equivalency projects.

Not allowing enough time to comply with cross cutters can influence the implementation and management of a project. These requirements are detailed in the loan agreement and are implemented in the construction contract by including the Ecology specification inserts into the bid package.

Loan applicants/recipients will prepare a cross cutter report that documents their actions in regard to each federal cross cutter. When complete, the applicant/recipient will submit the report to Ecology’s Project Manager for review. The Project Manager reviews the report for completeness and initiates formal review with the Environmental Review Coordinator. When federal and state resource agencies have approved all cross cutters, and the cross cutter report is complete, Ecology’s regional Section Manager will send a cross cutter report determination letter with the signed cross cutter checklist to the applicant/recipient. At this point, construction can begin.

The following is a list and brief description of the federal cross cutters required for CWSRF facility construction projects.

- The Clean Air Act establishes air quality standards. This cross cutter requires projects to show how they conform to the Washington State Implementation Plan (SIP), which describes how the state implements, maintains and enforces National Ambient Air Quality Standards (NAAQS). Compliance may require estimating the air pollution emissions associated with the project.
- The Coastal Zone Management Act (CZMA) protects the nation’s coastal areas. This cross cutter applies to any project located in a county adjacent to Puget Sound, the Pacific Ocean, or the Lower Columbia River Estuary. Compliance requires receiving CZMA concurrence from Ecology.
- The Endangered Species Act identifies and protects species at risk of extinction. This cross cutter may apply if the project is located near any endangered species or their critical habitat. Because so many of Washington’s rivers are habitat for endangered salmonid species, this cross cutter applies to many water quality projects. Compliance requires an EPA review of the project documentation to determine if coordination with the US Fish and Wildlife Service and the National Marine Fisheries Service (Services) is necessary.

- The Farmland Protection Policy Act protects the nation's productive farmland. This cross cutter may apply if the project converts farmland to another purpose. Compliance may require consultation with the US Soil Conservation Service.
- Floodplain Management Executive Orders are a series of presidential executive orders that protect floodplain function and protect federally funded projects from flood damage. This cross cutter may apply if the project is located in a base floodplain. Compliance may require consultation with the local government and/or Federal Emergency Management Agency.
- Environmental Justice seeks to protect minority, low-income and tribal communities that may experience disproportionate environmental or human health impacts caused by project activities.
- The National Historic Preservation Act protects archeological and cultural resources and historic structures. This cross cutter may apply if the project modifies a building older than 50 years old, or if the project involves any amount of excavation.
- The Safe Drinking Water Act protects sole source drinking water aquifers. This cross cutter may apply if the project is located on a sole source aquifer. Compliance may require consultation with state groundwater officials and the US Environmental Protection Agency.
- Essential Fish Habitat Consultation Process under the Magnuson-Stevenson Fishery Conservation and Management Act protects habitat for commercially valuable fish species. This cross cutter may apply if the project is located near essential fish habitat (EFH). Compliance may require sending information on EFH near the project area to the EPA.
- The Protection of Wetlands Executive Orders seek to avoid to the extent possible adverse impacts associated with the destruction and modification of wetlands, and to avoid direct and indirect support of new construction in wetlands wherever there is a practicable alternative. This cross cutter may apply if your project is located near any wetlands. Compliance may require consultation with the US Corps of Engineers, Ecology Shorelands and Environmental Assistance Program, and your Ecology Regional Ecologist. The Wild and Scenic Rivers Act protects the free-flowing character of designated rivers. This cross cutter may apply if the project is located in the river basin of a wild and scenic river. Compliance may require consultation with the land managing agency where the river is located.

NOTE: Compliance with all applicable local, state, and federal ordinances, laws, and regulations is required regardless of funding source or specific reporting requirements. For example, a CWSRF-funded project that is not designated as an equivalency project must still comply with all applicable federal laws and regulations even if the recipient is not required to submit a federal cross cutter report to Ecology. For assistance with permitting requirements, please check with the Governor's Office for Regulatory Innovation and Assistance (ORIA); see <http://www.oria.wa.gov>.

More detailed environmental review guidance is available at <https://fortress.wa.gov/ecy/publications/SummaryPages/1610003.html>.

Financial Capability Assessment (FCA)

Ecology must conduct a financial capability assessment (FCA) of all recipients of CWSRF loans. Among other items, conducting a FCA requires Ecology staff to review current financial statements to determine the ability of applicants to repay the CWSRF loan. Ecology cannot sign

loan agreements without a FCA. Applicants offered CWSRF loans must complete a FCA checklist and provide supporting documents to Ecology. The FCA checklist can be accessed at <http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/CWSRF/CWSRFres.html>.

Fiscal Sustainability Plan (FSP)

Recipients of CWSRF funding for Step 3 or Step 4 wastewater facility and stormwater projects with a construction component, and recipients of Centennial hardship funding must certify that they have prepared a Fiscal Sustainability Plan (FSP) or another plan(s) that contains at least the minimum required elements of a FSP.

The FSP must cover the entire system for which funding is provided. By “entire system”, Ecology means the following:

- If funding is only for a collection system, then the FSP must cover the entire collection system.
- If the funding is only for a treatment system, then the FSP must cover the entire treatment system.
- If funding is for both a collection system and a treatment system, then the FSP must cover the entire collection system and the entire treatment system.

The minimum required elements of a FSP are:

- 1) An inventory of critical assets that are part of the system.
- 2) An evaluation of the condition and performance of the critical assets.
- 3) A plan to maintain, repair, and replace the critical assets and to fund those activities.
- 4) A process to evaluate and implement water and energy conservation efforts as part of the plan.

Recipients must complete a certification and submit it to Ecology or upload it to EAGL prior to loan signing. The certification is available at

<http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/CWSRF/CWSRFres.html>.

Insurance

Where applicable, recipients must maintain comprehensive insurance coverage on projects in amounts equal to the funds disbursed.

Interest Accrual

Ecology disburses loan funds on a cost-reimbursable basis. An incurred cost is defined as a cost that has occurred and is eligible for payment. Interest begins to accrue on each disbursement at the time it is paid to the recipient. Interest is compounded monthly.

Operation and Maintenance of Utility

The recipients must keep the utility in good working order and operate the utility efficiently. Recipients of funding for stormwater facilities must agree to maintain stormwater facilities for the design life of the facility, typically 20 years.

Opinion of Recipient's Legal Counsel

Recipients must provide a statement from their legal counsel regarding the final draft of the loan agreement. The statement will be included in the loan agreement. A template can be found at <http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/CWSRF/CWSRFres.html>.

Pledge of Net Revenue or Utility Local Improvement District (ULID) Assessments

If revenue from a utility local improvement district (ULID) is used to secure a loan, the recipient must irrevocably pledge to pay the net revenue of the ULID to cover the principal and interest.

Repayments

Semi-annual loan repayment begins one year after the project completion date or initiation of operation date, whichever comes first. There is no restriction or penalty for early loan repayment.

Reserve Requirement

For a loan that is a revenue-secured debt with a term greater than five years, Ecology requires the recipient to accumulate a reserve equivalent to at least the average annual debt service on the loan. The recipient must establish this reserve during the first five years of the repayment period of the loan.

Special Conditions for Onsite Sewage System Local Loan Fund Projects

Administration

Recipients must use the funds received from Ecology to establish and administer a local loan fund. Recipients are responsible for local loan servicing, collecting payments, and payment tracking, but may contract for such services through a lending institution. Recipients must officially approve or deny local loan requests and establish the local loan interest rate and the repayment period.

Reporting

A schedule for project completion, including milestone dates for loan marketing activities, numbers of loan applications and closures, disbursements, application deadlines, etc., must be submitted by the recipient with each quarterly progress report.

Recipients of funding must also submit a final list of the local loans provided to homeowners and small commercial enterprises throughout the duration of the project. The list must include information regarding the number and final dollar amounts of loans funded in the following respective homeowner income and small commercial enterprise revenue levels:

- County Median Household Income
 - Above 80 percent.
 - 50 to 80 percent.
 - Below 50 percent.
- Small Commercial Enterprise Annual Gross Revenue

- Above \$100,000.
- \$50,000 to \$100,000.
- Below \$50,000.

Special Conditions for Nonpoint Source Pollution Control Activity Projects

Landowner Agreements

The recipient must obtain a conservation easement or a landowner agreement signed by the landowner prior to planning and installing a BMP on private property. An example landowner agreement can be found at

<http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/NPres.html>. The recipient must send the agreement or easement to the Ecology Project Manager. The landowner agreement must include, but not be limited to:

- A minimum 10-year maintenance agreement that is transferred with the ownership, rental, and leasing of the land. Agreements shall not contain provisions for termination of the agreement at any time.
- Allowance of inspection of the project area by the recipient and by Ecology staff with prior notification.
- A written and signed maintenance plan that covers establishment and long-term maintenance of the BMP(s). This plan will detail responsibilities for both the landowner and the recipient and must include details concerning, but not limited to, watering plants, maintaining a reasonable level of plant survivability, replacing dead plants, controlling noxious weeds, and repairing and maintaining exclusion fencing, off-stream watering provisions, or other eligible BMPs. This maintenance plan is generally the responsibility of the recipient unless otherwise written in the landowner agreement.
- Commitment from the landowner and producer to implement a full three-year crop rotation for agreements related to direct seed practices.
- When projects include off-stream watering installation, agreements must include provisions to ensure that water supplied is for livestock use only.
 - Per Ecology Water Resources Program Policy 1025, watering facilities provided must serve no greater number of livestock than historically range that parcel of property. The quantity of water consumed by livestock as a result of the funded off-site watering facility should not exceed the quantity consumed if the stock were to drink directly from the stream.
 - If land use is changed from livestock management to residential, commercial, or industrial development during the 10-year landowner/recipient agreement period, all financial assistance issued for the off-stream watering facilities must be immediately repaid by the loan or grant recipient to Ecology.

Best Management Practice (BMP) Approval Form

Prior to implementation of BMPs, the recipient must complete a BMP Approval Form and submit to Ecology's Project Manager for review and approval. Supporting documents such as site plans, maps, maintenance plans, and cultural resource review forms must be included as

well. A BMP Approval Form template is available at www.ecy.wa.gov/programs/wq/funding/Res/Training/NonpointBMPAppvalForm070215.doc.

Quality Assurance Project Plan (QAPP)

Prior to initiating water quality monitoring activities, the recipient must prepare a Quality Assurance Project Plan (QAPP). The QAPP must follow Ecology's *Guidelines and Specifications for Preparing Quality Assurance Project Plans for Environmental Studies*; see <https://fortress.wa.gov/ecy/publications/summarypages/0403030.html>. A QAPP template is available at <http://www.ecy.wa.gov/programs/eap/qa/docs/QAPPtool/index.html>.

Standard Operating Procedures (SOPs) for field sampling and testing activities associated with monitoring QAPP development can be found at www.ecy.wa.gov/programs/eap/quality.html.

Recipients may also reference Ecology's *Technical Guidance for Assessing the Quality of Aquatic Environments* in developing the QAPP; see <https://fortress.wa.gov/ecy/publications/summarypages/9178.html>.

The QAPP must:

- Describe in detail the monitoring and data quality objectives, procedures, and methodologies that will be used to ensure that all environmental data generated will meet the QAPP requirements.
- Describe in detail the water quality monitoring approach and laboratory protocols, including types of data and samples to be collected, sample location, sampling frequency, sampling procedures, analytical methods, quality control procedures, and data handling protocols.
- Describe data assessment procedures.
- Explain how the project will yield sufficient information to achieve the purpose and intent of monitoring.
- Discuss data accuracy and statistical requirements.

The recipient must submit the QAPP to Ecology's Project Manager for review, comment, and approval before starting the environmental monitoring activities. Any monitoring activity conducted before the QAPP receives final approval is not eligible for reimbursement.

Use of an Ecology Accredited Laboratory

The recipient must use an environmental laboratory accredited by Ecology to analyze water samples for all parameters that require bench testing. Information on currently accredited laboratories and the accreditation process is provided on the Ecology's Environmental Assessment Program's website at <https://fortress.wa.gov/ecy/laboratorysearch/>.

The recipient should manage all monitoring data collected or acquired under the agreement to be available to secondary users and meet the "10-year rule." The 10-year rule means that data documentation is sufficient to allow an individual not directly familiar with the specific monitoring effort to understand the purpose of the data set, methods used, results obtained, and quality assurance measures taken 10 years after data are collected.

Monitoring Data Management and Submittal

Recipients that collect environmental monitoring data must submit all data to Ecology using the Environmental Information Management System (EIM). Data must be loaded into EIM following instructions on the EIM website at <http://www.ecy.wa.gov/eim> and be approved by Ecology's Project Manager. Final payment requests will be withheld until data has been approved in EIM.

The data submittal portion of the EIM website provides information and help on formats and requirements for submitting tabular data. Specific questions about data submittal may be directed to the EIM Data Coordinator.

Recipients must follow Ecology data standards when Geographic Information System (GIS) data are collected and processed as documented at <http://www.ecy.wa.gov/services/gis/data/standards/standards.htm>. Recipients must submit copies of all final GIS data layers, imagery, related tables, raw data collection files, map products, metadata, and project documentation to Ecology.

Table 13 summarizes the applicability of some of the funding requirements listed above, including the types of projects to which they apply and when the requirements apply.

Table 13: Applicability of Various Funding Requirements

Requirement	What projects does it apply to?	When does it apply?
American Iron and Steel	Facility construction projects that receive CWSRF funds.	Throughout project.
Authorizing Ordinance or Resolution	Projects that receive CWSRF funds.	Before loan signing.
Cost and Effectiveness Analysis	Projects that receive CWSRF funds.	Planning projects: during project. Design or construction projects: before loan signing.
Environmental Information Management System	Recipients that collect environmental monitoring data.	Throughout project.
Federal Architectural and Engineering Services Procurement	Wastewater facility construction projects identified as CWSRF equivalency projects.	Throughout project.
Federal Environmental Cross Cutters	Wastewater facility construction projects identified as CWSRF equivalency projects.	Construction projects: before loan signing. Design/construction projects: before construction begins.
Federal Davis-Bacon Wages and State Prevailing Wages on Public Works	Facility construction projects that receive CWSRF funds.	Throughout project.
Federal Funding Accountability and Transparency Act Form	Projects that receive CWSRF or Section 319 funds.	Before loan or grant signing.
Final List of Local Loans Report	Local loan programs.	At project completion.
Financial Capability Assessment	Projects that receive CWSRF funds.	Before loan signing.

