



Water Quality Program loan offer to Kitsap Public Health District for the Regional Clean Water Loan Program

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

For the
Water Quality Program
Washington State Department of Ecology
Olympia, Washington
June 2026, Publication 26-10-054

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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.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 o llamando al (360) 480-6270.

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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

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 47600 Olympia, WA 98504	360-407-6000

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Washington State Department of Ecology

Olympia, WA

July 2026 | Publication 26-10-054



² <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.02&full=true#70A.02.010>

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Executive Summary

This Significant Agency Action provides \$20 million in funding for the Onsite Sewage System Regional Loan Program. Kitsap Public Health District sponsored the application, and Craft3, a nonprofit financial institution, will contract with Ecology to administer the program. This program passes funding through to homeowners for the repair or replacement of failing septic systems, or for connection to a sewer system when required by the local health jurisdiction.

The Regional Loan Program (RLP) services households statewide while being sponsored by the Kitsap Public Health District. Through data analysis, partner outreach, and internal coordination, Ecology identified areas in seven counties that are most likely to benefit from this funding.

- Benton County
- Franklin County
- Grant County
- Okanogan County
- Spokane County
- Stevens County
- Yakima County

The population who gains the most from this program are low-income homeowners whose properties use septic systems. Environmental health protections are preserved for:

- Shellfish harvesters and fishers
- Well water drinkers whose groundwater supplies are protected
- Surface water users for bathing, recreation, cooling, and drinking water sources

Anticipated benefits from this loan offer are extensive. Funding will reduce impacts to groundwater and surface waters from bacteria, viruses, chemicals, and nutrients from failing septic systems. This project protects water quality, aquatic ecosystems, fish, and shellfish populations. This funding program benefits people and communities by promoting housing security, economic relief, public health protections, drinking water supplies, and healthy aquatic ecosystems in some of Washington's highest-need communities.

Ecology offered Tribal consultation to all 29 Washington State Tribes and the Nez Perce Tribe, Confederated Tribes of the Umatilla Indian Reservation, and Confederated Tribes of the Warm Springs Reservation of Oregon with Treaty-reserved rights for fishing/hunting and cultural resource interests in Washington. No Tribes accepted our invitation to consult on the funding action.

Ecology supports this loan offer to Kitsap Public Health District to preserve access to homeowner financing for septic system repair, replacement, or conversion.

Environmental Justice Assessment

Environmental Justice (EJ) Assessments inform and support Ecology's consideration of overburdened communities and vulnerable populations when the agency initiates a Significant Agency Actions (SAAs). 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 Healthy Environment for All (HEAL) Act ([RCW 70A.02³](https://app.leg.wa.gov/RCW/default.aspx?cite=70A.02)).

Section 1: Background

1. Descriptive title of project/action

Water Quality Program loan offer to Kitsap Public Health District for the Regional Clean Water Loan Program

2. 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

This funding award sustains an established environmental financing program by extending its existing contract structure and budget.

☐ Request legislation

☐ Other, explain:

3. Short summary of the action

This Significant Agency Action will provide \$20 million to continue funding the existing Onsite Sewage System (OSS) Regional Loan Program (RLP). This program provides grants and low-interest loans to homeowners across Washington for the repair or replacement of failing septic systems, or connection to a sewer system when required by the local health jurisdiction.

Funding will support efforts to reduce impacts to groundwater and surface waters from bacteria, viruses, chemicals, and nutrients from failing septic systems. This project protects water quality, aquatic ecosystems, fish, and shellfish populations. People and communities benefit from this funding through economic incentives, property value protections, and public health protections.

³ <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.02&full=true>

4. Context and background on this Significant Agency Action

This loan supports a long-standing, uniquely structured environmental financing program. Every two years, one local health jurisdiction (LHJ) agrees to sponsor an application to fund this program. For state fiscal year 2027, Kitsap Public Health District requested Ecology run a Request for Proposal on its behalf, and Ecology has negotiated a contract with Craft3, a nonprofit lender. The selected LHJ then partners with Craft3 to deliver financing to homeowners for the repair, replacement, or upgrade of their septic systems—or connect to sewer where allowed.

Statewide LHJs inspect septic systems and have a vested interest in ensuring homeowners can access this financing. Each LHJ agrees to the program's structure and purpose through a statewide Memorandum of Understanding. Although only one LHJ applies each biennium, all are eligible and participate in the shared program framework. Ecology, the Department of Health, local LHJs, and Craft3 operate the Onsite Sewage System Regional Loan Program to expand access to clean water loans for homeowners.

5. Ecology webpage with information about this proposed action:

[Ecology prepares to fund 121 clean water projects - Washington State Department of Ecology](#)

[On-site sewage projects - Washington State Department of Ecology](#)

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

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

Section 3: Identify Affected Tribes

This section summarizes Ecology's 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.

1. Is the proposed action likely to have any local or regional impact on 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.

Because this action makes funds available to protect ecosystems and natural resources statewide, all 29 federally recognized Tribes in Washington may be affected. Additionally, the Nez Perce Tribe, Confederated Tribes of the Umatilla Indian Reservation, and Confederated Tribes of the Warm Springs Reservation of Oregon may be affected through Treaty-reserved rights for fishing/hunting and cultural resource interests in Washington.

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 self-identified as being potentially impacted by the proposed action.

4. Describe plans to offer consultation to identified Tribes.

Ecology offered consultation to all potentially affected Tribes through formal letters to Tribal chairs and Natural Resource Directors.

Section 4: Offer Consultation

This section directed 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 Rights and Interests

When provided, Tribal consultation should inform the answers to all questions in this section.

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

The OSS Regional Loan Program provides funding on a first-come first-serve basis that is available to people in Washington to repair or replace failing septic systems, including for households on Tribal lands. When maintained and functioning properly, septic systems provide adequate treatment of residential wastewater. However, if they fail, waste can seep from the system, also known as effluent. Effluent can create public health threats related to exposure when sewage backs up into a residence or ponds in a yard. Effluent can impact surface and groundwater quality and ultimately drinking water sources or shellfish harvest areas. Any homeowners on Tribal lands who choose to use this funding program will benefit from the reduction in public health and water quality threats that are achieved when failing septic systems are repaired or replaced.

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

Any septic systems that are repaired or replaced through funding provided by this action have the potential to benefit Tribal rights and interests beyond Tribal lands in two primary ways.

First, this funding action helps protect Tribal access to natural and cultural resources. Septic system failures can impact downstream water quality through nutrient and bacteria pollution, limiting activities such as Treaty or subsistence shellfish harvest, or leading to public health threats such as harmful algal blooms.

