



Water Quality Financial Assistance Fund Distribution Method

Report of the Financial Assistance Restructuring Committee

Department of Ecology
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*Report of the Financial Assistance
Restructuring Committee*

Prepared by:
Dan D. Wrye
Water Quality Program

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Executive Summary

I. Financial Assistance Restructuring Committee

This is a report of the Financial Assistance Restructuring Committee. The Committee is comprised of a wide range of water quality financial assistance clients and interests. It met between March and November 1998. The Committee provided input on a client-group recommendation and other alternatives to change the way the Department of Ecology distributes grants and loans. Grants and loans subject to this review are those under the Centennial Clean Water Fund, State Revolving Fund, and Section 319 of the federal Clean Water Act.

II. Alternatives Considered

The Financial Assistance Restructuring Committee considered several ways to distribute water quality grants and loans:

- **Existing approach.** Currently, with input from several key groups, Ecology develops regionally-ranked priority lists of applications and then derives a statewide list using an "equal status pile" process.
- **Watershed approach.** This approach was recommended to Ecology from a client group. Under this approach, funds would be distributed based on population and geographic area within watersheds.
- **Board approach.** This approach would establish an independent board by statute to oversee grant and loan awards.
- **Regional offices pool approach.** This alternative would divide the annual total amount of the combined funds into a "pool" for each of Ecology's four regional offices. Each office would then determine regional priorities.
- **303(d) list approach.** Under this approach, funds would be distributed solely to projects aimed at getting polluted water bodies off the federal Clean Water Act's Section 303(d) list.
- **Single statewide advisory council.** This alternative would create an advisory council to oversee the water quality financial assistance program. It would create evaluation criteria and a points system and special consideration for locally-derived priorities.
- **Regional advisory councils.** This is similar to the single statewide advisory council alternative, but would create a council in each of Ecology's regions.
- **Public Works Board contract.** This alternative would have the same elements of the advisory councils but would be administered under contract with the Public Works Board.

III. Recommended Fund Distribution Method

By consensus, the Financial Assistance Restructuring Committee recommends to Ecology the following changes to the existing method for distributing water quality grants and loans:

- 1. Keep the Process Simple and User-friendly.**
- 2. Adopt Funding Method into Regulation.**
- 3. Establish Evaluative Criteria.**
- 4. Establish Rating Points System.**
- 5. Implement Recommendations in the Report for the State Fiscal Year 2000 Funding Cycle as a Pilot.**
- 6. Establish a Water Quality Financial Assistance Advisory Council.**
- 7. Allow for Local Input into Funding Priorities.**

Section One

Financial Assistance Restructuring Committee

I. Introduction

In 1997, an advisory committee representing various interests proposed a change to the way the Department of Ecology distributes water quality grants under the Centennial Clean Water Fund. The client group recommended that Ecology distribute grants by allocating a percent of the total available funds to watersheds based on population and geographic area factors. A portion of the total amount of funds would be reserved for statewide competition. Section Two describes this Watershed Approach in more detail. Ecology agreed to take the client group's recommendation out for broader input and expanded it to include grants and loans under the State Revolving Fund and Section 319 of the federal Clean Water Act.

In March 1998, Ecology convened the Financial Assistance Restructuring Committee (Committee) to conduct the broader review. Table 1 gives a list of members of the Committee.

At its first meeting the Committee agreed to provide input on the Watershed Approach. Additionally, the Committee agreed to look at the existing system and other alternatives. Finally, the Committee agreed to deliberate on input received from special interest group meetings with the department.

This report contains the Financial Assistance Restructuring Committee's deliberation on alternative fund distribution methods. It includes recommendations of the Committee aimed to improve the way water quality grants and loans decisions are made by the state by creating a more predictable, understandable, and consequently, supportable system.

II Process

To gain input into the alternative fund distribution methods, the Committee was briefed on various topics pertaining to statutory and program functions of public financial assistance programs. Managers of the following programs briefed the Committee:

- Department of Transportation capital fund coordination;
- Public Works Trust Fund;
- County Roads Administration Board;
- Interagency for Outdoor Recreation;
- Centennial Clean Water Fund, State Revolving Fund, Section 319; and
- Watershed Management Act (HB 2514).

In addition to Committee input, Ecology conducted interviews with eastern and western Washington tribes, eastern and western Washington conservation districts, municipal stormwater managers, small communities, and others. Input from those interviews was presented to the Committee for its consideration. That input is provided in Section Four of this report.

Table 1
Financial Assistance Restructuring Committee Members

- ❖ Shelly Badger, City of Yelm
- ❖ Pete Butkus, Public Works Board, Department of Community, Trade and Economic Development
- ❖ Steve Carley, Department of Ecology
- ❖ Mitch Dion, City of Lacey
- ❖ Bill Eckel, King County
- ❖ Joy Michaud, Washington Lakes Protection Association
- ❖ Jeff Monsen, Whatcom County
- ❖ Councilman Charles Oliver, City of Rainier
- ❖ Jackie Reid, Conservation Commission
- ❖ Rich Sarver, Department of Health
- ❖ Shari Schaftlein, Department of Transportation
- ❖ Hal Schломann, Washington Association of Sewer and Water Districts
- ❖ Dan Steinbom, U.S. Environmental Protection Agency
- ❖ Don Stuart, Washington Association of Conservation Districts
- ❖ Ed Thorpe, Coalition for Clean Water
- ❖ Steve Tilley, Puget Sound Water Quality Action Team
- ❖ Megan White, Department of Ecology
- ❖ Fran Wilshusen, Northwest Indian Fisheries Commission
- ❖ Vim Wright, Washington Environmental Council
- ❖ Gary Yando, Mason County
- ❖ Dan Wrye, Department of Ecology, Committee Staff

In spring 1998, the Committee established goals for the fund distribution system. Those goals are listed in Table 2. It also identified perceptions and concerns with the existing fund method and brainstormed alternatives to the existing and watershed approaches (Tables 3 and 4).

From these discussions, several alternatives were developed and evaluated against Committee goals. These alternatives are described in detail in Section Two.

Table 2
Goals of the Financial Assistance Restructuring Committee

Following are goals developed by the Financial Assistance Restructuring Committee for the method the Department of Ecology would use to distribute water quality grants and loans under Section 319 of the Clean Water Act, State Revolving Fund, and Centennial Clean Water Fund. These goals were agreed to at the April 30, 1998, meeting of the Committee.

The fund distribution method should:

1. *Provide funding based on the highest priority environmental need, while considering other social and economic needs.*
2. *Result in no net increase of administration costs.*
3. *Be a simple system.*
4. *Allow for coordination of other funding sources, such as watershed planning grants.*
5. *Facilitate and streamline getting money out to projects which are ready to proceed*
6. *Support federal, state, tribal and local geographic initiatives.*
7. *Strive to develop long-term community sustainability through partnerships and leveraging.*
8. *Result in support for the financial assistance program.*
9. *Be predictable and understandable.*
10. *Strive to fund a balance of cleanup and prevention projects.*
11. *Be perceived to be fairly administered by stakeholders.*
12. *Allow stakeholders' input into prioritization process.*

Table 3
Committee Perceptions and Concerns with Existing System

Following are Financial Assistance Restructuring Committee perceptions and concerns identified with the existing fund distribution system. These concerns were identified at the April 30, 1998, meeting of the Committee.

Best	Worst
Statewide priorities	Too complicated
Overall, not bad	Not enough local decision making
Discretion for Ecology	Fosters cross-watershed competition
Diversity of reviewers	Locals trying to get in GMA compliance are penalized
Gets the money out	Lack of local buy-in
Everyone is trying to make improvements	Not predictable
Ecology is responsive to well-laid plans	No support/constituency for increase in the size of the pie
	Legislature is unsure of the process-results in set-asides
	Not enough money (process is not "bad" - not sure it needs to be changed)
	Too independent from other fund sources
	Not knowing the rules is confusing
	People don't understand rejection
	No guarantee reviewers are "in-tune" with locals
	Not enough assistance to grant writers

Table 4
Committee Brainstorm on Factors and Alternatives

At the April 30 meeting of the Committee, members conducted a group discussion on factors and alternatives for consideration in developing Rind distribution systems. The following summarizes those discussions.

- Need to reserve a portion for "hotspots"
- Pools for cleanup plus prevention
- Groups of local officials making priority decisions
- Need to reserve a set-aside for lakes
- Lots of community input
- Mix of state plus local "piles" (more equal status model)
- Use a process like in House Bill 2496 ("critical Path" ranking)
- Board Approach
- Regional Pool
- 303(d) list-driven
- Ability of small communities to complete
- Use a process like the Interagency for Outdoor Recreation
- Discussion of criteria, points
- Funding for WQ projects (not necessarily culvert improvements)
- Simple, understandable

III. Alternatives Considered

Alternatives considered by the Financial Assistance Restructuring Committee are:

- Existing approach;
- Watershed approach;
- Board approach;
- Regional offices pool approach;
- 303(d) list approach.¹

At the July 23 meeting of the Committee, the Committee discussed the positive attributes of each of the viable alternative fund distribution methods. From those discussions, the Committee identified several key common and/or important elements. Those elements (and the approach[s] which best support it) are:

- Local priority setting (watershed and board approaches);
- Authorizing environment (watershed and board approaches);
- Predictability and open process (irrespective of alternatives);
- Evaluation criteria (irrespective of alternatives);
- Integration of funding programs;
- Statewide priorities to meet highest environmental need / public health (existing and board approaches);
- Ecology staff expertise in process (existing and board approaches); and
- Build public support (board and watershed approaches).

Following the identification of common themes and important elements, the Committee agreed to consider hybrids which captured these. Staff was asked to develop two to three hybrids. The hybrids are described in detail in Section Three and are:

- Single statewide advisory council;
- Regional advisory councils; and
- Public Works Board contract.

Also at the July 23 meeting, the Committee decided to cancel tentative meetings for early August and September that were scheduled as placeholders, should the Committee favor an alternative which would require statutory change. In doing so, the Committee was aware that the implications of canceling those meetings was that Ecology would be unable to meet internal and Office of Financial Management deadlines for proposed agency-request legislation. This meant that the Committee would be favoring an alternative that did not require changes to existing law to implement.

Following its deliberations on the various existing programs, alternatives and hybrids, the Committee developed the recommended fund distribution method.

¹ The Committee quickly eliminated the 303(d) list approach because the list is actually criteria for specific project ranking rather than a methodology for distributing funds.

IV. Recommended Fund Distribution Method

By consensus, the Financial Assistance Restructuring Committee recommends to the Department of Ecology the following changes to the existing method for distributing water quality grants and loans:²

1. **Keep the Process Simple and User-friendly.** The Financial Assistance Restructuring Committee acknowledges the difficulty a complex grant and loan distribution system can have on potential applicants. The Committee recommends that as the details of the new fund distribution method develop, Ecology and the Water Quality Financial Assistance Advisory Council be mindful of the need for a customer-friendly system and work to streamline and simplify the grant and loan system.
2. **Adopt Funding Method into Regulation.** The Committee recommends Ecology adopt portions of its water quality grants and loans fund distribution method, as modified by the recommendations in this report, as regulation under the state Administrative Procedures Act. The portions of the fund distribution method recommended to be adopted into regulation should be at a high-level and are:
 - The overall structure;
 - Major policies;
 - The fund method process; and
 - Associated administrative elements.
3. **Establish Evaluative Criteria.** The Committee recommends that Ecology establish a rating and ranking system using evaluative criteria. The criteria should be developed as guidance and be in accordance with the overall structure, policies and process established under recommendation number one of this report. The initial rating and ranking system should be substantially in the form as provided in Table 5 following these recommendations. Future modifications to these evaluative criteria should be conducted through an inclusive process of stakeholders.
4. **Establish Rating Points System.** The Committee recommends that Ecology establish a point system that is applied to each evaluative criteria and that is to be used in the development of statewide project funding priority lists. The point system should be established as guidance and made available in application packages. The points system should allow for periodic adjustments, as needed, to adjust for changing priorities. Each evaluative criterion should be weighted to reflect current water quality priorities. Annually, as needed, the Water Quality Financial Assistance Advisory Council should review the weightings to ensure they are appropriate for that year's priorities.

² Water quality grants and loans under the Centennial Clean Water Fund, State Revolving Fund, and Section 319 of the federal Clean Water Act.

5. **Implement Recommendations in the Report for the State Fiscal Year 2000 Funding Cycle as a Pilot.** The Committee recommends Ecology pilot the recommendations contained in this report prior to rule adoption for the next funding cycle. That process should begin in early 1999 and be conducted under the advise of the Water Quality Financial Assistance Advisory Council.

6. **Establish Water Quality Financial Assistance Advisory Council.** The Committee recommends that Ecology establish and provide staff assistance to a new Water Quality Financial Assistance Advisory Council. The Council's principle functions are to advise Ecology as follows:

- Make the process of grants and loans funding method more transparent to, and supported by clients and stakeholders;
- Assist Ecology in the development and implementation of financial assistance rules, policies and guidelines, including the adoption of the recommendations in this report into rule;
- Advise Ecology on the implementation of the pilot application funding cycle using the recommendations contained in this report until permanent regulations are adopted;
- Assist Ecology in the development and adjustment of points for the evaluative criteria to ensure priorities receive appropriate weighting; and
- Assist Ecology in communicating the results of the financial assistance program.