Requirement	What projects does it apply to?	When does it apply?
Fiscal Sustainability Plan Certification	Facility construction projects that receive CWSRF funds and projects that receive Centennial hardship funding.	Before loan signing. Recipients that complete the plan during the project must resubmit upon completion.
Growth Management Act Compliance	Facility projects in a city, county, or town that is required to or chooses to plan under the Growth Management Act.	Before agreement signing.
Investment Grade Efficiency Audit	Facility design, construction, or combined design/construction projects that receive CWSRF or Centennial funds.	During project.
Landowner Agreements or Conservation Easement	Nonpoint source projects.	Prior to installing a BMP on private property.
Minority- and Women-Owned Business Enterprises and Disadvantaged Business Enterprises	All projects.	Throughout project.
Quality Assurance Project Plan (QAPP)	Projects that include water quality monitoring.	Before conducting monitoring.
Rate Study and Fee Ordinance	Facility construction projects that receive CWSRF funds.	Before applying for funding.
Section 319 Load Reduction Report	Section 319 projects and Centennial projects used as match.	Annually and at project close.
Single Audit Act	Recipients of CWSRF or Section 319 funds that expend \$750,000 or more in federal funds in the calendar year.	Throughout project.
State Environmental Review Process	Facility projects that receive CWSRF funds.	<p>Wastewater facility planning projects: during project.</p> <p>Wastewater facility design and construction projects: before applying for funding.</p> <p>Stormwater facility design projects: during design.</p> <p>Stormwater facility construction projects: before applying for funding.</p>

Standard Agreement Terms and Conditions

The following are important terms and conditions that play a role in the day-to-day decisions made on loan or grant projects. A complete listing of the administrative requirements for all grants and loans administered by Ecology is contained in the *Administrative Requirements for Recipients of Ecology Grants and Loans Managed in EAGL*; see <https://fortress.wa.gov/ecy/publications/summarypages/1401002.html>.

Accounting Standards

Recipients must maintain accurate records and accounts for the project in accordance with Generally Accepted Accounting Principles (GAAP) as issued by the Governmental Accounting Standards Board (GASB), including standards related to the reporting of infrastructure assets, or in accordance with the equivalent state standards in Chapter 43.09.200 RCW Local Government Accounting – Uniform System of Accounting. For more information see <http://www.gasb.org/home> and <http://app.leg.wa.gov/rcw/default.aspx?cite=43.09.200>.

Advisory Committee Time

Time spent by advisory councils to carry out projects is an eligible cost, including costs incurred by advisory councils or committees established according to federal or state requirements.

Amendment Process

Modifications and changes to the funding agreement may become necessary. The recipient must negotiate changes and document the changes as an amendment to the funding agreement. All proposed project changes are subject to approval by Ecology.

Either the recipient or Ecology may initiate the amendment process. If the recipient initiates the process, they must request the change through the EAGL system. If the Project Manager concurs with the request, the Financial Manager prepares the amendment.

The recipient prints, signs, and returns two copies of the amendment to Ecology. Ecology's Water Quality Program Manager or designee signs the amendment. Ecology sends one of the original copies of the signed amendment to the recipient contact.

Reasons for amendments could include:

- Budget increases or decreases.
- Scope of work changes.
- Changes to required performance.
- Time extensions.

Appeals Process

Loan or grant recipients may formally appeal a written decision by Ecology. A recipient cannot bring a lawsuit to Superior Court unless the aggrieved party follows the following procedures. The procedures are intended to encourage the informal resolution of disputes.

- 1) The recipient may seek review of the financial assistance program's initial decision within 30 days of the decision. The recipient makes the request for review in writing to the Water Quality Program Manager.
- 2) The Program Manager will consider the appeal information and will issue a written decision within 30 days from the time the appeal is received.
- 3) If the recipient is not satisfied with the Program Manager's decision, the recipient has 30 days to submit a written request to Ecology's Deputy Director of Ecology for a review of the decision.

- 4) The Deputy Director will consider the appeal information and will issue a written decision within 30 days from the time the request is received. The Deputy Director's decision will be the final decision of Ecology.
- 5) If the recipient is not satisfied with the Deputy Director's final decision, the recipient may appeal to the Thurston County Superior Court, pursuant to RCW 34.05.570(4), *Judicial Review*; see <http://app.leg.wa.gov/rcw/default.aspx?cite=34.05.570>.
- 6) Unless all parties to such appeal agree that a different time frame is appropriate, the parties shall attempt to bring the matter for a superior court determination within four months of the date in which the administrative record is filed with the court. This time frame is to ensure minimal disruptions to the program.

Budgets

All recipients must track the project budget by task. An object-based budget is not permitted. Object budget information provided in the application is used to evaluate if all costs were considered by the applicant at the time of application and to track requested purchases during project implementation.

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

Definitions

See Appendix K for a complete list of the standard definitions found in loan and grant funding agreements.

Disbursements of Loan and Grant Funds

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

Education and Outreach

Recipients of grant funding for education and outreach activities projects must do a regional search for existing materials before producing any new educational flyers or pamphlets and request the use of existing materials before time and resources are invested to duplicate materials that are already available. Recipients must also check the Washington Waters website at http://www.ecy.wa.gov/washington_waters/index.html for useful educational materials. These materials are available for public use and can be downloaded directly from the website.

Recipients must provide Ecology with a copy of any tangible educational products developed under the grant, such as brochures, manuals, pamphlets, videos, audio tapes, CDs, curriculum, posters, media announcements or gadgets, such as a refrigerator magnet with a message. If this is not practical, recipients must provide Ecology a complete description including photographs or printouts of the products.

Recipients must also provide Ecology with contact information for local project leads.

If there are a significant number of people in the community that speak languages other than English, recipients must produce all educational and public outreach materials in English and in the other most prevalent language.

Equipment Purchase and Equipment Fees

Equipment purchases are eligible if Ecology's Project Management Team approved them in advance or they are specified in the agreement. The recipient may charge an appropriate use fee for equipment it owns.

A use fee for equipment owned by the recipient or utilized 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.

Force Accounts and Staffing Plans

Force account refers to a local government that uses its own staff to complete a facilities project. For activities projects, it may be considered a staffing plan. Force accounts and staffing plans may be eligible for funding under the CWSRF if:

- The recipient complies with laws on discrimination, such as wages, job safety, insurance, licenses, and certifications; see <http://app.leg.wa.gov/RCW/default.aspx?cite=39.04>; <http://app.leg.wa.gov/RCW/default.aspx?cite=35.22.620>; and <http://app.leg.wa.gov/RCW/default.aspx?cite=35.23.352>.
- The recipient demonstrates that they have the legal authority and the technical capability to perform the work.
- The recipient demonstrates that other essential functions will not be affected by performing the work.
- The work is accomplished more economically than if procured competitively.
- The recipient submits a written request to fund the force account work that includes a dollar amount and a general description of the force account work. The request must be approved by the Ecology Regional Section Manager.
- The work to be performed using recipient forces is included as a separate budget line item in the financial assistance agreement.

The recipient must maintain separate and identifiable records for a force account or staffing plan to ensure eligible costs are charged to the project. Overtime differential is not allowed.

Indirect Rate

The recipient can charge an indirect rate of up to 25 percent of salaries and benefits to cover overhead costs that benefit more than one activity of the recipient and that are not directly

assignable to a particular objective of the project. Recipients may be required to submit documentation at any time listing what is included in the indirect rate.

Interlocal Agreements

Interlocal agreements must be consistent with the terms of the loan or grant agreement and Chapter 39.34 RCW, *Interlocal Cooperation Act*; see <http://app.leg.wa.gov/rcw/default.aspx?cite=39.34&full=true>.

Light Refreshments

Light refreshment costs for meetings or conferences are eligible as permitted by Ecology's travel policy. They must be approved by the Ecology Project Manager.

Coffee and any other non-alcoholic beverage, such as tea, soft drinks, juice, or milk, and snacks served at meetings or conferences are considered light refreshments.

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.

Payment Requests Processing

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

Permits

Recipients must secure any required permits and provide documentation upon request. Work on the permit preparation is an eligible cost. Permit fees associated with completing a funded project are also eligible. Ecology considers annual permit fees a normal operating expense, so annual permit fees are not eligible for funding.

Procuring Goods and Services

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

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

Progress Reports

Recipients must submit progress reports at least quarterly and with every payment request. Progress reports are submitted through the EAGL system.

Progress reports should include a description of all progress made in the reporting period to meet goals as well as any successes, problems, and delays that affect the project. If a problem exists, recipients must discuss the corrective actions taken or proposed and identify any Ecology assistance that may be needed.

Project Site Visits and Post Project Assessments

Ecology's Project Management Team may conduct site visits to provide technical assistance and verify progress or payment information for projects.

Recipients of grant funding for activities projects must agree to participate in a brief survey regarding the key project results or water quality project outcomes and the status of long-term environmental results or goals from the project approximately three years after project completion.

Public Awareness

Recipients must inform the public about the project and about Ecology and EPA participation for the following:

- Any site-specific project that is accessible to the public must have signs acknowledging state and federal participation. Ecology and EPA logos are available from Ecology's Financial Managers for use on signs.
- All publications must include acknowledgment of state and federal participation.

Transportation Costs

The recipient can recover the cost of transportation through the state mileage rate, a use fee, or an indirect rate. The recipient may charge mileage to the project at the current state mileage rate. The mileage charge includes all vehicle-related needs, such as gas, tires, insurance, and maintenance.

Agreement Management

Incurring Eligible Costs

The *effective date* is the earliest date on which eligible costs may be incurred. The effective date is negotiated between the applicant and Project Management Team during agreement development.

Unless explicitly stated by the State Legislature in a budget appropriation, the effective date for grants cannot be before the beginning of the state fiscal year (July 1, 2017).

The effective date for CWSRF loans can go back to the beginning of the project if appropriate; see the *Interim Refinance* subsection in Chapter 2.

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

Important Dates

The time limits for starting and ending projects are based on the publication date of the Final List that identifies the project for funding.

While there is some flexibility, the funding agreement for the project should be signed by both parties no later than seven months after the publication date of the Final List. Generally this means January 31 of the year following the publication of the Final List.

Actual work on the project should begin no later than 10 months after the publication date of the Final List. Generally this means April 30 of the year following the publication of the Final List.

The *expiration date* (of an agreement or amendment) is the last date on which costs may be incurred and be considered eligible. The *project completion date* is the date specified in the agreement on which the Scope of Work will be fully completed. Both dates are negotiated between the applicant and the Project Management Team.

The *initiation of operation date* applies to facilities construction projects. It is the actual date that a facility starts operation or can be used for its intended purpose. This date may occur prior to final inspection. Ecology will determine the initiation of operation date after consultation with the recipient. This date may be the same as the project completion date, or it may be earlier. The initiation of operation date triggers the start of the one-year loan repayment grace period. If the project completion date occurs before the initiation of operation date, the start of the one-year loan repayment grace period starts with the project completion date.

Project Completion Dates and Extensions

Facility and activity projects funded through the CWSRF and stormwater facility projects funded through SFAP must be completed within five years of the publication date of the Final List. After the five-year limit is reached, a time extension of no more than 12 months may be made with valid reasons supporting the time extension. In no event can the project be extended beyond six years of the publication date of the Final List identifying the project.

Activities projects funded with Section 319 grants, Centennial grants used for the Section 319 match, and SFAP grants must be completed within three years. Projects can begin as early as the publication date of the Final List. After the three-year limit is reached, a time extension of no more than 12 months may be made with valid reasons supporting the time extension. In no event can the project be extended beyond four years. Section 319 grants have a limit on contract extensions based on when the grant is awarded to the State; this limit may be less than the three-year limit described previously.

Conditions under which Ecology can authorize time extensions include but are not limited to:

- Schedules included in water quality permits, consent decrees, or enforcement orders.
- Work that falls within an environmental window in a specific season of the year.

To ensure timely processing, the recipient must request extensions no less than three months before the funding agreement is due to expire.