Second, this funding action supports the protection of Tribal cultural resources. This funding program, and the projects it funds, are subject to the National Historic Preservation Act (Section 106) review, which considers the effects of federally funded projects on historic properties. Every proposed repair or replacement project is reviewed by Ecology to determine whether there are potential impacts to archaeological or historic sites, and Ecology consults proactively with Tribal staff on appropriate oversight to protect cultural resources.

2. Summarize recommendations from Tribes to mitigate or eliminate potential harms from the action or equitably distribute benefits from the action

No Tribes have responded to Ecology's invitation to consult on this action.

In previous phases of this program, Ecology engaged with Tribal staff on our shared goal of mitigating water quality impacts related to failed septic systems and impacts on shellfish and clean water. Related to cultural resources, in the previous phases of this program, Tribal staff worked closely with Ecology to ensure protection of cultural resources through early coordination and consultation.

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

Ecology did not receive a response from any potentially affected Tribes.

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

Ecology is ready to proceed with consultation and respond to any input received from impacted Tribes.

Section 6: Identification of Overburdened Communities & Vulnerable Populations

This section identifies overburdened communities and vulnerable populations, as identified in the [definitions of RCW 70A.02⁴](https://app.leg.wa.gov/RCW/default.aspx?cite=70A.02), who will be affected by the action.

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

This action could affect residential property owners and residents across the state. Approximately one third of Washington homes rely on septic systems for safe and effective treatment of wastewater. These homes are typically outside of sewer utility service areas in rural, unincorporated, or hard-to-reach properties. Sometimes, legacy properties within sewer areas are still using OSS.

2. When applicable, using the Washington State Department of Health's Environmental Health Disparities Map (EHD Map)⁵, identify the EHD Map rankings for all census tracts likely to be impacted by the action.

Any census tracts in Washington could be impacted by the action should program outreach activities occur there or should a homeowner apply for or receive funding.

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

☒ Yes

☐ No

If yes, describe.

The action could affect all census tracts in Washington and therefore may impact any census tracts with an EHD ranking 9 or 10.

⁴ <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.02.010>

⁵ <https://fortress.wa.gov/doh/wtnibl/WTNIBL/>

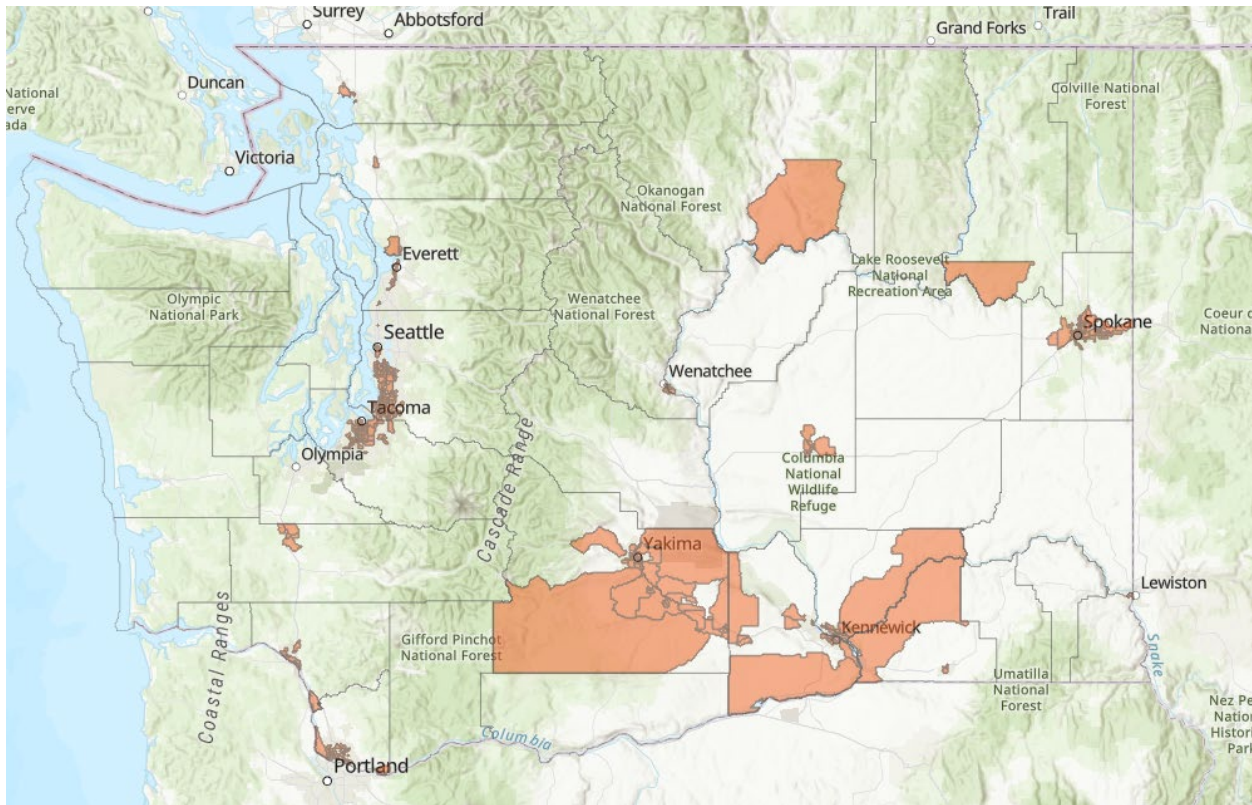


Figure 1. Census tracts in Washington state with an overall EHD ranking of 9 or 10.

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

Many homeowners and residents rely on septic systems for safe and effective treatment of their wastewater. When properly functioning, household wastewater is treated by a septic system before it filters into the ground. Improperly functioning septic systems can allow pathogens and pollutants to overflow into homes, yards, and the environment, which can be harmful to human health. Furthermore, OSS failures lead to environmental degradation and resulting harmful algal blooms which limit access to recreational sites and lead to economic instability and food insecurity for those who depend on shellfish, drinking water, and other natural resources.

Direct contact with or consumption of polluted water or contaminated shellfish may cause severe illnesses

Improperly treated sewage can contain fecal bacteria and other pathogens that can make people sick if they contact or ingest it.

Exposure to sewage can happen in homes and yards, through contact with contaminated surface waters such as lakes and rivers, through contaminated drinking water supplies, and through consumption of contaminated shellfish. Direct contact or consumption of sewage can transmit diseases and cause serious illness, such as Norovirus.

Nitrates can contaminate groundwater from improperly functioning septic tank discharges. Groundwater supplies drinking water for people who use wells, primarily in rural areas and difficult-to-

access properties. Nitrates consumed in drinking water may lead to serious health problems, especially for infants.

Some populations are more sensitive to contact with polluted waters including:

- Pregnant people
- Children and infants
- Elderly people

OSS failures can cause environmental degradation

OSS failures can cause environmental degradation, such as harmful algal blooms which can produce toxins that pose a risk to human health. People may contact or consume these toxins through recreational activities, drinking water supplies, or shellfish. Symptoms may include diarrhea, headache, gastrointestinal issues, and more.

