



# Water Quality Program Draft Loan Offer to The City of Lynden

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## **An Environmental Justice Assessment**

**(per RCW 70A.02.060)**

Water Quality Program

Washington State Department of Ecology

Olympia, Washington

October 2024, Publication 24-10-040

## Contact Information

### Water Quality Program

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[Washington State Department of Ecology](#)

## ADA Accessibility

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To request an ADA accommodation, contact Ecology by phone at 360-407-6600 or email at [Elaine.Markham@ecy.wa.gov](mailto:Elaine.Markham@ecy.wa.gov). For Washington Relay Service or TTY call 711 or 877-833-6341. Visit Ecology's website for more information.

## Language Access

Under the state Environmental Justice law (RCW 70A.02), Ecology is required to conduct Environmental Justice Assessments during development of certain significant actions. This Assessment provides information about the potential impacts to overburdened communities and vulnerable populations, and strategies to mitigate identified harms and fairly distribute known benefits. For translation, interpretation, or accessibility assistance, please contact Courtney Cecale at [courtney.cecale@ecy.wa.gov](mailto:courtney.cecale@ecy.wa.gov) or (360) 480-6270.

Bajo la ley estatal de Justicia Medioambiental ([RCW 70A.02](#)), Ecología está obligada a realizar Evaluaciones de Justicia Medioambiental durante el desarrollo de ciertas medidas importantes. Esta evaluación proporciona información sobre los posibles impactos en las comunidades sobrecargadas y las poblaciones vulnerables, y las estrategias para mitigar los daños identificados y distribuir justamente los beneficios conocidos. Para asistencia de traducción, interpretación o accesibilidad, por favor póngase en contacto con Courtney Cecale escribiendo a [courtney.cecale@ecy.wa.gov](mailto:courtney.cecale@ecy.wa.gov) o llamando al (360) 480-6270.

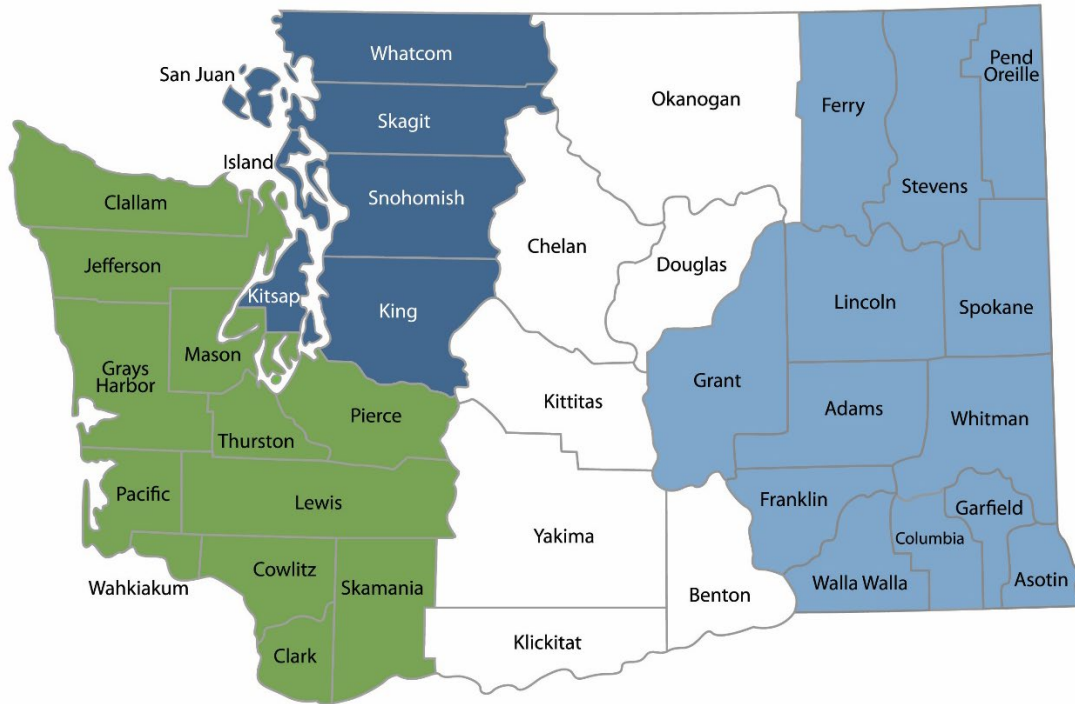
根据华盛顿州环境正义法([RCW 70A.02](#))，生态管理署在制定某些重大行动时必须进行环境正义评估。该评估需提供对负担过重社区和弱势群体潜在影响的信息，以及减轻已明确的危害和公平分配已知利益的策略。如需笔译、口译或无障碍协助，请联系 Courtney Cecale，电子邮件：[courtney.cecale@ecy.wa.gov](mailto:courtney.cecale@ecy.wa.gov)或电话 (360) 480-6270。

Theo luật Công Bằng Môi Trường của tiểu bang (RCW 70A.02), Bộ Môi Sinh được yêu cầu tiến hành Đánh Giá Công Bằng Môi Trường trong quá trình triển khai một số hành động quan trọng. Đánh giá này cung cấp thông tin về các tác động tiềm ẩn đối với các cộng đồng đang chịu tổn hại và các nhóm dân cư dễ bị tổn hại cũng như các chiến lược nhằm giảm thiểu tác hại đã xác định và phân chia công bằng các lợi ích đã biết. Để được hỗ trợ về thông dịch, giải thích hoặc sự giúp đỡ cho người khuyết tật, vui lòng liên hệ với Courtney Cecale theo địa chỉ [courtney.cecale@ecy.wa.gov](mailto:courtney.cecale@ecy.wa.gov) hoặc (360) 480-6270.