The Council should be comprised of about 15 members. It should meet at least semi-annually, with its frequency determined by need. Membership on the Council should include people from across the state representing the following groups:

- Cities;
- Counties;
- Tribes (more than one representative);
- Conservation Districts;
- Special Purpose Districts;
- Environmental Organizations;
- Business and Industry;
- Agriculture;
- Other groups as appropriate.

The following agencies should be considered resources to the Council and may elect to serve as ex officio members at Council meetings:

- Department of Ecology (primary staffing responsibility for the Council);
- Department of Health;
- Department of Community, Trade and Economic Development;
- Conservation Commission;
- Department of Natural Resources;
- Puget Sound Water Quality Action Team;
- Department of Transportation;
- Interagency for Outdoor Recreation;
- Environmental Protection Agency;
- Natural Resource Conservation Service;
- Other agencies that distribute water quality grants or loans.

7. **Allow Local Input into Funding Priorities.** The Financial Assistance Restructuring Committee recommends Ecology establish an optional process for local entities to provide input as to project priorities within their areas. In order to be eligible for incentive points, local project priorities thus ranked must be ranked by an inclusive group within an area. That entity at a minimum must contain representatives of:

- Cities;
- Counties;
- Conservation Districts;
- Special Purpose Districts; and
- Tribes.

**Table 5
Evaluative Criteria**

The Financial Assistance Restructuring Committee recommends the following criteria, with potential minor modifications, should be used as a basis for the first pilot application of its recommended fund distribution methodology. As needed, the Water Quality Financial Assistance Advisory Council should review the criteria a associated weights to ensure the fund distribution method is funding the correct current priorities.

WATER QUALITY EVALUATION CRITERIA (1000 Total Points Possible)	POINTS	NOTES	Total Points
EXISTING OR POTENTIAL WATER QUALITY PROBLEM, THREAT OR NEED (32%)	Category total: 320 pts.	Points will be assigned if the project directly addresses the problem(s)	
Beneficial Use is Restored or Protected			
Domestic water supply is threatened or degraded		Washington State Department of Health must document the problem or threat	
Recurrent health advisories issued during the past two years	50		50
Significant noncompliance with drinking water quality standards	40		
Documented trend toward advisory or noncompliance	30		
Fishery Habitats			
Listed endangered or threatened species	50		50
Proposed to be listed as an endangered or threatened species	40		
Other impaired or threatened habitats	25		
Shellfish harvesting area closed, downgraded, threatened		Washington State Department of Health must document the problem or threat	
Closed or restricted	50		50
Threatened with downgrade	50		
Conditionally Approved	30		
Primary Contact Recreation			
Closed an average of 180-36 days per year	20		20
Closed an average of 60-179 days per year	15		
Closed an average of 3-59 days per year	10		
Aesthetically impaired	0-15		15
Overall impairment if need/problem is not addressed	0-15		15
Wildlife Habitat Adversely Affected	10		10
Agricultural/Industrial Water Supply Adversely Affected	10		10
Existing/Potential 303(d) Listing			
Water body is identified on the State's current Section 303(d) List as not meeting water quality standards for the specific parameters of concern. Identify specific 303(d) List parameters	50	10 points for each parameter. Maximum of 50 points.	50
For water quality degradation prevention, water quality standards that are being maintained.	50	10 points for each parameter. Maximum of 50 points.	50
		TOTAL CATEGORY POINTS	320
EFFECTIVENESS OF PROPOSAL IN ADDRESSING WATER QUALITY PROBLEM/THREAT/NEED AND ACHIEVING DESIRED OUTCOME (32%)	Category total: 320 pts.	Points will be assigned if the proposed solution directly addresses the problem(s) and if the project provides beneficial water quality outcomes and proposed verification measures are appropriate to demonstrate the outcome.	

**Table 5
Evaluative Criteria (continued)**

Proposed Approach to address Problem or Need			
Suitability and adequacy of the methodology or technology(s), budget, and project management team proposed to address the water quality problem or need; overall likelihood of success; and cost effectiveness of proposal.	0-100		100
Past and present local efforts to protect and improve water quality or preventive measures regarding the water quality concerns that are to be addressed in the proposed project (e.g. formation of Shellfish Protection Districts, Lake Management Districts, Ground Water Special Protection Areas).	0-30		30
Completion of necessary project pre-requisites (e.g. Ecology approval for previous steps or phases, land acquisition, easements, environmental permits, interlocal agreements, staffing plans or procurement process, state agency and local jurisdiction approvals)			
Previous steps are approved or otherwise achieved	25		25
Previous steps are approvable or otherwise pending	15		
Specific steps to be taken to ensure that the project is completed (e.g. user fees established or adjusted, ordinances drafted and adopted, etc.)	0-10		10
Relationship to Other Initiatives			
Relationship of the proposed project to specific recommendations identified in comprehensive planning effort(s) which have been completed or updated in the last five years. Identify the relative priority of the problem or project in the plan.	0-15	Assignment of points would generally be in 3-5 point increments according to the specific relationship to recommendations in the plans and the number of plans addressing the problem. Planning documents may include, for example, the Puget Sound Water Quality Management Plan, 1994 and/or 1997-99 Puget Sound Water Quality Work Plan, watershed plans, comprehensive sewer plans, comprehensive stormwater plans, ground water management plans, lake protection plans, shellfish closure response plans.	15
Relationship to Federal planning and implementation	15	e.g. Northwest Forest Plan	15
Relationship to State (non-Ecology) planning and implementation.	15	e.g. Salmon Recovery Plan	15
Relationship to Ecology planning and implementation	15	e.g. Water Quality Cleanup Plans (TMDL's)	15
Relationship to local planning and implementation	15	e.g. Local wq comprehensive plans	15
Proposed evaluation			
Proposed evaluation approach to determine project effectiveness	0-40	Water quality monitoring before, during, and after implementation of the project and long-term commitment to monitoring of effectiveness.	40
Indirect measures of success	0-40	Behavior or activity changes, public awareness, project visibility, etc.	40
TOTAL CATEGORY POINTS			320
LOCAL MANAGEMENT EFFORTS (12%)	Category total: 120 pts.	Points will be assigned if local efforts can be demonstrated which support the solution to the problem.	
For planning projects, specific steps which will be taken to ensure that the plan will be implemented or the facility proposed in the plan will be constructed.	0-25	Specific implementation projects of a locally-approved plan would automatically be assigned 25 points	25
How prerequisite regulatory requirements (e.g. SEPA, Growth Management Act, etc. compliance) have been or will be achieved.	0-20		20
In compliance with current permit requirements	0-20		20
A management strategy has been developed and/or implemented to address time constraints involving the proposed project (e.g. in-stream flows, compliance schedules, litigation requirements).	0-15		15
How local commitment has been or will be demonstrated throughout the useful life of the project (e.g. tangible commitment from the public body(s) and local citizens to support the project, such as local funds, volunteer efforts, Small Town Environment Program, donated equipment or material).	0-15		15

**Table 5
Evaluative Criteria (continued)**

Demonstration of secured funding from other sources for the remaining non-Ecology share	0-15		15
How the ongoing needs of the project (continued monitoring, operation and maintenance, etc.) will be financed.	0-10		10
		TOTAL CATEGORY POINTS	120
STATE AND FEDERAL MANDATES (14%)	Category total: 140 pts.	Points will be assigned if the proposed project is mandated by federal or State requirements.	
Public Health Emergency declared by State Department of Health	40		40
Severe Public Health Hazard declared by State Department of Health	20		
Addresses Endangered Species act Requirements	20		20
Addresses EPA/Ecology TMDL Settlement Agreement	20		20
Serves "Economically Distressed" areas	20	CTED – Listed Counties	20
Urgency of water quality problem: Project proposal addresses compliance action (e.g. court order, enforcement order, local emergency) or permit requirement	10		10
Legislative mandate for water quality funding	20	Budget provision or statutorily enacted	20
Ability to pay	10		10
		TOTAL CATEGORY POINTS	140
LOCALLY-PRIORITIZED ELIGIBLE PROJECTS (10%)	Category total: 100 pts.	Points will be assigned if the proposed eligible project has been prioritized through a comprehensive and stakeholder-inclusive planning effort and formally submitted by consensus of the inclusive body. Proposals may be submitted for priority points without consensus if a required entity does not object.	
Locally-prioritized projects			
#1 Locally-ranked project	100		100
#2 Locally-ranked project	90		
#3 Locally-ranked project	80		
#4 Locally-ranked project	70		
#5 Locally-ranked project	60		
#6 Locally-ranked project	50		
#7 Locally-ranked project	40		
#8 Locally-ranked project	30		
#9 Locally-ranked project	20		
#10 Locally-ranked project	10		
<#10 Locally-ranked project	5		
Not a Locally-ranked project	0		
		TOTAL CATEGORY POINTS	100
		TOTAL POINTS ALL CATEGORIES	1000

V. Process for Deriving Initial Statewide List Using Recommended Method³

At the October 23, 1998, meeting of the Financial Assistance Restructuring Committee, options were discussed for use in deriving the statewide priority list of projects using the Committee recommended approach. The following summarizes these options and decisions of the Committee.

Option 1: Rating Team Workshop

Under this option, Ecology Water Quality Program headquarters staff would receive all grant and loan applications and screen them for basic legal eligibility requirements. No points or evaluation would be done at the headquarters level.

One staff person from each of Ecology's four regional offices would be designated by the program manager through the regional section supervisor as member of the Rating Team. The executive director of the Puget Sound Water Quality Action, chair of & Conservation Commission, and secretary of Department of Health would likewise designate one staff each as member of the Rating Team. The program manager of Ecology's Water Quality Program would designate staff through the section supervisor of the Financial Management Section to provide staff assistance, logistical, and facilitation services to the Rating Team.

Headquarters staff would distribute copies of all project applications received to each member of the Rating Team. The Rating Team would have two to four weeks to review each application and to, conduct information gathering as needed. Each member of the Rating Team would then apply the rating criteria and assign the corresponding points of each applicable criterion to each application.

Following the Rating Team members' individual reviews and application of points, Headquarters staff would convene a two-day Project Ranking Workshop. All members of the Rating Team would participate in the workshop and would discuss each project and rationale for points assigned. At the conclusion of the Project Rating Workshop, the Rating Team would submit to the Program Manager a ranked-ordered statewide list of projects.

The Program Manager or designee would brief the Water Quality Financial Assistance Advisory Council on the list prior to publishing it as final.

³ Both options would use the evaluative criteria and points system recommended by the Financial Assistance Restructuring Committee.

Option 2: Equal Status Piles

Under this option, the existing method of each regional office developing its region-specific rank ordered list and then the statewide list under the equal status piles process would continue.

In that process, project applications are distributed from Headquarters to each respective regional office. Additionally, projects pertaining to Puget Sound, conservation districts, and public health are distributed to Puget Sound Water Quality Action Team, Conservation Commission, and State Health Department, respectively. Those agencies provide input on the projects to Ecology.

Regionally, each project is reviewed and a regional rank order is derived. To complete the process, the section managers from each regional office present their ranked projects, discuss the merits of each project, and agree on the statewide list.

Under this option, the Program Manager or designee would brief the Water Quality Financial Assistance Advisory Council on the list prior to publishing it as final.

Option 3: Central Rating, Regional Ground-truthing

Under this option, Headquarters staff would review and rate of the project proposals. Proposals would then be distributed to regional offices, Department of Health, Puget Sound Water Quality Action Team, and Conservation Commission to "ground-truth" the ratings. This approach presumes a significant majority of projects could be accurately rating centrally, but that some proposals need more local profound knowledge.

Under this option, the Program Manager or designee would brief the Water Quality Financial Assistance Advisory Council on the list prior to publishing it as final.

Conclusions

The Committee concluded each option has merits. Generally, it supported Option 2, Equal Status Piles, with a headquarters-level consistency review. Under this process, the Equal Status Piles method would be employed. Several projects from each reviewing entity would be reviewed by headquarters staff to assess the application of the Committee's recommended criteria.

Additionally, Ecology plans to test apply the Committee's recommended evaluative criteria to several recently-funded projects. The results of both the consistency review and criteria application will be reported to the Water Quality Financial Assistance Advisory Council.