OSS failures can limit access to recreational areas

Pollution from failing OSS may decrease water quality, restrict access, or lead to recreational sites closures. Reduced access to recreational sites can be harmful to physical and mental health. If a person has no other access to recreation sites, a closure may be a barrier to wellbeing.

OSS failures may contribute to economic instability and food insecurity

Failing OSS may contribute to financial instability and food insecurity. Septic system replacements can cost more than \$30,000 in Washington State, which may significantly impact homeowners with lower incomes and higher expenses. In addition, shellfish harvest and growing area restrictions and closures may cause economic losses for people who harvest, grow or sell them. People who rely on shellfish for subsistence may experience food insecurity or face loss of cultural or traditional identities when shellfish harvest is restricted. These stressors can cause increased risk of cardiovascular disease, obesity, anxiety, depression, and other negative health outcomes.

Some populations⁶ are more reliant on shellfish for subsistence, income, or cultural purposes, including:

- Tribal communities
- Asian & Pacific Islander communities

5. 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.

This action is statewide, so all areas at or above the 80th percentile for “People of color” and “Low income” may be impacted. See figures 2 and 3 below.

⁶ [Fish Consumption Rates Technical Support Document - Version 2.0 FINAL](#)

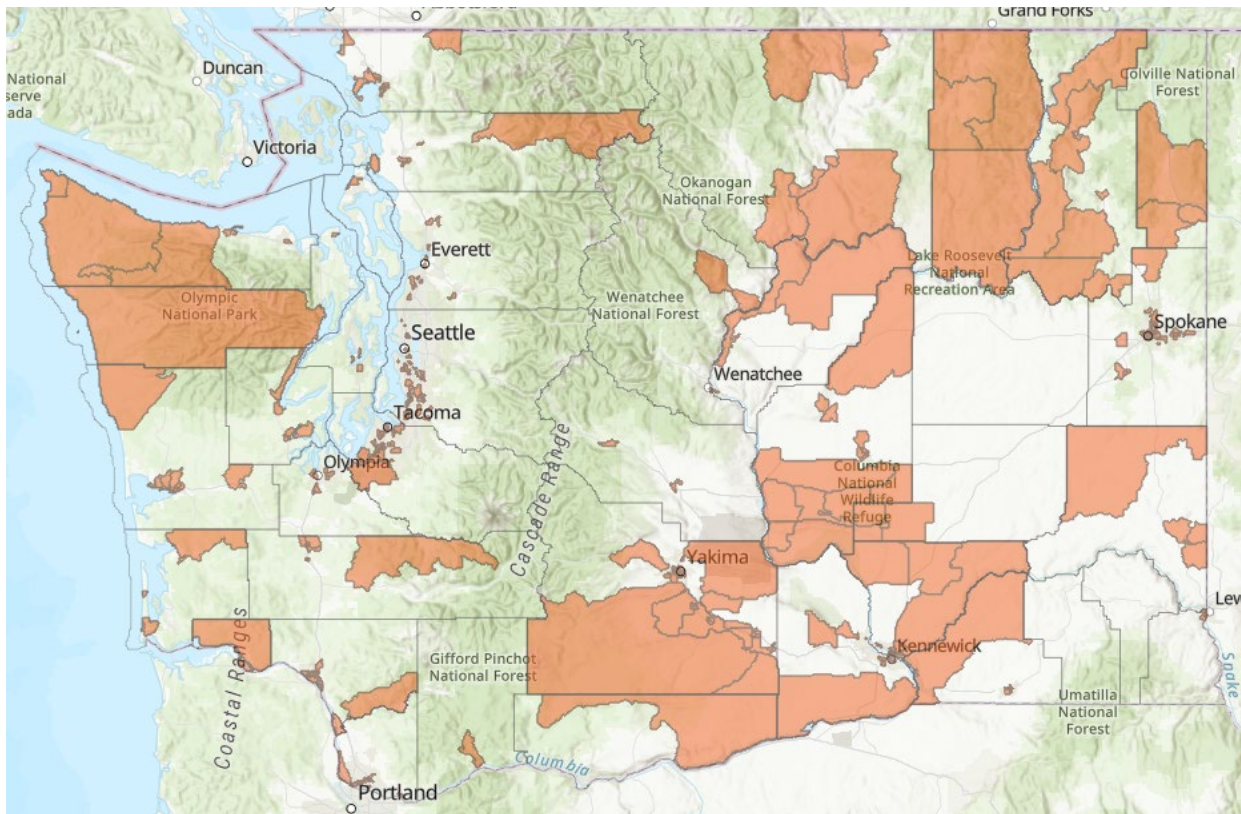


Figure 2. Washington State census tracts with an EHD ranking of 9 or 10 for Populations Living in Poverty.