주 환경부는 중요한 조치를 계획할 때 환경 정의 평가를 수행해야 합니다. 이 평가는 취약계층 지역사회와 취약인구에 대한 잠재적 영향 관련 정보와, 확인된 피해를 완화하고 알려진 혜택을 공정하게 분배하기 위한 전략을 제공합니다. 번역, 통역, 또는 장애인 서비스 지원은 담당자 (Courtney Cecale)에게 이메일 [courtney.cecale@ecy.wa.gov](mailto:courtney.cecale@ecy.wa.gov) 또는 전화 (360) 480-6270으로 문의하십시오.

# Department of Ecology's Regional Offices

*Map of Counties Served*



<b>Southwest Region</b> 360-407-6300	<b>Northwest Region</b> 206-594-0000	<b>Central Region</b> 509-575-2490	<b>Eastern Region</b> 509-329-3400
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Region	Counties served	Mailing Address	Phone
<b>Southwest</b>	Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Mason, Lewis, Pacific, Pierce, Skamania, Thurston, Wahkiakum	P.O. Box 47775 Olympia, WA 98504	360-407-6300
<b>Northwest</b>	Island, King, Kitsap, San Juan, Skagit, Snohomish, Whatcom	P.O. Box 330316 Shoreline, WA 98133	206-594-0000
<b>Central</b>	Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan, Yakima	1250 West Alder Street Union Gap, WA 98903	509-575-2490
<b>Eastern</b>	Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman	4601 North Monroe Spokane, WA 99205	509-329-3400
<b>Headquarters</b>	Statewide	P.O. Box 46700 Olympia, WA 98504	360-407-6000

*Water Quality Program Draft Loan Offer to  
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**An Environmental Justice Assessment**

**(per RCW 70A.02.060)<sup>1</sup>**

Water Quality Program  
Washington State Department of Ecology  
Olympia, WA

**October 2024 | Publication 24-10-040**



DEPARTMENT OF  
**ECOLOGY**  
State of Washington

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<sup>1</sup> <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.02&full=true#70A.02.010>

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## Executive Summary

**The purpose of the proposed action** is to provide \$18,394,140 of loan funding to the City of Lynden to construct improvements to the municipal wastewater treatment plant, including: upgrading the oxidation ditches to a biological treatment system, constructing a new blower building, and modifying a suite of other systems within the plant.

**The project location** is the Lynden Wastewater Treatment Plant at 800 South 6th Street, Lynden, Washington

- **The community impacted by this action is not designated as overburdened or disadvantaged.** Two identified vulnerabilities for the local population include:
  - Income constraints which may affect people’s ability to fund wastewater utility fee increases. Utility rates are set by the local utility provider and are outside Ecology’s jurisdiction. This action of a low interest loan offer may alleviate some of the cost burden on the local community.
  - Susceptibility to flooding in the geography. Flooding is unrelated to this action but may impact the local community.

**Community engagement in this action** began in February and March of 2024, with an online webinar and public comment period. We did not receive any comments from overburdened communities or populations with vulnerabilities from these outreach strategies. The identified vulnerable populations were not targeted for specific engagement, due to how unrelated they are from Ecology’s jurisdiction and relevance to this action.

**Ecology invited Tribal consultation** with the Lummi Nation and the Nooksack Indian Tribe. Neither Tribal government responded to our invitation to consult.

Ecology identified environmental harms in the geographic area impacted by this action.

- Proximity to a 100-year flood plain
- Nuisances due to construction, such as dust and noise.
- Cost increases for wastewater utility services could be challenging to rate payers who are sensitive to costs due to their income constraints.

**Ecology assessed ways to minimize harms and maximize benefits** resulting from this action.

- This significant agency action is not directly related to flooding and will only tangentially contribute to flood mitigation through ecosystem resilience.
- Construction nuisances will be managed according to local laws and construction permit requirements, not by Ecology.
- While utility costs may increase for the local community from the needed infrastructure updates, this significant agency action mitigates the expense by subsidizing costs through a low-interest loan to the City of Lynden.

- This action modernizes a public utility to improve efficiency and creates capacity for population and economic growth in a small community.

**Anticipated benefits** from this loan offer will include:

- Improved water quality in the Nooksack River and continued benefits to communities that use the Nooksack River, a tributary of Bellingham Bay which is part of the Salish Sea.
- This loan action invests \$18,394,140 in low-interest loan funding, distributing financial resources outside the State's economic and urban centers and resourcing a small community that otherwise has limited local revenues.
- Reduced nutrient pollution from wastewater released into the Nooksack River.
- Compliance with State's water quality standards from these wastewater treatment upgrades.
- Increased treatment capacity for anticipated population growth over the next 20 years.
- Greater energy efficiency in the wastewater systems, due to engineering advancements.

Overall, Ecology supports moving forward with this subsidized loan offer to the City of Lynden, in support of water quality improvements in a small economy in rural Washington with no significant vulnerable populations or highly impacting environmental hazards.