VI. Outreach Summary

Between April and July 1998, Committee staff visited several key client groups to solicit personal input on the existing and alternative approaches to fund distribution. In addition, questionnaires were made available to these groups and other individuals. The groups met with representatives of:

Colville Tribe	Town of Warden
Spokane Tribe	City of Colville
Kalispel Tribe	City of Fairfield
Othello Conservation District	City of Davenport
Stevens Conservation District	Snohomish County
Lincoln Conservation District	CH2M Hill
Pend Oreille Conservation District	City of Kent
Washington Association of Conservation Districts	City of Lacey
Palouse Conservation District	City of Olympia
Spokane Conservation District	Entranco
Columbia Conservation District	SCA Engineers
Spokane Conservation District	RW Beck
Ferry Conservation District	Thurston County
Pierce County Public Works and Utilities	Gray and Osborne
City of Tacoma	Hedges and Roth
Spokane County	City of Fife
City of Vancouver	WSDOT
City of Spokane	Clark County Conservation District
King County Department of Natural Resources	Thurston County Conservation District
City of Everett	Jefferson County Conservation District
Coalition for Clean Water	Clallam Conservation District
Community, Economic Revitalization Board	Skagit Conservation District
Public Works Board	Whatcom Conservation District
Public Works Trust Fund	Pacific Conservation District
Community Development Block Grant	Nisqually Tribe
Community Investment Unit	Squaxin Tribe
	Nooksack Tribe
	Northwest Indian Fisheries Commission
	Lummi Tribe (letter)
	James Town Tribe (letter)

Responses from interviews with these interest groups and written correspondence were presented to the Financial Assistance Restructuring Committee. Detail input from these interviews is included in Section Four of this report.

Section Two

Alternative Fund Distribution Methods

I. Introduction

This section provides an overview of the current fund distribution system (the *status quo*) plus three alternatives selected for deliberations by the Financial Assistance Restructuring Committee. The alternatives are:

- Existing Approach (*status quo*);
- Watershed Approach to Fund Distribution;
- Board Approach; and
- Regional Offices Pool Approach.

For each alternative, a discussion is included that describes:

- The alternative;
- How priorities would be set;⁴
- State and local roles;
- Advantages and disadvantages;
- Uncertainties or other important factors;
- Additional details needing discussion; and
- Relationship to committee goals.

II. Existing Approach (Status Quo) to Fund Distribution

Alternative Summary

Ecology's Water Quality regional supervisors, using recommendations from other agencies, have sole responsibility for making final recommendations to the Water Quality Program Manager on funding priorities for the Centennial Clean Water Fund (CCWF), State Revolving Fund (SRF), and Clean Water Act Section 319 programs. Water Quality used a systematic approach to develop a statewide priority list. All competitive applications are prioritized. Initially, Ecology's regional offices develop regional prioritized lists. Then collectively, the regional supervisors develop a statewide priority list from the four regional lists.

Headquarters staff sort the applications and distribute them to the appropriate regions. Simultaneously, special review categories are distributed to the outside reviewers, who are given shorter review periods in order to allow the regional reviewers a chance to see and use the reviews from the outside reviewers.

⁴ Under any of the alternatives, responsibility for setting priorities for the funds is that of the Legislature. The priority setting discussed in this report is that within the parameters established by the Legislature.

The special categories and the reviewers for each category include:

- Groundwater and shellfish projects (reviewed by the Department of Health);
- Puget Sound basin projects (reviewed by the Puget Sound Water Quality Action Team);
- Conservation district projects (reviewed by the State Conservation Commission); and
- Lakes projects (reviewed by the Ecology cross-program lakes group).

Teams of regional reviewers review each application in detail, rating each question and the application as a whole from high to low, and incorporating the outside party review. Later, the entire regional team reviews the regional list and prioritizes it from first to last, using their own reviews, the considerations listed above, and the reviews from the outside parties. The final list is reviewed and approved by the regional section supervisor.

How Priorities are Set

After the regional list is developed, it is combined with lists from the other regions. The method used to merge regional priorities into a statewide list is also known as the "equal status piles" method. "Equal Status Piles" refers to this method's use of four "piles" of applications (these piles are figurative as the regional supervisors work from a list). The project currently on top of each of the four piles has equal status with the other three piles when the time comes to choose the next project to fund. Once a project is proposed for funding it is removed from the pile, uncovering a new project, which now has equal status with the other three - no matter which pile the last funded project was chosen from. The process of choosing projects one by one from the four lists continues until all projects were ranked from first to last, statewide. An important aspect of this method is that regional ranking is respected and kept fully intact during the process. One region's priority project number one will always be prioritized before its number two, but not necessarily before another region's number two (or even third or fourth) priority.

To start the process, each region's representative summarizes the top priority application in their piles. A short discussion ensues and discussion and consensus choose the top priority project of those first four applications. At that point, the newly "exposed" (second priority) project in the region with the number one project is summarized and now has "equal status" with the other three projects being actively considered. From those four, a second priority statewide project was chosen, another project summarized, and so on to the end of the list. The end result of the process was a statewide priority list of the competitive projects ranked from first to last.

A number of factors are used to merge the regional lists into a statewide priority list. Most critical was the knowledge of regional and statewide issues that the regional supervisors have, based on their many years of collective decision making regarding water quality issues. Other includes implementation over planning, depressed salmon stock status, 303-d listing, TMDL development, and small town issues.

State Role

Under the existing approach, the state conducts the application process, reviews applications, and determines priorities. Several select state agencies are involved in inputting into the prioritization process.

Local Role

Under the existing method, the local role is primarily as applicant for funding.

Advantages

- Builds upon decades of professional water quality experiences of staff and managers involved in project review.
- Efficiency.
- Flexibility to accommodate various criteria.
- Allows for target group input.
- Expedient.

Disadvantages

- Creates potential for perception of "smoke-filled room."
- Not predictable.
- Uncertainty from applicants as to reasons for final list of priorities.

Uncertainties or Other Important Factors

During the prioritization process, funds are "streamed" to projects from CCWF, 319, and SRF. In many cases, a project receiving a loan offer may have requested only a grant.

In 1995, statutory categories sun-setted. Rules previously governing process and procedures were repealed. Little is available in formal criteria or ranking procedures in advance for applicants.

Additional Details Needing Discussion.

- Criteria and rating.
- Rulemaking or guidelines development.

Relationship to Committee Goals

Following summarizes the alternative in relation to goals developed by the Financial Assistance Restructuring Committee.

The fund distribution method should:

1. *Provide funding based on the highest priority environmental need, while considering other social and economic needs.*

The current method is designed to result in the highest statewide. environmental needs being funded., Thus, the current approach supports this goal.

2. *Result in no net increase of administration costs.*

The current approach is the baseline for assessing net increases (or decreases) of administrative costs. Hence, the current approach supports this goal.

3. *Be a simple system.*

The current approach is a fairly simple method to derive regional and statewide priorities. However, the current approach has been criticized as not simple for applicants, particularly small communities, to participate in. Given both considerations, the current approach is neutral towards this goal.

4. *Allow for coordination of other funding sources, such as watershed planning grants.*

The current approach specifically "streams" money from three separate funds to projects. Additionally, it is currently housed in an organizational unit in close organizational proximity to other Ecology fund sources. Hence, the current approach supports this goal.

5. *Facilitate and streamline getting money out to projects, which are ready to proceed*

The current approach is effective in getting funds to projects. It supports this goal.

6. *Support federal, state, tribal and local geographic initiatives.*

The current approach is both regional and statewide based. However, it is not specifically aligned with particular geographic initiatives. On the whole, the current approach is neutral towards this goal.

7. *Strive to develop long-term community sustainability through partnerships and leveraging.*

The current approach is not specifically linked to local community involvement processes and locals do not specifically have a role in the development of prioritizing the offer lists. Both of these types of local involvement can strengthen partnerships. Additionally, the current approach focuses on funding statewide priorities, which differ from local priorities within given areas. Hence, the current approach does not specifically support this goal.

8. *Result in support for the financial assistance program.*

The current approach is favored by some constituent groups and criticized by others. Hence, it is neutral towards this goal.

9. *Be predictable and understandable.*

The current approach lacks formal rules and has minimal criteria and rating points. Additionally, these typically are not readily available to a wide external audience. Finally, priority decisions are made internally with minimal external opportunities for input. Hence, the current approach does not support this goal.

10. *Strive to fund a balance of cleanup and prevention projects.*

The current approach has the potential to support this goal because it focuses on the highest statewide priorities, which in effect determine the correct balance of cleanup and preventive types of projects. However, since some of the criteria currently in use are inclusion on the 303(d) list (which is inherently cleanup focused), that potential is weakened. On balance, the current method is neutral towards this goal.

11. *Be perceived to be fairly administered by stakeholders.*

Given the lack of formal rules and little in the way of advanced rating criteria, the current approach has the potential to not support this goal. Indeed, the current approach has been criticized by constituents as being unfairly administered. On the other hand, some groups are pleased with the system. Overall, the current approach is neutral towards this goal.

12. *Allow stakeholders' input into prioritization process.*

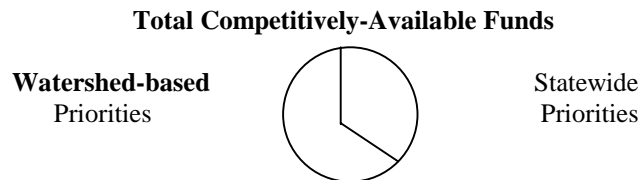
The current approach does not allow for all stakeholder groups input into the prioritization process. Hence, it does not support this goal.

III. Watershed Approach to Fund Distribution

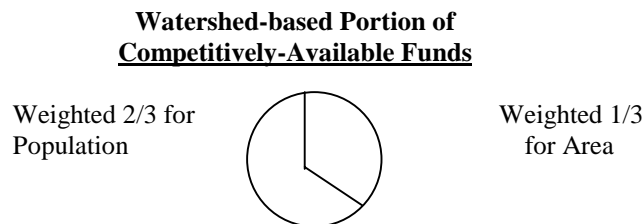
Alternative Summary

This alternative would dedicate a fraction of the water quality grants and loans to be allocated for each watershed each year and stakeholders within each watershed would agree on the priorities for funding each year. A fraction of funds would be managed by Ecology during each funding cycle to address statewide priorities and emergencies.

The total amount of competitively available funds⁵ would be divided into statewide and watershed portions, based on a one-third/two-third ratio.



The watershed-based priorities portion of the available funds would be further divided into the number of watersheds or water quality management areas across the state, based on a two-thirds weighting for population and a one-third weight for area.



A project applicant could compete for the watershed-based priorities portion, the statewide priority portion, or both.

How Priorities Would be Set

Ecology would establish priorities for the funds, consistent with legislative direction. Ecology would also set standards for the local governance structure to develop local priorities for use where no such structure exists. Priorities within each watershed would be set each year by the stakeholders within that watershed. The governance structure used to bring together stakeholders could vary between watersheds, based upon what exists already or could be formed to meet minimum state standards established by Ecology.

Several governance models exist already ranging from watershed councils to WAC 400-12 Watershed Management Committees, to Watershed Forums, to the new structures called for by HB 2514 and HB 2496. For example, many watersheds have already identified a backlog of both point and nonpoint water quality projects. In those instances, that work could be built upon.

⁵ Competitively available funds mean those funds that remain in the accounts after statutory provisos and extended payment agreements have been allocated. It does not include “set asides.”

Further discussion of the range of possibilities and minimum requirements for each governance structure needs to occur.

State Role

Under this alternative, the state's existing fiduciary, administrative and contractual responsibilities remain intact. Ecology would be responsible for establishing state standards for minimum project requirements, activity eligibility, billing, and reporting. Additionally, Ecology would need to establish standards for the local watershed-based prioritization process for use where no existing watershed governance process is in place. Funds otherwise available would revert to the statewide portion until such governance process is established. Transfer of funds, project conditions and requirements, and assuring a record of billing and accomplishments would continue to occur through contracts between Ecology and fund recipients. Ecology would need to establish criteria for statewide priorities and standards for watershed-based priorities. Finally, Ecology would continue to assume the administrative functions of negotiating contracts.

Local Role

Under this alternative, watershed stakeholders would mutually agree on the priorities for funding under the watershed-based portion. Their agreed list would be forwarded to Ecology for the administrative functions of negotiating contracts and transferring funds to the fund recipients. Locals would also be responsible for accomplishment and outcome reporting to the state.

Advantages

- Builds upon and enhances the movement locally and nationally to focus governance of watershed-based issues within those watersheds.
- Prioritizing within watersheds encourages stakeholders to work together.
- Enhances predictability by local governments being involved in the local ranking of projects and by knowing approximately how much funding is available each year for their watersheds.
- Enhances local priority setting.
- Reduces local staff time in generating grant and loan applications with no certainty of success.
- Enables multi-year project planning, including potentially leveraging other fund sources.
- Weighting in favor of population reflects where the majority of revenue that feed the fund exists.
- Weighting in favor of population reflects where most nonpoint water quality degradation has been documented.
- Creates constituencies for full support of the fund.

Disadvantages

- Creates two fund distribution methods (watershed-based priorities and statewide priorities systems).
- De-emphasizes statewide priorities.
- Population weighting disfavors funding for areas with little population and emphasizes population over environmental need.
- Majority of available funds for watershed-based priorities would be potentially dedicated for Puget Sound watersheds and large watersheds statewide.
- The 1 /3 - 2/3 fund allocation would put greater stress on statewide priority portion, which would be significantly less than it currently is.
- Creates a perception of an entitlement program and creates expectations for on-going commitments of funding, generally disfavored by the Legislature.