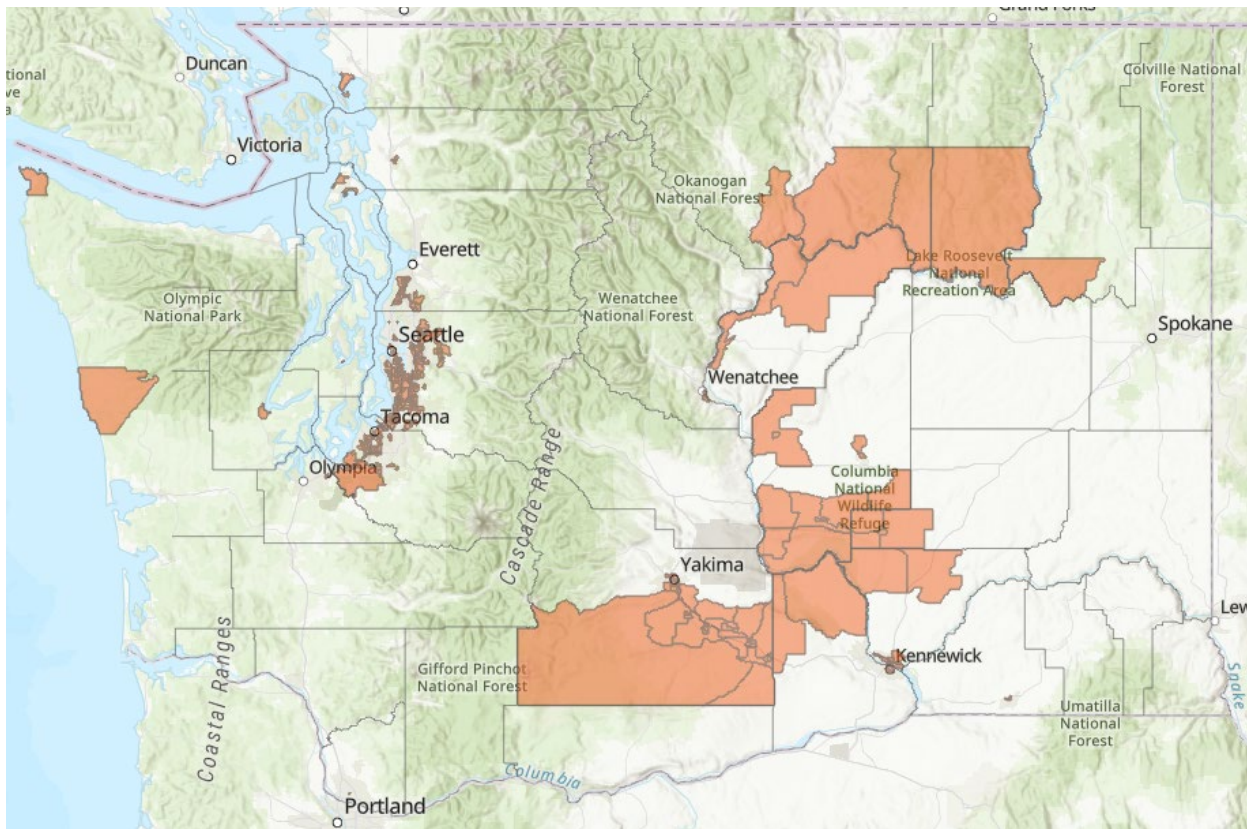


Figure 3. Washington State census tracts with an EHD ranking of 9 or 10 for People of Color.

6. Identify any other indicators pertaining to socioeconomic characteristics, health disparities, and/or climate and environmental impacts at or above the 80th percentile (in state) that are relevant to this action.

Ecology identified several areas in the state where the local community faces high cumulative environmental and socioeconomic burdens related to failing septic systems. These communities are identified in Figure 4, which shows the areas of the state where census tracts with Environmental Health Disparities ranking 9 or 10 overlap with at least one of the following⁷:

- A designated Shellfish Protection District, which are county-led jurisdictions established to protect and restore water quality in shellfish growing areas where pollution threatens harvesting.
- An active Water Quality Improvement Plan for bacteria, nitrogen, or phosphorus, which refers to a state-developed watershed plan to restore water quality from OSS related impairments.
- A designated Surface Water Protection Area, which exists by state law to protect the surface water used for drinking water supplies by managing pollution risks in the watershed.

⁷ For citations and more details on the spatial analysis methodology, see [link](#)

- A designated Groundwater Nitrogen Priority area, which is a region where groundwater nitrate contamination is a significant concern, based on monitoring data, risk studies, and landscape factors.

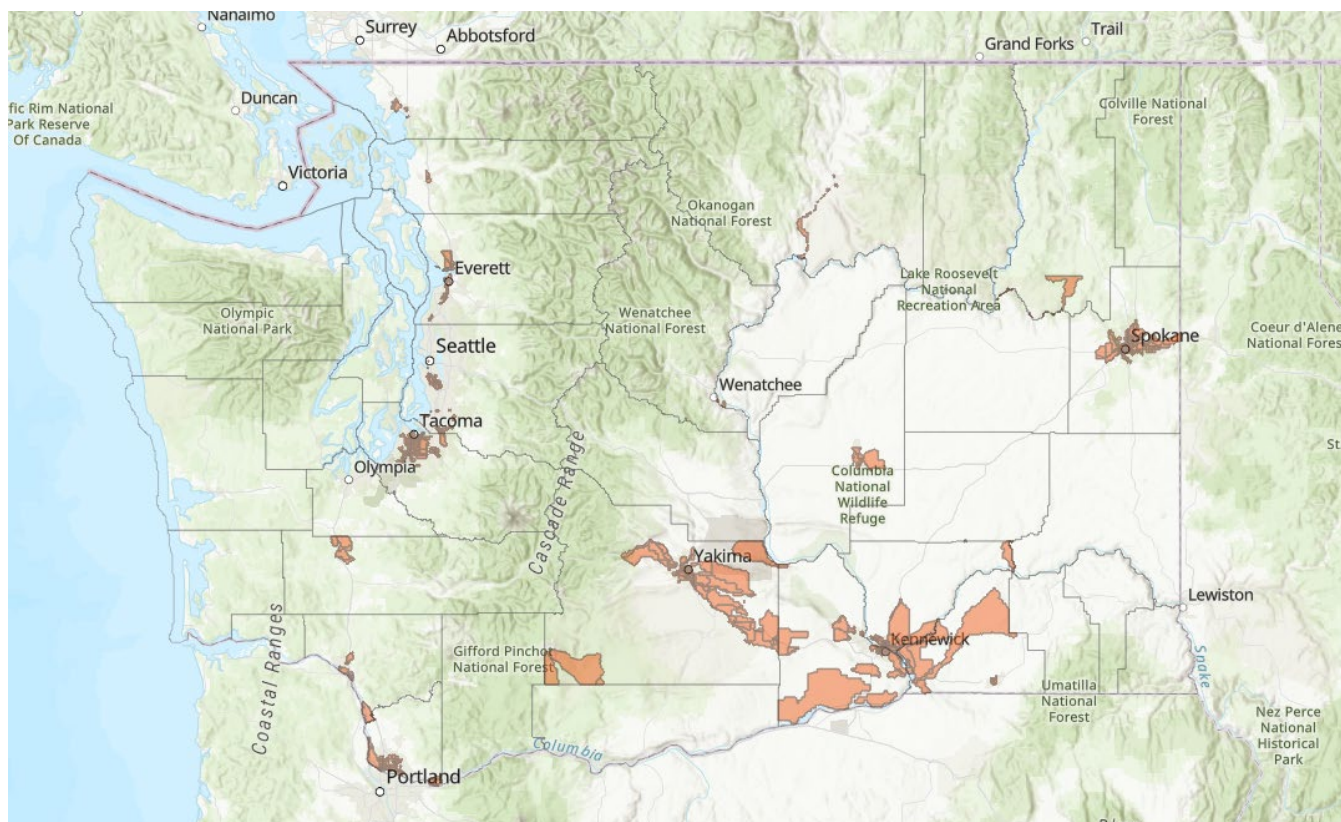


Figure 4. Areas shown in orange are where Ecology identified local communities face high cumulative environmental and socioeconomic burdens related to failing septic systems.

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

In addition to the groups previously mentioned, Ecology identified the following vulnerable populations likely to be affected by this action:

- People without access to healthcare, uninsured, or underinsured individuals. People without reliable access to health services may experience significant impacts from contact with environmental contamination from failing septic systems.
 - Unhoused populations who rely on untreated freshwater for drinking or bathing. When contamination enters surface waters from failing septic systems, people who use the water routinely are more likely to experience health impacts from contact with pollutants and pathogens.
8. 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.