# Environmental Justice Assessment

## *Purpose of the Environmental Justice Assessment*

The Environmental Justice (EJ) Assessment process helps assess the environmental justice impacts of Significant Agency Actions (SAAs). The assessment informs and supports consideration of overburdened communities and vulnerable populations when making decisions. This information assists with the equitable distribution of environmental benefits, the reduction of environmental harms, and the identification and reduction of health disparities.

The EJ assessment process aligns with Washington’s Environmental Justice law called the Healthy Environment for All (HEAL) Act ([RCW 70A.02<sup>2</sup>](#)), as well as federal commitments in the [Performance Partnership Agreement<sup>3</sup>](#) with the EPA. The assessment process draws on best practices established in [Technical Guidance for Assessing Environmental Justice in Regulatory Analysis<sup>4</sup>](#) and [Promising Practices for EJ Methodologies in NEPA Reviews<sup>5</sup>](#).

Environmental justice assessments are to be completed for the following actions:

- The development and adoption of significant legislative rules as defined in RCW.05.328<sup>6</sup>
- The development and adoption of any new grant or loan program that a covered agency is explicitly authorized or required by statute to carry out
- A capital project, grant, or loan award of at least \$12,000,000 or a transportation project, grant, or loan of at least \$15,000,000
- The submission of agency request legislation to the office of the governor or the office of financial management for approval
- (Covered actions are expected to expand in 2025)

This assessment is not required to be a comprehensive or an exhaustive examination of all potential impacts of a significant agency action and does not require novel quantitative or economic analysis of the proposed significant agency action.

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<sup>2</sup> <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.02&full=true>

<sup>3</sup> <https://ecology.wa.gov/About-us/Accountability-transparency/Government-coordination/Partnering-with-the-EPA>

<sup>4</sup> <https://www.epa.gov/environmentaljustice/technical-guidance-assessing-environmental-justice-regulatory-analysis>

<sup>5</sup> [https://www.epa.gov/sites/default/files/2016-08/documents/nepa\\_promising\\_practices\\_document\\_2016.pdf](https://www.epa.gov/sites/default/files/2016-08/documents/nepa_promising_practices_document_2016.pdf)

<sup>6</sup> <http://app.leg.wa.gov/RCW/default.aspx?cite=34.05.328>

The time and resource investment, and depth of assessment, will be influenced by the reasonable applicability of the questions to the agency action.

Ecology plans to update this document and incorporate what we learn through practice, community engagement, Tribal consultation, and any guidance we may receive from the Environmental Justice Council.

This Environmental Justice Assessment is adapted for publication and does not include internal agency process instructions.

## Section 1: Background

The information in this section is provided for the Office of Financial Management's [dashboard<sup>7</sup>](#) which includes all covered agency's Environmental Justice Assessment notices.

1. Descriptive title of project/action:

This Environmental Justice Assessment is for Ecology's Water Quality Program's draft loan offer to the City of Lynden for updated infrastructure at the municipality's wastewater treatment plant.

2. Date EJ Assessment initiated:

April 2, 2024

3. Ecology Program/Office:

Water Quality Program

4. Point of contact for EJ Assessment:

Faith Wimberley, Environmental Justice Planner

5. Significant Agency Action type, select one or more:

- Rulemaking
- New grant or loan program
- New capital project, grant, or loan of \$12 million or more
- Request legislation
- Other, explain:

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<sup>7</sup> <https://ofm.wa.gov/budget/budget-related-information/environmental-justice-and-heal-act/environmental-justice-assessment-notices>

6. Write a short summary of the action.

**The purpose of the proposed action** is to provide \$18,394,140 of loan funding to the City of Lynden to construct improvements to the municipal wastewater treatment plant, including: upgrading the oxidation ditches to a Modified Ludzack-Ettinger (MLE) biological treatment system, constructing a new blower building, and modifying a suite of other systems within the plant.

These retrofits will improve nutrient removal to meet new water quality permit requirements and increase treatment capacity to accommodate anticipated economic growth in the area.

**The project location** is the Lynden Wastewater Treatment Plant at 800 South 6th Street, Lynden, Washington.

**Anticipated benefits** from this loan offer will include:

- Investment of \$18,394,140 in low-interest loan funding resources a small community that otherwise has limited local revenues.
- Improved water quality in the Nooksack River and the Salish Sea downstream, and continued benefits to communities that use the river.
- Reduced nutrient pollution from wastewater released into the Nooksack River.
- Increased treatment capacity for anticipated population growth over the next 20 years.
- Greater energy efficiency in the wastewater systems due to engineering advancements.

7. Identify the method(s) for the public to comment on this proposed action for this assessment.

Ecology conducted public engagement about the proposed loan offer in February and March of 2024, with an online webinar and public comment period. We responded to all comments and will continue to involve the public when needed. Ecology will continue to seek additional opportunities to engage overburdened communities in the area impacted by this action and provide opportunities for their meaningful involvement in this funding decision.

Ecology invited Tribal consultation about the proposed loan offer with Tribes in the vicinity (Lummi Nation and Nooksack Indian Tribe) in writing. Please contact Faith Wimberley at [faith.wimberley@ecy.wa.gov](mailto:faith.wimberley@ecy.wa.gov) with any comments or questions.