Uncertainties or Other Important Factors

Funds earmarked for each watershed would not be guaranteed for spending within that watershed every funding cycle. There would need to be a sufficient number of projects proposed within that watershed that meet minimum state standards for project eligibility in order for all funds to be allocated. Should there be insufficient eligible project applications within any given watershed to account for all the earmarked funds, the excess funds would be returned to the statewide portion for allocation by Ecology to statewide priority projects in that same funding cycle.

Additional Details Needing Discussion

- Defining "Watershed" as a Water Quality Management Area or Water Resource Inventory Area, or other.
- Applying this alternative only to CCWF or all three-fund sources.
- Maintaining the portion of fund reserved for statewide competition at 1/3 or establishing it at some other portion.
- Maintaining the weighting for the watershed-based priorities portion at 2/3 population or establishing it at some other weight.
- Determining if other weights in the system are needed, e.g., ability to pay or distressed communities.
- Determining the state minimum requirements for governance structures and prioritization processes.

Relationship to Committee Goals

Following summarizes the alternative in relation to goals developed by the Financial Assistance Restructuring Committee.

The fund distribution method should:

1. *Provide funding based on the highest priority environmental need, while considering other social and economic needs.*

The watershed-based priorities alternative favors local priorities over statewide priorities and hence does not support this goal on a statewide basis. However, it is conceivable that local priorities are more inclined to consider social and economic needs better than at the statewide level. Additionally, it is conceivable that the highest priority in a given watershed could be the highest statewide priority. Overall, however, the notion of the highest priority environmental need statewide is not supported.

2. *Result in no net increase of administration costs.*

This alternative establishes a dual fund distribution method - one for local priority setting, and one for statewide priority setting. On the surface, this would suggest the potential for increased overall administrative costs, both at Ecology and at the watershed prioritizing process. In this alternative, Ecology administrative time involved in reviewing and ranking applications for projects under the watershed-based priority level would be significantly reduced annually, since that would be done at the watershed level. However, Ecology would retain contract negotiation, fund disbursement, auditing, and reporting duties. Additionally, Ecology would need to develop and maintain state standards for eligibility, prioritizing, governance, and other aspects of the fund methods. Hence, it is likely the continuation of these administrative duties and the creation of new standards development and maintenance duties could at least partly offset savings on project review. Depending on the actual set up of this system, this alternative could either be neutral on, or not support this goal.

3. *Be a simple system.*

This alternative affords the possibility to be simple or complex. For the majority of the competitively available funds (i.e., those under the watershed-based priorities portion), this alternative is based on a simple notion of locally determined priorities. Locals are in the best position to determine local priorities. Additionally, the statewide priorities portion is smaller in comparison and, as a result, is expected to reduce the scale of complexity in making statewide decisions.⁶ However, the fact remains this alternative establishes dual fund distribution methods. Overall, this alternative neither supports nor undermines this goal.

⁶ Although the intensity of the debate on what gets funded is likely to increase as fewer "statewide priorities" are funded, given the less money available for those projects.

4. *Allow for coordination of other funding sources, such as watershed planning grants.*

This alternative supports this goal in that it is linked to watershed units and local priorities and potentially enhances leveraging of other fund sources.

5. *Facilitate and streamline getting money out to projects which are ready to proceed.*

This alternative supports this goal in that many watersheds have backlogs of existing unfunded projects developed during various watershed-planning efforts.

6. *Support federal, state, tribal and local geographic initiatives.*

This alternative supports this goal in that it is directly supportive of watershed management principles.

7. *Strive to develop long-term community sustainability through partnerships and leveraging.*

This alternative supports this goal in that it is community-based, incorporates stakeholder involvement, and potentially enhances leveraging of other fund sources.

8. *Result in support for the financial assistance program.*

This alternative creates the potential for the development of constituencies in support of the fund programs. However, some constituents have voiced opposition to this approach, while others support it. Hence the alternative is neutral towards this goal.

9. *Be predictable and understandable.*

This alternative supports this goal in that establishing specific pots of funds on a watershed basis creates predictability with respect to fund applicants.

10. *Strive to fund a balance of cleanup and prevention projects.*

This alternative has the potential to undermine this goal, given expected variability of local watershed priorities. It is likely that variability would result in some watersheds focusing predominately on cleanup or predominately on prevention. The negative potential could be minimized, however, if Ecology establishes state standards for local priority setting making it a requirement to balance cleanup and prevention projects. Those standards, however, are speculative at this time. Overall, this alternative is neutral towards this goal.

11. *Be perceived to be fairly administered by stakeholders.*

This alternative has the potential to support this goal in that it makes the funds available by watershed allocated by a visible, participatory process.

12. *Allow stakeholders' input into prioritization process.*

This alternative supports this goal.

IV. Board Approach to Fund Distribution

Alternative Summary

This alternative would establish, by statute, a board with specific powers to consider and prioritize, or disapprove, all applications for water quality grants or loans. The board would be comprised of an unequal number of representatives of clients and stakeholders and could be appointed by the Governor upon recommendation from Ecology and other agencies responsible for water funding. Representation on the board should include representatives of currently-eligible grant and loan recipients and should include representatives from:

- Local and tribal natural resources management agencies;
- Local public works agencies;
- Conservation districts;
- Citizens groups;
- Environmental groups;
- General public;
- State natural resource and public health agencies.

The board would have its own staff, presumably taken from the Department of Ecology much as the Public Works Board has its staff from the Department of Community, Trade and Economic Development. Additionally, administrative services (i.e., personnel, training, housing, supplies, etc.) would be provided by Ecology to the board and its staff. Staff would screen and rank proposals into a draft statewide priority list and present the list to the board. The board would be authorized to affirm or modify the draft priority list. To ensure individual board member participation (and, thus equal representation of interest groups), board members would receive payment for serving at least on a *per diem* basis to cover their costs.

Specific roles and responsibilities of the board and the department would be established in memoranda of agreement, rules, or in statute.

In order to maintain the autonomy of the board, it would have the right to develop separate public policy and legislative positions from Ecology, to pursue those positions, and to advocate or propose legislation, coordinated through the Office of Financial Management. In doing so, the board would be responsible for keeping Ecology informed of all advocacy and proposals. Likewise, Ecology would be responsible for providing the board with policy or legislative proposals that pertain to the board or water quality funds.

How Priorities Are Set

In this alternative, board staff would review, screen and develop a draft statewide priority list. In developing that list, Ecology in conjunction with the board would develop specific ranking criteria and point system, using the Interagency for Outdoor Recreation's (IAC) evaluation criteria for the Washington Wildlife and Recreation Program or the previous water quality financial assistance processes as models. Staff using those criteria through a process used by the Public Works Board staff would evaluate applications received. In that process, staff performs a preliminary evaluation of all applications, which meet basic eligibility requirements. Applications would then be scored according to the evaluative criteria and provided to the board.

All application materials would be available to the board for its deliberations. The board would be enabled to adjust the draft statewide priority list in consideration of the following factors:

- Geographic balance;
- Economic distress;
- Type of project;
- Type of jurisdiction;
- Environmental protection, including water quality improvements;
- Other criteria determined by the board.

Staff would verify critical information on each project as required by the board.

Board meetings would ' be open to the public. However, in order to ensure fairness to all jurisdictions with applications pending before the board, the board would not accept oral or written testimony from any applicant while deliberating funding priorities, other than specific responses to information requests initiated by the board.

The board would then adopt the final statewide priority list.

Options:

Legislative Review of Final List. In this option, similar to the Public Works Trust Fund and Interagency for Outdoor Recreation (IAC) processes, the board-adopted final list would be submitted to the Legislature for concurrence or for removing specific projects, but not for re-ordering or adding other projects.

Governor Office Review of Final List. In this option, similar to the IAC process, the board-adopted final list would be submitted to the Governor's Office for concurrence or for removing specific projects, but not for re-ordering or adding other projects.

Governor Office and Legislative Review of Final List. In this option, similar to the IAC process, the board-adopted final list would be submitted to both the Governor's Office and the Legislature for concurrence or for removing specific projects, but not for re-ordering or adding other projects.

State Role

Under this alternative, the board is responsible for reviewing and adopting the statewide priority list. State staff would be responsible for evaluation criteria development, staffing of the board, rulemaking (if needed), screening applications for basic eligibility requirements, development of a draft statewide priority list, negotiating contracts with fund recipients, and dispersion, audit and tracking of funds.

Local Role

Under this alternative, local roles would be as fund applicants and as representatives on the board.

Advantages

- Creates independent board to decide priorities.
- Requires clear definition of roles and responsibilities and thus enhances transparency of process.
- Creates board of peers making decisions on priorities.
- Affords the opportunity to take the best pieces of two well-functioning systems (IAC and PWTF) and merge into one system.
- Many existing fund recipients are familiar with process.

Disadvantages

- Creates potential for perception of "more bureaucracy."
- Adds costs for board members participation and other administrative services.
- Likely requires statutory change.
- If subsequent Governor's Office and/or Legislative reviews are added, significant amounts of time to process.

Uncertainties or Other Important Factors

The size and specific composition of the board needs to be determined. Additionally, the appointing mechanism and terms of the board need to be settled on.

Both of the models considered in devising this alternative involve a review of the board's decisions by the state Legislature. In the case of the IAC, it also involves Governor Office review. It is important that decisions are made regarding these high level reviews.

Additional Details Needing Discussion

- Requirement for statutory change.
- Whether there should be legislative, Governor's Office, or both reviews of board decisions.
- Composition and size of board.
- A decision to have one board or several boards (i.e., regional or watershed-based boards).

- A decision to add specific categories (e.g., lakes) and/or specific balancing needs (e.g., cleanup and prevention) to the board's authority to adjust the draft list.

Relationship to Committee Goals

Following summarizes the alternative in relation to goals developed by the Financial Assistance Restructuring Committee.

The fund distribution method should:

1. *Provide funding based on the highest priority environmental need, while considering other social and economic needs.*

This alternative supports this goal because it would incorporate specific evaluative criteria and would result in priorities set by a board of applicant peers.

2. *Result in no net increase of administration costs.*

This alternative establishes a new formal board structure with a professional staff. Additionally, it is expected technical, engineering assistance would be required for applicants. This would suggest the potential for increased overall administrative costs. In this alternative, Ecology administrative time involved in reviewing and ranking applications for projects be essentially the same as currently done. In addition, Ecology would continue to retain contract negotiation, fund disbursement, auditing, and reporting duties. Additionally, Ecology would need to develop evaluative criteria, state standards for eligibility, prioritizing, governance, and other aspects of the fund methods. Hence, it is likely the continuation of these administrative duties and the creation of new standards development and maintenance duties, overall, is likely to create a net increase in administrative costs under this alternative.

3. *Be a simple system.*

This alternative supports this goal in that evaluative criteria would be pre-available to applicants and that many applicants are currently familiar with board processes generally.

4. *Allow for coordination of other funding sources, such as watershed planning grants.*

This alternative potentially supports this goal since it is presumed members on the board would familiar with and potentially has access to other sources.

5. *Facilitate and streamline getting money out to projects which are ready to proceed.*

Given the additional decision makers (the board and potentially the Legislature), involved and the time needed to achieve full approval of the lists, this alternative does not supports this goal.

6. *Support federal, state, tribal and local geographic initiatives.*

This alternative does not support this goal since there is no inherent link to geographic initiatives in the board approach.

7. *Strive to develop long-term community sustainability through partnerships and leveraging.*

This alternative supports this goal because it establishes a review process of peers as well as diverse interest groups.

8. *Result in support for the financial assistance program.*

This alternative potentially supports this goal since it incorporates known processes generally viewed favorably by interest groups.

9. *Be predictable and understandable.*

This alternative supports this goal because of the available in advance evaluative criteria and because it requires clear delineation of roles and responsibilities between the board and the department.

10. *Strive to fund a balance of cleanup and prevention projects.*

This alternative is neutral towards this goal. However, the department or the board could be enabled to specifically achieve this goal through criteria or as one of the factors authorizing board deviation from the draft priority list.

11. *Be perceived to be fairly administered by stakeholders.*

This alternative supports this goal because an independent board would make final priority decisions. Additionally, the availability of pre-available evaluative criteria and clear delineation of roles and responsibilities between the board and the department would aid in the decision-making transparency and thus, increase the perception of fairness.

12. *Allow stakeholders' input into prioritization process.*

This alternative supports this goal in that major stakeholder groups would sit as members of the board.

V. Regional Offices Pool Approach to Fund Distribution

Alternative Summary

This alternative would divide the total amount of competitively available water quality funds into four separate pools, one for each of Ecology's four regional offices. As an option, a portion could be reserved for statewide competition. Currently, Ecology maintains regional offices in Lacey, Bellevue, Yakima, and Spokane. Under this alternative, each of those regional offices would be responsible for distributing its portion of the available funds to projects within their regions.

Since none of the regions is "equal" in population, geography or water quality issues, the total amount of competitively available funds would need to be divided by some agreed-upon factors. The factors could be:

- Population;
- Geographic area;
- Number of water bodies on 303(d) list;
- Per capita income;
- Percent of revenue going to water quality funds;
- Number of depressed communities;
- Other factors.

