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Organization

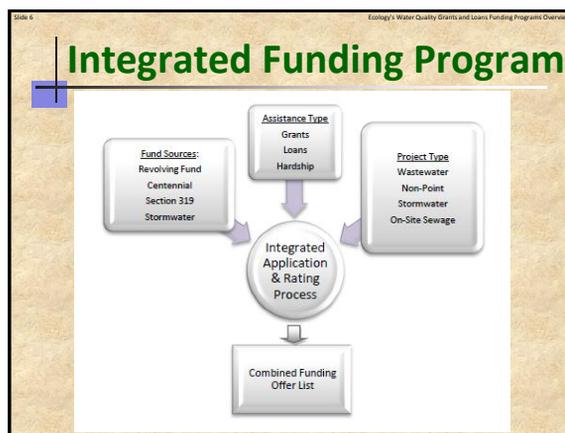
- Water Quality Program Goals
- Funding Sources
- Eligibility
- Types of Projects Funded
- Special Considerations for:
 - Financial Hardship for Wastewater Facility Construction
 - Preconstruction in Small Communities
 - Green Project Reserve (GPR)
- Application Requirements/Prerequisites
- Estimated State Fiscal Year 2016 (SFY16) Funding
- SFY16 Funding Cycle Key Dates
- Rating and Ranking

Water Quality Program Goals

- Ecology's Water Quality Program goals guide the funding programs and eligibility
 - To prevent and clean up water pollution
 - To help communities make sustainable choices that reduce and prevent water quality problems
 - To provide water quality partners with technical and financial assistance

Funding Sources

- Water Pollution Control Revolving Fund (Revolving Fund, State Revolving Fund, or SRF)
- Stormwater Financial Assistance Program (SFAP)
- Centennial Clean Water Program (Centennial)
- Clean Water Act Section 319 Program (Section 319 or 319)



Slide 7 Ecology's Water Quality Grants and Loans Funding Programs Overview

State Revolving Fund (SRF)

- Subsidized loan program
- Funded through:
 - Federal grants
 - 20% state match
 - Repaid principal and interest
- Funds facilities and activities projects
- Average: ~\$66M/year



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SRF Interest Rates

- Based on tax-exempt municipal bonds rate
- For SFY16:
 - Twenty-year loan: 2.4% (60% of MR)
 - Five-year loan: 1.2% (30% of MR)

MR = Market Rate for tax-exempt municipal bonds

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Stormwater Financial Assistance Program (SFAP)

- State grant program
- Funded from state sources
- Funds stormwater projects not explicitly required by NPDES permits
 - Cities and Counties eligible
- 1st time in the integrated program
- ~\$66M available



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Centennial Program

- State grant program
- Funded from state sources
- Funds hardship facilities and nonpoint activities projects
- Average: ~\$30M/year



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Section 319 Program

- Funded through:
 - Federal grant
 - 40% state match
- Funds nonpoint source pollution control activities projects
- Average: ~\$1.9M/year



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Who is Eligible to Apply?

- Local Governments
- Federally Recognized Tribes
- Special Purpose Districts
- Non-profits (Section 319 only)



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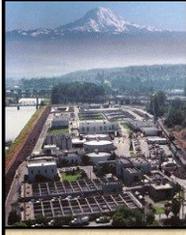
Types of Projects Funded

- Wastewater Facility Projects
- Stormwater Facility Projects
- Stormwater Activity Projects
- Nonpoint Source Activity Projects
- Onsite Sewage System Projects
- Plus, special categories:
 - Hardship
 - Preconstruction
 - Green Project Reserve (GPR)

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Eligible Wastewater Facilities Projects (SRF & Centennial [hardship construction])

- Planning
 - Comprehensive sewer planning
 - Site-specific planning
 - Environmental review
 - Value engineering
 - Feasibility studies
- Design
- Construction (including administration, change orders, bid overruns, supplies/tools)
 - Upgrades, expansion, new
 - Collection sewers and pump stations
 - Infiltration and inflow correction
 - Combined sewer overflow abatement
 - Large onsite systems (LOSS)



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Eligible Stormwater Facility Projects (SRF & SFAP [if not required by permit])

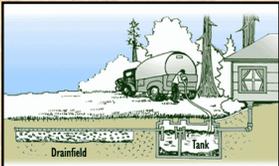
- Planning, design, and construction of Stormwater Infrastructure
- Implementation of low impact development (LID) techniques
- Any other work required by a stormwater NPDES permit
 - SRF-only




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Eligible Onsite Sewage System Projects (SRF & Centennial)

- Planning, surveys, and public education and outreach
- Local loan programs for repair and replacement of residential or small commercial systems



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Eligible Nonpoint Source Activities Projects (SRF, Centennial, & Section 319)