8. Create/provide an Ecology webpage with information about this proposed action.

[\\$386 million in clean water projects planned for Washington - Washington State Department of Ecology](#)

## **Section 2: Notification that an Environmental Justice Assessment has been Initiated**

This section instructs Ecology staff to notify OFM about the initiation of the action.

## Section 3: Identify Affected Tribes

This section summarizes preliminary planning for Tribal Consultation. Ecology must offer consultation with Tribes on significant agency actions that affect federally recognized Tribes' rights and interest in their tribal lands.

### *Preparing for Tribal Consultation*

1. Is the proposed action likely to have any local or regional impacts to federally reserved Tribal rights and resources, including but not limited to, those protected by treaty, executive order, or federal law?

Choose one of the following:

- Yes
- No
- Unsure

2. List any federally recognized Tribes that are expected to be affected by the proposed action. If it is determined during consultation that Tribes do not wish to be included, then do not include them.

Lummi Nation and the Nooksack Indian Tribe may be affected by the proposed action.

3. If it is determined at any other point in the process of the assessment that Tribes have self-identified as being potentially impacted by the action, then include them in the assessment and offer consultation.

No additional Tribes have self-identified as being potentially impacted by this proposed loan offer.

4. Describe plans to offer consultation to identified Tribes.

Ecology will offer consultation to all potentially affected Tribes through formal letters to Tribal chairs and Department of Natural Resource directors. See the consultation invitation in Attachment A: Government to Government consultation.

## Section 4: Offer Consultation:

This section directs Ecology staff to offer consultation with Tribes on significant agency actions that affect federally recognized Tribes' rights and interest in their tribal lands.

## Section 5: Summary of Tribal Consultation & Engagement

Tribal consultation is intended to inform the answers to all questions in this section.

### *Summary of Tribal Consultation*

1. Describe potential impacts (including harms and benefits) to federally recognized Tribal rights and interests in their tribal lands.

There are no anticipated potential impacts directly to tribal lands. Nooksack Indian Tribe's tribal lands are well upstream of the treatment facility, and Lummi Nation's tribal lands are well downstream.

2. Describe potential impacts related to Tribal rights and interests that are not in Tribal lands.

Potential impacts not on tribal lands include all identified benefits of the project, as they provide environmental protections.

- Improved water quality in the Nooksack River and continued benefits to Tribal members that use the Nooksack River, a tributary of Bellingham Bay which is part of the Salish Sea.
- Reduced nutrient pollution from wastewater released into the Nooksack River.
- Increased treatment capacity for anticipated population growth over the next 20 years.
- Greater energy efficiency in the wastewater systems, due to engineering advancements.

Improved water quality is beneficial to aquatic species, including shellfish and finfish resources, which are important for Treaty protected harvest rights in this area.

Cultural and historic resources could potentially be impacted by construction activities, but this project will undergo review through the National Historic Preservation Act (section 106) to identify any potential adverse effects prior to the project proceeding and Ecology will consult again with Tribes at that stage.

3. Summarize recommendations from Tribes to:

a. Mitigate or eliminate potential harms from the action

N/A. Ecology did not receive a response from Lummi Nation or the Nooksack Indian Tribe.

b. Equitably distribute benefits from the action

N/A. Ecology did not receive a response from Lummi Nation or the Nooksack Indian Tribe.

4. Describe how consultation, engagement, and analyses of impacts to Tribes has informed the development of the action. If it has not, explain why.

N/A. Ecology did not receive responses. After careful analysis, Ecology has not identified a strong connection from this action to Tribal rights and interests on or off tribal lands.

5. Describe any plans to continue consultation or engagement with Tribes related to this action.

Should either Lummi Nation or Nooksack Indian Tribe request consultation, Ecology will respond to concerns. This project is subject to National Historic Preservation Act (Section 106) review, which consider the effects of federally funded projects on historic properties. Ecology will consult with each

Tribe's Tribal Historic Preservation Officer regarding cultural resources that may be impacted by the project before construction.

## Section 6: Identification of Overburdened Communities & Vulnerable Populations

This section identifies overburdened communities and vulnerable populations, as identified in the [definitions of RCW 70A.02](#), who will be affected by the action.

### *Identify Overburdened Communities and Vulnerable Populations*

The project location is the Lynden Wastewater Treatment Plant and nearby areas, specifically where the outfall releases treated wastewater into the Nooksack River. The Nooksack River flows into Bellingham Bay of the Salish Sea.

For this assessment, Ecology chose to designate the following census tracts as the affected area because of their proximity to the project location and water bodies. The geographic areas are based on census tracts, but not all parts of these tracts are expected to be affected.

- 53073010302 (outfall location)
- 53073010301 (adjacent area)
- 53073010303 (adjacent area)
- 53073010701 (adjacent area)

2. When applicable, using the [Washington State Department of Health's Environmental Health Disparities Map \(EHD Map\)](#), identify the EHD Map rankings for all census tracts likely to be impacted by the action.

The EHD Map rankings (V2.0) for the census tracts likely to be impacted include:

- 53073010302 (outfall location) = EHD ranking 1 (low)
- 53073010301 (adjacent area) = EHD ranking 1 (low)
- 53073010303 (adjacent area) = EHD ranking 1 (low)
- 53073010701 (adjacent area) = EHD ranking 1 (low)

3. From the rankings identified in question 2, are there any census tracts ranked 9 and 10?

Yes

No

If yes, describe.

