



Water Quality Program Loan Offer to the City of Sequim

**An Environmental Justice Assessment (per RCW
70A.02.060)**

Water Quality Program

Washington State Department of Ecology

Olympia, Washington

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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.cecalle@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.cecalle@ecy.wa.gov o llamando al (360) 480-6270.

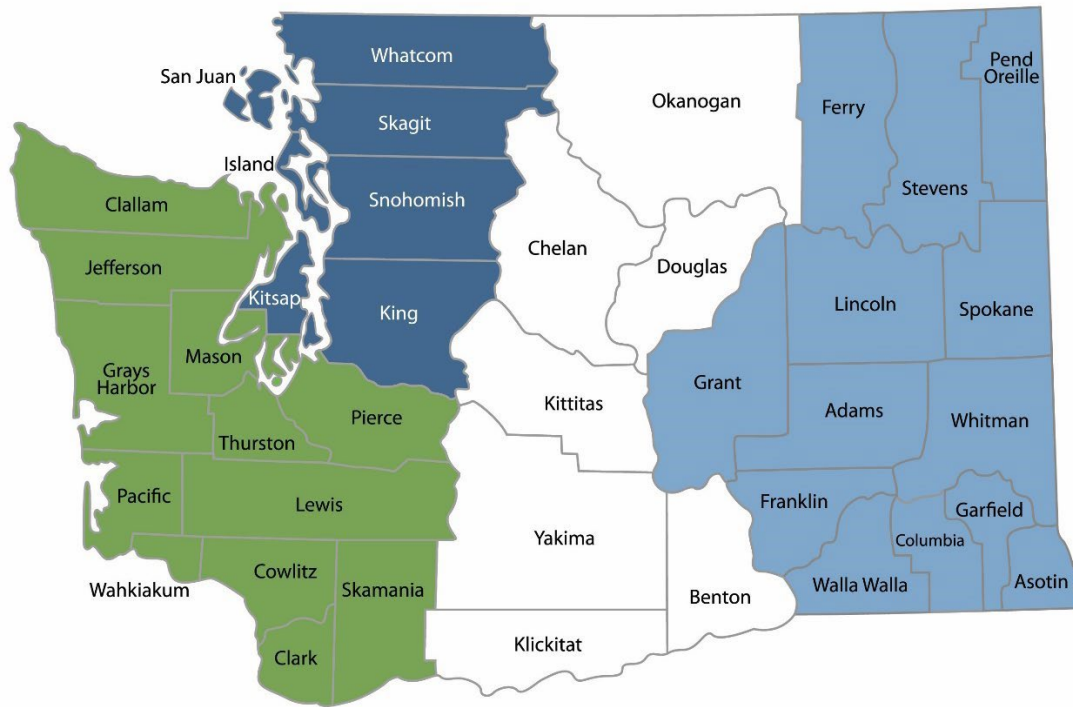
根据华盛顿州环境正义法(RCW 70A.02), 生态管理署在制定某些重大行动时必须进行环境正义评估。该评估需提供对负担过重社区和弱势群体潜在影响的信息, 以及减轻已明确危害和公平分配已知利益的策略。如需笔译、口译或无障碍协助, 请联系 Courtney Cecale, 电子邮件: courtney.cecalle@ecy.wa.gov 或电话 (360) 480-6270。

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.cecalle@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.cecalle@ecy.wa.gov 또는 전화 (360) 480-6270 으로 문의하십시오.