Appendix A: Acronyms and Abbreviations

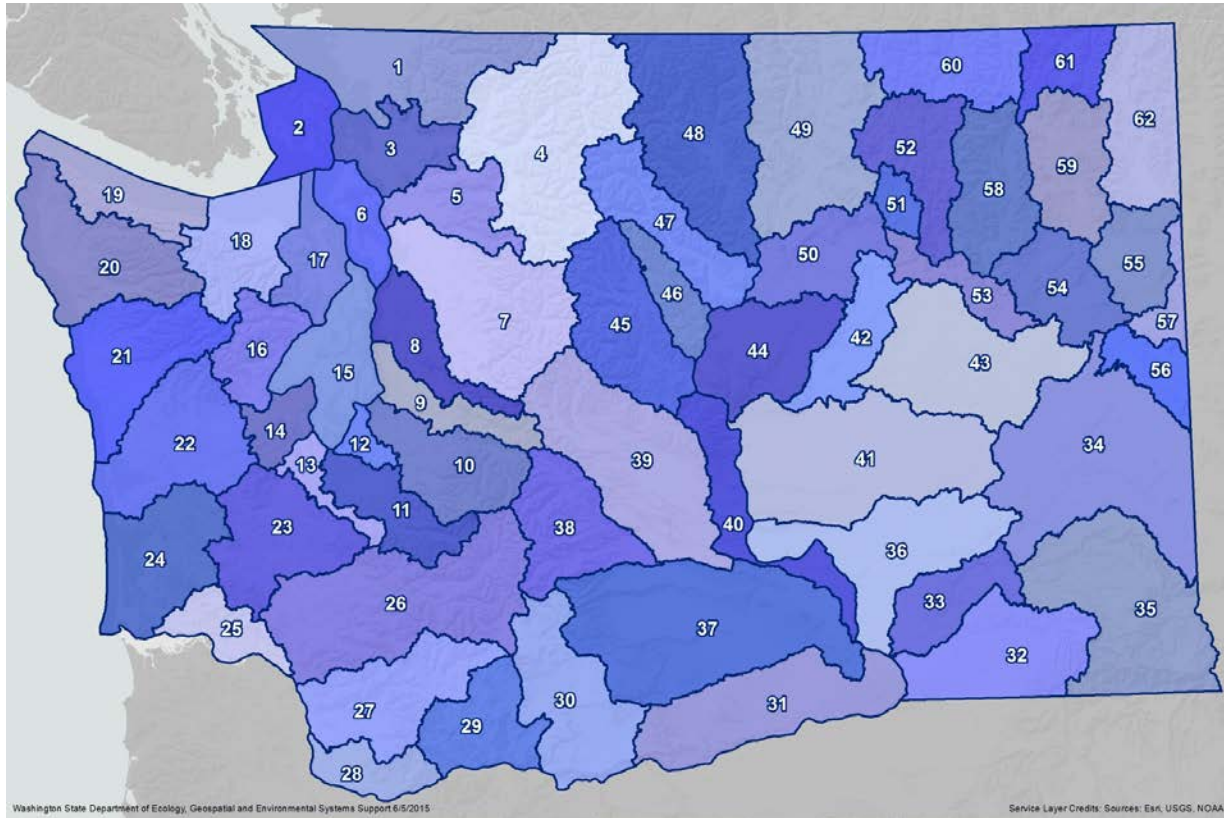
A/E	Architectural and engineering
ACS	American Community Survey
APE	Area of Potential Effect
BMP	Best Management Practice
CDP	Census Designated Place
CEA	Cost and Effectiveness Analysis
Centennial	Centennial Clean Water Fund
CSO	Combined Sewer Overflow
CWA	Clean Water Act
CWSRF	Washington State Water Pollution Control Revolving Fund
DAHP	Department of Archaeology and Historic Preservation
DBE	Disadvantaged Business Enterprises
Draft List	Draft Water Quality Funding Offer List and Intended Use Plan
EAGL	Ecology Administration of Grants and Loans
Ecology	Washington State Department of Ecology
EIM	Ecology Information Management System
EPA	Environmental Protection Agency
ESA	Endangered Species Act
FCA	Financial Capability Assessment
FFATA	Federal Financial Accountability and Transparency Act
FFY	Federal Fiscal Year
Final List	Final Water Quality Funding Offer List and Intended Use Plan
FOTG	Field Office Technical Guide
FSP	Fiscal Sustainability Plan
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GC/CM	General Contractor/Construction Manager
GHG	Greenhouse Gases
GMA	Washington State's Growth Management Act
GPR	Green Project Reserve
GULD	General Use Level Designation
I/I	Infiltration and Inflow
IACC	Infrastructure Assistance Coordinating Council
IGEA	Investment Grade Efficiency Audit
LID	Low Impact Development
LOSS	Large Onsite Sewage System
MBE/WBE	Minority- and Woman-Owned Business Enterprises
N/A	Not applicable
NPDES	National Pollution Discharge Elimination System
NRCS	Natural Resource Conservation Service
OHWM	Ordinary High Water Mark
OMWBE	Office of Minority and Women Owned Business Enterprises
ORIA	Governor's Office for Regulatory Innovation and Assistance
OSS	Onsite Sewage System
PMC	Project Management Consultant
POTW	Publicly Owned Treatment Works
QAPP	Quality Assurance Project Plan
RCW	Revised Code of Washington
Section 319	The Clean Water Act Section 319 Nonpoint Source Grant Program
SEPA	State Environmental Policy Act

SERP	State Environmental Review Process
SFAP	Washington State Stormwater Financial Assistance Program
SFY	State Fiscal Year
TAPE	Technology Assessment Protocol – Ecology
TMDL	Total Maximum Daily Loads
UIC	Underground Injection Control
ULID	Utility Local Improvement District
WAC	Washington State Administrative Code

Appendix B: Department of Ecology Regional Offices



Appendix C: Map of Water Resource Inventory Areas (WRIAS) in Washington



Appendix D: Direct Seed Systems

Direct seed systems are eligible for Water Quality Program financial assistance. Direct seed systems plant and fertilize into undisturbed soil and eliminate full width tillage for seedbed preparation. Implements used for direct seed disturb only a narrow strip of soil and retain a majority of residue from the previous crop. Direct seed systems significantly reduce erosion, improve soil quality, reduce fuel consumption, and are a viable alternative to traditional, full tillage systems.

Required Eligibility Conditions for All Activities

- Cropland acres currently planted with a single pass, low disturbance direct seed are not eligible.
- Rental and custom application cost reimbursement will be provided to only those producers or landowners that have not previously implemented a single pass, direct seeding system.
- A landowner or producer that owns a single pass, low disturbance direct seed drill is not eligible for rental or custom application cost reimbursement.
- The landowner and producer must use a direct seed system or plan for three full years.
- A single pass, low-disturbance direct seed drill must be used for all planting.
- Crop residue cannot be burned.
- Grant recipients must offer educational opportunities in conjunction with direct seed programs. Examples of such opportunities include a mentoring program, workshops, or referrals to direct seed organizations. Grant recipients may coordinate with other Conservation districts, organizations or associations to fill this need.
- Cropland acres with any post-harvest or pre-planting tillage are not eligible. This includes the use of inversion tillage equipment such as moldboard plows, chisel plow, rod weeder and disks. Conventional summer fallow is not eligible.
- To be eligible for reimbursement, the public entity recipient and the landowner and producer must sign a landowner agreement prior to renting direct seed equipment or contracting with a custom applicator to plant with a single pass, low disturbance direct seed drill.
- The grant recipient must report on the following information (additional requirements may be added as part of any grant contract):
 - Number of acres enrolled in program.
 - Number of landowners/producers enrolled.
 - Location of acres enrolled including information such as county, farm number, tract number, and field number. GIS layers and other relevant spatial reference information may also be required.

Eligible Direct Seed Activities

Equipment Rental Cost Reimbursement

- Producers may be reimbursed for a portion of the cost of renting a single pass, low-disturbance direct seed drill.
 - Producers may be reimbursed from the grant for a portion of the cost to rent a single pass, low disturbance drill.
 - Producers must agree to try the practice for a full three year direct seed rotation.
 - Cost share is available for only a first-time, full three year direct seed rotation. Reimbursement payments will be made for eligible expenses during the initial three year rotation only.
 - If a three year direct seed rotation is not completed, the producer is not eligible for any future direct seed reimbursements.
 - Cost share must not exceed \$28 dollar per acre, up to 250 acres, per producer. Total eligible cost shall not exceed \$7,000 per producer, per year for up to three years.
 - The grant recipient must verify the number of acres planted with a single pass, low disturbance direct seed drill before reimbursement is provided.

Cost of Custom Application Fee Reimbursement

- Producers may be reimbursed for a portion of the cost of hiring a custom applicator to plant with a single pass, low disturbance direct seed drill.
 - Producers may be reimbursed from the grant for a portion of the cost to have a custom applicator seed a section of the producer's land with a single pass, low disturbance drill.
 - Producers must agree to try the practice for a full three year direct seed rotation.
 - Cost share is available for only a first-time, full three year direct seed rotation. Reimbursement payments will be made for eligible expenses during the initial three year rotation only.
 - If a three year direct seed rotation is not completed, the producer is not eligible for any future direct seed reimbursements.
 - Cost share must not exceed \$28 dollar per acre, up to 250 acres, per producer. Total cost shall not exceed \$7,000 per producer, per year for up to three years.
 - The grant recipient must verify the number of acres planted with a single pass, low disturbance direct seed drill before reimbursement of is provided.

Direct Seed Equipment Purchase

- Public entities are eligible to receive a one-time grant to purchase a single pass, low disturbance direct seed drill for the purpose of providing regional access to direct seed equipment and facilitating education, outreach, and technical assistance to promote the benefits of direct seeding systems.
 - Grant recipients must sign a 10-year maintenance agreement to keep the drill in best condition.
 - The drill must be a low disturbance, one pass drill.

- The cost share for equipment shall not exceed \$175,000 per grantee.
- Producers may not receive rental reimbursement or custom application reimbursement payments from an Ecology-funded program when using a seed drill purchased with an Ecology grant.
- Grant recipients may charge a fee for the use of the Ecology-funded drill to cover the cost of maintenance and storage. However, the fees should be set to encourage broad participation and must not be set to gain a profit.
- Grant recipients must provide staff with knowledge of direct seed systems or equivalent experience.

Appendix E: Livestock Off-stream Watering Facilities

Off-stream watering is used to provide an alternative source of watering where fencing or other method(s) are used to exclude livestock from streams in order to protect water quality. If livestock exclusion fencing is installed as part of a riparian protection/restoration project and meets the minimum standards for that BMP, grant dollars may be used to install an off-stream watering facility. Off-stream watering facilities (including well construction) are conditionally eligible for Water Quality Program financial assistance for projects that include privately-owned livestock operations.

The following conditions must be met for off-stream watering facilities to be considered for a Water Quality program grant:

- 1) Land use must currently be dedicated to livestock or milk production.
- 2) A landowner agreement must be signed between the property owner and the recipient before the off-stream watering facility is installed.
- 3) Off-stream watering systems may include water gaps in fencing for emergency watering purposes only. If the recipient wishes to design water gaps, a plan must be submitted to Ecology's Project Manager which details the design and a description of how potential impacts to water quality resulting from water gaps will be minimized.
- 4) Livestock exclusion fencing must provide a minimum setback from the ordinary high water mark in the riparian area consistent with the riparian restoration guidance found in Appendix G.
- 5) Installation of native trees and shrubs is required within the buffer created by the exclusion fencing to provide controlled overland flow filtering of pollutants (in accordance with Appendix G and all applicable NRCS FOTG Practices).
- 6) Off-stream watering facilities (not including well construction) may be provided for less than 20 Animal Units (see Animal Units Table E-2 of this section).
- 7) For wells to be eligible, operations must have (on or before the beginning of the funding cycle) at least 20 Animal Units (see Animal Units Table E-2 of this section). The cost for well drilling is included in the funding caps associated with off-stream watering facilities. A cost-effective analysis for wells must be completed in accordance with the following criteria:
 - a) Gravity feeding or pumping from existing surface and groundwater sources and water hauling are to be considered as first choices. If these alternatives are not feasible, dug or drilled wells may be considered.
 - b) Wells must be either less costly or demonstrably more cost-effective (may include analysis of such issues as hydraulic flow, sediment clogging, freezing).
 - c) The practice chosen must be in accordance with the conservation plan (or more focused plan involving livestock exclusion and off-stream water provisions).
 - d) Plan(s) must be completed and approved by at least the respective conservation district before off-stream watering is installed.
- 8) Financial Assistance Limits and Other Provisions.

- a) Off-stream livestock water provisions are eligible only where permanent and continuous exclusion from waters of the state is provided.
- b) Off-stream livestock water provisions are eligible for financial assistance based on the continuous linear length of riparian exclusion fence per landowner. Financial assistance is limited to 75 percent of the total eligible costs. See Table E-1 for limits. Maximum of \$37,500 per landowner.
- c) Off-stream water developments must be located a distance away from surface waters that will prevent water quality impacts.
- d) Projects funded by loan can cover up to 100 percent of eligible project cost.
- e) Pumps, pipes, water troughs, and wells, as needed, are eligible.
- f) All components of solar powered pumps are project eligible. Electrical or mechanical power provisions are only eligible if existing infrastructure is available that can be utilized at a minimal cost.
- g) Heavy use area protection at watering facilities is eligible as needed. The cost of heavy use area protection is included in the final cost of the off-stream watering facility and is included in the funding limitations.
- h) The loan or grant will not reimburse recipients for costs associated with unsuccessful well drilling.
- i) Cross fencing is ineligible.
- j) Third party contributions above the eligible financial costs are eligible to be counted toward match.

Table E-1: Miles of Livestock Riparian Exclusion and Financial Assistance Limits

Miles of Livestock Riparian Exclusion	Financial Assistance Limit (per project)
< ½ mile	75% of total eligible cost or \$7,500 (whichever is less)
≥ ½ mile and < 1 mile	75% of total eligible cost or \$11,250 (whichever is less)
≥ 1 mile and < 1.5 miles	75% of total eligible cost or \$15,000 (whichever is less)
≥ 1.5 miles and < 2 miles	75% of total eligible cost or \$22,500 (whichever is less)
≥ 2 miles and < 2.5 miles	75% of total eligible cost or \$30,000 (whichever is less)
≥ 2.5 miles	75% of total eligible cost or \$37,500 (whichever is less)

Animal Units as defined in WAC 173-224-030 are shown in Table E-2.

Table E-2: Animal Units

Animal Type	Number of Animal Units per Animal
Dairy Cows	
Jersey Breed	
Milking Cow	0.900
Dry Cow	0.900
Heifer	0.220
Calf	0.220
Other Breeds	
Milking Cow	1.400
Dry Cow	1.000
Heifer	0.800
Calf	0.500
Feedlot Beef	0.877
Horses	0.500
Sheep	0.100
Swine for breeding	0.375
Swine for slaughter	0.110
Laying hens & pullets > 3 months	0.004
Broilers & pullets < 3 months	0.002

Example Calculation: 23 Feedlot Beef x 0.877 = 20 Animal Units.

Appendix F: Livestock Feeding BMPs

Introduction

The following BMPs are intended to support the relocation of livestock feeding areas that threaten water quality, or enhance existing feeding areas distanced from surface waters. A combination of these BMPs may be installed when appropriate. Funding for the following BMPs only applies to projects that will improve existing water quality problems and may not be used to rebuild feeding facilities where the primary purpose is to repair existing structures. All projects must be approved by Ecology's Project Management Team before installation.

