




WASHINGTON STATE
DEPARTMENT OF
E C O L O G Y

**Washington State
Water Pollution Control Revolving Fund**

**Final Intended Use Plan
FY 2000**

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I. Funds Available for Projects

This Final Intended Use Plan (IUP) describes how the state of Washington plans to use the moneys available to the Washington State Water Pollution Control Revolving Fund (SRF) during state fiscal year 2000 (FY 2000).

Local Governments demand for SRF financial assistance this funding cycle was less than funds available. During the FY 2000 funding cycle application period the Department of Ecology (Ecology) advertised that approximately \$38.1 million would be available in low-interest loans to address high priority water quality protection and improvement needs. Those funds would have originated from the following sources:

Federal Fiscal Year 1999 Title VI Grant	\$23,419,143
State Match (20%) to 1999 Federal Title VI Grant	\$4,683,829
Principal and Interest Repayments from Previous Funding Cycle Recipients	<u>\$11,000,000</u>
Total SRF Funds	\$39,102,972
Less (4%) of Federal Title VI Grant for SRF Administration	<u>(\$936,766)</u>
Advertised SRF Funds Available for Projects	\$38,166,206

Total demand for SRF funds this funding cycle is \$24,422,940. Ecology will apply for part of the federal fiscal year (FFY) 1999 Title VI capitalization grant from the U.S. Environmental Protection Agency (EPA) this funding cycle and the remaining federal funds during the next SRF funding cycle (FY 2001). The State will provide the required 20 percent state match to the federal grant from Washington State's 1999 - 2001 biennial capital budget appropriation, and \$10,126,916 in principal and interest repayments from previous funding cycle recipients.

During the public review and comment period Ecology's Financial Services Office conducted an analysis on the amount of principal and interest in the SRF fund that was not encumbered at the close of SFY 1999. The result of the analysis indicates that Ecology under estimated the total amount of principal and interest available in the fund for new projects by approximately \$9 million. The actual amount of principal and interest available for projects this biennium is \$20,253,832.

Principal and interest available for projects is authorized by the Washington State Legislature on a biennial basis through the capital budget. Therefor, Ecology intends to use half of the principal and interest this funding cycle and the remainder for the FY 2001 funding cycle.

Although only \$11 million was appropriated by the legislature for the biennium, Ecology will request that the Legislature increase the biennial appropriation to \$20,253,832.

The following illustrates the source and use of SRF funds for FY 2000.

Principal and Interest Repayments	\$10,126,916
Federal Fiscal Year 1999 Title VI Grant	\$12,324,158
State Match (20%) to 1999 Federal Title VI Grant	<u>\$2,464,832</u>
Total SRF Funds	\$24,915,906
Less 4% of Federal Title VI Grant for SRF Administration	<u>(\$492,966)</u>
SRF Funds Available for Projects	\$24,422,940

During FY 98, EPA awarded Ecology a grant under the Hardship Grants Program for Rural Communities. The purpose of the hardship grant is to provide financial assistance to eligible rural hardship communities for the planning, design, and construction of publicly owned wastewater treatment facilities and alternative wastewater systems. The hardship grant can also be used to provide training, technical assistance, and educational programs to eligible communities for the operation and maintenance of publicly owned wastewater treatment works and alternative systems.

EPA provided a \$936,000 hardship grant to the state of Washington and the State provided the required five percent match (\$46,825) to the federal grant. Ecology awarded \$810,000 of the hardship grant to the city of Mattawa during FY 98. The remaining \$173,325 was reserved for Ecology to provide technical assistance to eligible hardship communities.

During FY 1999 Ecology used some of the grant for technical assistance to eligible rural hardship communities. Ecology now proposes to redirect \$100,000 reserved for technical assistance to the town of Addy (Public Utility District of Stevens County) to assist in constructing a new publicly owned wastewater treatment facility.

The town of Addy meets all eligibility requirements for receiving a grant from the Hardship Grants Program for Rural Communities. Those eligibility requirements include:

- A population of not more than 3,000.

The Town has a current population of 289.

- The Town is not a remote area within the corporate boundaries of a larger city.

The Town is a small rural community located in Stevens County that is not within the corporate boundaries of a larger city.

- The community lacks a centralized wastewater treatment and collection system.

There is no public sewer system in Addy. Like most small, rural, older towns there is currently a variety of existing outdated individual on-site sewage systems. According to records at the Northeast Tri-County Health District the existing on-site systems have been failing at Addy on a continuous basis for several years. Since many of the homes were

built in the early 1900's, several older homes do not have septic tanks with proper drainfields but rather a cesspool, 55-gallon drum or box structure, dry well or whatever the property owner could afford. The on-site sewage system failures are directly related to system stress, age, either coarse gravelly or tight clay soils, small lots, and steep slopes. Rehabilitation or replacement of the existing on-site sewage systems is not feasible due to extremely small lot size, unsuitable soils, steep slopes, and high groundwater.

- Per capita annual income of residents served by the project cannot exceed \$17,357 based on the Bureau of Economic Analysis (BEA) 1994 data.

The town of Addy is located within Stevens County. The BEA 1994 per capita income for Stevens County is \$15,277.

- On the date the community applies for assistance, the local unemployment rate exceeds by one percentage point or more the most recently reported, average yearly national unemployment rate.

The 1998 national unemployment rate is 4.4 percent. The unemployment rate for Stevens County is 9 percent.

Ecology conducted a financial hardship analysis on the project and determined that the Town cannot afford a Washington State Water Pollution Control Revolving Fund loan to assist in financing its project. Even with the majority of the Town's project being financed with grants, the residential sewer user charge will be in excess of 1.5 percent of the median household income. The actual percentage is 3.7 percent of the median household income.

During FY 94 Ecology signed a binding commitment for \$9,179,688 with Mason County for the North Bay/Case Inlet Wastewater Facilities project. The project will correct a State Department of Health declared severe public health hazard resulting from failing /failed on-site septic systems. The failing/failed on-site septic systems not only pose a threat to public health from surfacing septage but also have closed shellfish harvesting in the North Bay/Case Inlet area. The on-site septic systems will be replaced by constructing a new wastewater collection, transmission, treatment, and disposal facilities.

Due to many factors, the project did not proceed according to the schedule and \$6,559,688 was deobligated through a formal loan amendment and made available to other local governments for water pollution control projects. The loan amendment also included language that the deobligated funds would be reinstated when the project was ready to proceed. The County is ready to proceed with construction and Ecology proposes to reinstate those deobligated funds with EPA's approval of the Final IUP.

II. Goals

The mission of Ecology's Water Quality Program is "To protect, preserve, and enhance Washington's surface and ground water quality, and to promote the wise management of our water for the benefit of current and future generations."

Ecology Water Quality Program mission can be separated into has both long and short-term goals that will guide the administration of the SRF program. These goals are:

A. Short-term Goals

1. Work with the Water Quality Financial Assistance Council to continue the development and implementation of a priority rating and evaluation system to fairly and consistency select the most important water quality improvement and protection projects for funding.
2. Continue to integrate, within federal and State laws, the SRF with the Centennial Clean Water Fund (Centennial), and the federal Clean Water Act Section 319 Nonpoint Source Program (Section 319) to maximize limited state and federal grant and loan funds to improve and protect the water quality of the state of Washington.
3. To continue to develop and implement the SRF Program so that financial assistance for water pollution control needs is available to communities statewide.
4. To provide low-interest loans to local governments for 18 water pollution control facility projects.
5. To provide a grant from the Hardship Grants Program for Rural Communities to one local government to assist with the construction of a new water pollution control facility which will correct a state declared public health hazard associated with failing/failed on-site septic systems.
6. To provide low-interest loans to local governments for 6 nonpoint source pollution control projects
7. To provide low-interest loans to local governments for 7 comprehensive estuary conservation and management projects.
8. To administer the SRF program and provide technical and financial assistance to loan recipients and potential applicants.
9. To continue working with EPA in implementing the SRF and to develop the FY 2001 IUP and capitalization grant agreement.