Department of Ecology's Regional Offices

Map of Counties Served



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

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DEPARTMENT OF
ECOLOGY
State of Washington

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

Table of Contents

List of Figures and Tables	6
Figures.....	6
Executive Summary	6
Environmental Justice Assessment.....	8
<i>Purpose of the Environmental Justice Assessment</i>	<i>8</i>
Section 1: Background	9
Section 2: Notification that an Environmental Justice Assessment has been Initiated	11
Section 3: Identify Affected Tribes	11
<i>Preparing for Tribal Consultation.....</i>	<i>11</i>
Section 4: Offer Consultation:	11
Section 5: Summary of Tribal Consultation & Engagement	12
<i>Summary of Tribal Consultation</i>	<i>12</i>
Section 6: Identification of Overburdened Communities & Vulnerable Populations	13
<i>Identify Overburdened Communities and Vulnerable Populations.....</i>	<i>13</i>
Section 7: Summary of Community Engagement	16
<i>Summarizing Community Engagement</i>	<i>16</i>
<i>Identify Potential Environmental Benefits & Harms from Action</i>	<i>19</i>
Section 9: Options to Eliminate, Reduce, or Mitigate Harms and Equitably Distribute Benefits	21
<i>Identify Options to Eliminate, Reduce, or Mitigate Harms & Equitably Distribute Benefits.....</i>	<i>21</i>
Section 10: Executive Summary	23
Section 11: Notification of Completed Assessment.....	24

List of Figures and Tables

Figures

Figure 1. EJScreen Map of shoreline area that would be affected by a 2-foot sea level rise. 16

Executive Summary

Project overview

The purpose of this action is to provide the City of Sequim with \$14,726,274 in standard loan and \$1,273,726 in forgivable loan to expand the sewer service area into eastern Sequim. This action facilitates opportunities for the eastern Sequim community to transition from on-site septic systems to municipal wastewater infrastructure.

The project location includes several areas of the City of Sequim on the Olympic Peninsula. The city is located along the Dungeness River and Sequim Bay of the Salish Sea.

Community considerations

The community affected by this action experiences few environmental burdens compared to other areas of the state. The population is older and experiences more unemployed (retired) than other communities in the state. Community engagement in this action began in February and March of 2024, with an online webinar and public comment period. No overburdened communities, vulnerable populations or Tribes engaged with Ecology about this action.

Ecology invited Tribal consultation from Jamestown S’Klallam Tribe, Lower Elwha Klallam Tribe, and Port Gamble S’Klallam Tribe. No Tribal government responded to our invitation to consult.

Environmental impacts

Onsite sewage systems (OSS) are the current wastewater treatment infrastructure in the area affected by this action. OSS often exacerbate environmental justice concerns as they are typically used by lower-income and more rural households. The burden of maintaining and upgrading an OSS falls exclusively to the landowner, but the environmental impacts are experienced throughout the surrounding and downstream areas – affecting properties, water quality, and aquatic life.

The project funded by this action brings significant environmental and public health benefits as the city transitions away from OSS to the utility’s sewer service area. Failing OSS threaten Sequim’s drinking water supply, which primarily comes from wells that draw on groundwater. They also negatively affect Sequim Bay shellfish industry, Treaty rights, recreational opportunities, harm aquatic life such as salmon and orcas, and can create public health hazards.

Ecology supports this subsidized loan offer to the City of Sequim.

There are many anticipated benefits from this loan offer. Increasing access to sewer service supports future residential and commercial development. This action invests \$16,000,000 in low-interest loan and forgivable loan funding and distributes financial resources outside the state’s economic and urban centers; providing a small community with financial resources that otherwise has limited local revenues.

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.02²](#)), as well as federal commitments in the [Performance Partnership Agreement³](#) with the EPA. The assessment process draws on best practices established in [Technical Guidance for Assessing Environmental Justice in Regulatory Analysis⁴](#) and [Promising Practices for EJ Methodologies in NEPA Reviews⁵](#).

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

- The development and adoption of significant legislative rules as defined in RCW.05.328⁶
- 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.

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.