Conditions for All Livestock Feeding BMPs

- Operations meeting the definition of the Concentrated Animal Feeding Operation Permit are not eligible for funding.
- When BMPs are installed, new feeding areas must be located, or pre-existing areas must be relocated so that the presence of livestock will no longer threaten to impact surface water quality. Grant recipients must provide assurances to the Ecology Project Manager that the location or relocation of the new or existing feeding area optimizes water quality protection. Ecology will not fund projects that are located too close to waters of the state. BMPs are eligible only when livestock presence currently occurs within or adjacent to riparian areas and can be an assumed threat to the integrity of the riparian area and water quality.
- All BMPs must be built and located according to NRCS specifications.
- The producer must exclude livestock from all waters of the state, with a minimum setback from the ordinary high water mark consistent with the riparian restoration guidance found in Appendix G.
- The owner or operator must have a plan in place to manage manure.
- The landowner must sign a landowner agreement. An example landowner agreement can be found at <http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/NPres.html>.
- Roof runoff structures on existing structures may be conditionally eligible for reimbursement where direct water quality improvements can be achieved and must be approved by Ecology's Project Management Team prior to installation.

Eligible Livestock Feeding BMPs

Heavy Use Area Protection

- Heavy use area protection is eligible only to protect critical areas directly surrounding feeding and watering locations.
- Building permanent feed lots where livestock will be confined continuously throughout the year is not eligible for Heavy Use Area Protection funding.
- Heavy use area protection is eligible for 75 percent of the total eligible cost, up to a maximum of \$10,000 per landowner.

- Concrete and other cement based materials, rock aggregate, and other appropriate materials are eligible for funding.
- Heavy use area protection must prevent erosion and polluted runoff at feeding and watering facilities.
- Heavy use area protection areas must be designed and constructed according to NRCS standards.
- The producer must use a waste storage facility meeting the following criteria to be eligible for heavy use area protection.

Waste Storage Facilities

- Waste storage facilities, waste storage covers, and roof runoff structures are eligible if constructed to NRCS or equivalent engineering standards.
- The total package of waste storage BMPs is eligible for 75 percent of the total eligible cost, up to a maximum of \$30,000 per landowner.
- Waste storage facilities must include a permanent roof, curbed concrete floor, and gutters or other appropriate structures to manage roof runoff. Metal framed, tension fabric designs may be conditionally approved.
- Waste storage facilities must be designed and stamped by a professional engineer.
- Building permits must be obtained where required.
- Waste storage facilities must be part of a manure management plan.

Windbreaks

- Windbreaks are planted tree rows used to shelter livestock from summer sun and winter wind, and therefore encourage the congregation of livestock and utilization of pasture or rangeland away from the riparian area.
- Windbreaks are eligible to support the relocation of winter feeding operations upland, away for riparian areas, and to prevent water quality impacts.
- Windbreaks are eligible for 75 percent of the total eligible cost, up to a maximum of \$1,500 per landowner.

Appendix G: Riparian Restoration and Planting

The following are requirements when implementing a riparian restoration or riparian planting project.

Environmental Protection Agency and National Marine Fisheries Service Buffer Requirements

Ecology has increased the minimum requirements for riparian buffers to protect and restore salmon fisheries and achieve water quality standards. These requirements apply to funding for projects that address nonpoint pollution problems, including Section 319 grants, Centennial Clean Water Fund grants or loans, and the Water Pollution Control State Revolving Fund loans.

In response to tribal concerns, the U.S. Environmental Protection Agency (EPA) and the National Oceanographic and Atmospheric Administration (NOAA) notified the Department of Ecology that it must take additional actions to protect salmon and salmon habitat. The EPA is requiring Washington State to include conditions on federal pass-through grants to be consistent with National Marine Fisheries Service (NMFS) buffer guidance to help protect and recover Washington's salmon runs.

Ecology is attaching the special conditions to grant funds to increase levels of riparian protection to both protect and restore salmon fisheries and help achieve water quality standards.

Conditions of the Funding Agreement

All restoration activities must also be consistent with the Stream Habitat Restoration Guidelines, available at <http://wdfw.wa.gov/publications/01374/> and the requirements below.

EPA and NMFS Riparian Buffers

The minimum buffer size for surface waters (on each side) will be consistent with Table G-1 and the following additional guidance provided. Table G-1 was developed from information provided by NMFS. Buffer widths must be measured starting from the ordinary high water mark.

Table G-1: Minimum Buffer Requirements for Surface Waters

Category	Functions	Minimum Buffer Width West of Cascades	Minimum Buffer Width East of Cascades
A. Constructed Ditches, Intermittent Streams and Ephemeral Streams that are not identified as being accessed and were historically not accessed by anadromous or Endangered Species Act (ESA) listed fish species	Water quality, shade, source control and delivery reduction.	35' minimum	35' minimum
B. Perennial waters that are not identified as being accessed and were historically not accessed by anadromous or ESA listed fish species	Water quality, shade, source control and delivery reduction.	50' minimum	50' minimum
C. Perennial, intermittent and ephemeral waters that are identified as being accessed or were historically accessed by anadromous or ESA listed fish species	Water quality, large wood debris (LWD) for cover, complexity and shade and microclimate cooling, source control and delivery reduction.	100' minimum	75' minimum
D. Intertidal and estuarine streams and channels that are identified as being accessed or were historically accessed by anadromous or ESA listed fish species	Water quality, habitat complexity	35'-75' minimum, or more as necessary to meet water quality standards	N/A

Additional Guidance

- To determine which buffer category applies to a water body, EPA and Ecology developed a mapping tool available at <http://www.arcgis.com/home/webmap/viewer.html?webmap=d5478a4aaf704d81bac63ffc934e1549&extent=-123.0388,47.109,-122.5317,47.2963>.
 - If surface water is present on a property but not shown on the map, a 35 foot minimum buffer width will apply.
 - If a water body is identified as “Category B” in the Table G-1, the grant recipient must contact the regional Washington Department of Fish and Wildlife (WDFW) or tribal fish biologist to confirm that the water body is not currently or historically used by anadromous or listed fish. If the fish biologist informs the recipient of fish presence, then the buffer width must meet “Category C” requirements.
 - If a water body is impeded by a man-made structure (e.g. culvert, dam, etc.) which prevents anadromous or ESA listed fish access, then the buffer width must meet “Category C” requirements.
 - WDFW Fish Biologist Contact Information:
http://wdfw.wa.gov/conservation/fisheries/fish_district_bios.pdf.

- WA State Tribes and Tribal Reservations Map (with links):
http://www.ecy.wa.gov/services/gis/maps/state/tribal_res.pdf.
- The Table G-1 buffer table establishes minimum requirements for funding eligibility purposes. Projects that include buffers that are larger than the minimums are preferred, especially when stated in a TMDL or other watershed improvement plan. To maintain fully functional riparian ecosystems and provide sufficient habitat to meet the needs of fish and wildlife, it is recommended that the recipient use Washington Department of Fish and Wildlife buffer widths table whenever those recommendations are larger.
- As stated in the *Stream Habitat Restoration Guidelines*, if the 100-year floodplain exceeds these widths, the riparian buffer width should extend to the outer edge of the 100-year floodplain.
- Recipients are required to plant the buffer established by the fencing setback with native trees and shrubs to provide a higher level of water quality improvement. Grass filters strips are not sufficient to satisfy this requirement.
- When buffers are established in forested areas, the buffer width must also be consistent with Forest Practices Rules.
- Buffers established as part of a Water Quality Program grant may not violate county Critical Area Ordinances, county Shoreline Rules, or other state and local regulations.
- Ecology may allow a conditional exemption from the minimum buffer width requirements where the presence of a structure impedes the ability to meet the conditions. The recipient must submit an adequate justification as to why these cannot be met and an alternate written plan to Ecology's Project Manager for review and written approval.

Riparian Plantings

- The recipient must develop site-specific plans for all riparian buffers prior to implementation which include plant locations and species. The plan must be based on an assessment of native plant associations and community types.
- The recipient must only plant species that are riparian in nature and indigenous to the primary watershed where the buffer is being established.
- The recipient must use, to the greatest extent possible, genetically appropriate plant materials collected from the primary or secondary watershed where the buffer is to be established.
- The recipient must utilize, to the greatest extent possible, plant species that are early successional within the primary watershed. Early successional species are those whose characteristics are such that they are first to colonize after a disturbance.

Streambank Protection

- Streambank protection projects must not stand alone, but be part of a larger riparian buffer project. The project must include the buffer and planting requirements listed above.
- Rock should not be used to armor a bank against the erosive forces of a stream or river unless a bridge, road, or other manmade structure cannot be protected by any other means. In any situation where rock is to be used, the recipient must submit the design to Ecology's Project Manager for an evaluation.

- Streambank protection designs must be consistent with the Aquatic Habitat Guidelines Program's, *Integrated Streambank Protection Guidelines*; see <http://wdfw.wa.gov/publications/00046/>.

Relevant Definitions

Anadromous Fish

Fish that live their adult lives in the ocean but move into freshwater streams to reproduce or spawn (e.g., salmon); see <http://www.nmfs.noaa.gov/pr/>.

Constructed Ditch

A regularly maintained man-made trench or furrow dug in the ground for the primary purpose of conveying or draining surface water, storm water or irrigation water, that may or may not contain water at all times of the year.

Ephemeral Stream

A stream or portion of a stream which flows briefly in direct response to precipitation in the immediate vicinity, and whose channel is at all times above the groundwater reservoir.

Endangered Species Act (ESA) Listed Fish Species

The Endangered Species Act (ESA) (<http://www.nmfs.noaa.gov/pr/laws/esa/text.htm>) was signed on December 28, 1973, and provides for the conservation of species that are endangered or threatened throughout all or a significant portion of their range, and the conservation of the ecosystems on which they depend. The ESA replaced the Endangered Species Conservation Act of 1969; it has been amended several times. A "species" is considered: 1) endangered if it is in danger of extinction throughout all or a significant portion of its range, and 2) threatened if it is likely to become an endangered species within the foreseeable future. There are approximately 2,200 total species listed under the ESA. Of these species, approximately 1,576 are found in part or entirely in the U.S. and its waters; the remainder are foreign species. NOAA's National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service (USFWS) (<https://www.fws.gov/endangered/>) share responsibility for implementing the ESA. Generally, USFWS manages land and freshwater species, while NMFS manages marine and "anadromous" species. NMFS has jurisdiction over 125 listed species; see <http://www.nmfs.noaa.gov/pr/laws/esa/>.

Exclusion Fencing

A constructed barrier to livestock, wildlife or people for 1) dividing pasture for rotational grazing; 2) fencing livestock out of a riparian area; and 3) facilitating the application of conservation practices that treat the soil, water, air, plant, animal, and human resource concerns.

Floodplain

Any lowland that borders a stream and is inundated periodically by the stream's waters.

Intermittent Stream

A stream where portions flow continuously only at certain times of the year, for example when it receives water from a spring, ground-water source or from a surface source, such as melting snow (i.e. seasonal). At low flow there may be dry segments alternating with flowing segments. These streams are also defined as no measurable flow during thirty (30) consecutive days in a normal water year.

Ordinary High Water Mark (OHWM)

The point on the sides of streams or lakes which is historically or normally at water's edge, as identified by a visible change in vegetation and/or soil. It is also generally, the lowest point at which perennial vegetation grows on the streambank. The ordinary high water mark (OHWM) can usually be identified by physical scarring along the bank or shore, or by other distinctive signs. Guidance on determining the OHWM on Washington streams can be found at <https://fortress.wa.gov/ecy/publications/summarypages/0806001.html>.

Perennial Stream

A stream or portion of a stream that flows year-round, is considered a permanent stream, and for which base flow is maintained by ground-water discharge to the streambed due to the ground-water elevation adjacent to the stream typically being higher than the elevation of the streambed.

Riparian Buffers

Riparian buffers are generally recognized as a "separation zone" between a water body and a land use activity for the purposes of protecting ecological processes and water quality. The riparian buffer usually extends from the stream's ordinary high water line to the outer edge of the floodplain. Riparian buffers provide essential functions for river and stream ecosystems, including cover and shade, a source of fine or coarse woody material, nutrients, and organic and inorganic debris that maintain stream ecosystem function. As used here, riparian buffers are defined as separation zones that are relatively undisturbed by humans and contain native vegetation consistent with the potential of the site.

Figure G-1 provides a diagram depicting a typical stream showing the active floodplain, the ordinary high water mark (OHWM), the riparian zone, and the top of the bank.

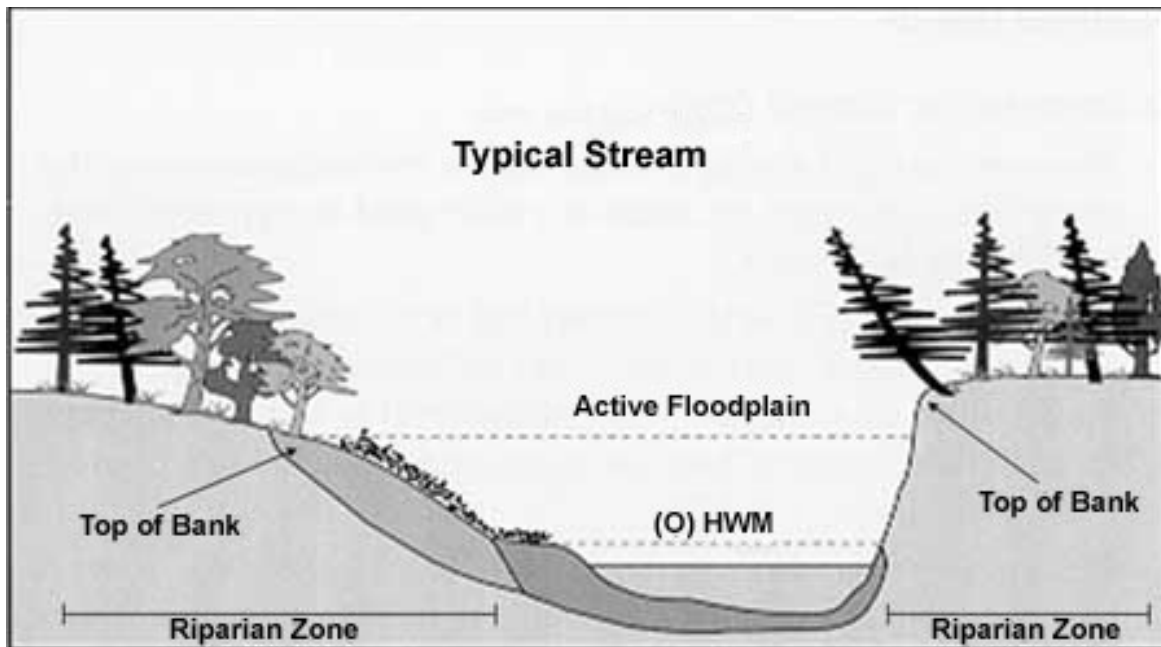


Figure G-1: Diagram of a Typical Stream.