4. Please describe additional cumulative health considerations relevant to this action.

There are no anticipated cumulative human health considerations relevant to this action, which is the proposed loan offer.

The proposed loan offer will help the City of Lynden pay for the projects that maintain the wastewater treatment plant's capability to meet water quality standards as applicable for the treated water (effluent) that is released (discharged) into the Nooksack River. This action will also help the facility become more efficient and reduce nutrient pollution that contributes to low dissolved oxygen in parts of the Salish Sea. Ecology anticipates this action will improve health outcomes for aquatic life.

5. When applicable, using the EPA's Environmental Justice Screening and Mapping Tool (EJScreen), identify areas likely to be impacted by the action that are at or above the 80th percentile (in state) for the "People of color" and "Low income" socioeconomic indicators.

- Block group 530730103031, which covers part of the impacted area has a low-income socioeconomic indicator at 86% of the State median.
- Block group 530730102023, which covers part of the impacted area has a low-income socioeconomic indicator at 83% of the State median.

6. Identify other EJScreen "Socioeconomic" and "Health Disparities" indicators at or above 80th percentile (in state) that are most relevant to this action.

Several census blocks in the impacted area show the population at age five or below as above the 80th percentile in state.

Census Block group 530730103031 has a socioeconomic index at 84% of the State median due to several socio-economic indicators including 91% of the population achieving less than a high school diploma. This is in part due to the many young children in the community.

7. Using EJScreen, identify additional anticipated impacts from climate change in the impacted area, if relevant.

The project is located in a 100-year floodplain. A 100-year flood is a flood event that has on average a 1 in 100 chance of being equaled or exceeded in any given year. This is addressed in the City's General Sewer Plan.

8. Using the federal Climate and Economic Justice Screening Tool (CEJST)<sup>3</sup>, identify if the potentially affected area is considered disadvantaged for climate risks for additional indicators (as relevant).

None of the anticipated impacted census tracts are considered disadvantaged according to the federal Climate and Economic Justice Screening Tool. They do not meet any burden thresholds or associated socioeconomic threshold used in the tool.

9. Identify additional overburdened communities and vulnerable populations that are likely to be affected by the action.

Communities who meet the definition of 'overburdened communities' who this loan offer is intended to benefit include a small, rural community who lack the financial resources to locally fund this large infrastructure project. The EPA EJ Screening Tool and Washington Health Disparity Map show that some of Washington's most rural counties are at the highest risk from untreated wastewater. While the Lynden community includes a high percent of low-income people, the low resident density means that each household must pay a larger share of wastewater treatment facility costs. The required infrastructure updates could pose a challenge for the local community to afford these changes and still cover their other living costs.

The funding offer includes a hardship calculation based on the cost of the project, financial position of the sewer utility, and the resulting rate impacts to residential customers. This project did not impact residential utility ratepayers enough when compared to median household income, and so did not qualify for additional financial hardship subsidy, beyond the low-interest rate loan, based on this analysis.

10. Through community engagement, were additional overburdened communities and vulnerable populations identified who are likely to be affected by the action? Describe additional communities or populations identified, and the reasons they would be considered overburdened and vulnerable.

No.

11. Through Tribal Consultation, were additional overburdened communities and vulnerable populations identified who are likely to be affected by the action? Describe additional communities or populations identified, and the reasons they would be considered overburdened and vulnerable.



No.

## Section 7: Summary of Community Engagement

This section summarizes community engagement activities. Community Engagement should be tailored to specifically reach overburdened communities and vulnerable populations. Community engagement is required for all significant agency actions, but the engagement methods will vary depending on the size, scope, and topic of the project. The level, type, and form of engagement is based on the likelihood that the actions may cause environmental harm or may affect the equitable distribution of environmental benefits to an overburdened community or a vulnerable population.

### *Summarizing Community Engagement*

1. Describe the engagement activities with identified overburdened communities and vulnerable populations.

#### **Identified population vulnerabilities**

Based on the directives and ensuing analysis of community indicators described above in Section 6, Ecology identified no overburdened communities and two indicators of vulnerability for this community. Ecology identified no overburdened communities and two indicators of vulnerability for this community.

- One vulnerable population is the local utility rate payers (business and residential) who lack the purchasing power to cover increases in utility rates, which are sometimes applied by the local utility provider to cover the cost of rate increases. The population in the impacted area has a higher than state average low-income indicator, meaning it's likely that some people in the area may have difficulty funding infrastructure updates.
- A second vulnerability for people in the impacted area is the geography's susceptibility to flooding. Flooding is unrelated to this action but may impact the local community.

#### **Engagement activities**

Ecology did not focus engagement strategies with local utility rate payers because it is not Ecology's role to do so for this project. Ecology has no jurisdiction to identify and engage with utility rate payers. Rate payers interact with this action in that they receive water utility services in exchange for a fee based on use (rate) from the utility provider, the City of Lynden. Setting rates and communicating on rates with utility customers is outside of Ecology's jurisdiction. The City of Lynden as the utility provider, follows state laws for setting and communicating utility rates and any increases. Furthermore, Ecology lacked a mechanism to identify rate-payers within the service area that would be affected by this significant agency action, and so chose to notify the Lynden Tribune, which included Ecology contact information. Setting rates and

communicating on rates directly with individuals is the jurisdiction of the utility provider, the City of Lynden.