B. Long-term Goals

1. To link the unified watershed assessment processes and restoration efforts in order to improve efficiency and accountability, highlight areas of the state of Washington where multiple problems exist, link programs with common objectives, and resolve conflicting priorities.
2. To integrate, to the greatest extent possible, the SRF with the Centennial Clean Water Fund (Centennial), and the federal Clean Water Act Section 319 Nonpoint Source Program (Section 319) to maximize limited state and federal grant and loan funds to improve and protect the water quality of the state of Washington.
3. To provide financial assistance to communities to achieve compliance with state and federal water pollution control requirements, implement nonpoint source pollution control programs, and develop and implement estuary conservation and management programs.
4. To protect public health and water quality, and to achieve overall improvement and protection of the environment.
5. To encourage local governments to develop and implement projects which will prevent water quality degradation, including wetland protection projects.
6. To assist communities with financial difficulties in meeting required public health and water quality standards while maintaining the health and perpetuity of the SRF according to federal law and guidance.
7. To provide the type and amount of financial assistance most advantageous to communities, consistent with the long-term health of the fund.
8. To administer the SRF program to ensure that the financial integrity, viability, and revolving nature are maintained.
9. To integrate local watershed planning legislation passed during the 1998 legislature in evaluating and prioritizing water quality project proposals. The local watershed planning approach to water quality management involves:
 - Phase 1 - the establishment of a watershed planning unit that includes representatives of state, county, and tribal governments located in one or more of the 62 water resource inventory areas of Washington State.
 - Phase 2 – development of watershed assessments that address, where applicable, water quantity, instream flows, and habitat.
 - Phase 3 – development of a watershed plan based on recommendations of watershed assessment and begin to implement water quality protection and prevention projects.

III. Uses and Terms of Financial Assistance

A. Uses

Details of specific uses of SRF moneys are contained in the state regulation (Chapter 173-98 WAC "Uses and Limitations of the Water Pollution Control Revolving Fund"), program guidelines (revised December, 1998), and the Operating Agreement (dated September 11, 1989.) In summary, SRF moneys can be used to support projects in three funding categories: water pollution control facilities category, nonpoint source pollution control category, and comprehensive estuary conservation and management category.

SRF moneys can be issued for the following purposes:

1. To make loans, at or below market interest rates, to applicants in order to finance the planning, design, implementation, development and construction of facilities and activities.
2. To buy or refinance the debt obligations, for construction of water pollution control facilities, incurred after March 7, 1985.
3. To guarantee or purchase insurance for local obligations to improve credit rating.
4. To provide security or a source of revenue for state SRF issued bonds.
5. To finance reasonable costs incurred by Ecology in administering the SRF program.

B. Terms

The terms of SRF financial assistance are established and included in Chapter 6 of the program guidelines. For FY 2000, the following terms are offered to applicants:

Repayment Period	Project Duration	Interest Rate
Up to five years:	Projects must be completed in less than two years from the effective date of the loan agreement.	Zero percent
Up to five years:	Projects that take two-years or more to complete from the effective date of the loan agreement.	2.1 Percent

Repayment Period	Project Duration	Interest Rate
More than 5 but less than 15-years:	Not applicable.	3.2 Percent
15 to 20-years:	Not applicable.	4 Percent

Applicants may be considered for financial hardship terms if their proposed projects would cause user charges to exceed 1.5 percent of the median household income. If Ecology determines that financial hardship exists, it may structure SRF agreements with terms to help keep user charges below the financial hardship level, if possible. Hardship terms may include lengthening the repayment period to a maximum of 20 years and/or adjusting the interest rate to as low as zero percent. Ecology proposes to provide SRF financial hardship assistance to the following local governments:

Application Number	Applicant Name/Project Title	Interest Rate	Term In Years	Funds Proposed
FP00121	Shelton City of Basin 2 Sewer Rehabilitation Design	0%	7	\$155,000
FP00106	Wollochet Harbor Sewer District Sanitary Sewer System Improvements	0%	20	\$350,000
FP00017	Twisp Town of Construction of Wastewater Treatment Improvements	0%	20	\$375,000
FP00120	Lewis County Water District No. 2 Wastewater Treatment Plant Improvements	0%	20	\$550,150
FP00033	Leavenworth City of Leavenworth Wastewater Treatment Plant Upgrade	0%	20	\$2,301,000
SRF9417	Mason County North Bay - Case Inlet Wastewater Facilities	0%	20	\$6,559,688

IV. Assurances and Certifications

The necessary assurances and certifications required by Title VI of the Clean Water Act, as amended by the Water Quality Act of 1987, and the EPA have been included in the Operating Agreement between the state of Washington and EPA.

Section IV.C of the Operating Agreement states "The Department of Ecology shall transfer into the SRF a state match consisting of either cash or a letter of credit, which equals 20 percent of each federal grant payment, on or before the date when the state of Washington receives the federal grant payment." To further clarify this, Washington State will provide EPA with a "Letter of Commitment" which shows that the required state match has been committed.

Washington's matching share will be deposited into the SRF account when an actual draw is made for the federal share of SRF moneys.

V. Compliance With Title II Requirements

The following projects will be required to comply with Title II Requirements:

Application Number	Applicant Name/Project Title	Project Type
FP00050	Public Utility District No. 1 of Stevens County	Facilities Design and Construction New Wastewater Collection, Transmission, Treatment, and Disposal Facilities
FP00012	Goldendale City of	Facilities Design Wastewater Treatment Plant Upgrade
FP00099	Bremerton City of	Facilities Design Combined Sewer Overflow Reduction
FP00121	Shelton City of	Facilities Design Replace Collection System
FP00098	Bremerton City of	Facilities Design Update Combined Sewer Overflow Reduction Plan
FP00106	Wollochet Harbor Sewer District	Facilities Construction Construct Wastewater Conveyance System
FP00017	Twisp Town of	Facilities Design Wastewater Treatment Plant Upgrade
FP00120	Lewis County Water District No. 2	Facilities Design Wastewater Treatment Plant Upgrade
FP00034	Ritzville City of	Facilities Construction Wastewater Treatment Plant Upgrade
FP00090	North Bend City of	Facilities Design Wastewater Treatment Plant Upgrade
FP00035	Okanogan City of	Facilities Design and Construction Wastewater Treatment Plant Upgrade
FP00102	Darrington Town of	Facilities Design New Wastewater Collection, Transmission, Treatment, and Disposal Facilities
FP00033	Leavenworth City of	Facilities Construction Wastewater Treatment Plant Upgrade

Application Number	Applicant Name/Project Title	Project Type
FP00107	Long Beach City of	Facilities Construction Wastewater Treatment Plant Upgrade
FP00073	Olympus Terrace Sewer District	Facilities Construction Open Channel UV Disinfection System
FP00059	Spokane City of	Facilities Planning Combined Sewer Overflow Reduction
FP00113	Cle Elum City of	Facilities Planning Wastewater Treatment Plant Upgrade
FP00064	Soap Lake City of	Facilities Design and Construction Wastewater Treatment Plant Upgrade
SRF9417	Mason County	Facilities Construction New Wastewater Collection, Transmission, Treatment, and Disposal Facilities

Any projects in excess of the minimum Title II equivalency requirement will be credited toward subsequent years' equivalency requirements.