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

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

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

⁵ https://www.epa.gov/sites/default/files/2016-08/documents/nepa_promising_practices_document_2016.pdf

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

Section 1: Background

1. Descriptive title of project/action:

Loan offer to the City of Sequim for West Sequim Bay Corridor Sewer Extension & Lift Station Construction

EAGL number and Project Title: WQC-2024-SequPW-00112 West Sequim Bay Corridor Sewer Extension & Lift Station Construction

2. Date EJ Assessment initiated:

02.02.2024

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:

6. Write a short summary of the action.

The purpose of this action is to provide the City of Sequim with \$16,000,000 in loan funding (\$14,726,274 in standard loan and \$1,273,726 in forgivable loan) to expand the sewer service area into eastern Sequim, replacing eastern Sequim commercial and residential on-site septic systems.

The project location includes several areas of the City of Sequim on the Olympic Peninsula. The city is located along the Dungeness River and Sequim Bay of the Salish Sea.

Loan funding enables the city to upgrade its water quality infrastructure, including:

- A sewer lift station located at Forrest Rd.
- Approximately 5,100 feet of sewer pipe extending from a pump station along W Sequim Bay Rd.
- Approximately 1,800 feet of gravity sewer main extending along W. Sequim Bay Rd. from Independence Dr. west to Washington Harbor Rd.
- Approximately 5,100 feet of gravity sewer main extending along W. Sequim Bay Rd. from the west Pacific Northwest National Laboratory property line to Forrest Rd.
- Right-of-way and pavement repair (from utility work) for W. Sequim Bay Rd. from Washington Harbor Rd. to Forrest Rd.

Anticipated benefits from this loan include an investment of \$16,000,000 in low-interest and forgivable loan funding resources to a small community that has limited local revenues.

This project brings significant environmental and public health benefits to the community. The City of Sequim will transition on-site septic systems to the utility's sewer service area. Failing on-site sewage systems (OSS) threaten Sequim's drinking water supply, which primarily comes from wells supplied by groundwater. They also negatively affect Sequim Bay shellfish industry, Treaty rights, recreational opportunities, harm aquatic life such as salmon and orcas, and can create public health hazards.

Increasing access to sewer service supports anticipated residential and commercial development, including:

- 50 – 75 current residential households
- 375 – 533 undeveloped parcels
- The John Wayne Marina with 300 boat slips, a restaurant, banquet hall, and public restrooms.
- The Pacific Northwest National Laboratory campus expansion.

Residential households, developers, shellfish industry and consumers, and Tribes may experience these benefits.

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

Ecology conducted public engagement in February and March of 2024, with an online webinar and public comment period. Ecology was prepared to respond to comments regarding environmental justice, overburdened communities, or vulnerable populations and to seek further involvement as needed to address concerns. However, no pertinent comments were received.

Ecology invited Tribal consultation and conducted staff outreach with the Jamestown S'Klallam Tribe, Lower Elwha Klallam Tribe, and Port Gamble S'Klallam Tribe, who Ecology identified as potentially impacted by this action.

Please contact Faith Wimberley at faith.wimberley@ecy.wa.gov with any comments or questions.

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

https://ecology.wa.gov/blog/february-2024/386-in-clean-water-projects-planned-forwashington?utm_medium=email&utm_source=govdelivery

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.

The Lower Elwha Klallam Tribe, Jamestown S'Klallam Tribe, and Port Gamble S'Klallam Tribe may be potentially 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.

Not applicable, no Tribes self-identified as being potentially impacted by the action.

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.

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.
 - Do not share sensitive data or location information attributable to individual sites.
 - Do not share any information that Tribes have requested that you not share.

No potential impacts directly to Tribal lands are anticipated because of this action.

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

Potential impacts to areas outside of Tribal lands include reduced nutrient and bacteria loading to Sequim Bay from failing onsite sewage systems. Improved water quality is beneficial to aquatic species, including shellfish and finfish resources, which are important for Treaty protected harvest rights. These rights guarantee Tribal members can access natural resources, such as fish and shellfish, in this area.

Cultural and historic resources could potentially be impacted by construction activities. This project will undergo review through Section 106 of the National Historic Preservation Act to identify any potential adverse effects prior to the project proceeding and Ecology will invite consultation again with potentially impacted Tribes at that stage.