How Priorities Are Set

In this alternative, priorities are determined on a regional basis. This is a step removed from local priority making but not as centralized as a statewide process. This alternative could use different options for priority setting.

Regional Priorities Consistent with Statewide Priorities Option. Under this option, Ecology would establish by rule statewide water quality priorities through development of evaluative criteria. The standards would apply statewide and would direct regional development of regional priority lists. Ecology staff would then develop a regional priority list around those state standards. This option would aid in preserving a semblance of statewide priorities, but enable those to be tailored to the regional level.

Regional or Statewide Board Option. In this option, regional staff would develop draft regional priority lists which would then be taken to a board for review, modification, and approval. Under this option, the board could either be a statewide board or a board for each respective region.

Watershed-based Priorities Option. In this option, each regional office would develop draft priority lists together with local watershed governance structures, if any exist. Similar to the board options, the watershed governance structure would review, modify and approve the draft list.

Regional Priorities Determined by the Regions. In this option, Ecology 'regional offices would develop priority project lists based using regional discretion.

State Role

Ecology's role under this alternative would include statewide and regional responsibilities. At the statewide level, Ecology would conduct rulemaking to define the fund distribution method and priority setting. If a state board option is incorporated, Ecology would staff that function as well. Certain finance tracking functions would remain at the state level.

The bulk of the state's role would be in the regional administration of the priority setting process and in the contract negotiation functions. The regional role in deciding and administering water quality financial assistance projects would grow significantly, particularly if regional boards or watershed-based priority options are employed.

Local Role

The local roles under this alternative would be as fund applicants and recipients. Additionally, if the regional board option is chosen, it is expected locals would serve as board members. If the watershed-based priority option is selected, stakeholder involvement in that process would occur as well.

Advantages

- Regional priority making is "closer to the action" than is the statewide view.
- Regional priority making can balance concerns of locally defined priorities and to ensure money is getting to environmental needs.
- Regional priority making is compatible and supportive of recent Ecology trends to get more technical and decision making resources out of headquarters.

Disadvantages

- De-emphasizes statewide priorities.
- Has the potential to increase administrative functions and costs (four separate systems).
- How to allocate total fund to each region is a major uncertainty.

Uncertainties or Other Important Factors

The weights for deciding the size of the regional pools are important to agree upon. That is, how to determine the portion of the funds that would be dedicated to each of the four Ecology regional offices. This is a critical factor. There are several options for determining the size of the regional pools. These include:

Equal portions for each region. This option would simply divide the total amount available for competition into four equal amounts. The simplest option, it does not differentiate between regions.

Weight for population. In this option, a population-weighting factor would be applied, with most of the funds being dedicated to the regions with the highest population.

Weight for geography. In this option, a geographic weighting factor would be applied, with most of the funds being dedicated to the regions with the largest land area.

Weight for polluted waters. In the option, the number of 303(d) listed water bodies would be used, with most of the funds being dedicated to the regions with the most polluted water bodies. Since this list is a biennial list, the distribution would vary every two years.

Weight for ability to pay. In this option, the *per capita* income, unemployment rate, median household income, number of distressed communities, number of small towns, or some other socio-economic factor would be used, with most of the funds being dedicated to the regions on an ability to finance water quality projects basis.

Additional Details Needing Discussion

- Weighting for determining pool size.
- Overlaying a board(s).
- Selecting statewide and/or region-specific standards and procedures.

Relationship to Committee Goals

Following summarizes the alternative in relation to goals developed by the Financial Assistance Restructuring Committee.

The fund distribution method should:

1. *Provide funding based on the highest priority environmental need, while considering other social and economic needs.*

This alternative has the potential to support this goal at the regional level. It does not support this goal at the state level.

2. *Result in no net increase of administration costs.*

This alternative does not support this goal since it would create four systems, plus, if regional priority setting system differ, potentially four additional systems. (An additional one would be created if a statewide portion were also implemented).

3. *Be a simple system.*

This alternative does not support this goal because it has the potential to create four separate systems. Developing statewide standards, however, could reduce this impact.

4. *Allow for coordination of other funding sources, such as watershed planning grants.*

This alternative does not support this goal since most other state fund sources are at a statewide level.

5. *Facilitate and streamline getting money out to projects which are ready to proceed.*

The alternative supports this goal since regional offices often are in a good position to know about these projects.

6. *Support federal, state, tribal and local geographic initiatives.*

The alternative supports this goal in that it furthers Ecology regionalization efforts.

7. *Strive to develop long-term community sustainability through partnerships and leveraging.*

The alternative supports this goal at the regional level.

8. *Result in support for the financial assistance program.*

This alternative potentially supports this goal since it could be more locally responsive than the current process.

9. *Be predictable and understandable.*

If the regional priority setting process differences are minimized, as a program, this alternative would support this goal.

10. *Strive to fund a balance of cleanup and prevention projects.*

The alternative supports this goal since locals and regional staff would have greater say in which projects to fund. This is expected to achieve a balance inherently.

11. *Be perceived to be fairly administered by stakeholders.*

At the regional level, this alternative is expected to support this goal. However, from a statewide perspective, there exists the potential for different treatment of applications given the four separate systems in the approach. Therefore, this alternative is neutral towards this goal overall.

12. *Allow stakeholders' input into prioritization process.*

At the regional level, this alternative is expected to support this goal if regions engage local participation into the process.

VI. Comparison of the Alternatives

The following table summarizes how the alternatives support, do not support, or are neutral towards the goals of the Financial Assistance Restructuring Committee. The Committee has not weighted any of the goals. Summaries are concluded based on how shed, board, and regional office pools alternatives at the conceptual level. Summaries of the status quo evaluation are based on the same conceptual basis, augmented by actual views expressed by some constituent groups.

<i>Comparison of Alternatives with Committee Goals</i>				
<i>Goal (not weighted)</i>	<i>Watershed</i>	<i>Board</i>	<i>Regional Pools</i>	<i>Status Quo</i>
1. Highest Need	--	+	0	+
2. Administration	0	--	--	+
3. Simple	0	+	--	0
4. Other Funds	+	+	--	+
5. Streamline	+	--	+	+
6. Geographic Initiatives	+	--	+	0
7. Partners/Leverage	+	+	+	--
8. Support for Program	0	+	+	0
9. Predictability	+	+	+	--
10. Balance Clean/Prevent	0	0	+	0
11. Fairly Administered	+	+	0	0
12. Stakeholders Input	+	+	+	--

Relationship to Committee Goals

Following compares the alternatives as their relationship to Committee goals.

The fund distribution method should:

1. *Provide funding based on the highest priority environmental need, while considering other social and economic needs.*

The board approach and the existing approach support this goal.

2. *Result in no net increase of administration costs.*

The only alternative to support this goal is the existing approach. It is expected that the board approach and the regional offices pool approach would increase administrative costs.

3. *Be a simple system.*

The board approach is expected to be the simplest approach from a perception and participation standpoint. The existing approach could support this goal if concerns about the application process, particularly from small communities, could be made easier.

4. *Allow for coordination of other funding sources, such as watershed planning grants.*

Most of the alternatives are expected to have about the same ability to coordinate among other Rind sources. The regional office pools offers the least ability due to its regional, non-watershed focus.

5. *Facilitate and streamline getting money out to projects, which are ready to proceed.*

Most of the alternatives support streamlining fund disbursements, except the board approach, particularly if a legislative review is enacted.

6. *Support federal, state, tribal and local geographic initiatives.*

The watershed and regional office pools approaches offer the best support for coordinating with other geographic initiatives.

7. *Strive to develop long-term community sustainability through partnerships and leveraging.*

The current approach has the least local input into the prioritization process.

8. *Result in support for the financial assistance program.*

All alternatives either have marginal benefit for the support of the program or would be liked or disliked by various constituents.

9. *Be predictable and understandable.*

The current approach offers the least predictability for applicants as it currently exists. This deficiency could be rectified with the inclusion of criteria and rating processes.

10. *Strive to fund a balance of cleanup and prevention projects.*

None of the alternatives neither specifically support nor take away from the support of this goal, although regionally, the pool approach could be in the best position to strive towards that balance.

11. *Be perceived to be fairly administered by stakeholders.*

Given the higher degree of stakeholder participation in the prioritization processes of the watershed and board approaches, those approaches have the best likelihood of being perceived to be fair.

12. *Allow stakeholders' input into prioritization process.*

The watershed, board, and to a lesser extent, the regional office pool approaches all afford the ability of having enhanced stakeholder involvement in prioritization over the current process.

Section Three

Positive Attributes of Alternatives and Hybrids

I. Introduction

At its July 23, 1998, meeting, the Financial Assistance Restructuring Committee reviewed the four alternative methods for fund distribution. The Committee identified positive attributes of each method. After identifying those attributes, the Committee made a list of common themes identified as positive attributes in each method and other important elements that it felt should be incorporated into the method chosen. Following that discussion, the Committee suggested that two to three hybrids of the methods be devised to capture those desirable attributes.

II. Positive Attributes of the Alternatives

Existing Method

- Integrates several funding programs
- Leverages money, and combines grants and loans
- It works - has gotten money out and projects built to clean up waters
- Clear to conservation districts what's expected
- Rural has as much opportunity for funding as urban
- Money is being distributed to highest environmental needs
- Keeps administrative costs down
- Focus on highest state priority
- Uses Ecology expertise and structures (i.e., regional offices)
- Keeps large pot of money together
- Integrates both regional and statewide priorities
- Avoids legislative delay
- Provides a topic for conservation
- Allows for broad representation
- Respects where money comes from
- Equalizes real / perceived inequities between large and small applicants
- Supports hybrids
- Gives Ecology maximum flexibility
- Allows a local entity to step in where other locals would not
- Allows regions to reach out to locals

Watershed Approach Method

- Systematic way to distribute predictably
- Includes all portions of the State
- Locals can count on some amount of money – aids in planning
- Opportunity for support of program
- "Watershed Management" makes sense
- Aids in "common sense" (i.e., water body-specific) across Ecology

- Local input in decisions
- Locally-set priorities
- Opportunity to drive money to known priorities
- "Watershed-based Management" link
- Link to Watershed Approach permitting cycle (timely, effective permitting)
- Better ability to put money into prevention
- Supports coordination with Department of Transportation's advanced mitigation
- Opportunity to provide money and empowerment to local watershed groups
- Reserves a portion for statewide competition
- Likes the name
- A lot of local priorities already developed

Board Approach Method

- Predictable and Understandable
- Competitive
- Locals (rather than Ecology) make decision
- Open process
- Takes heat off Ecology
- Focus on statewide problems
- Well-focused
- Diversity of Board can make good decisions
- Know rules in advance
- Efficiencies
- Can address big problems through big awards
- Ability to tailor awards to meet program needs
- Easy to administer
- Connects better to Legislature
- Representation can be tailored i.e., made equal
- Point system - explainable
- FOCUS on statewide priorities
- Tried, tested, proven (i.e., Public Works Fund and Interagency for Outdoor Recreation)
- Could integrate with other existing board
- Fairness
- Legislative Component aids in Legislative "Buy-in"
- Open process
- Set criteria
- Opportunity for more local involvement - applicant & as board member
- Brings in expertise to Board
- Provides opportunity to integrate other Ecology funds (i.e., toxics, solid waste, flood control, etc.)
- Greatest benefit for the money
- Objective
- Diversified Board eliminates program-specific focus of Agency

Regional Offices Pool Method

- Set regional priorities
- Allows for "Mixed" approaches, based on Region preference
- Uses Ecology expertise
- Better job of local priorities
- Can integrate with a regional board - lends itself to hybrids
- Gives locals more predictability
- Opportunity to reduce transaction costs
- Retains competition, but more honed-in
- Incentive for more local buy-in
- Opportunity for hybrid
- Proximity and access
- Enables coordination / integration with other funds / boards (e.g., County Road Administration Board)
- As a hybrid with regional board, derives those benefits too

III. Common Themes / Important Elements (Alternatives best supporting)

- Local Priority Setting
(WSA / Board)
- Authorizing Environment
(WSA / Board)
- Predictability / Open Process
(Irrespective of Alt.)
- Evaluation Criteria
(Irrespective of Alt.)
- Integration of Funding Programs
- Statewide Priorities to Meet Highest Environmental Need Public Health
(Existing / Board)
- Expertise in Process
(Existing / Board)
- Build Public Support
(Board / WSA)

IV. Input on Devising Hybrids

- Autonomous board
- Regional representation
- Prioritize projects on regional basis
- Sets criteria / Ecology staff works with
- Money could be split in different methods

- Regional office implements board decisions
- One board with regional implementation
- Problems w/ board to expedite use of funds
- Keep existing process but utilize local constituency on statewide basis chaired by Ecology (Advisory body)
- Stay with existing system / implement point system
- Nonpoint source projects competition problem w/ board approach
- Likes statewide advisory committee
- Concerns about using Public Works Board for non-structural types of projects
- Public Works Board always available to help through contract, advisory process, etc.
- Need to establish rules and response of board, advisory group
- Incorporate best aspects of proposals into two alternatives to select from
- Account for diversity of State, with boards for watershed approach in regions
- Incorporate board(s)
- Incorporate local input/priority setting
- Enhance existing system - regional advisory boards
- Allow for regional flexibility /
- Establish rating criteria and ranking
- Capture the common themes / important elements
- Fine tune existing system
- Improve and enhance w/ the best from other options
- Alternatives / RIT utilization
- Keep the Board / Advisory group as an option in any restructuring of the system
- Establish rating and evaluative criteria
- More open, understandable
- Regional office technical input is instrumental in rating and rank

V. Hybrid 1. Single Statewide Water Quality Finance Council.

- ❑ Single finance council;
- ❑ Statewide prioritizing;
- ❑ 2514 planning units review;
- ❑ Rating and ranking criteria (common to all hybrids)

Statewide water quality finance council.