VI. Criteria and Method for Distribution of Funds

The following approach was used to develop the proposed distribution of \$38,166,206 to local governments from the SRF:

A. Applications for Funding

Information about the SRF program, workshops and the application period for SRF assistance were distributed to local governments and interested persons statewide. During January 1999, four public workshops were held statewide in Cheney, Yakima, Mount Vernon, and Lacey. At the workshops, information on the SRF program and the application process was presented. Applications for funding were accepted during the application period, from January 4, 1999, through February 26, 1999. Based on information provided in the applications, projects were evaluated and prioritized. A detailed description of the application and project evaluation process is found in Chapter 2 of the Water Quality Financial Assistance Programs Guidelines. A summary of the process is described below.

B. Project Evaluation

Ecology used a new evaluation process as a pilot during the FY 2000 funding cycle. This process incorporates changes suggested by an external advisory committee comprised of representatives from many stakeholder groups which are or have been grant and loan recipients. The committee reviewed the former evaluation and ranking process and identified areas where

changes were needed. Ecology used these recommendations to develop the current “pilot” approach which was used for FY 2000.

In their most important guidance, the committee recommended using evaluation criteria with assigned point values. Ecology had used points in the past but had not used them for several funding cycles. In the new system, evaluators assigned points for each five categories of questions. The categories are:

- Existing or potential water quality problem, threat or need (320 points);
- Effectiveness or proposal in addressing the water quality problem, threat, or need and achieving desired outcome (320 points);
- Local management efforts (120 points);
- State and federal mandates (140 points);
- Local priority-setting process (100 points)

Ecology, and other state agency staff, evaluated the proposals, assigned points, and used the points to develop a statewide priority list in numerical order.

Another major change for FY 2000, also a product of the committee, was the incorporation of local prioritization points into the ranking process. Applicants were given the opportunity obtain priority rating points using used a geographic area (their choice of either a County boundary or Water Resources Inventory Area – WIRA boundary). Community leaders representing all Cities, County(s), Conservation District(s), Special Purpose District(s), and Native American Tribe(s) in the geographic area established a process to determine the local priority of all proposed projects within this boundary. The group submitted a written priority of all proposed projects within this boundary. The group submitted a written “statement of agreed priority” based upon the recommendations and concurrence of the representatives. This statement reflects the priority of the project in relationship to other projects submitted within the boundary area. Ecology staff used these recommendations to assign up to 100 points for the local priority-setting process. Several applicants did not pursue the local prioritization process and received zero points.

VII. Distribution of Funds

Chapter 173-98 WAC, *Uses and Limitations of the Water Pollution Control Revolving Fund*, updated in 1998, requires Ecology to distribute money according to the following category allocations: Eighty percent of the fund is to be used for water pollution control facilities, ten percent of the fund is reserved for nonpoint source pollution control, and ten percent is allocated for comprehensive estuary conservation and management. Unless the demand for funds is limited, not more than 50 percent of each funding category allocation can be awarded to any one applicant. In addition, if requests for SRF assistance in one category do not result in the offer of all available funds, any remaining funds are transferred to other categories. Loans may be provided for up to 100 percent of the total eligible project cost.

Loan offers that will be identified on the Final IUP will be effective for up to one year from the date of the offer or until the issuance of the next year’s Final IUP. All SRF loan offers that do not result in a signed SRF loan agreement within the effective offer period are automatically

terminated. Funds reserved for SRF loan agreements that are not signed within the effective period maybe carried over and made available for the next year's funding cycle.

VIII. Allocation of Funds Among Projects

This Final IUP contains a list of all local governments with projects considered for funding and those that are eligible to receive assistance during this funding cycle. This list was established based on the total amount of funds available for each category and after the eligible applicants projects have been evaluated and prioritized. The list of local governments considered for funding and those with projects proposed for funding is included as Attachment 1.

IX. Descriptions of Projects Proposed for Funding

All projects proposed for funding are described in Attachment 2.

X. Proposed SRF Payment Schedule

The proposed schedule of payments from EPA to the state of Washington are shown on Attachment 3.

XI. Public Review and Comment

The SRF Draft IUP for FY 2000 was available for public review and comment from June 15, 1999, to July 15, 1999. Ecology requested comments on both the contents of the Draft IUP and the list of projects proposed for funding. Comments received during the public review and comment period were carefully assessed. Modifications were made to the list of projects proposed for funding as a result of comments received on the Draft IUP, applicants declining proposed loan offers, and funding obtained by an applicant from another source.

Four public meetings were held statewide to discuss the preparation of the Draft IUP. The public meeting were held in Tumwater, Mount Vernon, Yakima, and Spokane. Ecology staff discussed the Draft IUP along with the process used to prepare it. The Centennial, SRF, and Section 319 Draft Offer and Applicant List for FY 2000 were also discussed at the public meetings.

Ecology would like to thank all of the applicants that participated in the SRF's eleventh funding cycle. Because the SRF is a revolving loan program, it will provide a long-term source for financing publicly owned wastewater treatment facilities, nonpoint source pollution control projects and comprehensive estuary conservation and management programs. We look forward to working with those local governments identified in the fundable portion of the Final IUP and with others in future funding cycles.

<p>City of Ritzville</p> <ul style="list-style-type: none"> • FP00034 	<p>Comment: The City wrote to ask Ecology to reconsider the local prioritization points assigned for its Wastewater Treatment Facility Project. The City believes, based upon discussions with Ecology, that the wrong local prioritization area may have been used for the local prioritization process.</p> <p>The City also wanted to inform Ecology that the total eligible project cost for the proposed Wastewater Treatment Project has been revised and the grant amount shown on the Centennial, SRF, and the Section 319 Draft Offer and Applicant List for FY 2000 is too high. The applicant asked that a reduction in the grant amount be made and this difference be provided through a loan.</p> <p>Response: Ecology did use the wrong local prioritization area for the initial local prioritization point screening. The correct (Adams County) local prioritization area was noted and the Statement of Agreed Priority was again reviewed for required signatures. Ecology is aware that the Yakama Nation has ceded lands within the southern portion of Adams County and therefore a tribal signature was needed in order to receive full local prioritization points. Because a tribal signature was not provided, no change has been made to the local prioritization points awarded for this project.</p> <p>Regarding the second part of the City's request, Ecology has reduced the grant amount to \$1,674,250 and included \$525,750 on the Fiscal Year 2000 Centennial, SRF, and Section 319 Final Offer List and the SRF FY 2000 Final IUP as requested by the City. The \$525,750 in grant funds will be available for other high priority water quality improvement projects on the Fiscal Year 2000 Centennial, SRF, and Section 319 Final Offer List.</p>
<p>Island County Public Works Department</p> <ul style="list-style-type: none"> • FP00111 • FP00112 	<p>Comment: The Department wrote to say that they were pleased that the project proposals for the Iverson Farm Acquisition and West Beach Lake Acquisition were proposed for SRF loan funding, and addressed technical issues of clarification requested by staff.</p> <p>Response: The applicant has adequately addressed technical issues raised by the staff of Ecology's the Northwest Regional Office. The project is offered funding, as requested, on the SRF FY 2000 Final IUP and the Fiscal Year 2000 Centennial, SRF, and Section 319 Final Offer List.</p>