Ecology engaged with local health jurisdiction staff who work directly with homeowners experiencing septic system issues. These key informants shared the following specific communities who may be most affected by the action:

- Mid Okanogan County
- North Okanogan County
- Mead, an unincorporated suburb located north of Spokane
- The Spokane Valley
- Newman Lake in Spokane County
- Chattaroy, an unincorporated area outside the City of Spokane

LHJ staff shared that the following households are more likely to be vulnerable to OSS issues:

- Homes in rural areas
- Lower income households
- Homes in "holes" of county in city zoning - areas where municipal services are not available or affordable.
- Homes on small lots in Benton-Franklin County that were built in the '50's and '60's and have no room for future replacement systems. They are often served by single family wells.
- Lower Yakima Valley homeowners who undertake unpermitted repairs, which are primarily driven by cost concerns.

Ecology determined through internal coordination that the Upper Colville watershed in Stevens County is also a priority area for community outreach about this funding program. This area meets several relevant criteria:

- A new Water Quality Improvement Plan is in development to address dissolved oxygen, bacteria, pH, and temperature.
- Septic issues are very prevalent in the Upper Colville watershed.
- Additionally, portions of the Upper Colville watershed have a high percentage of households with a total income below 185% of the federal poverty level (see Figure 5).

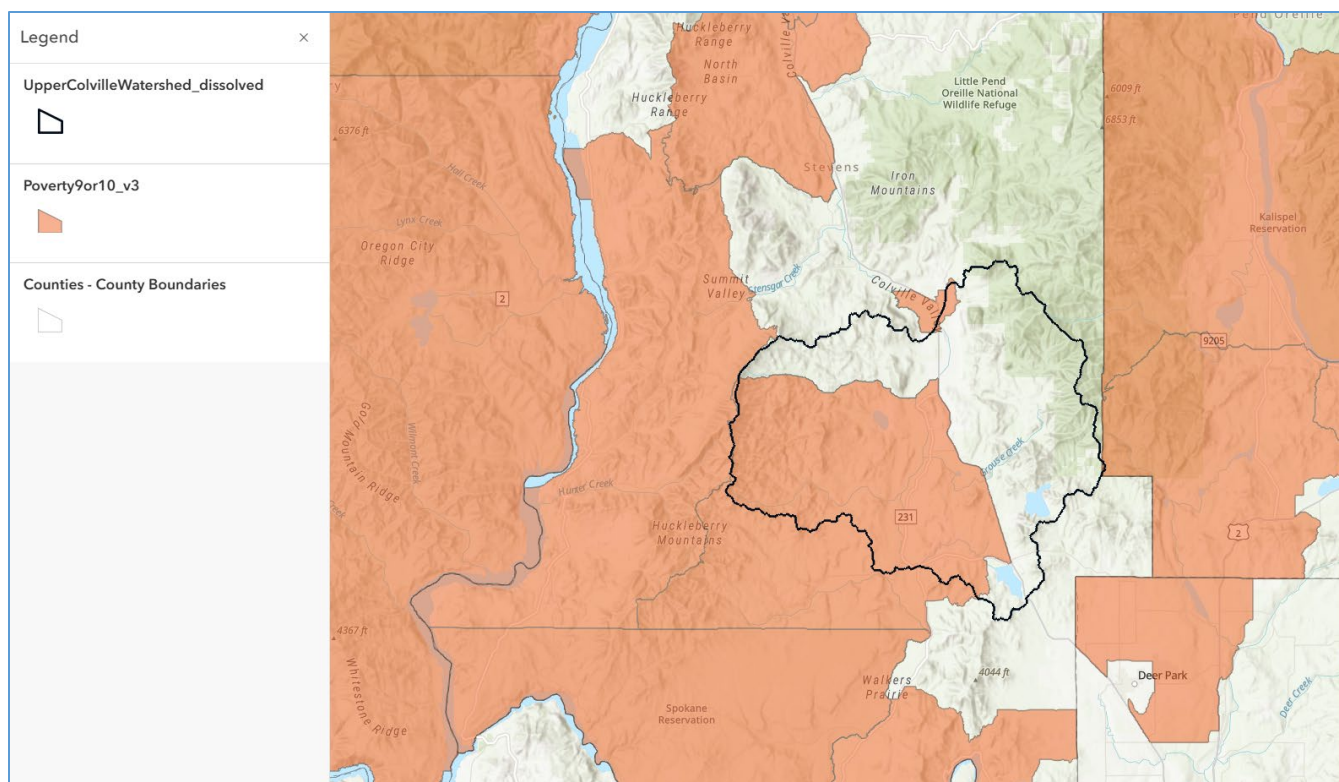


Figure 5: Areas in orange are areas with a high number of people living in poverty (ranked 9 or 10 for the population living in poverty layer on the EHD map). The area outlined in black is the Upper Colville watershed.

9. 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.

Not applicable as no Tribes responded to Ecology's invitation to consult on this action.

10. Additional procedural considerations informed Ecology's understanding of where people would be most impacted by this funding action.

Low-income OSS users in Central and Eastern Washington may face greater barriers to accessing this loan funding than their Western Washington counterparts. This is in part due to historic program implementation limitations and broader disinvestment in wastewater infrastructure in rural areas of the state. If Ecology and program partners can address these barriers and expand access to the program, Eastern and Central Washington communities are likely to benefit most from this significant agency action.

Historic program limitations predict who benefits from this funding action.

The OSS Regional Loan Program served 12 counties near Puget Sound from its inception in 2016 to 2021. The program was then expanded to serve the entire state and will continue to serve the entire state under this funding action.

Because the program had a five-year focus on the Puget Sound region, program capacity – including developed outreach materials, experienced public health inspectors, and homeowner awareness

through word-of-mouth referrals – is most established in Western Washington. The legacy of past financing locations demonstrates the success of the program in these areas (see Figure 6). Households, local public health jurisdictions, and Tribes in Central and Eastern Washington are less likely to know about the program or have access to staff and partners to promote it, leading to funding inequities between state regions.