***Intent and Summary:** The intent of this section is to establish a water quality finance council by rule to be involved in review and prioritizing projects, and establishing policies and guidelines with Ecology staff. It describes the representation on the council, Ecology's staff commitments, and commits to per them expenses of the council.*

***Relation to Committee Common Themes/Important Components:** Local priority setting, authorizing environment, and statewide priorities.*

Ecology would convene the water quality finance council by rule. The council would have specific duties to consider and prioritize all applications eligible for water quality grants or loans, and assist Ecology in establishing rules, policies and guidelines. The council would be comprised of an unequal number of representatives of clients and stakeholders and be appointed by the director upon recommendation from representative interest groups or Ecology staff. Representation on the council should include representatives of currently-eligible grant and loan entities and should include representatives from:

- Local and tribal natural resources management agencies;
- Local public works agencies;
- Conservation districts;
- Citizens groups;
- Environmental groups;
- General public;
- State natural resource and public health agencies.

Ecology would provide staff assistance to the council. To ensure individual council member participation (and, thus equal representation of interest groups), members would be eligible for travel and per them reimbursement.

Prioritization process.

***Intent and Summary:** The intent of this section is to establish an emphasis on locally derived priorities by rule while retaining statewide priorities. This would occur through a process that establishes local priorities using planning units established under HB 2514. Those planning units would be given opportunity to make lists of priorities within*

their planning areas. The process also would include a review and prioritizing process for the council as well. The complete local and council review would be forwarded to Ecology for final decision making, giving special consideration to the prioritizing of the 2514 planning units and the council.

Relation to Committee Common Themes/Important Components: *Local priority setting, authorizing environment, statewide priorities; and Ecology expertise in process.*

Planning units established under HB 2514 would submit to Ecology a list of locally derived water quality priorities within their respective water resource inventory for funding within a given funding cycle. Projects thus prioritized and submitted to Ecology would be given additional ranking points established by rule.

Ecology would review, screen and rate projects submitted outside the 2514 process using the rating and ranking criteria established in rule. Ecology would merge the planning units ranked projects and the statewide ranked projects into a draft statewide priority list using the rating and ranking criteria established in rule.

Ecology would forward the draft list together with input received from local planning units and make all application materials available to the water quality finance council for its deliberations.

The council would consider the draft statewide priority list and input received from 2514 planning units. and may recommend changes to the draft list based on consideration of the following factors:

- Watershed priorities;
- Geographic balance;
- Economic distress;
- Type of project;
- Type of jurisdiction;
- Public health;
- Endangered species;
- 303(d) listed water bodies;
- Environmental protection, including water quality improvements.

Council meetings would be open to the public. However, in order to ensure fairness to all jurisdictions with applications pending before the council, the council would not accept oral or written testimony from any applicant while deliberating funding priorities, other than specific responses to information requests initiated by the council. The council would forward its recommended final statewide priority list to Ecology.

VI. Hybrid 2. Regional Water Quality Finance Councils.

- ❑ 4 Regional finance councils;
- ❑ Regional prioritizing;
- ❑ Regional specific criteria;
- ❑ Deference to regional top priorities;
- ❑ Statewide final;
- ❑ 2514 planning units review;
- ❑ Rating and ranking criteria (common to all hybrids).

Regional finance councils.

***Intent and Summary:** The intent of this section is to establish regional advisory councils to be involved in review and prioritizing projects and to assist Ecology in the establishment of policies and guidelines. It describes the representation on the councils, Ecology's staff commitments, and commits to travel and per them expenses of the council.*

***Relation to Committee Common Themes/Important Components:** Local priority setting, authorizing environment, and statewide priorities.*

Ecology would convene a regional finance council for each of its four regions: Councils would be convened in Lacey, Bellevue, Yakima, and Spokane. The councils would have specific duties to consider and prioritize all applications eligible for water quality grants or loans and assist Ecology in developing policies and guidelines. The councils would be comprised of an unequal number of representatives of clients and stakeholders and be appointed by the director upon recommendation from representative interest groups or Ecology staff. Representation on the councils should include representatives of currently-eligible grant and loan entities and should include representatives within the subject region from:

- Local and tribal natural resources management agencies;
- Local public works agencies;
- Conservation districts;
- Citizens groups;
- Environmental groups;
- General public;
- State natural resource and public health agencies.

Ecology would provide staff assistance to the boards. To ensure individual board member participation (and, thus equal representation of interest groups), board members would be eligible for travel per them reimbursement.

Prioritization process.

***Intent and Summary:** The intent of this section is to establish an emphasis on regional priorities. It would establish a prioritization process that creates regional priorities by local planning units established under HB 2514~ Those planning units would submit local priorities of projects within their planning areas for special consideration by Ecology. The process also would include a review and prioritizing process for the council as well. The complete local and council review would be forwarded to Ecology for final decision making, giving special consideration to the prioritizing of the 2514 planning units and the councils. Regional priorities would be combined into a statewide priority list. However, the highest priorities agreed to at the regional office, planning unit and regional council level would be automatically funded, up to a maximum amount, and excluded from needing to compete statewide.*

***Relation to Committee Common Themes/Important Components:** Local priority setting; authorizing environment; predictability / open process; and Ecology expertise in process.*

Planning units established under HB 2514 would submit to Ecology a list of locally derived water quality priorities within their respective water resource inventory for funding within a given funding cycle. Projects thus prioritized and submitted to Ecology would be given additional ranking points established by rule.

On a regional basis, Ecology would review, screen and rate projects submitted outside the 2514 process using the rating and ranking criteria established in rule. Ecology would merge the planning units ranked projects and the regional ranked projects into a draft regional priority list using the rating and ranking criteria established in rule.

The department would forward the draft list together with input received from local planning units and make all application materials available to each respective regional water quality finance council for its deliberations.

The councils would consider the draft regional priority lists and input received from 2514 planning units and may recommend changes to the draft lists based on consideration of the following factors:

- Watershed priorities;
- Geographic balance;
- Economic distress;
- Type of project;
- Type of jurisdiction;
- Public health;
- Endangered species;
- 303(d) listed water bodies;
- Environmental protection, including water quality improvements.

Council meetings would be open to the public. However, in order to ensure fairness to all jurisdictions with applications pending before the boards, the boards would not accept oral or written testimony from any applicant while deliberating funding priorities, other than specific responses to information requests initiated by the boards.

The councils would forward their recommended final regional priority lists to the department no later than 30 days following receipt of the draft regional priority lists.

Upon receipt of the regional councils recommended final regional priority lists, Ecology would merge the regional lists into a statewide list using the ranking and rating criteria established by rule.

The top ranked projects agreed to by each the respective Ecology regional office, respective 2514 planning unit, and respective regional finance councils, up to a combined total of \$X million or X % of the total available for competition for each region, would be considered regional top priorities and would be automatically funded.

VII. Hybrid 3. Contract with Public Works Board

- ❑ Administered by Public Works Board;
- ❑ Statewide prioritizing;
- ❑ 2514 planning units review;
- ❑ Rating and ranking criteria (common to all hybrids).

Contract with Public Works Trust Fund Board.

***Intent and Summary:** The intent of this section is to establish a contract for services of the Public Works Board to decide priorities and to assist Ecology in establishing policies and guidelines. Details of that contract would be established in a memorandum of agreement between Ecology and the board Ecology staff would provide assistance to the board for water quality project reviews and prioritizing.*

***Relation to Committee Common Themes/Important Components:** Local priority setting; authorizing environment; predictability / open process; Ecology expertise in process.*

Ecology would contract with the Public Works Board to administer the fund sources under this chapter. The objectives of this contracted service are:

- Maximize benefits of limited water quality funds;
- Protect the state's financial interests;
- Maintain a level of funding commitments commensurate with the level of funds;
- Provide a mechanism for the development, implementation, and ongoing management of the funds by the board and the Department of Ecology; and
- Ensure appropriate input is received from various state agencies (such as the Conservation Commission, Department of Health, and Puget Sound Water Quality Action Team).

Roles and responsibilities of Ecology and the board would be articulated in a memorandum of agreement between the agencies. Ecology would provide staff assistance to the board for reviews of projects, in accordance with rules established and the memorandum of agreement. This is similar to a current agreement the Board has with the Department of Health on the management of the Drinking Water SRF.

Prioritization process.

***Intent and Summary:** The intent of this section is to emphasize statewide priorities by establishing a prioritization process that ultimately resides with an independent board. It also creates a mechanism to ensure local involvement in the priority setting by allowing draft list reviews by local planning units established under HB 2514. Those planning units would be given opportunity to review and provide local priorities of projects within their planning areas. The board would make final decisions on the priority list upon recommendations by Ecology and the 2514 planning units.*

Relation to Committee Common Themes/Important Components:
Local priority setting; authorizing environment; predictability / open process; and Ecology expertise in process.

Planning units established under HB 2514 would submit to Ecology a list of locally derived water quality priorities within their respective water resource inventory for funding within a given funding cycle. Projects thus prioritized and submitted to Ecology would be given additional ranking points established by rule.

Ecology would review, screen and rate projects submitted outside the 2514 process using the rating and ranking criteria established in rule. Ecology would merge the planning units ranked projects and the regional ranked projects into a draft statewide priority list using the rating and ranking criteria established in rule.

Ecology would forward the draft list together with input received from local planning units and make all application materials available to the board for its deliberations.

The board would consider the draft statewide priority lists and input received from 2514 planning units and may make changes to the draft list based on consideration of the following factors:

- Watershed priorities;
- Geographic balance;
- Economic distress;
- Type of project;
- Type of jurisdiction;
- Public health;
- Endangered species;
- 303(d) listed water bodies;
- Environmental protection, including water quality improvements.

Board meetings shall be open to the public. However, in order to ensure fairness to all jurisdictions with applications pending before the board, the board shall not accept oral or written testimony from any applicant while deliberating funding priorities, other than specific responses to information requests initiated by the board.

VIII. Element Common to all Hybrids.

Ranking and rating criteria.

***Intent and Summary:** The intent of this section is to establish ranking criteria for proposed projects. A broad range of criteria would be established-under regulation with more specific criteria and points developed by Ecology under guidance. This would allow the distribution method to be dynamic as statewide priorities change while at the same time retaining the intent of the criteria in rule. Additionally, projects highly rated by local watershed planning units would receive additional points.*

Relation to Committee Common Themes/Important Components:

Predictability/open process; evaluation criteria; local priority setting; and Ecology expertise in process.

Ecology would develop and maintain criteria and a point system through guidance available to applicants to evaluate proposed projects. The criteria shall include at a preference for projects which:

- Aim at solving or presenting opportunities to solve water quality problems;
- Aim at achieving water quality outcomes directly or indirectly from proposed projects and measurements of those outcomes;
- Demonstrate readiness to proceed;
- Provide sufficient levels of details of the proposed project budgets;
- Are prioritized by HB 2514 local planning units;
- Other considerations (e.g., region-specific criteria, hybrid 2).

Section Four

Outreach Summary

Eastern Washington Tribes (4/23/98)

Patty Stone, Colville Tribe
Gary Passmore, Colville Tribe
Rudy Peone, Spokane Tribe
Scott Hall, Kalispel Tribe
Mary Verner-Moore, Spokane Tribe

Input Summary - General Comments

- Concerned there is no Eastern Washington representative on Committee
- Agrees the fund distribution process should be transparent
- Has mixed views on a block funding focus
- Doesn't like having to apply through counties for water quality funding
- Suggests shifting point source projects to SRF
- Wonders how Clinton's Clean Water Initiative will be related to funding programs -will the state get more money to pass through?
- Need to use water quality money to protect and improve water quality

Input Summary - Comments on Watershed Alternative to Fund Distribution

- An advantage is that it could free up Ecology staff time to work on higher environmental priorities
- First reaction is that "going down the pyramid" is attractive
- Doesn't like the 1/3, 2/3 weighting - should be at least 50/50
- Alternative should be revised to add an unemployment factor and / or the median household income factor as weights. The ability to pay is important.