3. Summarize recommendations from Tribes to:
 - Mitigate or eliminate potential harms from the action
 - N/A. Ecology did not receive a response from any of the potentially affected Tribes.
 - Equitably distribute benefits from the action

N/A. Ecology did not receive a response from any of the identified Tribes.

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 a response from any of the identified Tribes.

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

Should any of the potentially affected Tribes request consultation later, Ecology will respond to understand concerns. This project is subject to review under Section 106 of the National Historic Preservation Act, so 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

1. Identify the geographic area(s) anticipated to be affected by the action.

The project location includes several areas of the City of Sequim on the Olympic Peninsula. The project focuses on providing wastewater utility in East Sequim, including a residential area, undeveloped area, a marina, and shorefront. The city is located along the Dungeness River and Sequim Bay of the Salish Sea.

For this assessment, Ecology chose to designate the following census areas as the affected area because of their proximity to the project location and water bodies.

- Census Tract (CT) 53009990100
- Census Tract 53009001902
- Blockgroup (BG) 530090020022 which is part of Census Tract 53009002002.

Census Tract (CT) 53009990100 has no demographic data available because it consists of intertidal lands along beaches of the Salish Sea and Strait of Juan De Fuca.

Where possible, Ecology used the BG 530090020022 instead of CT 53009002002 because it contains all the areas affected by this action. Using the Blockgroup unit kept the analysis focused on the impacted 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 areas likely to be impacted are all low compared to state averages:

- CT 53009990100= EHD ranking 1 (low)
- CT 53009001902 = EHD ranking 1 (low)
- CT 53009002002 = 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.

Ecology’s proposed Significant Agency Action, the loan offer to the City of Sequim, would provide funding to improve and protect environmental health considerations associated with the quality of drinking water and shellfish consumption in the area. Replacing OSS with sewer system connections will prevent potential groundwater pollution, resulting in associated public health benefits.

Residential and commercial developments in the project area currently operate with on-site sewage systems (OSS), sometimes referred to as septic systems. When on-site sewage systems leak, they release contamination to the environment, possibly impacting groundwater and contaminating nearby shellfish beds. Failing on-site sewage systems threaten Sequim’s drinking water supply, which primarily comes from wells supplied by groundwater. Parts of Sequim Bay near the project location are closed to shell fishing (clams, geoduck, scallops, mussels and oysters) due to pollution (WA State Department of Health, Shellfish Safety Information map, April 16, 2024). The 2020 Shoreline Survey of the Sequim Bay Shellfish Growing Area characterized a significant amount of OSS systems in this area to be over 20-30 years old and found that the soils along the shoreline of the Sequim Bay Growing Area are less than ideal for wastewater treatment and dispersal. Aging OSS are susceptible to reduced treatment efficacy or failure. Failure of these systems can result in groundwater pollution, surfacing sewage, or plumbing backups in the homes or businesses served by the system. This poses significant threats to public health and the environment. Much of Sequim's drinking water supply comes from wells supplied by groundwater.

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 percentile⁶ (in state) for the “People of color” and “Low income” socioeconomic indicators.

Neither the specific project locations nor the geographic areas likely to be affected have socioeconomic indicators at or above the 80th percentile for “people of color” or “low income”.

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

Unemployment rate

Blockgroup 530090020022= has an unemployment rate in the 72nd percentile (in state).

Drinking water non-compliance

Both Census tract 53009001902 and Blockgroup 530090020022 are high for drinking water non-compliance, which broadly describes public drinking water quality for populations served by community water systems. The environmental burden indicator for drinking water noncompliance highlights areas that have challenges complying with [Safe Drinking Water Act](#) requirements, based on reported violations.

⁶ The EPA identified the 80th percentile as an initial starting point and potential indicator of environmental justice considerations. <https://www.epa.gov/ejscreen/frequent-questions-about-ejscreen>

- CT 53009001902 = 85th percentile
 - BG 530090020022 = 86th percentile
7. Using EJScreen, identify additional anticipated impacts from climate change in the impacted area, if relevant.