<p>Olympus Terrace Sewer District</p> <ul style="list-style-type: none"> • FP00073 	<p>Comment: The District wrote that it is willing to proceed with the combination of \$311,644 in Centennial grant funds and \$688,256 of SRF loan funds as proposed on the Centennial, SRF, and the Section 319 Draft Offer and Applicant List for FY 2000 and the SRF FY 2000 Draft IUP for its Open Channel UV Disinfection System Project.</p> <p>Response: The District’s original request was for a \$500,000 grant and a \$500,000 loan. During the 30-day public review and comment period additional grant funds became available. Ecology is able to offer the District the amounts that were requested. Funding for the project as requested is included on the Centennial, SRF, and the Section 319 Draft Offer and Applicant List for FY 2000 and the loan is also identified on the SRF FY 2000 Final IUP.</p>
<p>Skagit County Public Works Department</p> <ul style="list-style-type: none"> • FP00084 	<p>Comment: The Department wrote to ask Ecology to reconsider the local prioritization points assigned for the Skagit County Loan Fund Project.</p> <p>Response: Ecology did make an interpretation error in reviewing the signatures provided on the Statement of Agreed Priority which was submitted for the project. A signature from the Skagit Systems Cooperative was submitted on behalf of three Native American tribes and therefore these projects meet all of the necessary signature requirements to receive full local prioritization points. Ecology increased the local prioritization points shown on the Fiscal Year 2000 Centennial, SRF, and Section 319 Final Offer List to 100 points for the Skagit County Local Loan Fund Project. The average rating for the project was revised to 551 points. As the project was proposed for funding on the Fiscal Year 2000 Centennial, SRF, and Section 319 Draft Offer and Applicant List and the SRF FY 2000 Draft IUP, there is no change in the funding for the project. Funding for project is included on the Fiscal Year 2000 Centennial, SRF, and Section 319 Final Offer and Applicant List and the SRF FY 2000 Final IUP.</p>
<p>Spokane County Conservation District</p> <ul style="list-style-type: none"> • FP00082 • FP00083 	<p>Comment: The District wrote to ask Ecology to reconsider the local prioritization points assigned for the Alternative Agricultural Systems Project and the Spokane County Minimum Tillage Assistance Project.</p> <p>Response: Ecology did not make an interpretation error in reviewing the signatures provided on the Statement of Agreed Priority submitted for the projects in WRIA 56. For the prioritization in this WRIA, no water and sewer district signature was provided. The correct number of local prioritization points were assigned based upon the signatures which were provided. No change has been made in the number of local prioritization points assigned for these projects.</p>

<p>Spokane County Conservation District</p> <ul style="list-style-type: none"> FP00082 	<p>Comment: The District wrote to ask Ecology for additional \$500,000 in SRF loan funding for the Alternative Agricultural Systems Assistance Program. At the Ecology public meeting in Spokane the applicant heard that more loan funds were available than had been requested by applicants. As there had been a stronger than anticipated local response to the proposed program, the applicant requested an additional \$500,000 in SRF loan funding.</p> <p>Response: Because of the limited demand for SRF loan funds, Ecology staff believe an increase of \$500,000 is acceptable at this time. Because the project is shown on the Fiscal Year 2000 Centennial, SRF, and Section 319 Draft Offer and Applicant List and the SRF FY 2000 Draft IUP for \$1,000,000, the applicant's request to increase loan amount to \$1,500,000 is acceptable. The Fiscal Year 2000 Centennial, SRF, and Section 319 Final Offer and Applicant List and the SRF FY 2000 Final IUP reflects this change, which does not impact funding for any other project.</p>
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Attachment 1

List Of Projects Offered Funding

**Washington State Water Pollution Control Revolving Fund
State Fiscal Year 2000 Final Intended Use Plan
List of Projects Offered Funding**

Application Number	Applicant Name/Project Title	Permit Number & Effluent Limits	Time Frame	Funds Requested	Funds Offered	Category	Interest Rate	Term In Years	Score	Footnotes
FP00050	Public Utility District No. 1 of Stevens County Addy Public Sewer System	N/A	10/1/99 - 9/1/01 (24 Months)	\$216,193	\$100,000	Water Pollution Control Facilities	N/A	N/A	683	1
FP00012	Goldendale City of Goldendale Wastewater Facility Improvements	WA0021121A BOD 45 mg/l TSS 45 mg/l	10/1/99 - 4/1/00 (6 Months)	\$500,000	\$500,000	Water Pollution Control Facilities	4%	20	617	
FP00099	Bremerton City of Callow CSO Design - Final Priorities	WA0029289D BOD 30 mg/l TSS 30 mg/l	10/1/99 - 6/1/00 (8 Months)	\$575,000	\$575,000	Water Pollution Control Facilities	4%	20	613	2
FP00120	Lewis County Water District No. 2 Wastewater Treatment Plant Improvements	WA0024546 BOD 30 mg/l TSS 30 mg/l	4/1/99 - 8/1/00 (17 Months)	\$550,150	\$550,150	Water Pollution Control Facilities	0%	20	595	4 & 6
FP00121	Shelton City of Basin 2 Sewer Rehabilitation Design	WA0023345 BOD 30 mg/l TSS 30 mg/l	9/1/99 - 9/1/00 (12 Months)	\$155,000	\$155,000	Water Pollution Control Facilities	0%	7	587	3
FP00098	Bremerton City of Bremerton CSO Reduction Plan Update	WA0029289D BOD 30 mg/l TSS 30 mg/l	10/1/99 - 8/1/00 (10 Months)	\$245,000	\$245,000	Water Pollution Control Facilities	4%	20	573	2
FP00084	Skagit County Skagit County Local Loan Fund	N/A	6/1/99 - 6/1/01 (24 Months)	\$700,000	\$700,000	Estuary	4%	20	551	
FP00106	Wollochet Harbor Sewer District Sanitary Sewer System Improvements	N/A	10/1/99 - 12/1/00 (15 Months)	\$1,085,000	\$350,000	Water Pollution Control Facilities	0%	20	541	4 & 5
FP00017	Twisp Town of Construction of Wastewater Treatment Improvements	WA0023370B BOD 30 mg/l TSS 30 mg/l	3/1/00 - 6/1/01 (15 Months)	\$1,250,000	\$375,000	Water Pollution Control Facilities	0%	20	530	4 & 5
FP00090	North Bend City of North Bend Wastewater Treatment Plant Phase 2	WA0029351C BOD 30 mg/l TSS 30 mg/l	8/1/99 - 5/1/00 (10 Months)	\$2,486,884	\$2,486,884	Water Pollution Control Facilities	4%	20	490	6