Ecology communicated on this action to the public. In February, Ecology notified people of our intent to fund the subsidized loan to the City of Lynden (along with other funding). Ecology used a blog sent to a subscriber list (with 7,000 subscribers) and to many news outlets to advertise a public comment period. Ecology consulted the public during the 30-day public comment period and hosted a 90-minute webinar to explain the funding process, funding decisions, and some elements of the funding award offers. Comments received during the public comment period were considered and responded to [[State Fiscal Year 2025 Final Water Quality Funding Offer List and Intended Use Plan](#)]. Comments could influence Ecology's loan offer. Ecology issued a press release (to about 7000 subscribers) announcing the final funding, Ecology sent the press release with a specific note about funding the Lynden project to the Lynden Tribune, which is the newspaper of highest circulation in the area.

## 2. What actions were taken to help address barriers to meaningful engagement?

This significant agency action is part of a larger program that distributes subsidized loans and grants to Washington's utility providers to upgrade deteriorated infrastructure. The program is standardized across applicants and competitive. Ecology takes steps to minimize barriers to engagement for the public and applicants such as the City of Lynden.

- Historically, Ecology held a public meeting, which is now a webinar to increase access and reduce barriers from travel and caregiving.
- Ecology's communications related to this action are accessible. Notice of all Ecology's Water Quality Program final loan offers are provided in three formats:
  1. PDF document.
  2. Spreadsheet.
  3. Interactive data dashboard/map.
- All of Ecology's documentation related to this action can be provided in languages other than English.
- Ecology staff provide technical assistance to potential applicants throughout the application process and with the online application portal.

## 3. Identify overburdened communities or vulnerable populations potentially affected by the action who were not engaged and explain why not.

Rate payers are an identified population who may be negatively impacted financially by the infrastructure updates that will be funded by this action (loan offer). However, because Ecology is offering a subsidized loan to the city of Lynden to help them pay for necessary public utility improvements, the loan offer itself will not negatively affect overburdened communities or vulnerable populations. Ecology did not directly engage with utility rate payers because it is not Ecology's role to do so for this project. Rate payers interact with this action in that they receive water utility services in exchange for a fee based on use (rate) from the utility provider, the City

of Lynden. Setting rates and communicating on rates with utility customers is the role of the City of Lynden.

A second vulnerability for people in the impacted area is the geography's susceptibility to flooding. Ecology did not engage with people regarding flood risks because flooding is unrelated to this action.

4. Summarize recommendations from members of overburdened communities and vulnerable populations to mitigate or eliminate potential harms from the action and/or equitably distribute benefits from the action.

Ecology received no recommendations from members of overburdened communities or vulnerable populations.

5. Describe any plans for ongoing engagement with overburdened communities and vulnerable populations related to this action.

Ecology has no current plans to engage with the specified vulnerable populations related to this action.

Ecology anticipates several opportunities for ongoing engagement with the fund recipient. Many of these are included in the funding agreement's Terms and Conditions. The City of Lynden will have an assigned Ecology loan officer who will provide any direct technical assistance required for the implementation of this action. They will also have access to permit specialists and engineers for assistance with their infrastructure operations and water quality standard requirements more broadly.

The City of Lynden will be required to comply with terms and conditions of the loan agreement that serve to safeguard the funding process and protect and enhance equity in this action.

These include:

- Project evaluation: survey, interviews, and site inspections.
- Crediting Ecology in distributed materials about the project.
- Translating materials into languages other than English in accordance with civil rights requirements.
- Completing cultural resources review (and consultation with Tribes) to avoid, minimize, or mitigate adverse effects to archaeological and historic archaeological sites, historic buildings/structures, traditional cultural places, sacred sites in accordance with the National Historic Preservation Act.
- Contracting for project implementation with firms from small, minority owned, and women's businesses (40 CFR, Part 33)
- Ensuring access to materials or participating in public forums for individuals with disabilities that would otherwise create barriers (as per Section 504 of the Rehabilitation Act, codified in 40 CFR Part 7).

- Communicating regularly with Ecology and other interested parties on the progress of this action.
- Using best practices to communicate with different segments of the population impacted and transparency on public process and funding decisions.
- Procuring goods and services in fair, legal, and open public processes without advancing leaders who have conflicts of interest.

## Section 8: Potential Environmental Benefits & Harms from Action

### *Identify Potential Environmental Benefits & Harms from Action*

1. Describe the anticipated benefits (direct and/or indirect) from this action.

This action is a loan offer to help the City of Lynden implement projects that will improve their wastewater treatment plant's ability to reduce pollution (nutrient) releases (discharges) to the receiving waters, which include the Nooksack River and Bellingham Bay, which is part of the Salish Sea. The improvements will be designed to achieve a nitrogen limit which significantly benefit these water bodies. The action will update aging infrastructure and support the city of Lynden's ability to maintain treatment quality to accommodate anticipated economic and population growth in the service area.

The subsidized loan funding for this project inherently helps the City of Lynden to minimize rate impacts to residents served by the wastewater utility and improve the City's ability to support economic growth. The project will also involve installing energy efficient equipment to improve operation efficiency and reduce annual operations cost.

2. Who will primarily benefit from this action?

The primary beneficiaries of this action include the customers of the City of Lynden wastewater utility and all people who use the Nooksack River and the Salish Sea downstream.

