

## What are the loan terms?

Interest rates are based on a percent of the market rate for tax-free municipal bonds. The rates are established at the beginning of each application cycle. Here are the interest rates:

- **0 to 5-year term:** Fiscal Year 2004 interest rate is 0.5 percent
- **6 to 20-year term:** Fiscal Year 2004 interest rate is 1.5 percent

## How and when do you apply for funding?

Ecology plans to publish guidelines and application materials for fiscal year 2004 funding in late December, 2002, and conduct workshops in convenient locations around the State in January 2003. Applications will be accepted from January 2 to March 5, 2003. Following the application period, Ecology will evaluate the applications received, publish a draft funding offer list, and solicit public comment. Ecology expects to publish a final offer list by August 2003. Funding will be available to successful applicants after the list is published.

## How much money is available this year?

For fiscal year 2004, Ecology expects to have available approximately **\$12.5 million in competitive grants and loans for wastewater treatment facility and nonpoint source projects** through the Centennial program. Approximately **\$2 million more will be available as competitive grants for nonpoint source projects** from Section 319. Ecology expects to have approximately **\$70 million available from the SRF for low-interest loans.**

## How do I learn more?

The best way to learn about the programs is to review the annual funding guidelines published in December of each year, containing information about the funding for the next fiscal year.

Ecology announces the availability of these guidelines each year in a mailing sent to all Washington counties, cities, towns, tribes, special districts, as well as many other groups. The mailing also gives the dates, times, and locations of our funding workshops. If you wish to be added to the list, contact us (see below for information).

If you are planning to apply for fiscal year 2004 funding we **recommend that you participate in one of our workshops** in January 2003.



If you have questions and want to talk about the financial assistance programs, please contact:

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<http://www.ecy.wa.gov/programs/wq/funding>



# Financial Assistance for Water Quality Projects

## Fiscal Year 2004

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## What programs does Ecology have to help fund water quality projects?

The Department of Ecology's Water Quality Program administers three major funding programs that provide low-interest loans and grants for projects that protect and improve water quality in Washington State. Ecology acts in partnership with State agencies, local governments, and Indian tribes by providing financial and administrative support for their water quality efforts. As much as possible, Ecology manages the three programs as one; there is one funding cycle, application form, and offer list. This brochure is a guide to introduce these financial assistance programs and to direct you to the information sources that can give further assistance with planning to meet your funding needs.

The three programs sharing guidelines, application, and funding cycle are:

The **Centennial Clean Water Fund** (Centennial), which provides low-interest loans and grants for wastewater treatment facilities and fund-related activities to reduce nonpoint sources of water pollution.

The **State Revolving Loan Fund** (SRF), which provides low-interest loans for wastewater treatment facilities and related activities, or to reduce nonpoint sources of water pollution.

The **Section 319** Nonpoint Source Grants Program (Section 319), which provides grants to reduce nonpoint sources of water pollution.

## What do the programs fund?

Here are some examples of the type of projects that have been funded:

- Planning, design, and construction of wastewater and stormwater treatment facilities
- Agricultural best management practices
- Stream and salmon habitat restoration
- Local loan fund programs for water quality
- Watershed planning
- Water reuse planning and facilities
- Water quality monitoring
- Lake restoration
- Wellhead protection
- Acquiring wetland habitat for preservation
- Construction of public boat pump-outs
- Public information and education

## Who is eligible for funding?

The funding programs can provide funding to:

- Local governments
- Recognized Indian tribes
- Special purpose districts such as sewer, health, and conservation districts
- Not-for-profit groups (limited funding; contact us for details)

## What types of funding are available?

Low-interest loan and grant combinations may be available for up to 100 percent of eligible project costs.

**Loans** are available for up to 100 percent of eligible project costs. Only loans may be used for site-specific facilities planning, facilities design, constructing point source facilities (except that in

cases of demonstrated hardship grants may be available), land acquisition, installation of collection sewers, implementation projects on private property (e.g., best management practices for landowners), and side sewers. In addition, other types of loans may be used for almost any eligible water quality project. See below for information on interest rates and supplemental financial hardship assistance.

Some innovative ways in which loans have been used in recent years include local loan funds for implementation of agricultural best management practices and for repair or replacement of on-site sewer system .

**Grants** are available for up to 75 percent of eligible project costs for nonpoint source activities. Grants for comprehensive basin or watershed planning are available for 75 percent of eligible project costs. Loans may be used to provide the grant match.

Grants for constructing point source facilities are available only in cases of demonstrated financial hardship.

## How can a loan project be more affordable?

Ecology provides financial hardship consideration for wastewater facility construction projects that would cause user fees to exceed 1.5 percent of the median household income in the local area. Hardship is addressed through variable interest rates, longer loan terms, partial grants, or a combination of these.