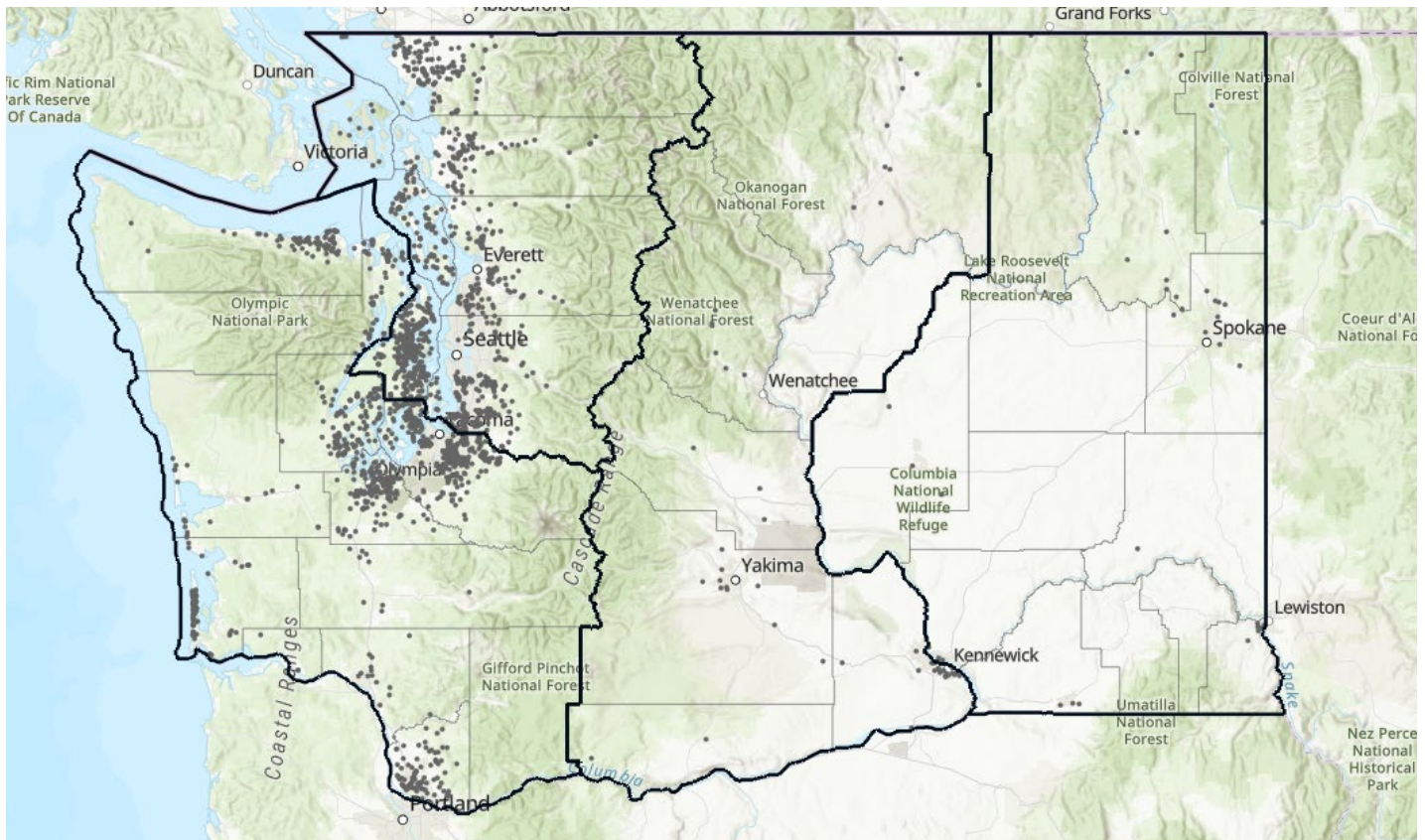


Figure 6: Locations that received funding since the program’s establishment through December 2025 are shown in dark grey points. This shows Western Washington has the highest density of previously funded projects. The dots represent the funded project locations, and the boundary lines distinguish Ecology’s different regions.

Areas lacking access to sewer utility networks can create affordability hardships for homeowners.

Rural areas and unincorporated areas are more likely to rely on OSS. Ecology included unsewered areas in our spatial analysis since those areas are more likely to use on-site septic systems (see Figure 5).

When homeowners are solely responsible for wastewater management, as is the case with OSS, some households will face undue financial burden and put others at risk from pollution if the system fails. When a neighborhood is serviced by a community sewer utility, all homeowners share the financial burden and receive the environmental benefits of the environmental service. This distribution creates more parity and reduces the likelihood that any homeowner will face hardship from wastewater management. Urban areas, with larger constituencies and more frequent infrastructure updates, are more likely to have community sewer utility systems in place.

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.

Ecology Identified Several Communities to Engage

Based on the mapping analysis and internal coordination, several areas of the state were identified as high priorities for community engagement and outreach (see Table 1). These areas meet the following criteria:

- Includes a census tract that ranks 9 or 10 for Overall Environmental Health Disparities
- Lacks access to community-wide sewer services
- Located in Washington’s Central and Eastern regions
- Includes at least one of the following programmatic designations:
 - A designated Shellfish Protection District, which are county-led jurisdictions established to protect and restore water quality in shellfish growing areas where pollution threatens harvesting.
 - An active Water Quality Improvement Plan for bacteria, nitrogen, or phosphorus, which refers to a state-developed watershed plan to restore water quality from OSS related impairments.
 - A designated Surface Water Protection Area, which exists by state law to protect the surface water used for drinking water supplies by managing pollution risks in the watershed.
 - A designated Groundwater Nitrogen Priority area, which is a region where groundwater nitrate contamination is a significant concern, based on monitoring data, risk studies, and landscape factors.

Table 1: Geographic areas for community engagement

Ecology Region	High-priority areas for community engagement and outreach
Central	• Okanogan County • Benton County • Yakima County • Confederated Tribes of the Colville Reservation • Confederated Tribes and Bands of the Yakama Nation – Yakama Reservation
Eastern	• Grant County • Spokane County • Stevens County • Franklin County • Spokane Tribe – Spokane Reservation

Summarizing Community Engagement

1. Describe Ecology's engagement activities with identified overburdened communities and vulnerable populations.

Ecology decided the most effective way to engage with priority areas was to reach out to the local health districts (LHJs). LHJs and Craft3 do on-the-ground work in communities such as outreach and promoting this program, meeting with homeowner applicants, and providing other homeowner assistance. They are known as trusted regional experts whose missions align with the economic and public health interests of the local communities. In May 2026, Ecology sent a survey to local health jurisdictions to understand their awareness of the RLP, what barriers are in the way for their communities to access this funding, and how Ecology can help facilitate future engagement through Craft3.

The following survey questions were sent to Yakima County Health District, Okanogan County Health, Benton Franklin Health District, Grant County Health District, Northeast Tri-County Health District, and Spokane Regional Health District:

- Are you aware of the OSS Regional Loan Program funded by Ecology?
- Are there specific areas within your county where you see more septic issues than others? If yes, please list those areas.
- Are you aware of homeowners in your county who delay septic maintenance because of cost or affordability?
- What are the most effective ways to reach people in your community who need financial help to fix septic issues?
- Is there anything else you would like us to know about barriers preventing people in your county from accessing this information?
- Does your community face language barriers? If yes, please list the most common language barriers.
- Is there anything else you would like us to consider with this septic funding program?
- Does your jurisdiction host county workshops for industry professionals?