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Application Number	Applicant Name/Project Title	Permit Number & Effluent Limits	Time Frame	Funds Requested	Funds Offered	Category	Interest Rate	Term In Years	Score	Footnotes
FP00035	Okanogan City of Wastewater Treatment Improvements Design and Construction	WA0022365 BOD 30 mg/l TSS 30 mg/l	11/1/99 - 5/1/01 (18 Months)	\$499,000	\$499,000	Water Pollution Control Facilities	4%	20	486	6
FP00102	Darrington Town of Wastewater Collection, Treatment, and Disposal Design	N/A	6/1/00 - 12/1/01 (18 Months)	\$759,923	\$759,923	Water Pollution Control Facilities	4%	20	478	
FP00033	Leavenworth City of Leavenworth Wastewater Treatment Plant Upgrade	WA0020974A BOD 30 mg/l TSS 30 mg/l	5/1/98 - 6/1/00 (24 Months)	\$2,641,000	\$2,301,000	Water Pollution Control Facilities	0%	20	471	6
FP00105	Pacific County Grayland Cranberry Best Management Practices	N/A	1/1/00 - 12/31/04 (23 Months)	\$225,000	\$225,000	Nonpoint	0%	5	450	
FP00046	Lewis County On-Site repair Financial Assistance Program	N/A	12/1/99 - 12/1/01 (24 Months)	\$110,000	\$110,000	Nonpoint	3.2%	14	449	
FP00034	Ritzville City of Wastewater Treatment Facility	ST8028 BOD N/A TSS N/A	9/1/99 - 11/1/00 (14 Months)	\$525,750	\$525,750	Water Pollution Control Facilities	4%	20	444	6
FP00107	Long Beach City of Long Beach WWTP Upgrade Phase 1	WA0022489 BOD 30 mg/l TSS 30 mg/l	7/1/99 - 12/1/00 (18 Months)	\$500,000	\$500,000	Water Pollution Control Facilities	4%	20	443	6
FP00085	Lacey City of 7th Avenue Stormwater Facility Planning	N/A	9/1/99 - 5/1/00 (9 Months)	\$150,000	\$150,000	Estuary	0%	5	424	
FP00111	Island County Public Works Iverson Farm Acquisition	N/A	12/1/99 - 5/1/00 (6 Months)	\$521,000	\$521,000	Estuary	0%	5	410	
FP00029	Island County Health Department On-Site Repair Financial Assistance Program	N/A	7/1/99 - 6/30/01 (23 Months)	\$300,000	\$300,000	Estuary	0%	5	407	
FP00112	Island County Public Works West Beach Lake Acquisition	N/A	2/26/99 - 1/26/02 (23 Months)	\$408,200	\$408,200	Estuary	0%	5	394	

**Washington State Water Pollution Control Revolving Fund
State Fiscal Year 2000 Final Intended Use Plan
List of Projects Offered Funding**

Application Number	Applicant Name/Project Title	Permit Number & Effluent Limits	Time Frame	Funds Requested	Funds Offered	Category	Interest Rate	Term In Years	Score	Footnotes
FP00110	Island County Public Works Glendale Creek Restoration	N/A	7/1/99 - 10/1/99 (3 Months)	\$645,000	\$645,000	Estuary	0%	5	390	
FP00073	Olympus Terrace Sewer District Open Channel UV Disinfection System	WA0023396 BOD 30 mg/l TSS 30 mg/l	2/1/00 - 10/1/00 (9 Months)	\$500,000	\$500,000	Water Pollution Control Facilities	4%	15	385	
FP00059	Spokane City of CSO Basin Planning #6, #34, #12, #15, and #22 A-D	WA0024473 BOD 30 mg/l TSS 30 mg/l	4/1/99 - 4/1/02 (36 Months)	\$1,353,345	\$1,353,345	Water Pollution Control Facilities	3.2%	15	360	
FP00002	Chelan-Douglas Health District On-Site Septic System Replacement Assistance	N/A	1/1/00 - 21/31/01 (23 Months)	\$100,000	\$100,000	Nonpoint	0%	5	351	
FP00113	Cle Elum City of Regional Wastewater Facilities Plan	WA0021938B BOD 45 mg/l TSS 50 mg/l	6/1/99 - 5/31/00 (12 Months)	\$333,000	\$333,000	Water Pollution Control Facilities	4%	20	340	
FP00040	Bremerton-Kitsap County Health District Local Loan Program (On-Site Repairs)	N/A	1/1/00 - 12/31/03 (36 Months)	\$300,000	\$300,000	Estuary	2.1%	5	338	
FP00083	Spokane County Conservation District Spokane County Minimum Tillage Assistance	N/A	7/1/99 - 7/1/01 (23 Months)	\$500,000	\$500,000	Nonpoint	0%	5	327	
FP00096	Thurston County On-Site Hardship Loans	N/A	1/1/00 - 11/31/02 (23 Months)	\$100,000	\$100,000	Nonpoint	0%	5	309	
FP00082	Spokane County Conservation District Alternative Agricultural Systems Assistance Program	N/A	8/1/99 - 9/1/01 (23 Months)	\$1,500,000	\$1,500,000	Nonpoint	0%	5	308	

**Washington State Water Pollution Control Revolving Fund
State Fiscal Year 2000 Final Intended Use Plan
List of Projects Offered Funding**

Application Number	Applicant Name/Project Title	Permit Number & Effluent Limits	Time Frame	Funds Requested	Funds Offered	Category	Interest Rate	Term In Years	Score	Footnotes
FP00064	Soap Lake City of Sewer Treatment System Improvements	ST5282 BOD 30 mg/l TSS 30 mg/l	6/1/99 - 3/30/00 (23 Months)	\$295,000	\$295,000	Water Pollution Control Facilities	0%	5	307	
SRF9417	Mason County North Bay - Case Inlet Wastewater Facilities	N/A	8/1/99 - 10/1/01 (26 Months)	\$6,559,688	\$6,559,688	Water Pollution Control Facilities	0%	20	N/A	9

Totals: \$26,589,133 \$24,522,940

Footnotes:

- 1) The amount proposed is a grant from the federal Hardship Grants Program for Rural Communities. The applicant is also proposed to receive a Centennial Clean Water Fund Small Community Grant that is identified on the FY 2000 Centennial Clean Water Fund/Washington State Water Pollution Control Revolving Fund/Clean Water Act Section 319 Nonpoint Source Fund Final Offer and Application List.
- 2) The applicant requested that Ecology staff perform a financial hardship analysis on the effect of the project on residential sewer user fees. A financial hardship analysis was conducted and Ecology has determined that financial hardship cannot be shown.
- 3) The applicant requested that Ecology staff prepare a financial hardship analysis on the effect of the project on residential sewer user fees. A financial hardship analysis was conducted and Ecology has determined that financial hardship can be shown. The applicant is proposed for SRF financial assistance at zero percent interest with a term of 7 years.
- 4) The applicant requested that Ecology staff prepare a financial hardship analysis on the effect of the project on residential sewer user fees. A financial hardship analysis was conducted and Ecology has determined that financial hardship can be shown. The applicant is proposed for SRF financial assistance at zero percent interest with a term of 20 years.
- 5) The applicant is also proposed to receive a Centennial Clean Water Fund Small Community Grant that is identified on the FY 2000 Centennial Clean Water Fund/Washington State Water Pollution Control Revolving Fund/Clean Water Act Section 319 Nonpoint Source Fund Final Offer and Application List.
- 6) The applicant is also proposed to receive a Centennial Clean Water Fund grant that is identified on the FY 2000 Centennial Clean Water Fund/Washington State Water Pollution Control Revolving Fund/Clean Water Act Section 319 Nonpoint Source Fund Final Offer and Application List.

Footnotes Continued:

- 7) The amount proposed reflects a grant and loan request shown on the FY 2000 Centennial Clean Water Fund/Washington State Water Pollution Control Revolving Fund/Clean Water Act Section 319 Nonpoint Source Fund Final Offer and Application List. No grant funds remain available after higher priority projects have been identified for funding. The applicant indicated on its application that it would accept a loan if grant funds were not available for its project. The proposed loan amount is for the full project.
- 8) The amount proposed reflects a grant request shown on the FY 2000 Centennial Clean Water Fund/Washington State Water Pollution Control Revolving Fund/Clean Water Act Section 319 Nonpoint Source Fund Final Offer and Application List. No grant funds remain available after higher priority projects have been identified for funding. The applicant indicated on its application that it would accept a loan for a portion of the project if grant funds were not available. The is proposed for loan funding for part of the project from the SRF.
- 9) The funds proposed for the project supplement a prior loan award made in State Fiscal Year 1994 and was committed to by Ecology in the loan agreement. The amount proposed for the project will assist the applicant in meeting total eligible project costs as identified in the loan agreement.