Input Summary - Comments on Other Alternatives to Fund Distribution

Think we should look at 303(d) as a means

Spokane-Area Conservation Districts (4/24/98)

Dixie Fallz, Othello CD
Claudia Michalke, Stevens CD
Sherry Ledgerwood, Lincoln CD
Tom Schultz, Lincoln CD
Rick Schumaker, Stevens, CD
Carol Mack, Pend Oreille, CD
Don Stuart, WA Association of CDs
Larry Cochran, Palouse CD
Ed Kuhn Spokane, CD
Terry Bruegman, Columbia CD
Rich Baden, Spokane CD
Vicki Ely, Spokane CD
Randy Williams, Ferry CD

Input Summary - General Comments

- Concerned there is Eastern Washington representative on the Committee
- Sees Committee as too "top down" (i.e., no actual CD member)
- Sees a problem with joining 319, CCWF, SRF
- Doesn't think counties should be in the lead - makes for a duplication of what CDs do
- Western Washington gets all the salmon money - spread others around
- Concerned that it appears the goal is to make some people happy
- CDs are best level for working with landowners
- Air and Water Quality programs don't coordinate
- Concerned about spending 319 on Ecology administration

Input Summary - Comments on Watershed Alternative to Fund Distribution

- No way to ensure the money goes to the highest priority projects - what is the environmental need?
- Ecology's role is minimized - not a good thing
- Weighting towards population means a weighting to big projects and away from nonpoint
- Will result in in-fighting between counties and CDs
- Doesn't like WRIA boundaries
- Most challenges are nonpoint - should favor size over population
- Doesn't like watershed approach to fund distribution, even if 1/3, 2/3 weights are changed

Input Summary - Comments on Other Alternatives to Fund Distribution

- Use existing relationships - use what's been done in a watershed as a weighting factor
- Prefers existing system, modified to break out 319, CCWF and SRF and to move big point source projects to SRF
- A regional office pool could be OK if administrative costs are kept down
- Should look at 303 (d) list as a way of distributing funds, but also need to factor in "C4preventive" (i.e., non-listed waterbodies)
- Doesn't like a "Board approach" - creates additional bureaucracy

Coalition for Clean Water (5/13/98)

Heather Kibbey, Pierce County Public Works and Utilities
David Hufford, City of Tacoma
Bruce Rawls, Spokane County
Victor Ehrlich, City of Vancouver
Gerry Shrope, City of Spokane
Mike Hale, City of Vancouver
Jim Shahan, King County Department of Natural Resources
Tom Thetford, City of Everett
Ed Thorpe, Director, Coalition for Clean Water

Input Summary - General Comments

- Irrespective of alternative selected, a mechanism for awarding projects is needed, i.e., criteria are needed.

Input Summary - Comments on Watershed Alternative to Fund Distribution

- Some like the idea of getting money out to WQMAs; like the watershed approach.
- The watershed approach is based on sound principles of water quality management.

Input Summary - Comments on Other Alternatives to Fund Distribution

- Need to flesh out other alternatives - need more detail.
- 303d is more of criteria or a goal for awarding projects, not really an alternative fund distribution method.
- A problem with locking in on the 303d list is that for some huge, complex projects, no matter how much money is spent they will not be "fixed". This would take away from smaller projects that could produce results.
- Some are nervous about a state board approach - who appoints members? How is it funded? Others do not like the board approach.
- Current approach (mechanical steps) need to be streamlined - currently takes over a year to get an award.
- Current approach has no certainty.
- Regional offices pool:
 - doesn't get local enough.
 - locals know their needs better.
 - + might have a local benefit if the amount they had to distribute was substantial.
 - + regional staff have a good idea of local issues.
 - + has advantages over the watershed approach because it was fewer number of decision-makers.
 - + could be used in conjunction with other aspects (e.g., the watershed approach) to distribute funds.

Department of Community, Trade and Economic Development Fund Managers **(5/18/98)**

Kate Rothschild, Community, Economic Revitalization Board
John La Rocque, Public Works Board
Betty Lochner, Public Works Trust Fund
Steve Buxbaum, Community Development Block Grant
Bill Cole, Community Investment Unit
Enid Melendez, Community Investment Unit
Pete Butkus, DCTED

Input Summary - General Comments

- DCTED's boards set policy.
- Staff take ranked projects lists to Board.
- Board usually takes staff priority lists.
- Board submits to Legislature and list is worked through as a bill.
- Criteria are in application form. Projects are assigned points.
- Process takes a year.
- Roles in process should be clear.

Input Summary - Comments on Watershed Alternative to Fund Distribution

- Watershed approach;
 - would be too complex for administrative control, due to the number of watersheds, existing set asides, and proposed 33% for statewide competition.
 - would create many more opportunities for appeals (e.g., distribution weights, watershed boundaries, and project-specific).
 - would bring out differences of sophistication among local areas and cause unfair competition. {This is an issue that applies to any alternative and not just the watershed approach}.

Input Summary - Comments on Other Alternatives to Fund Distribution

- Board approach:
 - + Board is decision-maker: disagreements are aimed at board, not agency.
 - + accountability: clarity of who makes decisions.
 - + "peer review" of projects - board members reflect community.
 - requirement to go through Legislature adds many months to awards process.
- 303d list system is not an alternative funding method; it's a criteria.
- Regional offices pools
 - + could be a plus if a regional board and statewide competition were included.
 - will result in increased administrative costs.

Town of Warden (June 15,1998)

Mayor Dick Keeney
Mike Thompson, City Administrator

Input Summary - General Comments

- Existing process hasn't helped Warden yet
- Whatever the system, must integrate growth management-must have planned development
- Big cities currently get most of the money
- Some changes could improve existing process-most people don't trust Ecology
- Would be better to have a bigger pot of money

Input Summary - Comments on Watershed Alternative to Fund Distribution

- Need to study
- Not really in favor of it

Input Summary - Comments on Other Alternatives to Fund Distribution

- Likes board and regional offices pool better
- Smaller communities would have a better chance of getting money from board or regional pool
- Board approach is as good as any, but could get politicized unless set up right - must have whole state representation
- IAC process is too timely and costly to go through

City of Colville (June 16, 1998)

Harlan Elsasser, P.E., Director of Public Works
Mark A. Freiburger, P.E., City Engineer

Input Summary - General Comments

- There needs to be a relief mechanism for small towns - either regulatory relief or financial assistance
- Has concerns about what criteria would be used in rating projects - must be statewide in scope

Input Summary - Comments on Watershed Alternative to Fund Distribution

- Would result in a smaller group and region to compete against
- Would have a negative effect on small communities as a result of the population weighting
- Could be used to fund planning, but construction requires more money
- Likes local priority setting aspects
- Thinks Colville would have a better chance under existing process

Input Summary - Comments on Other Alternatives to Fund Distribution

- Board approach
 - Equal representation on board is critical
 - Public Works Trust Fund process seems to work, but it is important board members are familiar with local needs
 - Boards provide an oversight role on staff, but generally does not change the outcome
 - Adds to the time to get the approval
- Regional Offices pool
 - Likes this approach
 - Regional staff know their problems the best
 - Interested in seeing more detail on - particularly how much money would be available to each region
 - How to disperse money to pools is important

- Regional pools in themselves don't achieve accountability and oversight -suggests adding a board (regional)
- Regional boards should be advisory only (not put into law)
- Suggests looking at WACERT (locally prioritized projects and adopted by County board)

City of Fairfield (June 16, 1998)

Kevin Ottosen, Fairfield City Councilman

Input Summary - General Comments

- Important to have a valid selection process - i.e., rating criteria
- A "selection process" with objective criteria will result in being right more often than being wrong
- Need to build a simple, understandable process - use common sense and "semi-reasonable" language
- For small towns, announce application process -in a single page flyer rather than a full package
- Need to have a level table for competition
- Small towns needs special consideration due to small tax base

Input Summary - Comments on Watershed Alternative to Fund Distribution

- Important to clearly define "watershed". Means many different things and is confusing to public
- Weighting perpetuates Western Vs Eastern Washington debate
- Cautious about the potential for additional bureaucracy (i.e., various watershed management councils)
- Small towns can help fix watershed problems since they are often upstream of larger cities
- Would be an improvement over existing process because it embodies a cause and effect relationship inherent in watershed management

Input Summary - Comments on Other Alternatives to Fund Distribution

- Board approach
 - Doesn't like
 - Adds to bureaucracy
 - Becomes self-sustaining
- Regional Offices pools
 - Likes regional pools
 - Regions need a certain level of autonomy
 - Has merit - adds to regional offices accountability - they can no longer pass the blame to Olympia

City of Davenport (June 17, 1998)

Mary Hollis, Finance Manager

Input Summary - General Comments

Input Summary - Comments on Watershed Alternative to Fund Distribution

- Davenport would likely compete well under, but only for a small slice of the pie -there would be less money available for small communities
- Would continue to be very hard for small communities to compete for statewide portion
- Nervous about approach. Needs to think about it, particularly with regards to weightings

Input Summary - Comments on Other Alternatives to Fund Distribution

- Board approach
 - Important to know how members are selected
 - Must pay members at least per diem
 - Without per diem, loose representation
 - Representation must be equal
- Regional Offices Pools
 - Would be better
 - Has a good working relationship with regional staff
 - Feels comfortable with and trusts regional staff
 - Regional staff know best the problems in their region
 - Could add a board to this approach
- Existing process
 - Under the existing process, has some concerns about who decides
 - Existing process has been very good to Davenport
 - Likes the existing process overall

APWA Municipal Stormwater Managers meeting (June 19,1998)

Bill Leif, Snohomish County
Heather Kibbey, Pierce County
Paul Buerch, Pierce County
Bill Derry, CH2M Hill
Bill Wolmute, City of Kent
Eric Hielers, City of Lacey
Cedar Wells, Olympia Water Resources
Steve M. Worley, Spokane County
Ralph Nelson, Entranco
Chris Strand, City of Tacoma

Bill Eckel, King County
Tom Holz, SCA Engineers
Jack Bjork, RW Beck
Darin Cramer, Thurston County
Mike Jauhola, Gray and Osborne
Maik Blosser, City of Olympia
Mark Cole, Hedges and Roth
Jane Zimmerman, City of Everett
Ronald Garrow, City of Fife
Bert Bowen, WSDOT
Stacy Trussler, WSDOT

Input Summary - General Comments

- What is Purpose of fund - statewide plus regional
- Regardless of criteria, need to be developed up front
- Pot too small, process too hard
- Structure is not as important as criteria - so applicants can determine if they want to apply
- All alternatives have "smoke-filled room" potential - criteria are key.
- Criteria should drive structure.
- Need a person/function to follow-up on projects - effective? Fair?
- Need an oversight/clearinghouse/ombudsman role to coordinate other fund sources
- De-emphasize restoration (too costly) and emphasize preservation
- What is scope of CCWF?
- Test whatever system is used
- Need to ensure money goes to where it's needed
- Forum for competition varies (St, WS, RO)
- Some jurisdictions lack other fund sources
- Pre-95 categories - "sorted" where money should go - a good thing
- Don't differentiate PS vs. NPS - go to best project
- Add ESA species as a criteria
- Develop measures of success of projects

Input Summary - Comments on Watershed Alternative to Fund Distribution

- Need a clear, objective system - WSA does.
- WSA - gets decision making to local level
- Need points system under WSA
- How would tech transfer-type projects that span WS be addressed?
- Is one-third statewide enough?
- Careful about "entitlement" - don't want towns on gravy train
- WSA may result in "bad" projects
- Population and size has nothing to do with resource value
- Locals alone shouldn't set priorities
- WSA strength - levels competition for small towns

Input Summary - Comments on Other Alternatives to Fund Distribution

- Board Approach
 - Who are members of Boards plus WSML is critical.
 - Generally don't like Board
 - Board would be politicized
 - Board is opposite of WSA - doesn't get more local control
 - Board would make "Transparency" worse
- Regional Offices Pool Approach
 - Need Regional criteria to determine region priorities.
 - Counter: Fund is statewide - should be statewide priorities.
 - RO Pool -just moves "smoke-filled room"
- Existing Process.
 - Existing process - backwards: applicants need to know criteria and priorities in advance
 - Existing process results in duplicative projects ("recycled projects")
 - Not sure existing method is broken
 - Cost of doing application is out of scale and Byzantine

Western Washington Conservation Districts (June 22, 1998)

Lisa Bucy, Clark County CD
George Mahoney, Clark County CD
Jackie Ried, Thurston County CD
Al Latham, Jefferson County CD
Don Stuart, Washington Association of CDs
Bill Eckel, King County DNR
Paul Hansen, Clallam CD
Wyn Matthews, Thurston CD
Carolyn Kelly, Skagit CD
Betty Norton, Skagit CD
George Boggs, Whatcom. CD
Michael Norman, Pacific CD

Input Summary - General Comments

- There should be criteria defined by the department.
- Real issue is there isn't enough money to go around.
- CDs are open as a group to help make the pie bigger.
- CDs are open as a group to working with others cooperatively.
- Legislature needs to be educated about all of the water quality and ESA issues -particularly the clean water initiative and What needs to be done and what it's cost is.