The improvements will preserve water quality in the Nooksack River and the Salish Sea over the 20-year planning period and continue to benefit people and communities that use these waters for many purposes including fishing, recreation, drinking water and more.

Improved water quality will protect aquatic life, including salmon populations, shellfish, and associated Tribal treaty rights.

Subsidized loan funding will reduce financial impacts to rate payers located within the service area. As identified above, a subset of this rate payer group includes people who have lower incomes than is average in Washington State and may have difficulty managing utility rate

increases. People in this situation will benefit from the low interest loan this action affords to the City of Lynden, who is responsible for keeping local rates affordable to their rate payers (people who use the wastewater services).

3. How is the action expected to benefit specifically overburdened communities or vulnerable populations? If there is no benefit, identify potential barriers to benefitting from the action.

This action, an offer for subsidized loan funding, will reduce financial impacts to City of Lynden wastewater rate payers, including any income-constrained utility customers.

These wastewater treatment improvements will alleviate harms from wastewater discharge into the Nooksack River. These water quality improvements will benefit aquatic life and the people who recreate and live downstream to Bellingham Bay of the Salish Sea.

The area affected by this action includes a 100-year flood plain and the community in the area are potentially impacted by flooding. This project does not specifically implement flood control infrastructure; surface waters will be managed by existing stormwater systems. Flood protections and water quality benefits from this project are not directly related. This project enhances the health of ecosystems in the Nooksack River and Salish Sea, which helps mitigate the broader impacts of climate change.

4. Describe anticipated harms (direct and/or indirect) from this action.

Ecology does not anticipate harms from this action, the loan offer, to any population, including overburdened communities or vulnerable populations.

Since the project will involve construction, there may be some temporary localized impacts related to traffic revisions, noise, and dust.

5. Who will primarily experience the harms?

Local people and businesses located near areas of construction and those traveling through areas of construction may be affected by construction nuisances.

6. Describe how the action may harm overburdened communities or vulnerable populations? Be as specific as possible.

Ecology does not anticipate harms from this action, the loan offer, to any population, including overburdened communities or vulnerable populations.

People who are vulnerable to impacts from construction, such as fine particle air pollution, noise, and travel disruptions could be affected during the construction phase of this project.

7. Describe how the action would address environmental and health disparities.

There are no anticipated human health disparities relevant to this action.

Sometimes economic and environmental quality disparities exist between communities located on the periphery and those in the urban centers. This action, the loan offer, counteracts these disparities by infusing state funds in a community outside the state's economic and populace core.

The wastewater facility improvements are designed to reduce discharges of nitrogen which currently degrades water quality in the Nooksack River and Bellingham Bay. Implementing nitrogen reduction will benefit these water bodies and improve water quality for aquatic life, recreational, water supply, habitat, and other designated uses of the Nooksack River and Bellingham Bay.

This action includes a subsidized loan offer to the city for needed upgrades to the local wastewater treatment infrastructure. Typically, these large infrastructure projects are funded through local revenue streams, including charging higher utility rates to rate payers. This loan offer offers financing from outside the local community, making the infrastructure updates less expensive to the small, local population, some of whom have lower than average incomes and therefore could be sensitive to price increases.

## **Section 9: Options to Eliminate, Reduce, or Mitigate Harms and Equitably Distribute Benefits**

This section summarizes options identified for eliminating, reducing, or mitigating harms, as well as options for equitably distributing anticipated benefits. The answers in this section should be informed by engagement, answers from the previous subsections, and any legislative or regulatory boundaries that limit possible decision making.

### *Identify Options to Eliminate, Reduce, or Mitigate Harms & Equitably Distribute Benefits*

1. Describe options to reduce, mitigate, or eliminate the identified probable harms to overburdened communities and vulnerable populations; and options to equitably distribute the benefits.

#### **Harms from construction**

Travel disruptions and environmental contaminants released during project construction (such as fine particle dust and noise) will be mitigated by the project implementer (The City of Lynden) and their subcontractors. To address these possible concerns, the City of Lynden and their subcontractors will follow all legal and permit requirements for conducting construction in the area, which will be Term and Condition #8 of the funding agreement. Traffic mitigations, quiet hours, and providing communications and alternate routes to travelers who are impacted

are all routine component of large-scale construction projects and are enforced by other jurisdictions, not Ecology.

### **Benefit of cost alleviation**

This action is a low-interest loan offer to a small community to construct needed upgrades to their wastewater treatment infrastructure. Without this funding, the community may pay a higher per-capita cost to implement the improvements. Ecology's action is an option to reduce the probable harm of utility cost increases to all rate payers in the utility service area including income-constrained community members who would be most impacted by a rate increase.

### **Equitable distribution of benefits**

Ecology awards funding for priority water quality projects through an annual open and competitive process. Ecology has reduced barriers for small financially disadvantaged communities, easing the application and award process and providing grant funding to reduce the cost impacts to residential rate payers.

Loan funding is revolved so that low interest loans are available to communities each year to address water quality needs. These funds contribute to an important distribution of environmental infrastructure across Washington State. While income generating economies may be concentrated in the State's urban centers, this loan funding provides opportunities in small and rural areas statewide, such as the City of Lynden.

This action is proposed to fund the City of Lynden's upgrades to their wastewater treatment facility infrastructure, which will result in significant environmental benefits to users of the Nooksack river, a tributary of the Salish Sea and the aquatic life in both water bodies. People and aquatic life will benefit from this investment.