Figure is a reproduction of a figure obtained from Fisheries and Oceans Canada at <http://www.pac.dfo-mpo.gc.ca/habitat/Glossary-glossaire-eng.htm>.

Appendix H: Developing Public Communication and Education Project Proposals

Following is a checklist that applicants can refer to in developing public communication and education project proposals. The goal of the checklist is to help in the design of projects that are effective at changing behaviors and achieving environmental results.

Project Background

- Consider the water quality problem that is the focus of the project; target population; geographic area; socio-economic status of targeted population; predominant land uses; and the behavioral change you seek to achieve for each target identified (source of the water quality problem or issue - one target could be responsible for several problems).
- What knowledge, attitude, and skills do you desire in the targeted population?
- Be careful to use one or two primary objectives and be realistic about what you can accomplish during the grant period.
- If this is a continuing attitude or behavior change that you wish to affect, how do you propose to sustain it?

Project Design

- Agree on the optimal way to identify and reach your audiences. Include local audiences that speak languages other than English.
- Identify common needs in participants and how the project can fulfill these needs.
- Identify conflicting needs (associated with barriers analysis).
- Identify the specific barriers, both internal to the person or organization as well as external, such as lack of knowledge or conditions, and practical barriers to desired change (no place local to change oil properly). Tell us how your project will remove these barriers.
- Identify the project team and their qualifications.
- Will you use volunteers and if so, how? How will you recruit and retain them?
- Identify community leaders, decision makers, and trusted peers and leaders within business, not-for-profit, and community groups that have similar interests in environmental change/sustainability. These are the people and organizations that will help you advance your project and its objectives. Please explain how you will leverage their influence to amplify your results.
- Determine resources you will use, including training materials, facilities, media and corresponding distribution strategy. Conduct a regional search for existing materials before producing any new educational flyers or pamphlets.
- Also consider: (a) regular reminders of the desired behavior; (b) trusted and credible sources for communication; (c) communication that is direct, simple, personal and vivid; (d) leaders, described previously, to model and promote the behavior you seek (what kind of changes do

you want people to make in the way they make decisions?); (e) personal commitments from groups and individuals.

- Plan to pilot and field test your materials or activities with a small segment of your intended audience before “going big” and final.
- Make sure that your plan can be adjusted during the project to accommodate lessons learned. (Can it be changed in mid-course?)
- Design your project with evaluation tools and methodologies in mind and don’t make it an afterthought.

Education Plan

- State measurable objectives and goals of the project.
- List the performance measures you will use to assess how effective your project was. Success is defined as progress towards meeting your goals and objectives.
- List your specific actions, implementing entities and both timetable and cost per action.
- List media and promotions to be utilized (including the use of music and art).
- For Public Participation, record the number of participants at events, number of one-on-one contacts, and number of groups interested.

Monitoring and Post-project Evaluation

- What kind of assessment and evaluation tools will you use to evaluate the effectiveness of your program? Examples include customer feedback surveys (telephone tends to work better), interviews, focus groups, observations, and, before and at least after six months, “records” that can infer change.
- How will you measure the participant’s knowledge, skill, attitudes, and actions?
- How is the evaluation strategy linked to the stated goals and objectives?
- How will you evaluate presenter activities and materials?
- How will you monitor or evaluate the relationship between the educational activities and changes in behavior and water quality changes?

Suggested Resources

- Visual Tools for Watershed Education; see <http://www.fs.fed.us/outdoors/naturewatch/implementation/Curricula/Visual-Tools-Watershed-Ed.PDF>.
- “Fostering Sustainable Behavior” by Doug McKenzie-Mohr and William Smith.
- “Targeting Outcomes of Programs” by Claude Bennett and Kay Rockwell.

Appendix I: Executive Order 05-05 and Section 106 National Historic Preservation Act Project Review

This guidance provides information for projects funded by Ecology to meet Executive Order 05-05 (E.O. 05-05) and Section 106 (Section 106) of the National Historic Preservation Act (NHPA) requirements.

Federal and state laws and rules require the funding agency (Ecology) to contact the Washington State Department of Archaeology and Historic Preservation (DAHP) and affected tribes regarding the proposed project activities. Any prior communication between the recipient, the DAHP, and the tribes is not sufficient to meet requirements. This contact initiates Government-to-Government consultation between Ecology and tribal governments. Requirements are not met until Ecology has provided information to the Tribes and DAHP about project activity.

If another agency reviewed the project area within the past five years, under E.O. 05-05 or Section 106, Ecology may be able to adopt that review. Recipients should submit the review documents to Ecology's Project Manager for review and approval.

Any ground-disturbing activities that occur prior to the completion of the project review process will not be eligible for reimbursement. Activities associated with E.O. 05-05 and Section 106 review are grant and loan eligible and reimbursable. Any mitigation measures as an outcome of the process will be requirements of the agreement. Recipients must comply with all E.O. 05-05 and Section 106 requirements prior to implementing any project that involves ground disturbing activities.

This process must be followed even if the recipient has been working with Tribes on the project.

- 1) The recipient completes an Ecology E.O. 05-05 or Section 106 project review form, or submits a DAHP EZ-1 form or Ecology's ECY 05-05/106 form (<https://fortress.wa.gov/ecy/publications/SummaryPages/ECY070537.html>). When there will be ground-disturbing activities, complete DAHP's EZ-1 form or ECY 05-05/106 form, or conduct a site-specific cultural resources survey (when there is a high likelihood of cultural resources on the project site). Use DAHP's Cultural Resource Report Cover Sheet for cultural resources surveys at http://www.dahp.wa.gov/sites/default/files/CRSURVEYcoversheet_Aug2011.doc. The archaeologist must designate Ecology an owner of the data that is entered into DAHP's database. If an applicant completes a site specific cultural resources assessment or survey, the applicant does not need to complete an EZ-1 form or ECY 05-05/106 form.
- 2) The recipient is responsible for researching the sensitivity of the location selected for project funding and documenting this in the form.
- 3) If there are any activities involving structures 50 years or older, complete a Historic Property Inventory form on DAHP's Historic Property Inventory online database for their review.
- 4) Submit an electronic copy of the Ecology Project Review Form, EZ-1 Form or ECY 05-05/106 form or two hard copies and an electronic (.pdf) copy of the site specific cultural

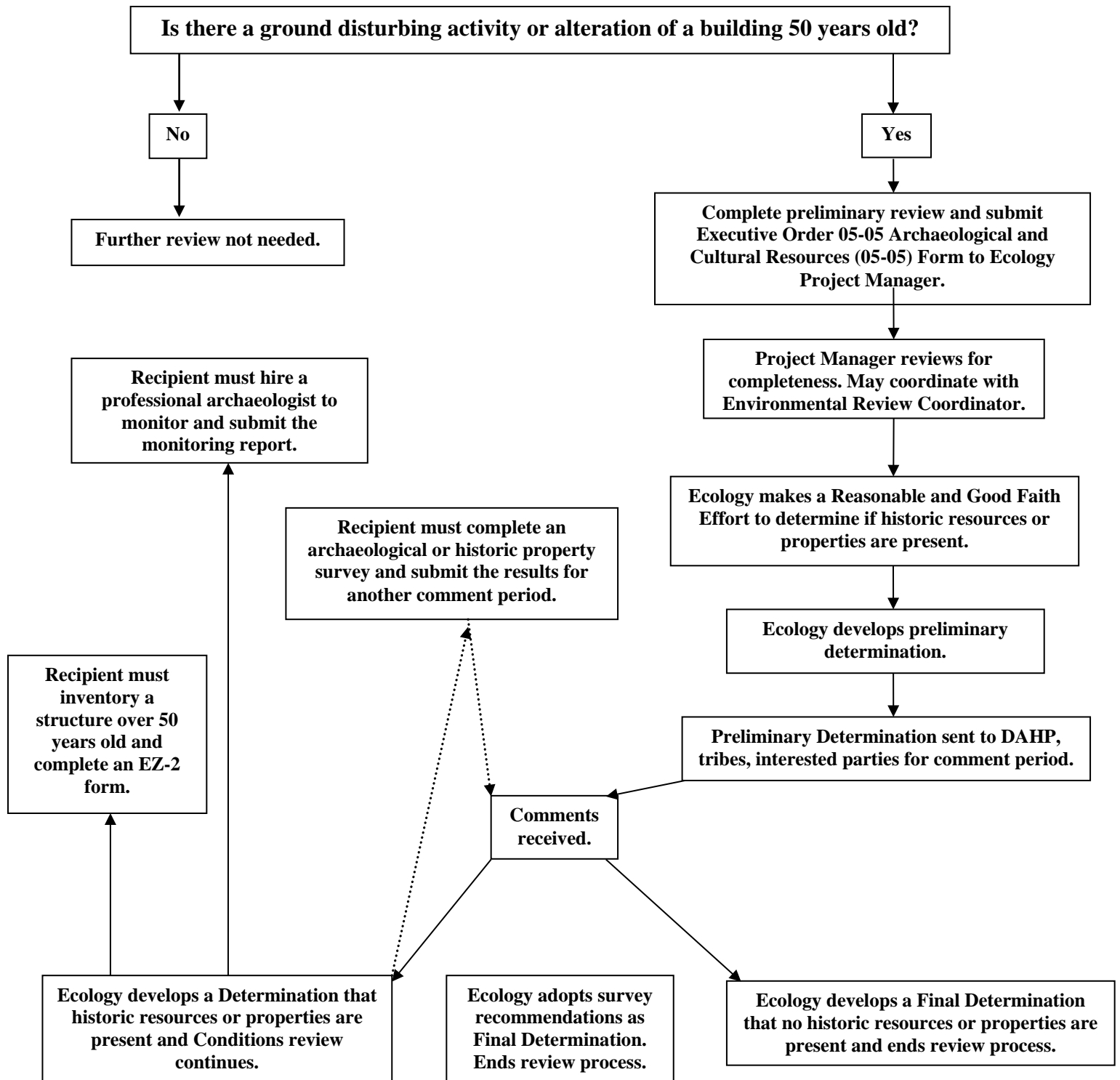
resources survey report, along with any previous tribal and DAHP correspondence regarding the project to Ecology's Project Manager.

- 5) The recipient must determine the Area of Potential Effect (APE) for their project location. Submit information to the Environmental Review Coordinator.
- 6) Ecology will review the materials and develop a Preliminary Determination.
- 7) Ecology will distribute the Preliminary Determination to affected tribes and DAHP through Government to Government consultation.
- 8) Ecology will review any comments received on the Preliminary Determination and develop a Final Determination.
- 9) If the project will have an adverse effect on archaeological sites or historic resources, Ecology will consult with the DAHP and tribes per 36 CFR 800.6. The Section 106 process will follow the steps for resolving adverse effects as outlined under 36 CFR 800.
- 10) For all projects, the recipient will write an inadvertent discovery plan (IDP), if one is not in place already. Every person working on the project site must be familiar with the IDP procedures in case any cultural resources are discovered.
- 11) Any post construction discoveries must follow the procedures as outlined under 36 CFR 800.13 and the Archaeological and Historic Preservation Act (AHPA), Pub. L. No. 93-291 (1974).
- 12) Specific components of records on archaeological sites, cemeteries, cultural resources, and historic properties are exempt from public disclosure (RCW 42.56.300) and the Recipient and Ecology will maintain confidentiality.

The following flowchart outlines the review process and provides additional information for cultural resources review.

Cultural Resources Review Process

Disclaimer: This is a general overview. Every project is site-specific and outcomes are subject to change.



Section 106 versus Executive Order 05-05

- Federal actions, decisions and federal funding trigger section 106 of the National Historic Preservation Act. Ecology has delegated authority over ensuring Section 106 compliance when recipients apply for federal funding under the CWSRF, National Estuary Program and Section 319 Grant Program. Ecology is the lead for ensuring Section 106 compliance.
- The Governor’s Executive Order 05-05 is required for all state-funded capital projects. This includes projects funded by the Centennial Clean Water Program, SFAP, and others. Ecology is the lead for ensuring 05-05 compliance.
 - Frequently Asked Question: Can Ecology “adopt” another agency’s Section 106 review, or 05-05 review?
 - For Section 106 Adoption:
 - The answer is *yes*, if your project is state funded.
 - Ecology can “adopt” Section 106 for state-funded projects that would normally go through the 05-05 cultural resource review process. Ecology has a review in place to verify the Section 106 documents are applicable. Please contact your Project Manager to verify a review can be adopted.
 - If your project involves federal funds, Ecology may still use another agency’s documents when making its Preliminary and Final Determinations, which helps speed up cultural resource review.
 - For Executive Order 05-05 Adoption:
 - The answer is *yes*, if your project is state funded.
 - Ecology can adopt another state agency’s 05-05 process to meet cultural resources review requirements. Please contact your Project Manager to verify a review can be adopted.
 - The answer is *no* if your project is federally funded. However, Ecology may still use another agency’s documents when making its Preliminary and Final Determinations, which helps speed up cultural resource review.

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

Ground Disturbing Activities: This refers to any work that impacts the soil or ground from its current conditions.