The geographic areas likely to be affected by the proposed project includes some shoreline areas at risk of flooding with a two-foot sea level rise, meaning the shoreline would be permanently flooded if the sea level rose by two or more feet.

The Sequim General Sewer Plan identifies FEMA flood zones and mentions flooding considerations regarding construction, emergency responses, and in general reference to the City of Sequim's wastewater system.

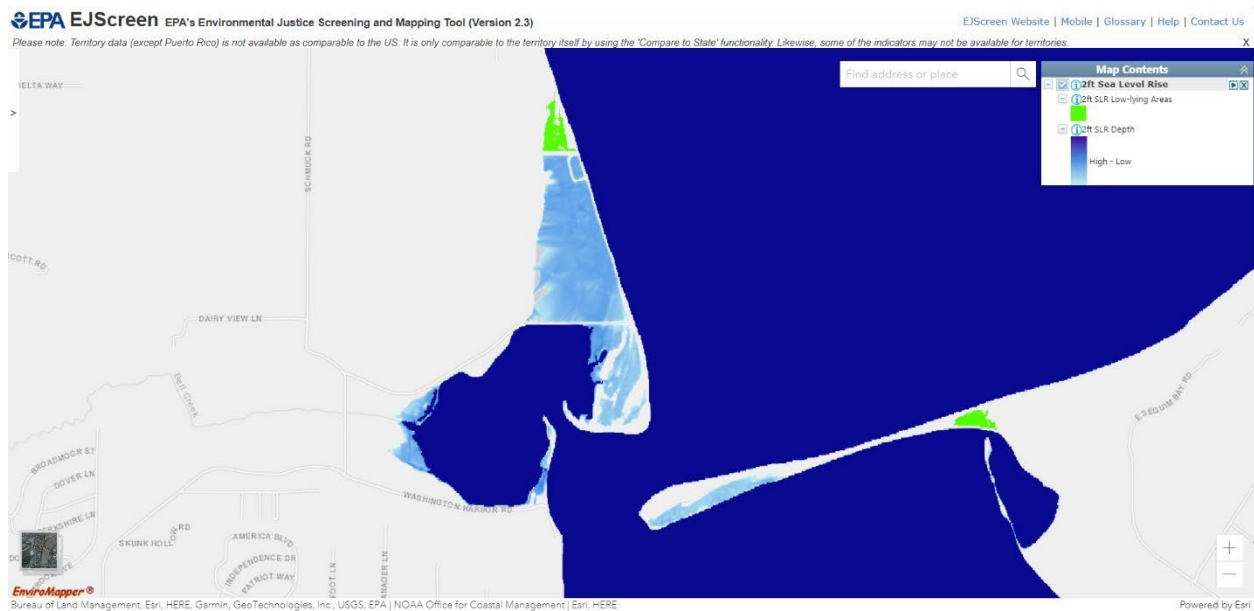


Figure 1. EJScreen Map of shoreline area that would be affected by a 2-foot sea level rise.

8. Using the federal [Climate and Economic Justice Screening Tool \(CEJST\)](#)⁷, identify if the potentially affected area is considered disadvantaged for climate risks for additional indicators (as relevant).

According to the federal CEJST tool, the potentially affected area is not considered disadvantaged. The Census Tracts that include the impacted area do include less than 1% of lands of Federally Recognized Tribes. These Federally Recognized Tribal lands are not on or near the geographic area affected by this project.

⁷ This is a national tool and may provide relevant information and understanding of the climate related context of the action. Learn more about the methodology for identifying if a community is disadvantaged for climate risks here: [Methodology & data - Climate & Economic Justice Screening Tool \(geoplatform.gov\)](#)

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

The population of elderly people (aged 65 and older) is between 43-45 percent in the area affected by this project, compared to 16 percent overall in Washington. Older adults face increased likelihood of chronic conditions and decreased mobility. This action is anticipated to decrease environmental health risks in this older population.