Attachment 2

Project Summaries

**Washington State Water Pollution Control Revolving Fund
State Fiscal Year 2000
Project Summaries**

FP00002: Chelan-Douglas Health District: On-Site Septic System Replacement Assistance: Establishment of a local loan fund to repair or replace failing residential on-site sewage systems. Providing financial assistance as both an aid and an incentive will reduce the discharge of household wastewater into the ground water and surface water.

This project addresses water quality problems identified in Section 3.3.f.1. On-site Sewage Treatment (pages 3-36 and 37) of the Washington State Nonpoint Source and Management Program, October, 1989.

FP00012: Goldendale City of: Goldendale Wastewater Facility Improvements: This project requests funding to enable the city of Goldendale to complete design work necessary to upgrade its wastewater treatment facility to bring it into conformance with a DOE compliance order and NPDES requirements.

FP00017: Twisp Town of: Construction of Wastewater Treatment Improvements: Construction of improvements to Town's treatment facility identified in previous facility plan and current approvable design. The improvements include new headworks, additional oxidation ditch rotor, new final clarifier, solids handling, and UV disinfection to comply with equipment redundancy requirements, WAC 173-308 biosolids regulations and new chlorine residual effluent limits.

FP00029: Island County Health Department: On-Site Repair Financial Assistance Program: The program will create a local loan fund to provide financial assistance to private citizens to repair or replace failing on-site sewage systems. A priority system will be used to identify and fund failing on-site sewage systems with the most critical water quality, public health, and citizen need for low interest funding. A portion of the general fund will be reserved to assure loan repayment. A financial institution will provide loan approvals and contract collection services. Loans will be secured by a Promissory Note and Deed of Trust. Assurances will be obtained for systems installed with local loan funds to be properly installed by Island County Licensed Designer/Installers and properly operated and maintained per Island County Code 8.07C.250. This project would implement Action 505 of the *1999-2001 Puget Sound Water Quality Work Plan* that calls upon local health jurisdictions to include a low-interest loan program for on-site repairs and upgrades as part of their local on-site sewage program. It would also implement a priority action from the North Whidbey Watershed Nonpoint Pollution Prevention Action Plan. Action 615 of the Puget Sound work plan calls for local jurisdictions to implement these local watershed action plans.

FP00033: Leavenworth City of: Leavenworth Wastewater Treatment Plant Upgrade: The project provides comprehensive treatment plant upgrades to 1) meet treatment requirements prior to discharging to the Wenatchee River, 2) eliminate plant overload and increase plant capacity, and 3) improve operability and plant safety. The proposed improvements are consistent with the Ecology-approved city of Leavenworth Wastewater Facilities Plan.

Project Summaries Continued:

FP00034: Ritzville City of: Wastewater Treatment Facility: The proposed project involves the construction of a new Wastewater Treatment Facility consisting of 47 acres of lagoons and 68 acres of irrigated alfalfa crop. The new treatment facility will replace the City's old primary mechanical treatment plant.

FP00035: Okanogan City of: Wastewater Treatment Improvements Design and Construction: Design and construct improvements to the city of Okanogan wastewater treatment facility including a new influent lift station, additional RBC units and UV disinfection. Project will improve plant reliability and allow more stringent effluent limits to be met for residual chlorine to protect water quality in the Okanogan River.

FP00040: Bremerton-Kitsap County Health District: Local Loan Program (On-Site Repairs): To provide a Local Loan Fund for financial assistance to homeowners to repair failing sewage disposal systems and to small farms to implement best management practices with regard to protecting water quality. The area of assistance will be Countywide with priority being given to protection of drinking water and marine shoreline areas. Loans will be secured by Promissory Note and lien against the property. Initial verification of system failure and repair construction inspections will be done by Health District Environmental Health specialists. Cost of the program will be covered by a combination of permit fees and interest collected on loans. Payment on loans will be made through the Health District accounting office. Screening of applicants and loan closing will be done by the Kitsap County Consolidated Housing Authority. This project would implement Action 505 of the *1999-2001 Puget Sound Water Quality Work Plan* that calls upon local health jurisdictions to include a low-interest loan program for on-site repairs and upgrades as part of their local on-site sewage program. It would also implement priority actions from the Dyes and Sinclair Inlets, Liberty and Miller Bay, and Upper Hood Canal Nonpoint Pollution Prevention Action Plan. Action 615 of the Puget Sound work plan calls for local jurisdictions to implement these local watershed action plans.

FP00046: Lewis County: On-Site Repair Financial Assistance Program: Lewis County will continue our program to provide low interest loans to single family homeowners with failing on-site septic systems living in unincorporated areas. This will increase the number of systems repaired, reduce time taken for repairs, reduce health risks, and help improve nearby water quality.

This project addresses water quality problems identified in Section 3.3.f.1. On-site Sewage Treatment (pages 3-36 and 37) of the Washington State Nonpoint Source and Management Program, October, 1989.

FP00050: Public Utility District No. 1 of Stevens County: Addy Public Sewer System: Design and construct a new public sewer system for the rural unincorporated community of Addy, Washington, located in Section 13, T33N, R39E, WM, Stevens County. The system will consist of a Septic Tank Effluent Pump (STEP)/Septic Tank Effluent Filter (STEF) collection system, a 3" force pressure main approximately one mile in length, an aerated facultative lagoon complex (a treatment cell and a polish/storage cell) and a cropland spray irrigation disposal system.

Project Summaries Continued:

FP00059: Spokane City of: CSO Basin Planning #6, #34, #12, #15, #33 A-D: As outlined in the 1994 DOE approved CSO reduction plan for the city of Spokane, this project will initiate the planning effort for eight individual basins out of the 30 basins identified in the plan. Included in this basin planning effort will be the physical modification of each basin's weir (regulatory structure) in order to facilitate additional and more precise monitoring and modeling for each basin. This information will then be used to strategically plan and schedule, based upon the best flow reduction alternatives, the actual physical improvements needed in each basin to reach the water quality standard of one event per year per outfall, as required in the city of Spokane's NPDES permit. The project also includes the purchase and installation of monitoring equipment and software as well as additional modeling efforts for each basin. The eight basins for this project are identified by number and include basin 6, 12, 15, 33 A through D, and 34.

FP00064: Soap Lake City of: Sewer Treatment System Improvements: A Centennial Clean Water Fund Loan is requested for design of Soap Lake Treatment Plant improvements and replacement of two deficient pump stations. Treatment plant improvements will provide nitrogen removal, a relocated and expanded land application site, and upgraded biosolids handling facilities. Pump station replacements will prevent sewage overflows to Soap Lake.

FP00073: Olympus Terrace Sewer District: Open Channel UV Disinfection System: The 1998 NPDES discharge permit places a limit on the previously unregulated total residual chlorine concentration in the effluent. The existing chlorination facilities can not meet these new limits. Following an evaluation, open-channel UV disinfection has been selected to comply with the new standard which takes effect in October, 2000.

FP00082: Spokane County Conservation District: Alternative Agricultural Systems Assistance Program: This project would help bluegrass seed producers implement the WA Department of Ecology certified alternative to burning grass straw after harvest. The partial removal of bluegrass straw by baling is an approved USDA-NRCS best management practice. The SRF funds will be made available to a group of investor (grass seed producers) or individuals to: 1. Remove and process grass straw; or 2. Remove and store bluegrass straw until it is transported for processing or sold to distant markets.

This project addresses water quality problems identified in Section 3.3.a.1. Dryland Agriculture, (pages 3-10 through 12) of the Washington State Nonpoint Source and Management Program, October, 1989.