Area of Potential Effect (APE): The APE is not the project boundary. The APE is the maximum geographic area where your project could potentially have an effect on historic properties, if any are present. The APE will vary with the type of project. To determine the APE you must know the nature and full extent of your project. For example, the APE for a natural gas pipeline might

include not only the actual pipeline trench, but also includes the construction right-of-way, compressor stations, meter stations, staging areas, storage yards, access roads, and other ancillary facilities. The APE for a construction project will include the construction site, but might also include the buildings in a downtown area adjacent to the construction where vibrations may cause foundations to crack. Use the APE to determine your survey boundary.

Changes to Project Design or Project Area: If there are any changes made to the project area or design after review has been completed, review will have to be reinitiated in order to capture the changes.

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

Eligibility

- All activities associated with cultural resources review are grant and loan eligible.
- Construction or BMP implementation that occurs prior to cultural resources review will not be eligible for reimbursement.

Contact Liz Ellis, CEP, Environmental Review Coordinator (360-407-6429 or liz.ellis@ecy.wa.gov), if you have any questions.

Appendix J: Green Project Reserve Guidance

In 2012 EPA updated its GPR guidance document. Please see EPA's GPR webpage at <https://www.epa.gov/cwsrf/green-project-reserve-guidance-clean-water-state-revolving-fund-cwsrf>. for the most up-to-date information. If you just want to see the complete GPR guidance document, please see https://www.epa.gov/sites/production/files/2015-04/documents/green_project_reserve_eligibility_guidance.pdf.

Appendix K: Loan and Grant Agreement Definitions

“Administration Charge” means a charge established in accordance with Chapter 90.50A RCW and Chapter 173-98 WAC, to be used to pay Ecology’s cost to administer the State Revolving Fund by placing a percentage of the interest earned in an Administrative Charge Account.

“Administrative Requirements” means the effective edition of Ecology’s Administrative Requirements for Recipients of Ecology Grants and Loans at the signing of this agreement.

“Annual Debt Service” for any calendar year means for any applicable bonds or loans including the loan, all interest plus all principal due on such bonds or loans in such year.

“Average Annual Debt Service” means, at the time of calculation, the sum of the Annual Debt Service for the remaining years of the loan to the last scheduled maturity of the loan divided by the number of those years.

“Centennial Clean Water Program” means the state program funded from various state sources.

“Contract Documents” means the contract between the recipient and the construction contractor for construction of the project.

“Cost Effective Analysis” means a comparison of the relative cost-efficiencies of two or more potential ways of solving a water quality problem as described in Chapter 173-98-730 WAC.

“Defease” or “Defeasance” means the setting aside in escrow or other special fund or account of sufficient investments and money dedicated to pay all principal of and interest on all or a portion of an obligation as it comes due.

“Effective Date” means the earliest date on which eligible costs may be incurred.

“Effective Interest Rate” means the total interest rate established by Ecology that includes the Administrative Charge.

“Estimated Loan Amount” means the initial amount of funds loaned to the recipient.

“Estimated Loan Repayment Schedule” means the schedule of loan repayments over the term of the loan based on the Estimated Loan Amount.

“Equivalency” means projects designated by Ecology to meet the requirements for reporting and/or tracking of compliance with certain federal requirements.

“Final Accrued Interest” means the interest accrued beginning with the first disbursement of funds to the recipient through such time as the loan is officially closed out and a final loan repayment schedule is issued.

“Final Loan Amount” means all principal of and interest on the loan from the Project Start Date through the Project Completion Date.

“Final Loan Repayment Schedule” means the schedule of loan repayments over the term of the loan based on the Final Loan Amount.

“Forgivable Principal” means the portion of a loan that is not required to be paid back by the borrower.

“General Obligation Debt” means an obligation of the recipient secured by annual *ad valorem* taxes levied by the recipient and by the full faith, credit, and resources of the recipient.

“General Obligation Payable from Special Assessments Debt” means an obligation of the recipient secured by a valid general obligation of the Recipient payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the recipient on all of the taxable property within the boundaries of the recipient.

“Gross Revenue” means all of the earnings and revenues received by the recipient from the maintenance and operation of the Utility and all earnings from the investment of money on deposit in the Loan Fund, except (i) Utility Local Improvement Districts (ULID) Assessments, (ii) government grants, (iii) recipient taxes, (iv) principal proceeds of bonds and other obligations, or (v) earnings or proceeds (A) from any investments in a trust, Defeasance, or escrow fund created to Defease or refund Utility obligations or (B) in an obligation redemption fund or account other than the Loan Fund until commingled with other earnings and revenues of the Utility or (C) held in a special account for the purpose of paying a rebate to the United States Government under the Internal Revenue Code.

“Guidelines” means the Ecology’s Funding Guidelines that that correlate to the State Fiscal Year in which the project is funded.

“Initiation of Operation Date” means the actual date the Water Pollution Control Facility financed with proceeds of the loan begins to operate for its intended purpose.

“Loan” means the Washington State Water Pollution Control Revolving Fund Loan or Centennial Clean Water Fund (Centennial) Loan made pursuant to this loan agreement.

“Loan Amount” means either an Estimated Loan Amount or a Final Loan Amount, as applicable.

“Loan Fund” means the special fund of that name created by ordinance or resolution of the recipient for the repayment of the principal of and interest on the loan.

“Loan Security” means the mechanism by which the recipient pledges to repay the loan.

“Loan Term” means the repayment period of the loan.

“Maintenance and Operation Expense” means all reasonable expenses incurred by the recipient in causing the Utility to be operated and maintained in good repair, working order, and condition including payments to other parties, but will not include any depreciation or recipient levied taxes or payments to the recipient in lieu of taxes.

“Net Revenue” means the Gross Revenue less the Maintenance and Operation Expense.

“Principal and Interest Account” means, for a loan that constitutes Revenue-Secured Debt, the account of that name created in the loan fund to be first used to repay the principal of and interest on the loan.

“Project” means the project described in this agreement.

“Project Completion Date” means the date specified in the agreement on which the Scope of Work will be fully completed.

“Project Schedule” means that schedule for the project specified in the agreement.

“Reserve Account” means, for a loan that constitutes Revenue-Secured Debt, the account of that name created in the loan fund to secure the payment of the principal of and interest on the loan.

“Revenue-Secured Debt” means an obligation of the recipient secured by a pledge of the revenue of a utility and one not a general obligation of the recipient.

“Risk-Based Determination” means an approach to sub-recipient monitoring and oversight based on risk factors associated to a recipient or project.

“Scope of Work” means the tasks and activities constituting the project.

“Section 319” means the section of the Clean Water Act that provides funding to address nonpoint sources of water pollution.

“Senior Lien Obligations” means all revenue bonds and other obligations of the recipient outstanding on the date of execution of this loan agreement (or subsequently issued on a parity therewith, including refunding obligations) or issued after the date of execution of this loan agreement having a claim or lien on the Gross Revenue of the Utility prior and superior to the claim or lien of the loan, subject only to Maintenance and Operation Expense.

“State Water Pollution Control Revolving Fund (Revolving Fund)” means the water pollution control revolving fund established by Chapter 90.50A.020 RCW.

“Termination Date” means the effective date of Ecology’s termination of the agreement.

“Termination Payment Date” means the date on which the recipient is required to repay to Ecology any outstanding balance of the loan and all accrued interest.

“Total Eligible Project Cost” means the sum of all costs associated with a water quality project that have been determined to be eligible for Ecology grant or loan funding.

“Total Project Cost” means the sum of all costs associated with a water quality project, including costs that are not eligible for Ecology grant or loan funding.

“ULID” means any utility local improvement district of the recipient created for the acquisition or construction of additions to and extensions and betterments of the Utility.

“ULID Assessments” means all assessments levied and collected in any ULID. Such assessments are pledged to be paid into the Loan Fund (less any prepaid assessments permitted by law to be paid into a construction fund or account). ULID Assessments will include principal installments and any interest or penalties which may be due.

“Utility” means the sewer system, stormwater system, or the combined water and sewer system of the recipient, the Net Revenue of which is pledged to pay and secure the loan.

Appendix L: Median Household Income

The U.S. Census Bureau provides population data. It also provides median household income (MHI) data through the American Community Survey (ACS). State and community profiles, including MHI estimates, are released on an annual basis. MHI estimates for states, cities, towns, and census designated places (CDP) are included in the five-year data series produced by ACS. Searches of the ACS database can be conducted at <http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t#>.

The MHI data in Table L-1 are from the ACS five-year estimates available in May 2016. The population data in Table L-1 are from the U.S. Census Bureau estimates available in May 2016. Ecology uses the data in Table L-1 when making hardship determinations. If a community does not have an MHI or a population listed in Table L-1, Ecology will use the MHI or population for the county where the community is located or another applicable location such as a CDP or a census tract.

Income Surveys

If an applicant disputes the MHI estimate used by Ecology, the applicant may conduct a scientific survey to determine the MHI for the project area. If an applicant chooses to conduct an Income Survey, they must adhere to the Infrastructure Assistance Coordinating Council (IACC) *Income Survey Guide*, and the results must be approved by Ecology. The IACC Income Survey Guide can be found at <http://www.infracore.wa.gov/>.

Table L-1: May 2016 American Community Survey 5-Year Estimates of Median Household Incomes, U.S. Census Bureau Estimates of Population, and General Eligibility for SFAP Hardship, CWSRF Preconstruction Hardship, and CWSRF/Centennial Hardship for Wastewater Facility Construction

	MHI	Population	Eligible for SFAP Hardship or CWSRF Preconstruction Hardship?	~ Monthly Sewer Fee Needed to be 2% of MHI and Eligible for CWSRF/Centennial Hardship for Wastewater Facility Construction
Washington	\$60,294	7,170,351	n/a	n/a
Adams County	\$44,533	19,254	Yes	\$74
Asotin County	\$42,689	22,105	Yes	\$71
Benton County	\$60,589	190,309	No	\$101
Chelan County	\$50,876	75,644	No	\$85
Clallam County	\$47,008	73,486	No	\$78
Clark County	\$59,551	459,495	No	\$99
Columbia County	\$41,071	3,944	Yes	\$68
Cowlitz County	\$46,571	103,468	No	\$78
Douglas County	\$53,235	40,534	No	\$89
Ferry County	\$37,542	7,582	Yes	\$63
Franklin County	\$56,719	88,807	No	\$95
Garfield County	\$50,915	2,219	No	\$85
Grant County	\$46,772	93,259	No	\$78
Grays Harbor County	\$43,379	71,122	No	\$72
Island County	\$59,107	80,593	No	\$99

	MHI	Population	Eligible for SFAP Hardship or CWSRF Preconstruction Hardship?	~ Monthly Sewer Fee Needed to be 2% of MHI and Eligible for CWSRF/Centennial Hardship for Wastewater Facility Construction
Jefferson County	\$47,202	30,466	No	\$79
King County	\$73,035	2,117,125	No	\$122
Kitsap County	\$62,473	260,131	No	\$104
Kittitas County	\$45,406	43,269	No	\$76
Klickitat County	\$46,368	21,026	Yes	\$77
Lewis County	\$42,917	75,882	No	\$72
Lincoln County	\$47,161	10,321	Yes	\$79
Mason County	\$49,538	61,023	No	\$83
Okanogan County	\$39,665	41,516	No	\$66
Pacific County	\$39,418	20,848	Yes	\$66
Pend Oreille County	\$40,070	13,088	Yes	\$67
Pierce County	\$59,711	843,954	No	\$100
San Juan County	\$54,331	16,252	No	\$91
Skagit County	\$54,917	121,846	No	\$92
Skamania County	\$50,986	11,339	No	\$85
Snohomish County	\$69,443	772,501	No	\$116
Spokane County	\$50,432	490,945	No	\$84
Stevens County	\$42,111	43,791	No	\$70
Thurston County	\$62,286	269,536	No	\$104
Wahkiakum County	\$44,500	4,042	Yes	\$74
Walla Walla County	\$47,854	60,338	No	\$80
Whatcom County	\$53,025	212,284	No	\$88
Whitman County	\$35,578	48,177	No	\$59
Yakima County	\$43,956	248,830	No	\$73
Aberdeen city	\$39,735	16,255	Yes	\$66
Airway Heights city	\$37,989	6,545	Yes	\$63
Albion town	\$40,893	574	Yes	\$68
Algona city	\$57,098	3,133	No	\$95
Almira town	\$42,045	269	Yes	\$70
Anacortes city	\$59,369	16,232	No	\$99
Arlington city	\$61,131	18,808	No	\$102
Asotin city	\$53,235	1,290	No	\$89
Auburn city	\$57,635	76,347	No	\$96
Bainbridge Island city	\$95,976	23,293	No	\$160
Battle Ground city	\$57,347	18,930	No	\$96
Beaux Arts Village town	\$164,375	323	No	\$274
Bellevue city	\$92,524	136,426	No	\$154
Bellingham city	\$42,440	83,365	No	\$71
Benton City city	\$49,655	3,191	No	\$83
Bingen city	\$42,885	719	Yes	\$71
Black Diamond city	\$66,951	4,338	No	\$112
Blaine city	\$55,229	4,976	No	\$92
Bonney Lake city	\$79,725	18,809	No	\$133
Bothell city	\$75,643	36,567	No	\$126
Bremerton city	\$43,527	38,572	No	\$73
Brewster city	\$37,232	2,354	Yes	\$62
Bridgeport city	\$36,504	2,434	Yes	\$61
Brier city	\$98,125	6,434	No	\$164
Buckley city	\$57,604	4,520	No	\$96
Bucoda town	\$35,000	565	Yes	\$58
Burien city	\$52,140	50,188	No	\$87