Shellfish harvesters and consumers may benefit from this action as harvesting is currently closed in this area and shellfish quality may improve with this action.

The project will benefit the marina by creating capacity for improved infrastructure and expanded development. This can improve the experiences for people who use the facilities including recreational boaters, people who live on boats in the marina, business workers and customers.

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 additional impacted communities were identified through community engagement.

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 additional impacted communities were identified through Tribal consultation.

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 only people aged 65 and older (seniors) as vulnerable in the area and likely to be affected by this action. The proposed area does not include an overburdened community. Some Tribal members may be impacted due to this project's possible positive impact on Treaty-protected shellfish harvest.

Engagement activities

Ecology chose to communicate broadly with the entire Sequim community instead of restricting messaging to a smaller segment of the population, such as elderly individuals, for efficiency and because the same messaging would benefit both the public and the elderly.

In February 2024, Ecology notified people of the intent to fund the subsidized loan to the City of Sequim. Ecology used a blog sent to multiple subscriber lists (with a total of 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 had the potential to influence Ecology's loan offer. Ecology issued a press release announcing the final funding, Ecology sent the press release with a specific note about funding the City of Sequim project to two reporters at the Sequim Gazette, 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 competitive and is standardized across applicants, all of whom are local governments and organizations aiming to implement local water quality improvements in Washington. Ecology takes steps to minimize barriers to engagement for applicants such as the City of Sequim.

- Ecology converted public meetings for the program into webinars to increase access and attendance. 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 an online application portal.

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

Not applicable.

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.

Not applicable. No overburdened communities were identified. While elderly individuals may have submitted comments about this loan action, Ecology does not ask or track the age of people who commented on this loan offer and is therefore not aware of recommendations from the vulnerable population potentially impacted by this action.

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

Ecology has no plans to offer ongoing engagement with overburdened communities or vulnerable populations related to this action.

The City of Sequim is responsible and prepared to implement the infrastructure project and will therefore oversee engaging with vulnerable populations. However, as the project funder, Ecology has an opportunity to ensure vulnerable populations are protected and engaged through our investments. Ecology uses a contracting process that is formalized with a signed agreement to require specific engagement-oriented actions by the funding recipient. As the agreement is a legally binding, written contract between both parties, it is the strongest available method for Ecology to ensure the loan funding is used to enhance equity in the implementation of the project.

Specific terms and conditions 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, and 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 loan offer promotes the equitable distribution of financial resources across the state.

- This low-interest loan helps the City of Sequim mitigate high per-capita costs for wastewater treatment, potentially reducing utility rate increases, especially benefiting income-constrained residents.
- Funding water quality projects in small and rural areas like the City of Sequim redistributes economic wealth out of urban and political centers to invest in communities with less local revenues and technical competencies to make large scale infrastructure updates.

This loan offer supports the city's efforts to protect and improve the environment and water quality. This will benefit aquatic life at Sequim Bay, and people living in the area through the elimination of aging on-site sewage systems (OSS). Environmental benefits from the infrastructure investments made with this loan include:

- Elimination of one commercial OSS serving 80 people at the Pacific Northwest National Laboratory campus.
- Expanding sewer connections at the John Wayne Marina facilities for approximately 5075 existing residential units and a commercial system, which consists of 300 boat slips, a restaurant, laundry, fuel facilities, a banquet hall and public restrooms.
- Future sewer connections for potentially 375 – 533 parcels that would otherwise use OSS.

Shell fishing is an economic and recreational activity in Sequim Bay. Groundwater pollution could affect Sequim Bay and adjacent shellfish harvesting areas. This action will help restore and protect those resources into the future.

2. Who will primarily benefit from this action?

The primary beneficiaries of this action include the potential new wastewater utility customers who currently use on-site septic systems, both residential and commercial. Subsidized loan funding will reduce financial impacts to rate payers within the Sequim utility service area and allow the city to expand access to environmentally protective community-based wastewater infrastructure (instead of on-site septic).