Input Summary - Comments on Watershed Alternative to Fund Distribution

- If used, Ecology must establish standards by rule defining how and when it would over rule local priority lists.
- Ecology abrogates its water quality role in this approach.
- Dividing the pot up as this approach does would be based on political pressure. Department of Apology.
- Doesn't fix the transparency issue. Only shifts perception of, and creates more smoke-filled rooms.
- Aquatic resources need the attention - this approach gives the attention to population.
- In-watershed competition will create hard feelings locally and will undo the partnering currently happening.
- The fundamental flaw with this alternative is that it takes resources away from environmental needs and puts it towards population.
- May result in legal challenges (i.e., to whom can government delegate its discretion?).

Input Summary - Comments on Other Alternatives to Fund Distribution

- Board Approach
 - Too bureaucratic.
 - Adds cost.
- Regional Offices Pool.
 - There is not very much trust with regional offices.
 - Regional staff are out of touch. They have no way of knowing local priorities.
 - Some regions have political motives (not universal).
 - Big concern is how pot would be divided into the four regions.
- Status quo.
 - Likes the existing method.
 - Should have some criteria.
 - Ecology needs to educate the Legislature on how current process works.
 - Legislature needs to see whole offer list so it can know what is being funded and why otherwise good projects aren't (due to limited dollars).
 - Conservation districts need to educate Legislature that the current process is working.
 - The other alternatives don't address the problem - small communities don't have the resources. The existing process keeps that in mind.
 - The existing process is an affirmation that Ecology is doing a good job.
 - There is the perception that the existing process is the most cost-effective approach.

Association of Water and Sewer Districts (June 18, 1998)

Scheduled and cancelled due to low interest.

Western Washington Tribes (July 16,1998)

David Troutt, Nisqually
Tribe Kim Taylor, Squaxin Tribe
Clare Cdebaca, Nooksack Tribe
Hubert Williams, Nooksack Tribe
Fran Wilshusen, Northwest Indian Fisheries Commission
Letters submitted for Lummi and James Town tribes.

Input Summary - General Comments

- Not interested in any system that doesn't involve competition
- System should be designed to fund projects addressing state priorities (e.g., salmon).
- Very concerned about the number and size of setasides.
- Wants a tribal set aside - e.g., \$ 10m - to conduct water quality work.

Input Summary - Comments on Watershed Alternative to Fund Distribution

- Nisqually Tribe could do well under the watershed approach.
- Generally, tribes support addressing water quality problems at the watershed level.
- 2514 groups might leave tribes out of process.
- Has concerns about the watershed approach as it relates to the 2514 process and local control and governance.
- Funding should look to addressing salmon problems - as a state priority - rather than being design around watersheds or population.
- Nooksack Tribe more prone to agree with watershed approach than others. The past process has been piecemeal.
- Who gets the money? Tribes don't think the 2514 structure is a good structure to build on. Concerned about governance.
- Boundaries are problematic for James Town Tribe.

Input Summary - Comments on Other Alternatives to Fund Distribution

- Board Approach
 - Dislikes. Puts tribes in bad situation, due to limited representation.
 - Squaxin and Nooksack tribes need to discuss with their members.
 - Others very much dislike board.
 - Board approach is contrary to good science. Will put fish and real environmental problems behind.
 - If decision is made to go to board approach, wants to meet with Ecology director on a government to government basis.
- Regional Offices Pool.
 - Likes better than board.
 - Would be willing to look at.
- Existing Approach.
 - Nisqually Tribe does well under the existing approach.
 - Lummi Tribe prefers existing approach.

Appendix.
Committee Meeting Agendas

Financial Assistance Restructuring Committee
Meeting Agenda
March 23, 1998, 10 - 3
Department of Ecology Headquarters, Lacey, Washington

Welcome, Introductions and Review of Agenda 10:00-10:15

Purpose and Role of Advisory Committee 10:15-10:45

- ❖ Assist Ecology in restructuring grants and loans distribution method
- ❖ Make recommendations for rulemaking, possible law changes
- ❖ Review, discuss and provide input on the Population/Geography Approach
- ❖ Identify other alternatives
- ❖ Identify and assist in resolving policy topics
- ❖ Assist in getting broader exposure
- ❖ Role is advisory
 - ❖ Ecology will implement if consensus
 - ❖ Ecology will decide if no consensus exists
- ❖ Role of Committee in outreach to others
- ❖ Commitments
 - ❖ Time
 - ❖ Representation of interests
 - ❖ Participation
- ❖ Discussion?

Process and Schedule 10:45-11:15

- ❖ Understand population/geographic alternative
- ❖ Develop other alternatives
- ❖ Legal and policy issues of alternatives
- ❖ Other legal and policy issues
- ❖ Relationship to SRF rulemaking
- ❖ Outreach to Interest Groups
- ❖ React to interest group feedback
- ❖ Schedule

Break 11:15-11:30

Goals for Restructured System 11:30-12:00

- ❖ Ecology goals
- ❖ Roundtable of Committee member goals
- ❖ What attributes should the distribution method have?
- ❖ What criteria should be used to evaluate alternative methods?
- ❖ Agreement on goals and criteria

Lunch 12:00-1:00

Background 1:00-1:30

- ❖ Where \$ has gone historically?
- ❖ Origins and outcomes of old committee
- ❖ Current Distribution Method

Outreach to Interest Groups 1:30-2:30

- ❖ Who?
- ❖ Topics
 - ❖ Population/geographic alternative input
 - ❖ Other alternatives?
 - ❖ Discussion of issues
- ❖ Is this the right stuff?
- ❖ When?
- ❖ Role of FARC Members

Schedule Monthly Committee Meeting dates 3:00

Wrap up and adjourn 3:15

Future Meeting Topics:

- ❖ Determine Alternatives Evaluation Criteria
- ❖ Develop Other Alternatives
- ❖ Apply Alternatives Evaluation Criteria to Alternatives Selected
- ❖ Discuss Special Interest Group Meeting Discussions
- ❖ Discuss Coordination with Various Funding Initiatives

Financial Assistance Restructuring Committee
Meeting Agenda
April 30, 1998, 10 - 3
Department of Ecology Headquarters R2S21, Lacey, Washington

Welcome, Introductions and Review of Agenda 10:00-10:15

Grants and Loans 101 10:15-11:15

- ❖ Overview of Water Quality Grants and Loans Process
- ❖ Review Types of Projects Funded
 - Kim McKee, Department of Ecology
- ❖ Review Expansive Breakout of Funds
 - Dan Wrye, Department of Ecology

Cooperative Tribal Water Quality Program 11:15-12:00

- ❖ Understand Existing Program and Coordinations
- ❖ Fran Wilshusen, NWIFC

Lunch 12:00-1:00

Finalize Goals for Restructured System 1:00-1:30

- ❖ Discuss Draft Goals
- ❖ Agreement on Goals

Brainstorm on Other Alternatives 1:30-2:30

- ❖ Are there other Alternatives to be Considered?

Update on Outreach to Interest Groups 2:30-3:00

- ❖ Dan Wrye, Department of Ecology

Wrap up and Adjourn 3:15

Financial Assistance Restructuring Committee
Meeting Agenda
May 28, 1998, 10 - 3
Department of Ecology HQ, Lacey, Washington

<u>Welcome, Introductions and Review of Agenda</u>	<u>10:00</u>
<u>Update on Outreach</u>	<u>10:00- 10:30</u>
❖ Dan Wrye, Ecology	
<u>Dept. of Transportation Capital Budget Coordination</u>	<u>10:30-11:00</u>
❖ Sherry Schaftlein, DOT	
<u>An Example of a Board Approach - Interagency for Outdoor Recreation</u>	<u>11:00-12:00</u>
❖ Jim Fox, IAC	
<u>Lunch</u>	<u>12:00-1:00</u>
<u>Committee Discussions of Watershed Approach</u>	<u>1:00-2:30</u>
❖ Bill Eckel, King County	
<u>Cooperative Tribal Water Quality Program</u>	<u>2:30-3:00</u>
❖ Fran Wilshusen, NWIFC	
<u>Update on Status of SRF Rule</u>	<u>3:00-3:30</u>
❖ Brian Howard, Ecology	
<u>Wrap up and next meeting</u>	<u>3:30</u>
❖ Next Meetings: 6/25; 7/23; 8/27; 9/24; 10/22	

Financial Assistance Restructuring Committee
Meeting Agenda
June 25, 1998, 10 - 3
Department of Ecology HQ, R 1S17, Lacey, Washington

Welcome, Introductions and Review of Agenda 10:00

Review of Last Meeting Discussions 10:15-10:30

- ❖ Summary Points / follow-up from Last Meeting
- 1. DOT capital budget coordination presentation
- 2. IAC Board approach
 - Evaluation teams, criteria and weighting, presentations, board action, leg/gov reviews
- 3. CRAB "regional pool" approach
- 4. Watershed Approach detail
 - Builds on watershed management
 - Does not modify existing financial responsibilities of Ecology
 - Eligible for watershed or statewide competition
 - State standards for quality control
 - Predictability
 - Multi-year funding
- 5. Workplan
- 6. TENTATIVE DECISIONS
 - Add Aug 6 and 13' as potential additional meeting dates
 - Have staff prepare write ups on Watershed, Board, and Regional Pool alternatives
 - Drop 303(d) list as an alternative (its more like criteria than an alternative)

An Example of a Board Approach - Public Works Trust Fund 10:30-11:30

- ❖ Pete Butkus, DCTED

Update on Outreach 11:30- 12:00

- ❖ Dan Wrye, Ecology

Lunch 12:00-1:00

An Example of a Regional Office Pool - County Road Administration Board 1:00-2:00

- ❖ Chris Mudgett, CRAB

Review of 1998 Offer List	2:00-3:00
❖ Steve Carley, DOE	
Review of 2514 Grants	3:00-3:30
❖ Laura Lowe, DOE	
Wrap up and next meeting	3:30
❖ Next Meetings: 7/23; 8/6*, 8/13*, 8/27; 9/24; 10/22	

Financial Assistance Restructuring Committee
Meeting Agenda
July 23, 1998, 10 - 3
Department of Ecology HQ R 1S17, Lacey, Washington

Welcome, Introductions and Review -of Agenda 10:00

Review of Last Meeting Discussions 10:15

Update on Outreach 10:30

- ❖ Dan Wrye, Ecology

Discussion of Draft Alternatives Report 10:45

- ❖ Overview
- ❖ Which aspects about each alternative do you like?
- ❖ Which aspects about each alternative do you dislike?

Lunch 12:00

Continued Discussions of Draft Alternatives Report 1:00

- ❖ Likes, Dislikes
- ❖ Additional information needs
- ❖ Should we proceed with restructuring?
- ❖ Is there agreement as to which alternative to favor?

Next Steps 2:30

Wrap up and next meeting 3:00

- ❖ Next Meetings: 8/6*, 8/13*, 8/27; 9/24; 10/22

Financial Assistance Restructuring Committee
August 27, 1998, Agenda
Department of Ecology Headquarters Auditorium

Welcome and Introductions	10:00
Project Status Check	10:15
<ul style="list-style-type: none"><input type="checkbox"/> Where are we on the schedule?<input type="checkbox"/> What's coming up?<input type="checkbox"/> What do we need to do today?	
Discussion of Elements Common to all Hybrids	10:30
<ul style="list-style-type: none"><input type="checkbox"/> Ranking and rating criteria	
Deliberations on Hybrid 1, Statewide Board	11:00
<ul style="list-style-type: none"><input type="checkbox"/> Statewide board<input type="checkbox"/> Prioritization process	
Lunch	12:00
Deliberations on Hybrid 2, Regional Boards	1:00
<ul style="list-style-type: none"><input type="checkbox"/> 4 Regional boards<input type="checkbox"/> Prioritization process	
Deliberations on Hybrid 3, Contract with Public Works Board	2:00
Adjourn	3:00

Financial Assistance Restructuring Committee
September 25, 1998, Agenda
Department of Ecology Headquarters Auditorium

Welcome and Introductions 10:00

Review Draft Committee Recommendations 10:15

- WQ Financial Assistance Council
- Local Priorities
- Evaluative Criteria
- Points Weighting

Lunch 12:00

Overview and Comments on Draft Committee Report 1:00

Adjourn

NEXT AND FINAL (!!!!) MEETING: October 23, 1998, Ecology HQ

- Finalize recommendation and committee report
- Celebrate success (donuts are a possibility!)

Financial Assistance Restructuring Committee
October 23, 1998, Agenda
Department of Ecology Headquarters Auditorium

Welcome and Introductions	10:00
Finalize Committee Recommendations	10:15
Ecology Thank You	11:00
• Dan Silver, Deputy Director	
Working Lunch	12:00
• Evaluative Criteria	
Evaluative Criteria (continued)	1:00
Process for Building Statewide List	2:00
Determine if Addition Meeting is Needed or Decommission Committee	3:00
Adjourn	3:30

November 16, 1998, Agenda
Department of Ecology Headquarters

Welcome and Introductions 1: 00

Deliberations on Final Report 1:15

- Criteria
- Initial Statewide List Process

Acceptance of Final Report 3:00

Decommission Committee 3:30

Adjourn 4:00