	MHI	Population	Eligible for SFAP Hardship or CWSRF Preconstruction Hardship?	~ Monthly Sewer Fee Needed to be 2% of MHI and Eligible for CWSRF/Centennial Hardship for Wastewater Facility Construction
Burlington city	\$48,399	8,568	No	\$81
Camas city	\$84,643	21,220	No	\$141
Carbonado town	\$55,972	623	No	\$93
Carnation city	\$65,536	1,853	No	\$109
Cashmere city	\$47,772	3,137	Yes	\$80
Castle Rock city	\$34,185	2,140	Yes	\$57
Cathlamet town	\$44,875	537	Yes	\$75
Centralia city	\$37,230	16,623	Yes	\$62
Chehalis city	\$34,967	7,261	Yes	\$58
Chelan city	\$36,901	3,981	Yes	\$62
Cheney city	\$28,194	11,420	Yes	\$47
Chewelah city	\$30,541	2,602	Yes	\$51
Clarkston city	\$29,824	7,359	Yes	\$50
Cle Elum city	\$43,363	1,883	Yes	\$72
Clyde Hill city	\$192,250	3,198	No	\$320
Colfax city	\$45,729	2,828	Yes	\$76
College Place city	\$43,133	8,997	Yes	\$72
Colton town	\$60,729	431	No	\$101
Colville city	\$33,953	4,706	Yes	\$57
Conconully town	\$32,917	212	Yes	\$55
Concrete town	\$36,667	714	Yes	\$61
Connell city	\$51,094	5,388	No	\$85
Cosmopolis city	\$57,159	1,589	No	\$95
Coulee City town	\$43,269	575	Yes	\$72
Coulee Dam town	\$51,813	1,091	No	\$86
Coupeville town	\$51,591	1,860	No	\$86
Covington city	\$87,315	19,134	No	\$146
Creston town	\$36,364	217	Yes	\$61
Cusick town	\$16,875	204	Yes	\$28
Darrington town	\$33,250	1,370	Yes	\$55
Davenport city	\$47,391	1,665	Yes	\$79
Dayton city	\$39,185	2,460	Yes	\$65
Deer Park city	\$31,397	3,864	Yes	\$52
Des Moines city	\$58,308	31,011	No	\$97
DuPont city	\$80,754	9,313	No	\$135
Duvall city	\$105,729	7,639	No	\$176
East Wenatchee city	\$52,989	13,505	No	\$88
Eatonville town	\$61,458	2,865	No	\$102
Edgewood city	\$78,328	9,749	No	\$131
Edmonds city	\$72,926	40,896	No	\$122
Electric City city	\$52,396	1,018	No	\$87
Ellensburg city	\$28,341	18,774	Yes	\$47
Elma city	\$43,306	3,018	Yes	\$72
Elmer City town	\$44,583	239	Yes	\$74
Endicott town	\$38,333	286	Yes	\$64
Entiat city	\$37,269	1,154	Yes	\$62
Enumclaw city	\$56,764	11,548	No	\$95
Ephrata city	\$54,563	8,031	No	\$91
Everett city	\$48,562	106,736	No	\$81
Everson city	\$51,735	2,565	No	\$86
Fairfield town	\$35,556	606	Yes	\$59
Farmington town	\$50,938	148	No	\$85

	MHI	Population	Eligible for SFAP Hardship or CWSRF Preconstruction Hardship?	~ Monthly Sewer Fee Needed to be 2% of MHI and Eligible for CWSRF/Centennial Hardship for Wastewater Facility Construction
Federal Way city	\$54,186	93,425	No	\$90
Ferndale city	\$51,944	12,704	No	\$87
Fife city	\$57,500	9,550	No	\$96
Fircrest city	\$60,544	6,658	No	\$101
Forks city	\$34,868	3,717	Yes	\$58
Friday Harbor town	\$46,719	2,306	Yes	\$78
Garfield town	\$38,125	598	Yes	\$64
George city	\$47,730	505	Yes	\$80
Gig Harbor city	\$64,087	8,375	No	\$107
Gold Bar city	\$54,301	2,101	No	\$91
Goldendale city	\$36,490	3,428	Yes	\$61
Grand Coulee city	\$27,381	1,050	Yes	\$46
Grandview city	\$37,012	11,140	Yes	\$62
Granger city	\$39,850	3,394	Yes	\$66
Granite Falls city	\$50,833	3,468	No	\$85
Hamilton town	\$38,750	299	Yes	\$65
Harrah town	\$48,000	627	Yes	\$80
Harrington city	\$48,456	400	No	\$81
Hartline town	\$36,875	156	Yes	\$61
Hatton town	\$4,542	102	Yes	\$8
Hoquiam city	\$33,194	8,389	Yes	\$55
Hunts Point town	\$161,250	434	No	\$269
Ilwaco city	\$37,750	905	Yes	\$63
Index town	\$55,313	190	No	\$92
lone town	\$48,462	448	No	\$81
Issaquah city	\$88,770	34,056	No	\$148
Kahlotus city	\$36,667	191	Yes	\$61
Kalama city	\$47,563	2,347	Yes	\$79
Kelso city	\$33,492	11,788	Yes	\$56
Kenmore city	\$88,472	21,839	No	\$147
Kennewick city	\$51,739	77,421	No	\$86
Kent city	\$57,490	125,560	No	\$96
Kettle Falls city	\$42,031	1,592	Yes	\$70
Kirkland city	\$90,611	85,763	No	\$151
Kittitas city	\$44,500	1,417	Yes	\$74
Krupp town	\$31,250	50	Yes	\$52
La Center city	\$71,948	3,099	No	\$120
Lacey city	\$59,885	45,446	No	\$100
La Conner town	\$33,977	917	Yes	\$57
LaCrosse town	\$35,833	312	Yes	\$60
Lake Forest Park city	\$90,495	13,184	No	\$151
Lake Stevens city	\$70,345	30,284	No	\$117
Lakewood city	\$44,667	59,610	No	\$74
Lamont town	\$38,036	71	Yes	\$63
Langley city	\$46,250	1,052	Yes	\$77
Latah town	\$42,917	184	Yes	\$72
Leavenworth city	\$37,348	1,979	Yes	\$62
Liberty Lake city	\$71,898	8,637	No	\$120
Lind town	\$48,636	569	No	\$81
Long Beach city	\$24,813	1,346	Yes	\$41
Longview city	\$37,827	36,483	No	\$63
Lyman town	\$62,222	447	No	\$104

	MHI	Population	Eligible for SFAP Hardship or CWSRF Preconstruction Hardship?	~ Monthly Sewer Fee Needed to be 2% of MHI and Eligible for CWSRF/Centennial Hardship for Wastewater Facility Construction
Lynden city	\$59,021	13,165	No	\$98
Lynnwood city	\$50,562	36,687	No	\$84
Mabton city	\$35,129	2,303	Yes	\$59
McCleary city	\$49,148	1,609	No	\$82
Malden town	\$33,864	199	Yes	\$56
Mansfield town	\$44,844	327	Yes	\$75
Maple Valley city	\$97,809	25,125	No	\$163
Marcus town	\$34,167	184	Yes	\$57
Marysville city	\$64,328	65,087	No	\$107
Mattawa city	\$42,212	4,579	Yes	\$70
Medical Lake city	\$46,250	4,952	Yes	\$77
Medina city	\$182,308	3,188	No	\$304
Mercer Island city	\$125,651	24,326	No	\$209
Mesa city	\$49,688	491	No	\$83
Metaline town	\$54,861	171	No	\$91
Metaline Falls town	\$28,125	238	Yes	\$47
Mill Creek city	\$88,770	19,200	No	\$148
Millwood city	\$50,337	1,776	No	\$84
Milton city	\$67,069	7,360	No	\$112
Monroe city	\$66,649	17,899	No	\$111
Montesano city	\$60,316	3,861	No	\$101
Morton city	\$35,721	1,116	Yes	\$60
Moses Lake city	\$47,914	21,713	Yes	\$80
Mossyrock city	\$38,043	745	Yes	\$63
Mountlake Terrace city	\$61,477	20,817	No	\$102
Mount Vernon city	\$44,404	33,132	No	\$74
Moxee city	\$56,354	3,784	No	\$94
Mukilteo city	\$89,942	20,993	No	\$150
Naches town	\$49,231	801	No	\$82
Napavine city	\$49,286	1,778	No	\$82
Nespelem town	\$36,250	243	Yes	\$60
Newcastle city	\$110,456	11,201	No	\$184
Newport city	\$32,275	2,123	Yes	\$54
Nooksack city	\$65,368	1,443	No	\$109
Normandy Park city	\$90,446	6,615	No	\$151
North Bend city	\$73,571	6,578	No	\$123
North Bonneville city	\$55,179	971	No	\$92
Northport town	\$26,250	289	Yes	\$44
Oakesdale town	\$46,429	424	Yes	\$77
Oak Harbor city	\$48,362	22,306	No	\$81
Oakville city	\$45,234	663	Yes	\$75
Ocean Shores city	\$43,496	5,628	Yes	\$72
Odessa town	\$35,759	868	Yes	\$60
Okanogan city	\$35,165	2,571	Yes	\$59
Olympia city	\$52,834	49,218	No	\$88
Omak city	\$30,410	4,848	Yes	\$51
Oroville city	\$30,455	1,679	Yes	\$51
Orting city	\$72,810	7,266	No	\$121
Othello city	\$42,414	7,703	Yes	\$71
Pacific city	\$55,907	7,079	No	\$93
Palouse city	\$55,125	1,012	No	\$92

	MHI	Population	Eligible for SFAP Hardship or CWSRF Preconstruction Hardship?	~ Monthly Sewer Fee Needed to be 2% of MHI and Eligible for CWSRF/Centennial Hardship for Wastewater Facility Construction
Pasco city	\$54,700	68,648	No	\$91
Pateros city	\$38,125	656	Yes	\$64
Pe Ell town	\$45,000	628	Yes	\$75
Pomeroy city	\$48,879	1,386	No	\$81
Port Angeles city	\$39,524	19,256	Yes	\$66
Port Orchard city	\$55,521	13,266	No	\$93
Port Townsend city	\$43,050	9,255	Yes	\$72
Poulsbo city	\$57,296	9,702	No	\$95
Prescott city	\$31,875	309	Yes	\$53
Prosser city	\$53,736	5,802	No	\$90
Pullman city	\$24,487	31,682	No	\$41
Puyallup city	\$63,009	39,105	No	\$105
Quincy city	\$38,322	7,355	Yes	\$64
Rainier city	\$66,713	1,948	No	\$111
Raymond city	\$34,844	2,787	Yes	\$58
Reardan town	\$42,981	548	Yes	\$72
Redmond city	\$99,586	59,285	No	\$166
Renton city	\$65,223	98,404	No	\$109
Republic city	\$24,250	1,083	Yes	\$40
Richland city	\$69,372	53,019	No	\$116
Ridgefield city	\$91,205	6,123	No	\$152
Ritzville city	\$38,476	1,671	Yes	\$64
Riverside town	\$32,227	272	Yes	\$54
Rockford town	\$56,042	469	No	\$93
Rock Island city	\$42,500	792	Yes	\$71
Rosalia town	\$34,830	549	Yes	\$58
Roslyn city	\$56,932	896	No	\$95
Roy city	\$61,477	805	No	\$102
Royal City city	\$30,670	2,217	Yes	\$51
Ruston town	\$81,300	791	No	\$136
St. John town	\$26,136	545	Yes	\$44
Sammamish city	\$144,775	51,229	No	\$241
SeaTac city	\$45,573	28,126	No	\$76
Seattle city	\$67,365	668,342	No	\$112
Sedro-Woolley city	\$44,014	10,764	Yes	\$73
Selah city	\$50,333	7,444	No	\$84
Sequim city	\$38,739	6,737	Yes	\$65
Shelton city	\$40,833	9,777	Yes	\$68
Shoreline city	\$64,096	55,174	No	\$107
Skykomish town	\$38,906	204	Yes	\$65
Snohomish city	\$52,250	9,544	No	\$87
Snoqualmie city	\$130,060	12,630	No	\$217
Soap Lake city	\$26,250	1,585	Yes	\$44
South Bend city	\$30,699	1,594	Yes	\$51
South Cle Elum town	\$44,792	532	Yes	\$75
South Prairie town	\$70,568	435	No	\$118
Spangle city	\$31,667	288	Yes	\$53
Spokane city	\$42,814	212,052	No	\$71
Spokane Valley city	\$48,274	91,729	No	\$80
Sprague city	\$29,375	423	Yes	\$49
Springdale town	\$19,323	276	Yes	\$32
Stanwood city	\$53,600	6,739	No	\$89

	MHI	Population	Eligible for SFAP Hardship or CWSRF Preconstruction Hardship?	~ Monthly Sewer Fee Needed to be 2% of MHI and Eligible for CWSRF/Centennial Hardship for Wastewater Facility Construction
Starbuck town	\$33,846	127	Yes	\$56
Steilacoom town	\$57,434	6,179	No	\$96
Stevenson city	\$43,281	1,499	Yes	\$72
Sultan city	\$55,128	4,769	No	\$92
Sumas city	\$55,526	1,348	No	\$93
Sumner city	\$52,275	9,677	No	\$87
Sunnyside city	\$32,641	16,140	Yes	\$54
Tacoma city	\$51,269	205,159	No	\$85
Tekoa city	\$45,179	784	Yes	\$75
Tenino city	\$52,865	1,729	No	\$88
Tieton city	\$39,063	1,247	Yes	\$65
Toledo city	\$29,728	721	Yes	\$50
Tonasket city	\$19,722	1,018	Yes	\$33
Toppenish city	\$29,135	8,996	Yes	\$49
Tukwila city	\$44,820	19,920	Yes	\$75
Tumwater city	\$62,258	18,820	No	\$104
Twisp town	\$30,929	937	Yes	\$52
Union Gap city	\$34,624	6,030	Yes	\$58
Uniontown town	\$63,438	322	No	\$106
University Place city	\$59,164	32,282	No	\$99
Vader city	\$45,125	614	Yes	\$75
Vancouver city	\$50,379	169,294	No	\$84
Waitsburg city	\$44,554	1,196	Yes	\$74
Walla Walla city	\$42,348	31,910	No	\$71
Wapato city	\$32,803	5,051	Yes	\$55
Warden city	\$37,661	2,749	Yes	\$63
Washougal city	\$60,353	14,999	No	\$101
Washtucna town	\$48,750	204	No	\$81
Waterville town	\$42,061	1,161	Yes	\$70
Waverly town	\$50,357	107	No	\$84
Wenatchee city	\$47,168	33,261	No	\$79
Westport city	\$32,538	2,018	Yes	\$54
West Richland city	\$81,778	13,351	No	\$136
White Salmon city	\$50,213	2,314	No	\$84
Wilbur town	\$36,385	846	Yes	\$61
Wilkeson town	\$61,607	486	No	\$103
Wilson Creek town	\$46,023	212	Yes	\$77
Winlock city	\$39,702	1,308	Yes	\$66
Winthrop town	\$53,750	412	No	\$90
Woodinville city	\$97,604	11,372	No	\$163
Woodland city	\$65,065	5,708	No	\$108
Woodway city	\$132,417	1,351	No	\$221
Yacolt town	\$58,462	1,657	No	\$97
Yakima city	\$40,189	93,357	No	\$67
Yarrow Point town	\$187,500	1,063	No	\$313
Yelm city	\$49,658	8,223	No	\$83
Zillah city	\$58,718	3,118	No	\$98

Appendix M: Quantifying Benefit for Stormwater Projects

Applicants with stormwater retrofit projects seeking SFAP funding can estimate the water quality benefit of the project by using Section D of the document, “*Design Deliverables for Projects with Ecology Funding*”. The document can be found at <http://www.ecy.wa.gov/programs/wq/funding/Res/Forms/SWDesignDeliv081315.pdf>.