There are several secondary beneficiaries of this action including:

- The PNNL Sequim campus
- John Wayne Marina residents and visitors
- Residents with deteriorated or failing OSS
- Shellfish harvesters and consumers
- Residents and businesses who rely on groundwater wells

Water quality improvements will benefit people that use Sequim Bay and parts of the Salish Sea for many purposes including fishing, recreation, and drinking water. Improved water quality will protect aquatic life including shellfish. Tribes will benefit as this action will support Treaty protected natural resources.

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.

Low-income residents with deteriorated or failing on-site systems (OSS) will have the option to connect to sewer when their OSS is no longer a viable option. Elderly individuals, a large portion of the City of Sequim's population, are often on a fixed, low income without employment. Without the option to connect to sewer, OSS replacement can be cost prohibitive. Residents may even face displacement or eviction if a local health jurisdiction deems a residence uninhabitable due to the lack of sanitary sewage service (by OSS or sewer connection). While a resident would pay the cost to connect to sewer, it is typically 2-3 times less expensive than replacing an OSS. While the impacted area does not rank high for low-income residence according to census data (see Section 6), there may still be low-income individuals who live in the area. The action is a direct step towards alleviating financial burdens from individuals and redistributing those costs across the community and state.

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

Anticipated harms from this project include temporary localized construction disruptions. Populations near construction sites may experience an increase in noise, air, and dust pollution. Construction is likely to lead to traffic disruptions and may limit pedestrian accessibility.

5. Who will primarily experience the harms?

Drivers and community members who live near or use W. Sequim Bay Road may experience delays or detours and other localized impacts during project construction.

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

Ecology's analysis showed the area affected by this action does not include a high population of vulnerable people compared to other areas of the state. However, vulnerable populations, such as the elderly, disabled or chronically ill may be more affected by construction-related impacts.

The location of utility infrastructure, such as the lift station to be funded with this proposed action could lead to lowering desirability of the immediate surrounding area and contribute to reduced property values. In overburdened communities, this economic hardship could further

exacerbate existing disparities. For the elderly people who are vulnerable in this area, they may be disproportionately impacted by any decline in property values.

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

This loan offer addresses economic and environmental quality disparities between rural communities and urban centers by providing state funds to the City of Sequim, a community outside of the state's economic and urban centers.

Onsite sewage systems (OSS) require inspections, maintenance and sometimes replacement. The costs associated with that fall solely on the homeowner or small community served by the system. This loan offer provides a more cost-effective option for residents in addition to the long-term reduction of pollution and contamination of groundwater and nearby water bodies. The loan offer ensures that the cost of OSS maintenance and replacement or the associated risks of aging and failing OSS systems will not be the sole responsibility of the homeowner, but rather distributed community wide. For low-income households, distributing costs is especially important.

This action includes a subsidized loan offer to the city for needed wastewater infrastructure improvements. Typically, these large infrastructure projects are funded through local revenue streams, including charging higher utility rates to residents. This loan offers financing from outside the local community, making the infrastructure updates less expensive to the small, local population, some of whom are low-income or elderly individuals on fixed incomes and therefore could be more 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 City of Sequim and their subcontractors.

To address these possible concerns, the city 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 impacted travelers are all routine components of large-scale construction projects and are enforced by jurisdictions other than 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 would possibly have to pay a higher per-capita utility rate to fund the improvements. Ecology's action provides an option to reduce the probable harm of utility cost increases to all rate payers in the utility service area, including community members with limited financial resources who would be most impacted by a rate increase.

Equitable distribution of financial benefits

Ecology awards funding for priority water quality projects annually through an 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 revolves, meaning that loan repayments provide funds for future low interest loans, which 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 Sequim.