Over the past year, Ecology has worked to increase general awareness of this funding program through several channels.

- SepticSmart Week is an annual septic awareness week sponsored by the U.S. Environmental Protection Agency. The most recent SepticSmart Week was Sept. 15-19, 2025, and Ecology published a blog highlighting two successful RLP funded projects including quotes from homeowners in Kennewick and Thurston County. [Read the full blog on Ecology's website.](#)
- Ecology also posted two social media videos to generate awareness of the RLP. One video was released in Oct. 2025, and one was released in Feb. 2026. Both videos were published on TikTok and Instagram, as well as LinkedIn.
- Ecology developed a one-page handout about the RLP to take to conferences and community events. This [focus sheet](#) is published on the website.

In addition, Ecology provided general mechanisms for the public to submit their input on this loan action and the overall list of projects proposed for funding in the Water Quality Combined Fund for state fiscal year 2027.

- Ecology announced this proposed funding on Jan. 30, 2026, published a [Draft Funding Offer List](#), and shared the list through multiple channels:
 - [Blog post](#) on Ecology's website
 - GovDelivery notice sent to more than 2,000 subscribers
 - Press release sent to Ecology's media list of 7,000+
 - Social media post on Facebook and LinkedIn
- Ecology held a 30-day public comment period and hosted a 90-minute webinar to explain the funding process, decisions, and this loan offer.
- The public was invited to provide feedback on the full list of proposed state fiscal year 2027 Water Quality Combined Funding program projects, including this action. All public comments received are reviewed and responded to by Ecology.

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

Ecology took the following steps to reduce barriers for both applicants and members of the public, particularly those unfamiliar with funding programs or technical project details.

- Contacted local media and community organizations that serve the wider public and may include vulnerable populations (see list in question 1 above).
- Hosted online public meetings to improve accessibility and participation.
- Provided public materials in multiple accessible digital formats:
 - PDF document
 - Searchable spreadsheet
 - Interactive dashboard and map
- Offered published materials about the Draft Funding Offer List in Spanish.

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

Ecology did not engage directly with the following groups:

- People without access to healthcare, uninsured, or underinsured individuals
- Unhoused populations
- Western Washington communities

Because the RLP is a statewide program, Ecology chose to engage with the highest priority areas by utilizing LHJs, trusted regional experts in touch with what is happening in their communities.

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 survey responses from Benton-Franklin Health District, Yakima Health District, Okanogan County Public Health District, and Spokane Regional Health District.

The survey results indicate that homeowners delay septic maintenance due to cost or affordability. This demonstrates need for the RLP program. The survey responses also indicate the need for more outreach and community engagement, especially in Spanish. There was confusion about what the program is called and what it offers, which shows the need for clearer communication and promotion of the program with a uniform message about funding resources available. Ecology will relay this feedback to Craft3 as they plan their communication and outreach to households who may benefit from financing.

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

Ongoing engagement related to this action will primarily be through Craft3, and local health jurisdictions. As the funder, Ecology will use the contract terms and conditions to ensure that equity and engagement requirements are upheld in the program. Ecology will provide recommendations based on this assessment for areas of the state to prioritize for program outreach. This formal, legally binding contract ensures that community engagement continues during project implementation and that the loan action equitably benefits potential vulnerable populations that were identified throughout the process. Ecology will also continue to promote the RLP through blogs, success stories, and social media posts.

Section 8: Potential Environmental Benefits & Harms from Action

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

Direct benefits

This action will reduce financial barriers for homeowners to septic system repairs, replacements, and connection to sewer when required. Ecology anticipates this investment will result in an estimated 600 individual OSS projects receiving funding over the next two years⁸. The Regional Loan Program offers fixed interest rates and terms based on the financial capacity of the homeowner. The goal of the RLP is to provide at least 40% of the funding to low-income homeowners⁹, who qualify for flexible financing terms.

This action may also result in cost savings, improved financial security, and reduced risk of displacement due to uninhabitable conditions for homeowners and residents, particularly low-income homeowners and their tenants. Failing OSS may require that homeowners and tenants find alternate and potentially costly accommodation due to unsanitary conditions and/or pay a premium for emergency repairs and may also contribute to lowered property values.

Indirect benefits

We anticipate OSS repairs, replacements, and connections to sewer will reduce OSS failures. Fewer OSS failures reduce potential harms to human health caused by direct exposure or consumption of sewage contaminants, environmental degradation leading to harmful algal blooms, limited access to recreational sites, and economic instability and food insecurity (see a description of harms in Section 6).

Finally, we anticipate this action will result in an investment into local jobs and economies by directing funds toward an estimated 350+ OSS designers, installers, and other associated businesses that support the industry statewide. The funding action will provide nearly \$20,000,000 toward direct financing for homeowners who then pay septic system inspectors, designers, and installers for work provided. These transactions result in direct investments into local economies, especially in low-income and rural areas where OSS reliance is more prevalent than in urban centers.

2. Who will primarily benefit from this action?

We anticipate the primary beneficiaries from this funding action will be homeowners with aging and failing septic systems who receive financial assistance to support OSS repairs, replacement, or connection to sewer where required. We anticipate this funding action will primarily benefit homeowners of private residences in rural, unincorporated, and difficult to access areas where OSS are

⁸ Since inception in 2016, the regional loan program (RLP) has funded more than 2,300 projects to repair or replace OSS and has provided \$64 million in funding for homeowners throughout the state. This funding action will continue the program for another five years through June of 2031 and will provide \$20 million in additional loan funding to eligible homeowners throughout the state.

⁹ Households that are at or below 80% of the area median income are considered low income.

the primary sewage treatment option. Homeowners who rely on OSS in sewered areas may also benefit.

Other beneficiaries

- People who may be at health risk from exposure to improperly treated sewage, likely from:
 - Direct contact in the home and yard
 - Drinking water
 - Shellfish consumption
- Recreational users of state waterways and shorelands
- People who rely on shellfish for income or subsistence

An estimated 350 or more businesses servicing septic system design, maintenance, and installation will also benefit through an expanded customer network.

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 funding action is anticipated to directly benefit low-income homeowners with aging and failing OSS by reducing barriers to accessing financial assistance for OSS repair, replacement, or connection to sewer. The program has historically served 39 - 40 percent low-income applicants each year and the goal is to continue this strong investment to low-income homeowners.

Because low-income households often have fewer resources to absorb unexpected setbacks, the secondary impacts of failing septic systems can escalate and create far greater hardship. Low-income residents may benefit more than middle- and upper-income counterparts by avoiding unexpected expenses that arise from exposure to pollutants from failing OSS. They often have limited access to healthcare and are more vulnerable to economic losses from illness. Low-income individuals may also benefit from consistent recreational access, especially when they lack transportation to alternative sites. Recreation closures can affect cultural expression and overall health.