Appendix N: Sample Scope of Work for Stormwater Facility Projects

This appendix is provided to assist SFAP funding applicants in developing a scope of work that is in-line with Ecology's standard scope of work for stormwater facility grants and to streamline the agreement development process.

Text from this appendix may be copied into EAGL directly. Proposed projects will not necessarily include all tasks listed and may have additional tasks which have not been included in this sample. Please note that the EAGL system will remove all special fonts and convert the text into plain text format.

Sample Scope of Work for Stormwater Facility Projects

Task Number: 1

Task Cost:

Task Title: Project Administration/Management

Task Description:

- A. The RECIPIENT shall carry out all work necessary to meet ECOLOGY grant or loan administration requirements. Responsibilities include, but are not limited to: maintenance of project records; submittal of requests for reimbursement and corresponding backup documentation; progress reports; and a recipient closeout report (including photos).
- B. The RECIPIENT shall maintain documentation demonstrating compliance with applicable procurement, contracting, and interlocal agreement requirements; application for, receipt of, and compliance with all required permits, licenses, easements, or property rights necessary for the project; and submittal of required performance items.
- C. The RECIPIENT shall manage the project. Efforts include, but are not limited to: conducting, coordinating, and scheduling project activities and assuring quality control. Every effort will be made to maintain effective communication with the RECIPIENT's designees; ECOLOGY; all affected local, state, or federal jurisdictions; and any interested individuals or groups. The RECIPIENT shall carry out this project in accordance with any completion dates outlined in this agreement.

Task Goal Statement: Properly managed and fully documented project that meets ECOLOGY's grant or loan administrative requirements.

Task Expected Outcome: Timely and complete submittal of requests for reimbursement, quarterly progress reports, and RECIPIENT closeout report. Properly maintained project documentation.

Recipient Task Coordinator:

Project Administration/Management

Deliverables

Number	Description	Due Date
1.1	Progress Reports	
1.2	Recipient Closeout Report	
1.3	Project Outcome Summary Report	

Task Number: 2

Task Cost:

Task Title: Design Plans and Specs, Environmental Review

Task Description:

- A. The RECIPIENT will coordinate the preparation and submittal of State Environmental Policy Act (SEPA) documentation.
 - B. The RECIPIENT is responsible for application of, receipt of, and compliance with all required local, state, tribal and federal permits, licenses, easements, or property rights necessary for the project.
 - C. The RECIPIENT will comply with Executive Order (05-05) cultural resources review requirements. To initiate cultural resources review the RECIPIENT will:
 1. Submit a Department of Archaeology and Historic Preservation (DAHP) EZ-1 Form, Ecology's ECY 05-05/106 form (<https://fortress.wa.gov/ecy/publications/SummaryPages/ECY070537.html>), or a cultural resources survey or assessment completed by a licensed archaeologist to ECOLOGY. All submitted materials must conform to the Washington State Standards for Cultural Resource Reporting (DAHP February 2014).
 2. Develop and submit an Inadvertent Discovery Plan (IDP) to ECOLOGY. The RECIPIENT will ensure that all contractors and subcontractors have a copy of the completed IDP prior to and while working on-site. An IDP template may be found at <http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/CWSRF/CWSRFres/Templ ateInadvDiscPlan092815.doc>.
- Ground disturbing work (including geotechnical investigations) completed prior to receiving written notice to proceed from ECOLOGY shall not be eligible for reimbursement.
- D. The RECIPIENT will develop a project design. Projects must be designed in accordance with the Stormwater Management Manual for Eastern Washington, Stormwater Management Manual for Western Washington, or equivalent manual. Project must be reviewed and accepted in writing by ECOLOGY to be eligible for reimbursement.
 - E. The RECIPIENT will submit one hard copy and one digital copy of the items listed below to ECOLOGY for acceptance. Design figures must be reduced to 11x17 inches in size and must be legible.

1. Design Report. For a complete list of required design report elements refer to <http://www.ecy.wa.gov/programs/wq/funding/Res/Forms/SWDesignDeliv081315.pdf>.
 2. 90 Percent Design Package. At a minimum, this package must include 90 percent plans, specifications, engineer's opinion of cost which includes a schedule of eligible costs, and project construction schedule. For current bid specification inserts refer to <http://www.ecy.wa.gov/programs/wq/funding/Res/Forms/SWProgramBidInsert032515.pdf>.
- F. The RECIPIENT agrees to respond to ECOLOGY comments prior to proceeding to 90 percent design and/or project advertisement/bid and construction. At its discretion, ECOLOGY may require the RECIPIENT to resubmit revised documents for further ECOLOGY review prior to accepting the project design.
- G. All materials submitted to ECOLOGY for acceptance must be approved by the RECIPIENT prior to submittal to ECOLOGY.
- H. The RECIPIENT will submit to ECOLOGY a digital copy of the Final Bid Package including: project plans, specifications, engineer's opinion of cost which includes a schedule of eligible costs, and project construction schedule.

Task Goal Statement: The RECIPIENT will complete all design, environmental review and permitting tasks and respond to ECOLOGY comments in a timely manner.

Task Expected Outcome: The project will meet the requirements set forth by the State Environmental Policy Act, cultural resource protection requirements, ECOLOGY water quality facility design standards, and all other applicable federal, state and local laws and regulations.

Recipient Task Coordinator:

Design Plans and Specs, Environmental Review

Deliverables

Number	Description	Due Date
2.1	Copy of SEPA determination documentation. Upload to EAGL and notify ECOLOGY when upload is complete.	
2.2	Complete DAHP EZ-1 Form or Ecology's ECY 05-05/106 form. Submit supplemental cultural resources documentation if available. Upload to EAGL and notify ECOLOGY when upload is complete. Cultural Resource surveys should be submitted directly to the ECOLOGY Project Manager and should not be uploaded to the EAGL system.	
2.3	Inadvertent Discovery Plan. Upload to EAGL and notify ECOLOGY when upload is complete.	
2.4	Design Report. Upload to EAGL and notify ECOLOGY when upload is complete. Submit one hard copy of Design Report to ECOLOGY Engineer.	

2.5	Responses to ECOLOGY Design Report Comments. Upload to EAGL and notify ECOLOGY when upload is complete.	
2.6	Ecology Design Report Acceptance Letter. Upload to EAGL and notify ECOLOGY when upload is complete.	
2.7	90 percent Design Plans, Bid Specifications, and Engineer's Estimate. Upload to EAGL and notify ECOLOGY when upload is complete. Submit one hard copy of 90 percent Design Plans, Bid Specifications, and Engineer's Estimate to ECOLOGY Engineer.	
2.8	Responses to ECOLOGY 90 percent Design Plan Comments. Upload to EAGL and notify ECOLOGY when upload is complete.	
2.9	Ecology 90 percent Design Acceptance Letter. Upload to EAGL and notify ECOLOGY when upload is complete.	
2.10	List of permits acquired, and environmental review documents. Upload to EAGL and notify ECOLOGY when upload is complete.	
2.11	Proposed Construction Schedule. Upload to EAGL and notify ECOLOGY when upload is complete.	
2.12	Final Bid Package. Upload to EAGL and notify ECOLOGY when upload is complete.	

Task Number: 3

Task Cost:

Task Title: Construction Management

Task Description:

- A. The RECIPIENT will provide construction oversight and management of the project.
- B. The RECIPIENT will submit a detailed construction quality assurance plan to ECOLOGY before the start of construction. This plan must describe how adequate and competent construction oversight will be performed.
- C. The RECIPIENT will conduct a pre-construction conference meeting and invite ECOLOGY to attend.
- D. The RECIPIENT will submit an updated project schedule with projected cash flow to ECOLOGY within 30 days of the start of construction. The project schedule will be revised and/or updated whenever major changes occur and at a minimum of every three months. The RECIPIENT will submit the updated schedule to ECOLOGY with the quarterly report. When changes in the construction schedule affect previous cash flow estimates, revised cash flow projections must also be submitted to ECOLOGY.
- E. Prior to execution, the RECIPIENT will submit any eligible change orders that are a significant deviation from ECOLOGY-accepted plans and specifications in writing for ECOLOGY review and acceptance for payment. Ecology must review and accept all change orders that impact grant eligible activities prior to implementation. All other change orders

must be reviewed by ECOLOGY for technical merit and should be submitted within 30 days after execution. Change orders are to be signed by the contractor, the engineer (if appropriate), and the RECIPIENT prior to submittal to ECOLOGY for acceptance.

- F. The RECIPIENT will operate and maintain the constructed facility for the design life of the facility. Additionally, the RECIPIENT will develop and submit an operations and maintenance plan for all stormwater treatment, flow control, and low impact development (LID) features. The operation and maintenance plan will describe how the RECIPIENT will ensure project success consistent with the design manual used. The operation and maintenance plan must also address long-term activities to assure ongoing pollutant removal and flow-control capability of the project in accordance with the design manual.
- G. Upon completion of construction, the RECIPIENT will provide to ECOLOGY:
 1. A Stormwater Construction Completion Form signed by a professional engineer indicating that the project was completed in accordance with the plans and specifications and major change orders approved by ECOLOGY's Project Engineer and shown on the Record Drawings. The Stormwater Construction Completion Form can be found at <http://www.ecy.wa.gov/programs/wq/funding/Res/Forms/FY11SWConstCompForm082415.doc>.
 2. GIS compatible project area data in an ECOLOGY-approved format.

Task Goal Statement: The RECIPIENT will oversee and manage construction, communicate with ECOLOGY in a timely fashion, and provide ECOLOGY with all requested project documentation.

Task Expected Outcome: Project will be constructed on schedule and in accordance with accepted plans.

Recipient Task Coordinator:

Construction Management

Deliverables

Number	Description	Due Date
3.1	Construction Quality Assurance Plan. Upload to EAGL and notify ECOLOGY when upload is complete.	
3.2	Pre-construction conference meeting minutes. Upload to EAGL and notify ECOLOGY when upload is complete.	
3.3	Project Schedule. Upload to EAGL using naming convention D3.2 SCHEDULE MO-DA-YEAR and notify ECOLOGY when upload is complete.	
3.4	Revised Cash Flow Estimates when changes in construction schedule occur. Upload to EAGL using naming convention D3.3 CASHFLOW MO-DA-YEAR and notify ECOLOGY when upload is complete.	

3.5	Change Order(s). Upload to EAGL and notify ECOLOGY when upload is complete.	
3.6	Copy of Facility Operation and Maintenance Plan. Upload to EAGL using naming convention D3.5 OPANDMAINTENANCE MO-DA-YEAR and notify ECOLOGY when upload is complete.	
3.7	Stormwater Construction Completion Form. Upload to EAGL using naming convention D3.6 SWCONSTRUCTIONCOMPLETIONFORM and notify ECOLOGY when upload is complete.	
3.8	Project Area Shapefile or ECOLOGY-Approved Equivalent. Upload to EAGL and notify ECOLOGY when upload is complete.	

Task Number: 4

Task Cost:

Task Title: Construction

Task Description:

- A. The RECIPIENT will, in accordance with ECOLOGY-accepted plans and specifications, complete construction of the project. The construction project will include installation of (NAME OF BMPs FROM PROJECT SHORT DESCRIPTION) to mitigate runoff from (ACRES) of pollution generating impervious surfaces.
- B. Calculate and submit an equivalent new/re-development area for the completed retrofit project(s) using the methods outlined in Section D of the document, “*Design Deliverables for Projects with Ecology Funding*” (<http://www.ecy.wa.gov/programs/wq/funding/Res/Forms/SWDesignDeliv081315.pdf>) or other ECOLOGY-approved method.

Task Goal Statement: Project will be constructed in accordance with ECOLOGY-accepted plans and specifications.

Task Expected Outcome: Constructed project will provide water quality benefits including reductions in (LIST PARAMETERS FROM SHORT PROJECT DESCRIPTION)

Recipient Task Coordinator:

Construction

Deliverables

Number	Description	Due Date
4.1	Copy of the contract documents (e.g. bid announcement, bid award and bid tabulations). Upload to EAGL and notify ECOLOGY when upload is complete.	
4.2	Copy of signed and dated construction contract. Upload to EAGL and notify ECOLOGY when upload is complete.	

4.3	Construction progress reports and photos included in quarterly reports.	
4.4	Completed equivalent new/redevelopment area determination. Upload to EAGL and notify ECOLOGY when upload is complete.	

For other tasks, use the following format.

Task Number: 5

Task Cost:

Task Title: (50 Character Limit)

Task Description: (3,500 Character Limit)

Task Goal Statement: (1,500 Character Limit)

Task Expected Outcome: (1,500 Character Limit)

Recipient Task Coordinator:

[Task 5 Title]

Deliverables

Number	Description	Due Date
5.1	(500 Character Limit)	
5.2	(500 Character Limit)	
5.3	(500 Character Limit)	