Equitable distribution of environmental protections

Households with on-site sewage systems (OSS) are individually responsible for the long-term operation and maintenance of an OSS, and the cost of replacing the OSS when it fails. Failing OSS can pose several environmental and public health risks as previously described. This loan offer enables households served by OSS to transition to the utility's sewer services. This action shifts the primary burden away from individuals, and the responsibility for managing associated costs, limitations, and protective actions is redistributed across the city's utility rate payers.

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.

Through the financial agreement contract process, Ecology will require the city and their subcontractors to follow all legal and permit requirements for conducting construction in the area. Ecology will meet regularly with the City of Sequim to evaluate the progress of the project through the lifetime of this funding award. The city will be responsible for pursuing further engagement with vulnerable populations and any overburdened communities who may be identified.

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.

This action funds infrastructure that will improve the quality of the water being discharged by converting hundreds of discharges from OSS with unknown effectiveness to the permitted municipal facility, thereby providing environmental oversight and consistent and high-quality water treatment. However, treated water will still be discharged back to the environment. Wherever people live, contaminants from human waste are released to the environment. Discharge of treated water from the facility is a necessary result of wastewater treatment.

Ecology recognizes that construction of the lift station generally has potential for long-term environmental justice concerns such as the accumulation of property-reducing infrastructure in adjacent communities and the associated impacts. The agency has no jurisdiction over the location of the lift station. Ecology was not involved, nor did we provide funding for the design or decision-making determinations for this project. Because of this, Ecology does not have the authority to modify or mitigate the location of the lift station. Furthermore, the location of this lift station is in a community with few environmental justice concerns. We acknowledge the importance of addressing property value impacts in planning and location determinations. It is primarily the City of Sequim's responsibility to address the potential long-term environmental justice impacts of the lift station location and construction.

Section 10: Executive Summary

Project overview

The purpose of this action is to provide the City of Sequim with \$14,726,274 in standard loan and \$1,273,726 in forgivable loan to expand the sewer service area into eastern Sequim. This action facilitates opportunities for the eastern Sequim community to transition from on-site septic systems to municipal wastewater infrastructure.

The project location includes several areas of the City of Sequim on the Olympic Peninsula. The city is located along the Dungeness River and Sequim Bay of the Salish Sea.

Community considerations

The community affected by this action experiences few environmental burdens compared to other areas of the state. The population is older and experiences more unemployed (retired) than other communities in the state. Community engagement in this action began in February and March of 2024, with an online webinar and public comment period. No overburdened communities, vulnerable populations or Tribes engaged with Ecology about this action.

Ecology invited Tribal consultation from Jamestown S'Klallam Tribe, Lower Elwha Klallam Tribe, and Port Gamble S'Klallam Tribe. No Tribal government responded to our invitation to consult.

Environmental impacts

Onsite sewage systems (OSS) are the current wastewater treatment infrastructure in the area affected by this action. OSS often exacerbate environmental justice concerns as they are typically used by lower-income and more rural households. The burden of maintaining and upgrading an OSS falls exclusively to the landowner, but the environmental impacts are experienced throughout the surrounding and downstream areas – affecting properties, water quality, and aquatic life.

The project funded by this action brings significant environmental and public health benefits as the city transitions away from OSS to the utility’s sewer service area. Failing OSS threaten Sequim’s drinking water supply, which primarily comes from wells that draw on groundwater. They also negatively affect Sequim Bay shellfish industry, Treaty rights, recreational opportunities, harm aquatic life such as salmon and orcas, and can create public health hazards.

Ecology supports this subsidized loan offer to the City of Sequim.

Anticipated benefits from this loan offer are vast. Increasing access to sewer service supports anticipated residential and commercial development. This action invests \$16,000,000 in lowinterest loan and forgivable loan funding and distributes financial resources outside the state’s economic and urban centers; providing a small community with financial resources that otherwise has limited local revenues.

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](https://ecology.wa.gov/About-us/Who-we-are/Environmental-Justice/HEAL/EJ-Assessments)⁸.

⁸ <https://ecology.wa.gov/About-us/Who-we-are/Environmental-Justice/HEAL/EJ-Assessments>