FP00083: Spokane County Conservation District: Spokane County Minimum Tillage Assistance: The Conservation Technology Information Center reported that rapid adoption of conservation tillage in the early 90s reduced average soil erosion on cropland from 8 tons/acre/year to 5.8 tons/acre/year, saving approximately 1.2 billion tons of soil each year across the nation. The rate of erosion reduction has slowed significantly in the last few years and mirrors the slow down in the adoption of conservation tillage equipment. One reason may be due to the cost of the equipment vs. the recent downturn in crop prices. With a low interest loan program, we would be able to make purchasing minimum tillage equipment economically feasible for Spokane County producers.

Project Summaries Continued:

This project addresses water quality problems identified in Section 3.3.a.1. Dryland Agriculture, (pages 3-10 through 12) of the Washington State Nonpoint Source and Management Program, October, 1989.

FP00084: Skagit County: Skagit County Local Loan Fund: To provide a reduction in the point/nonpoint source contamination of Skagit County's waterways through the continued implementation (1993-present) of a local loan fund program which provides financial assistance to land/home owners for the repair or replacement of failing individual sewage disposal systems and implementation of agricultural best management practices. This project would implement Action 505 of the *1999-2001 Puget Sound Water Quality Work Plan* that calls upon local health jurisdictions to include a low-interest loan program for on-site repairs and upgrades as part of their local on-site sewage program. It would also implement Action 525 where Skagit County commits to providing this low interest loan fund. An on-site sewage repair fund is also a priority action from the Samish Bay Watershed Nonpoint Pollution Prevention Action Plan and the Samish Bay Shellfish Closure Response Plan. The implementation of both of these is called for in the Puget Sound work plan.

FP00085: Lacey City of: 7th Avenue Stormwater Facility Planning: The project will involve planning and design of a stormwater treatment facility to intercept untreated stormwater currently discharging directly onto salmon spawning grounds of Woodland Creek. The project will include design input from the community, particularly the adjacent neighborhood, and provide for both treatment and educational opportunities. This project implements a project from the Henderson Inlet Watershed Nonpoint Pollution Action Plan. Action 615 of the 1999-2001 Puget Sound work plan calls upon local governments to implement these plans. The project also implements the city's comprehensive stormwater management program. Action 286 of the 1999-2001 Puget Sound work plan calls upon some local jurisdiction to develop and implement these plans.

FP00090: North Bend City of: North Bend Wastewater Treatment Plant Phase 2: This project will complete the construction of the Phase 2 expansion of the North Bend Sewage Treatment Plant. The project will complete the following: The work includes, but is not limited to the following: A new headworks, with additional influent pumps; rotary fine screen; and screenings handling. Modifications to the existing oxidation ditch. Addition of blowers for the oxidation ditch. New ultraviolet disinfection system. Sludge feed and transfer pumps. Effluent flow measurement. Effluent pump station. Sludge thickener equipment. Odor control. Electrical power and control system modifications and additions.

FP00096: Thurston County: On-Site Hardship Loans: This project will establish a loan fund for owners of failing on-site sewage systems for whom repair costs are a financial hardship. Loans will be made available for qualified applicants at 2 percent (or less) for terms up to 20 years.

This project addresses water quality problems identified in Section 3.3.f.1. On-site Sewage Treatment (pages 3-36 through 37) of the Washington State Nonpoint Source and Management Program, October, 1989.

Project Summaries Continued:

FP00098: Bremerton City of: Bremerton CSO Reduction Plan Update: Update of the City's CSO reduction plan is required by state regulations to be completed in conjunction with renewal of the NPDES permit. The updated CSO reduction plan will include facilities plans for all basins that require CSO reduction improvements. The plan will provide the strategy for the City's continuing efforts to reduce CSO events into Puget Sound as required by state regulations, DOE consent orders, and court orders. This project implements Action 387 of the *1999-2001 Puget Sound Water Quality Work Plan*. The project is also a priority action of the Sinclair and Dyes Inlet Watershed Nonpoint Pollution Prevention Action Plan. Completing this project will also implement Action 525 of the Puget Sound work plan.

FP00099: Bremerton City of: Callow CSO Design - Final Priorities: This project is design of separation facilities for Priorities three and five of the Callow Avenue Basin, which continues the ongoing project to reduce CSO events to one per year per outfall as required for compliance with state regulations, DOE consent orders, court orders, and the improvement of Puget Sound water quality. Construction of the project (anticipated in 2001) will complete CSO reduction improvements for the Callow Avenue Basin. This project implements Action 387 of the *1999-2001 Puget Sound Water Quality Work Plan*. The project is also a priority action of the Sinclair and Dyes Inlet Watershed Nonpoint Pollution Prevention Action Plan. Completing this project will also implement Action 525 of the Puget Sound work plan.

FP00102: Darrington Town of: Wastewater Collection, Treatment, and Disposal Design: The town of Darrington is served exclusively by on-site septic systems. Monitoring has shown high total coliform levels in the shallow aquifer and local storm sewers. The Town's 1996 Wastewater Facilities Plan recommends a gravity collection system, and SBR treatment plant, and an outfall to the Sauk River.

FP00105: Pacific County: Grayland Cranberry Best Management Practices: High concentrations of insecticides were detected in water samples from cranberry drainage ditches near Grayland, WA. Agrichemical levels will be reduced by implementing Natural Resource Conservation Service water quality best management practices (BMPs). BMPs will be implemented with the Washington State Water Pollution Control Revolving Fund.

This project addresses water quality problems identified in Section 3.3.a.2. Irrigated Agriculture (pages 3-13 through 17) of the Washington State Nonpoint Source and Management Program, October, 1989.

FP00106: Wollochet Harbor Sewer District: Sanitary Sewer System Improvements: Provide wastewater conveyance facilities; pump station, 12,000 LF 4" force main, aerated holding tank and pumps, from Wollochet Harbor Sewer District to city of Gig Harbor. Decommission the District's existing primary treatment plant. Wastewater from the District will receive secondary treatment at the city of Gig Harbor WWTP.

FP00107: Long Beach City of: Long Beach WWTP Upgrade Phase 1: Construction of a UV disinfection system (as required by the City's NPDES permit). Reconstruction of the main lift station. Installation of a generator at the WWTP to provide emergency power to the main lift station and the UV disinfection system. Reconstruction of the headworks.

Project Summaries Continued:

FP00110: Island County Public Works: Glendale Creek Restoration: Proposal is for the repair and enhancement of the Glendale Creek system to accomplish the following: 1. Replace an old damaged culvert system with a daylighted channel. 2. Restore anadromous fish runs and habitat. 3. Improve water quality by protecting nearby wells and septic systems. 4. Increase shoreline protection. The project implements Action 112 of the Wetlands and Fish and Wildlife Habitat Protection Program in the *1999-2001 Puget Sound Water Quality Work Plan*. It also implements the county's local comprehensive stormwater management plan, the implementation of which is called for by Action 293 of the Puget Sound work plan. It also implements the county's North Whidbey Watershed Nonpoint Pollution Action Plan. Action 615 of the Puget Sound work plan calls for local jurisdictions to implement these local watershed action plans.

FP00111: Island County Public Works: Iverson Farm Acquisition: Island County proposes purchasing 300 acres of open-space on northeastern Camano Island for the purposes of restoration and conservation. The county would study the feasibility of opening an existing dike to restore a former estuary. Additional plans include enhancing wildlife functions and creating public access for recreational and educational opportunities. The project implements specific goals of preserving and protecting habitat called for in the 1997-99 and 1999-2001 Puget Sound work plans. It also implements the county's North Whidbey Watershed Nonpoint Pollution Action Plan. Action 615 of the Puget Sound work plan calls for local jurisdictions to implement these local watershed action plans. The project would also implement the county's non-regulatory Natural Lands Plan. Action 116 of the 1999-2001 Puget Sound work plan calls for the implementation of this county program.