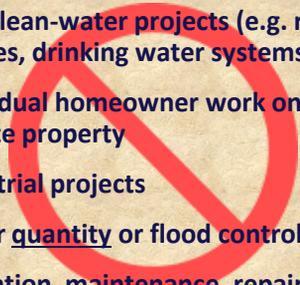
- Implementation of approved best management practices (BMPs)
- Public outreach and education
- Lake/riparian/wetland restoration
- Groundwater/aquifer/wellhead protection
- Total Maximum Daily Load (TMDL) support
- Watershed planning
- Water quality monitoring
- Stormwater planning and outreach in non-permitted communities



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Generally Ineligible Projects

- Non clean-water projects (e.g. roads, bridges, drinking water systems)
- Individual homeowner work on private property
- Industrial projects
- Water quantity or flood control
- Operation, maintenance, repair costs



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SRF & Centennial: Hardship – Wastewater Treatment Facility Construction

- For wastewater facility construction projects in small, financially distressed communities
- Criteria:
 - <25,000 people
 - Sewer fees for existing residential ratepayer ≥2% of median household income (MHI) without subsidy
- For existing residential need
 - Standard loan for rest of project
- Subsidy options:
 - Centennial Grant
 - As low as 0% interest rate loans

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SRF & Centennial: Hardship – Onsite Sewage Systems

- For local loan repair and replacement program
- A combination of grants and subsidized loans
 - Grants up to \$500K
 - Final interest rate reduced if loans are made to homeowner with incomes <80% of the county MHI



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SRF: Preconstruction & Hardship

- For wastewater/stormwater facility planning and design in small, less affluent communities
 - Comprehensive Sewer Planning
 - Feasibility Studies
 - Site-specific Facility Planning
 - Environmental Review
 - Value Engineering
 - Pre-design Reports
 - Design
- Criteria for funding:
 - <25,000 population
 - MHI ≤ State MHI
- Criteria for hardship (up to 50% forgivable principal):
 - <25,000 population
 - MHI ≤ 80% State MHI



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SFAP: Hardship

- Criteria for hardship:
 - <25,000 population
 - MHI ≤ 80% State MHI
- Subsidy:
 - Match reduced from 25% to 15%

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Green Project Reserve (GPR)

- EPA may require that 10% of the EPA Grant for SRF be directed to GPR projects
- Can be a stand-alone or part of a larger project
- Must be eligible for SRF funding, willing to accept a loan, and meet EPA's criteria for:
 - Green Infrastructure
 - Energy Efficiency
 - Water Efficiency
 - Environmentally Innovative
- May include 25% forgivable principal loan



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Estimated Funding¹

Fund Source	SFY15	SFY16
SRF Loans (w/possible forgivable principal)	\$180 million	\$90 million ²
SFAP Grants	\$---	\$66 million
Centennial Grants	\$22 million	\$30 million ³
Section 319 Grants	\$1.6 million	\$1.6 million ⁴

¹ = Subject to change based on State Legislature appropriations for the 2015-17 Biennial Budget and Congressional appropriations for the Federal Budget.
² = Based partially on the Federal Fiscal Year 2014 Capitalization Grant
³ = Based on 2015-17 Biennial Budget request
⁴ = Based on the Federal Fiscal Year 2014 Federal Grant

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SFY16 Estimated Funding & Set-asides

Revolving Fund	\$90,000,000
10% of Federal Grant for GPR (Facility or Activity)	\$2,500,000
75% for Facility Loans	\$67,500,000
20% for Nonpoint Activity Loans	\$18,000,000
5% for Preconstruction Loans	\$4,500,000
Additional Subsidization (Forgivable Principal)	\$1,500,000
SFAP	\$66,000,000
100% for Stormwater Grants to Cities and Counties	\$66,000,000
Centennial	\$30,000,000
33% for Hardship Facilities Grants	\$10,000,000
33% for Nonpoint Source Activities Grants	\$10,000,000
33% Competitive Grants	\$10,000,000
Section 319	\$1,600,000
100% for Nonpoint Source Activities Grants	\$1,600,000

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Funding Ceiling Amounts

Revolving Fund
50% of the funding in any category per applicant
20% of Preconstruction set-aside per applicant
Centennial Hardship Facility Construction Subsidy
\$5 million per project
SFAP Grants
\$5 million per applicant
\$250,000 per planning or design project (counts against the \$5M)
Centennial/Section 319 Grants
\$250,000 per project if 25% match is cash + in-kind, etc.
\$500,000 per project if 25% match is cash

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Match Requirements for Grants

Source	Match
Section 319 – Nonpoint	25%
Centennial – Nonpoint	25%
Centennial – OSS Repair and Replacement	50%
Centennial – Hardship Wastewater Facility Construction	0%
SFAP – Non-hardship	25%
SFAP – Hardship	15%