Residents of low-income communities are often exposed to greater environmental health risks because these communities experience greater exposure to environmental pollutants. Historic disinvestment to low-income neighborhoods means that these communities have a greater concentration of OSS in need of repair. When neglected, OSS failures can lead to an increase in environmental health disparities for the overburdened community. Therefore, by providing financial assistance options to low-income households, this funding action may benefit overburdened communities from cumulative health exposures.

The RLP may reduce the incidence of sewage contaminants discharging into shellfish growing and harvest areas. Some people in Washington State rely on shellfish for income or subsistence, especially Tribal people and Asian and Pacific Islanders¹⁰. This action could benefit people that rely on shellfish for income or subsistence through the following:

- Fewer incidences of shellfish-related illness caused by sewage contaminants

¹⁰ [Fish Consumption Rates Technical Support Document - Version 2.0 FINAL](#)

- Less severe or frequent restrictions on shellfish growing areas or harvest, which preserves economic stability and food security.

Lastly, this funding action may help protect drinking water supplies for people who use private wells. Because private wells are not regulated or tested regularly for quality or safety in the State of Washington, well users may be unaware of risks to their drinking water supply. As previously discussed, drinking well water contamination from groundwater pollution poses serious health risks and costly environmental cleanups.

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

Short-term indirect harms may be associated with construction activities related to OSS repair, replacement, or connection to sewer. While OSS construction activities typically occur over just a few days, increased noise pollution, diesel exhaust emissions, and other air pollution may temporarily increase in a highly localized area and could impact people who are nearby during construction. When this funding program finances projects that connect households to sewer, short-term road closures or traffic diversions may be required. These activities may temporarily exacerbate pre-existing respiratory conditions or be experienced as noise and transportation nuisances.

3. Who will primarily experience the harms?

Impacts from short-term construction activities may temporarily burden people near the impacted OSS.

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

Vulnerable populations may be harmed by temporary construction activities, as described above.

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

This funding action would address environmental and health disparities by focusing supportive financial programming on the most at risk households, reducing financial barriers to addressing failing OSS and mitigating threats to human health and the environment.

Financial barriers

Through an anticipated increase in identification of failing OSS¹¹¹², compliance efforts led by local health jurisdictions may place additional stressors on already financially burdened homeowners. This funding action provides financial relief to low-income households. The RLP may reduce financial barriers to regulatory compliance and sewage treatment maintenance by serving households unable to obtain traditional credit and those experiencing compounding financial pressures. The program is

¹¹ Homes built during Washington's housing boom of the 1990s are reaching the age where original OSS will be failing.

¹² Identification of failing OSS is anticipated to increase as the 23 counties not currently managing time-of-transfer OSS inspection programs are required to become compliant by February 2027, per revised Chapter 246-272A WAC.

structured to provide inclusive credit, including favorable interest rates and repayment terms for lower income households. Inclusive underwriting criteria supports those unlikely to access traditional financing such as people with low- or fixed-incomes, people with limited English proficiency, people with low or limited credit.

Mitigating human health impacts from OSS threats for sensitive populations

Improved water quality contributes to public health equity by reducing exposure to harmful pollutants and pathogens for people who are more susceptible to illness from waterborne bacteria and viruses such as children, seniors, and people with compromised immune systems. These improvements can be especially important for low-income residents, who often face greater financial impacts from illness due to limited access to healthcare and economic vulnerability to medical costs and lost wages.

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.

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.

See answers to Section 9, questions 2 and 3 below.

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.

Ecology has identified a set of programmatic and contractual methods designed to reduce or eliminate harms to overburdened communities and vulnerable populations while ensuring that the benefits of the RLP are distributed equitably across the state.

To ensure benefits are equitably distributed, Ecology will incorporate targeted outreach priorities into Craft3's contract. Craft3 should direct program outreach efforts to communities identified in this Environmental Justice Assessment that face disproportionate environmental and economic impacts from failing OSS (see Figure 7 and Table 1).

Ecology will contract with Craft3 to administer household financing and will direct the lender to structure the program to reduce financing inequities for eligible low-income homeowners. Key features include:

- Up to 100 percent financing for system design, permitting, and installation
- Interest rates are adjusted based on area median income
- Equitable pricing regardless of credit score
- Inclusive underwriting criteria that allow higher debt-to-income and loan-to-value ratios than traditional lending.

Through other funding sources, Craft3 plans to incorporate a \$2,000 operations and maintenance reserve into each loan to ensure households can meet ongoing inspection and repair needs over the first five years.

Contract terms and conditions will incorporate key civil rights protections, including language access requirements consistent with the Civil Rights Act and accommodations mandated under Title II of the Americans with Disabilities Act. Compliance with these provisions ensure that communications, outreach materials, and program information are accessible to communities with limited English proficiency and to individuals with disabilities. Additionally, standard contractor procurement practices and legal requirements governing construction activities remain in place to safeguard fairness and compliance.

Ecology will work to develop stronger relationships with the local health jurisdictions. Ecology can provide our Regional Loan Program social media posts and webpages directly to LHJs to promote awareness of the program and make it easier for LHJs to share the information within their jurisdictions, reducing barriers for community promotion of the program. Ecology will share the findings in this EJA with the local health jurisdictions in our annual partnership meeting and will ask for their ongoing insights about how to better administer this program.

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.

Ecology determined it would not be feasible to provide people in vulnerable populations opportunities for meaningful engagement in the evaluation and awarding of this funding action or the contract procurement decision to select the financial institution (Craft3). This was due to the timeline misalignment between the EJA document development, funding action awarding, and contractor selection period which was accelerated to avoid a disruption of services.

Ecology decided to survey local health jurisdictions to solicit local knowledge instead of directly with affected homeowners for a variety of reasons. Given the high number of households that meet the prioritization criteria for this program and Ecology's staffing levels, comprehensive engagement was not feasible or cost effective. Furthermore, through past communications efforts, we understand that some rural communities would prefer to interface with their local health jurisdictions as local and trusted advisors rather than state government. Instead, Ecology surveyed local health jurisdictions to solicit local knowledge. We recognize the lack of direct engagement with community members may present gaps in our understanding of vulnerable population and overburdened community's perspectives.

Additionally, Ecology recognizes that while this Regional Loan Program makes substantive progress to make wastewater infrastructure affordable for low-income households with inclusive lending and low-interest rates, the total costs of septic system maintenance, replacement, and conversion remains. This loan program moves Washington in the right direction but does not provide all the financial needs necessary to support low-income homeowners. This program provides a financing option that doesn't exist and supports affordability without fully resolving the financial burden.

Section 10: 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)¹³.

¹³ <https://ecology.wa.gov/About-us/Who-we-are/Environmental-Justice/HEAL/EJ-Assessments>