FP00112: Island County Public Works: West Beach Lake Acquisition (aka Swantown Lake): On February 26, Island County closes the purchase of 116 acres on the west side of Whidbey Island. The site includes a freshwater lake, peat bog and creek. Future projects, if feasible, include creating a saltwater connection to restore fish passage; enhancing wildlife habitat and creating a passive parkland. The project implements specific goals of preserving and protecting habitat called for in the 1997-99 and 1999-2001 Puget Sound work plans. It also implements the county's North Whidbey Watershed Nonpoint Pollution Action Plan. Action 615 of the Puget Sound work plan calls for local jurisdictions to implement these local watershed action plans. The project would also implement the county's non-regulatory Natural Lands Plan. Action 116 of the 1999-2001 Puget Sound work plan calls for the implementation of this county program.

FP00113: Cle Elum City of: Regional Wastewater Facilities Plan: The project will be ten percent by City staff and 90 percent by consultant, and shall consist of the following tasks: Project Management; Public Involvement; Planning Area Analysis; Wastewater Flow and Loading Forecast; Receiving Water Analysis; Wastewater Reuse Analysis; Wastewater Treatment Alternative Analysis; Conveyance System Analysis; Outfall Analysis; Recommended Plan; Implementation and Financial Plan; Report Preparation and Submittal; Project Audit; Project Closure.

Project Summaries Continued:

FP00120: Lewis County Water District No. 2: Wastewater Treatment Plant Improvements: Proposed wastewater treatment facilities will provide capacity needed to adequately treat existing and future wastewater flows projected to occur over the 20 year planning period. Proposed facilities also provide redundant treatment processes needed to reliably and consistently comply with NPDES permit requirements. The existing wastewater treatment facilities, which are overloaded by existing peak flows, cannot comply with the new NPDES requirements that are being issued for this site or comply with Administrative Orders that have already been issued to the Water District.

FP00121: Shelton City of: Basin 2 Sewer Rehabilitation Design: The Basin Two Sewer Rehabilitation Project is to replace the deteriorated collection system in the Basin Two area. The City is under order from the DOE to remove I/I. This is the next highest priority in the agreed upon Capital Facilities Plan and the DOE.

SRF9417: Mason County: North Bay – Case Inlet Wastewater Facilities: The project will correct a State Department of Health declared severe public health hazard resulting from failing /failed on-site septic systems. The failing/failed on-site septic systems not only pose a threat to public health from surfacing septage but also have closed shellfish harvesting in the North Bay – Case Inlet area. The on-site septic systems will be replaced by constructing a new wastewater collection, transmission, treatment, and disposal facilities.

Attachment 3

Proposed Schedule of Payments From EPA to the State of Washington

**Washington State Water Pollution Control Revolving Fund
 State Fiscal Year 2000 Final Intended Use Plan
 Proposed Schedule of Payments from EPA to the State of Washington**

Federal Quarter	Requested FFY 1999 Title VI Grant Payment
10/1/99	\$0
1/1/00	\$1,409,361
4/1/00	\$5,457,398
7/1/00	\$5,457,399
TOTAL	\$12,324,158

**Washington State Water Pollution Control Revolving Fund
 State Fiscal Year 2000 Final Intended Use Plan
 Proposed Schedule of Hardship Grant Payments from EPA to the State of Washington**

Federal Quarter	Requested Hardship Grant Payment
10/1/99	\$25,000
1/1/00	\$25,000
4/1/00	\$25,000
7/1/00	\$25,000
TOTAL	\$100,000

Attachment 4

Estimated Schedule of Binding Commitments

**Washington State Water Pollution Control Revolving Fund
State Fiscal Year 2000 Final Intended Use Plan
Estimated Schedule of Binding Commitments**

Application Number	Applicant Name/Project Title	Date	Funds Offered
FP00034	Ritzville City of Wastewater Treatment Facility	10/99	\$525,750
FP00033	Leavenworth City of Leavenworth Wastewater Treatment Plant Upgrade	10/1/99	\$2,301,000
FP00112	Island County Public Works West Beach Lake Acquisition	10/1/99	\$408,200
FP00120	Lewis County Water District No. 2 Wastewater Treatment Plant Improvements	10/1/99	\$550,150
FP00059	Spokane City of CSO Basin Planning #6, #34, #12, #15, and #22 A-D	10/1/99	\$1,353,345
FP00084	Skagit County Skagit County Local Loan Fund	12/1/99	\$700,000
FP00113	Cle Elum City of Regional Wastewater Facilities Plan	12/1/99	\$333,000
FP00064	Soap Lake City of Sewer Treatment System Improvements	12/1/99	\$295,000
FP00107	Long Beach City of Long Beach WWTP Upgrade Phase 1	12/1/99	\$500,000
FP00029	Island County Health Department On-Site Repair Financial Assistance Program	12/1/99	\$300,000
FP00110	Island County Public Works Glendale Creek Restoration	12/1/99	\$645,000
FP00083	Spokane County Conservation District Spokane County Minimum Tillage Assistance	12/1/99	\$500,000
FP00090	North Bend City of North Bend Wastewater Treatment Plant Phase 2	12/1/99	\$2,486,884
FP00082	Spokane County Conservation District Alternative Agricultural Systems Assistance Program	12/1/99	\$1,500,000
SRF9417	Mason County North Bay - Case Inlet Wastewater Facilities	12/1/99	\$6,559,688
FP00121	Shelton City of Basin 2 Sewer Rehabilitation Design	12/1/99	\$155,000
FP00085	Lacey City of 7th Avenue Stormwater Facility Planning	12/1/99	\$150,000
FP00050	Public Utility District No. 1 of Stevens County Addy Public Sewer System	12/1/99	\$100,000
FP00012	Goldendale City of Goldendale Wastewater Facility Improvements	12/1/99	\$500,000
FP00099	Bremerton City of Callow CSO Design - Final Priorities	12/1/99	\$575,000
FP00098	Bremerton City of Bremerton CSO Reduction Plan Update	12/1/99	\$245,000
FP00106	Wollochet Harbor Sewer District Sanitary Sewer System Improvements	12/1/99	\$350,000

**Washington State Water Pollution Control Revolving Fund
State Fiscal Year 2000 Final Intended Use Plan
Estimated Schedule of Binding Commitments**

Application Number	Applicant Name/Project Title	Date	Funds Proposed
FP00035	Okanogan City of Wastewater Treatment Improvements Design and Construction	12/1/99	\$499,000
FP00046	Lewis County On-Site repair Financial Assistance Program	12/1/99	\$110,000
FP00111	Island County Public Works Iverson Farm Acquisition	12/1/99	\$521,000
FP00105	Pacific County Grayland Cranberry Best Management Practices	1/1/00	\$225,000
FP00002	Chelan-Douglas Health District On-Site Septic System Replacement Assistance	1/1/00	\$100,000
FP00096	Thurston County On-Site Hardship Loans	1/1/00	\$100,000
FP00040	Bremerton-Kitsap County Health District Local Loan Program (On-Site Repairs)	1/1/00	\$300,000
FP00073	Olympus Terrace Sewer District Open Channel UV Disinfection System	2/1/00	\$500,000
FP00017	Twisp Town of Construction of Wastewater Treatment Improvements	3/1/00	\$375,000
FP00102	Darrington Town of Wastewater Collection, Treatment, and Disposal Design	6/1/00	\$759,923