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Puget Sound Watershed



- Water Resource Inventory Areas (WRIA) 1-19
- Projects must be consistent with the Puget Sound Partnership's Action Agenda



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Growth Management Act (GMA)

- Applies to facilities projects in jurisdictions required to plan under the GMA
 - Compliance required before agreement signing
- Limited exceptions:
 - Public health need
 - Significant environmental degradation



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Step Process

- Required for wastewater and stormwater facilities projects funded through SRF
- Ecology approval at each Step before applying for funding for the next Step



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Step 1: Planning

- No prerequisites
- Wastewater projects must include complete environmental review in Scope of Work

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Step 2: Design

- At the time of application:
 - Ecology approval of planning document
 - Ecology concurrence of a complete State Environmental Review Process (SERP*)
 - Wastewater: SERP required at the time of application
 - Stormwater: SERP completed as part of design
 - Cost effectiveness analysis

*SERP required for "Treatment Works" as defined under Section 212 of the Clean Water Act

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Step 3: Construction

- At the time of application:
 - Ecology approval of planning and design documents
 - Ecology concurrent of complete SERP
 - Cost effectiveness analysis
- Prior to signing funding agreement:
 - Wastewater projects must meet Federal Cross Cutter requirements

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Step 4: Design & Construct

- Total project cost ≤ \$5 million
- At the time of application:
 - Ecology approval of planning document
 - Ecology concurrent of complete SERP for wastewater projects
 - SERP completed during design for stormwater projects
 - Cost effectiveness analysis
- Prior to obtaining reimbursement for wastewater projects:
 - Federal Cross Cutter requirements

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State Environmental Review Process (SERP)

- Required to apply for Step 2, Step 3, or Step 4 projects
- Separate from the Federal Cross Cutter requirements
- Ecology can adopt NEPA to satisfy SERP (and Federal Cross Cutter) requirements
- SERP guidance available on Ecology website
- Questions:
 - Liz.Ellis@ecy.wa.gov; 360-407-6429

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SERP Requirements

- Complete and well documented SEPA process
 - Keep Ecology involved throughout the process to ensure that Ecology can concur with the SEPA lead agency's determination
- Consideration of Alternatives and Cost Effectiveness Analysis
- Opportunity for public input including at least one public meeting
- Ecology's involvement in the process and concurrence with the final determination

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Federal Cross Cutter Requirements

- The National Historic Preservation Act
- Protection of Wetlands
- Flood Plain Management
- The Farmland Protection Policy Act
- The Coastal Zone Management Act
- Environmental Justice
- The Wild and Scenic Rivers Act
- The Endangered Species Act
- The Magnuson-Stevens Act (Essential Fish Habitat)
- The Clean Air Act
- The Safe Drinking Water Act (Sole Source Aquifers)

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SFY16 Funding Cycle

Fiscal Year 2016 Annual Water Quality Funding Cycle Process Steps

- Application Submittal: Sept 2-Nov 7, 2014
- Application Evaluation, Rating, and Ranking: Nov 2014-Jan 2015
- Issue Draft Offer List to Legislature during budget development: Feb 13, 2015*
- Public Comment Period: Feb 13-Mar 16, 2015*
- Issue Final Offer List and Funding Letters: July 1, 2015*
- Agreement Development: July 2015-Jan 2016*
- Agreement/Project Management: 1-5 years
- Agreement Closeout

* Estimated Dates

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Key Dates

- November 7, 2014: applications via EAGL due
- February 2015: draft funding list available
- April 2015: expected final budget
- July 1, 2015: final list, formal offers, money available from legislature
- January 31, 2016: agreements signed
- April 30, 2016: work underway
- July 1, 2018: activity projects complete (3 years)
- July 1, 2020: facility projects complete (5 years)

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Rating Criteria and Points

Rating Criteria	Points Available	Points Required
Scope of Work Form	0 – 250	---
Task Costs General Form	0 – 150	---
Water Quality and Public Health Improvements Form	0 – 250	125
Coordination with State and Federal Priorities Form	0 – 100	---
Project Team Form	0 – 50	---
Project Development, Local Support, and Past Performance Form	0 – 75	---
Readiness to Proceed Form	0 – 75	---
Financial Hardship Form	0 or 50	---
Total	0 – 1,000	600

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For Additional Information

- <http://www.ecy.wa.gov/programs/wq/funding/funding.html>
- <http://www.ecy.wa.gov/programs/wq/funding/cycles/FY2016/index.html>
 - Funding Guidelines
 - Draft and Final Offer Lists
 - EAGL Application Prep Tool
- <http://www.ecy.wa.gov/programs/wq/funding/Training/TrainingMain.html>
 - Applicant Workshop PowerPoint Presentations