2. Describe methods chosen for this action to reduce, mitigate, or eliminate the identified probable harms to overburdened communities and vulnerable populations; and methods chosen to equitably distribute the benefits. You must consider the following methods, but are not limited to them:

See answer to Section 9, #1 above.

3. If the agency determines it does not have the ability or authority to eliminate, reduce, or mitigate environmental harms caused by the action, or address the equitable distribution of environmental benefits, explain why that determination was made.

### **Reduction of contaminants from wastewater discharge**

Wherever people live, contaminants from human waste will be released to the environment. Wastewater treatment facilities provide an opportunity to treat the waste, reducing pollution levels and then discharge the improved water to land or a natural water body through an

outfall. Discharge of treated water from the facility is a necessary result of wastewater treatment. This action funds infrastructure to improve the quality of the discharge through achieving permitted pollutant limits and the reduction of nitrogen, however treated water will still be discharged to the Nooksack River.

### **Mitigate utility costs to rate payers**

When public utility service infrastructure, maintenance, and operating costs increase, those costs are often distributed to rate payers. Rate payers are responsible for the fees from their use of wastewater disposal and processing from their homes and businesses. When utility operators (owners) update large scale infrastructure investments, the costs are substantial and distributed across time to current and future rate payers in small rate increases.

Ecology provides funds to pay some or all the upfront costs of these infrastructure updates with low-interest rate loans. This support from Ecology decreases the burden on the rate payer while allowing the utility operator to achieve the required upgrades to meet State water quality standards and avoid noncompliance penalties from the Clean Water Act. Even though Ecology's role in the infrastructure update results in a positive outcome, the overall outcome for rate payers may still be seen as negative, given that their rates will increase.

Utility owners, including the City of Lynden are required to demonstrate through economic modeling that rate increases are appropriate and reasonable. In this project, the rate increase to rate payers is very small and would be higher without the loan offer provided through this significant agency action.

Regardless of whether rates increase or decrease to utility users, the local utility provider determines their rate fee structure. Rate fee structures and amounts are outside the regulatory and statutory authority of Ecology.

## **Section 10: Executive Summary**

**The purpose of the proposed action** is to provide \$18,394,140 of loan funding to the City of Lynden to construct improvements to the municipal wastewater treatment plant, including: upgrading the oxidation ditches to a biological treatment system, constructing a new blower building, and modifying a suite of other systems within the plant.

**The project location** is the Lynden Wastewater Treatment Plant at 800 South 6th Street, Lynden, Washington.

- **The community impacted by this action is not designated as overburdened or disadvantaged.** Two identified vulnerabilities for the local population include:
  - Income constraints which may affect people's ability to fund wastewater utility fee increases. Utility rates are set by the local utility provider and are outside



Ecology's jurisdiction. This action of a low interest loan offer may alleviate some of the cost burden on the local community.

- Susceptibility to flooding in the geography. Flooding is unrelated to this action but may impact the local community.

**Community engagement in this action** began in February and March of 2024, with an online webinar and public comment period. We did not receive any comments from overburdened communities or populations with vulnerabilities from these outreach strategies. The identified vulnerable populations were not targeted for specific engagement, due to how unrelated they are from Ecology's jurisdiction and relevance to this action.

**Ecology invited Tribal consultation** with the Lummi Nation and the Nooksack Indian Tribe. Neither Tribal government responded to our invitation to consult.

Ecology identified environmental harms in the geographic area impacted by this action.

- Proximity to a 100-year flood plain
- Nuisances due to construction, such as dust and noise.
- Cost increases for wastewater utility services could be challenging to rate payers who are sensitive to costs due to their income constraints.

**Ecology assessed ways to minimize harms and maximize benefits** resulting from this action.

- This significant agency action is not directly related to flooding and will only tangentially contribute to flood mitigation through ecosystem resilience.
- Construction nuisances will be managed according to local laws and construction permit requirements, not by Ecology.
- While utility costs may increase for the local community from the needed infrastructure updates, this significant agency action mitigates the expense by subsidizing costs through a low-interest loan to the City of Lynden.
- This action modernizes a public utility to improve efficiency and creates capacity for population and economic growth in a small community.

**Anticipated benefits** from this loan offer will include:

- This loan action invests \$18,394,140 in low-interest loan funding, distributing financial resources outside the State's economic and urban centers and resourcing a small community that otherwise has limited local revenues.
- Improved water quality in the Nooksack River and continued benefits to communities that use the Nooksack River, a tributary of Bellingham Bay a part of the Salish Sea.
- Reduced nutrient pollution from wastewater released into the Nooksack River.
- Compliance with State's water quality standards from these wastewater treatment upgrades.
- Increased treatment capacity for anticipated population growth over the next 20 years.
- Greater energy efficiency in the wastewater systems, due to engineering advancements.

Overall, Ecology supports moving forward with this subsidized loan offer to the City of Lynden, in support of water quality improvements in a small economy in rural Washington with no significant vulnerable populations or highly impacting environmental hazards.

## **Section 11: Notification of Completed Assessment**

This section summarizes processes for staff to take once they have completed their assessment, including steps for sharing the final product. Learn more about all ongoing and completed Environmental Justice Assessments on our [agency webpage](#).