

A scenic view of a coastal town with snow-capped mountains in the background. The foreground shows a blue body of water with a small boat in the distance. The middle ground features a dense forest of evergreen trees, and the background shows a range of mountains with patches of snow under a clear blue sky.

Water Quality Combined Funding Program (WQC) Overview and Funding Availability

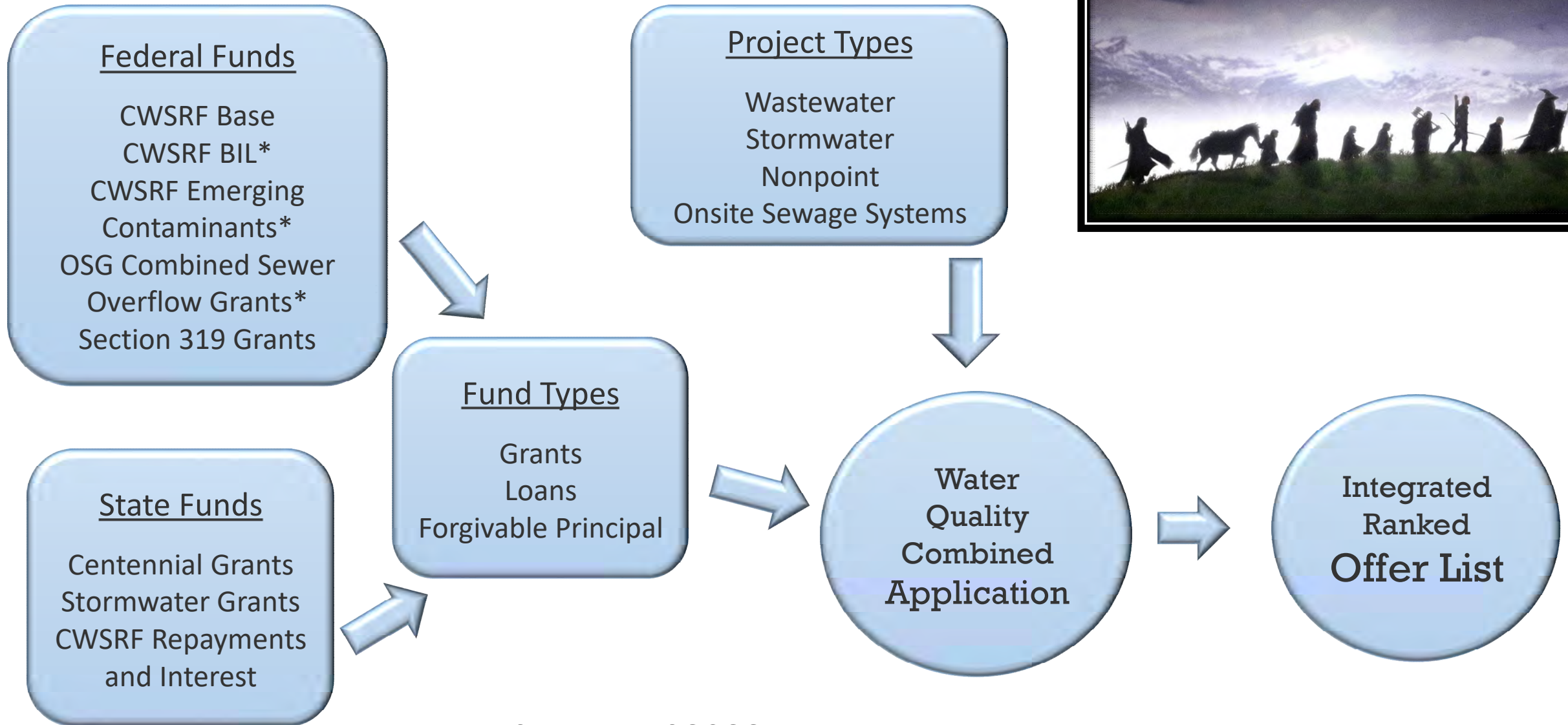
Eliza Keeley-Arnold
October 2022

Water Quality Combined Funding Program

- Multiple water quality project types
- Multiple funding sources
 - Loans
 - Forgivable Principal
 - Grants
- One annual application and offer list
 - Same scoring criteria
 - Specific tips, guidance and technical assistance for each project type

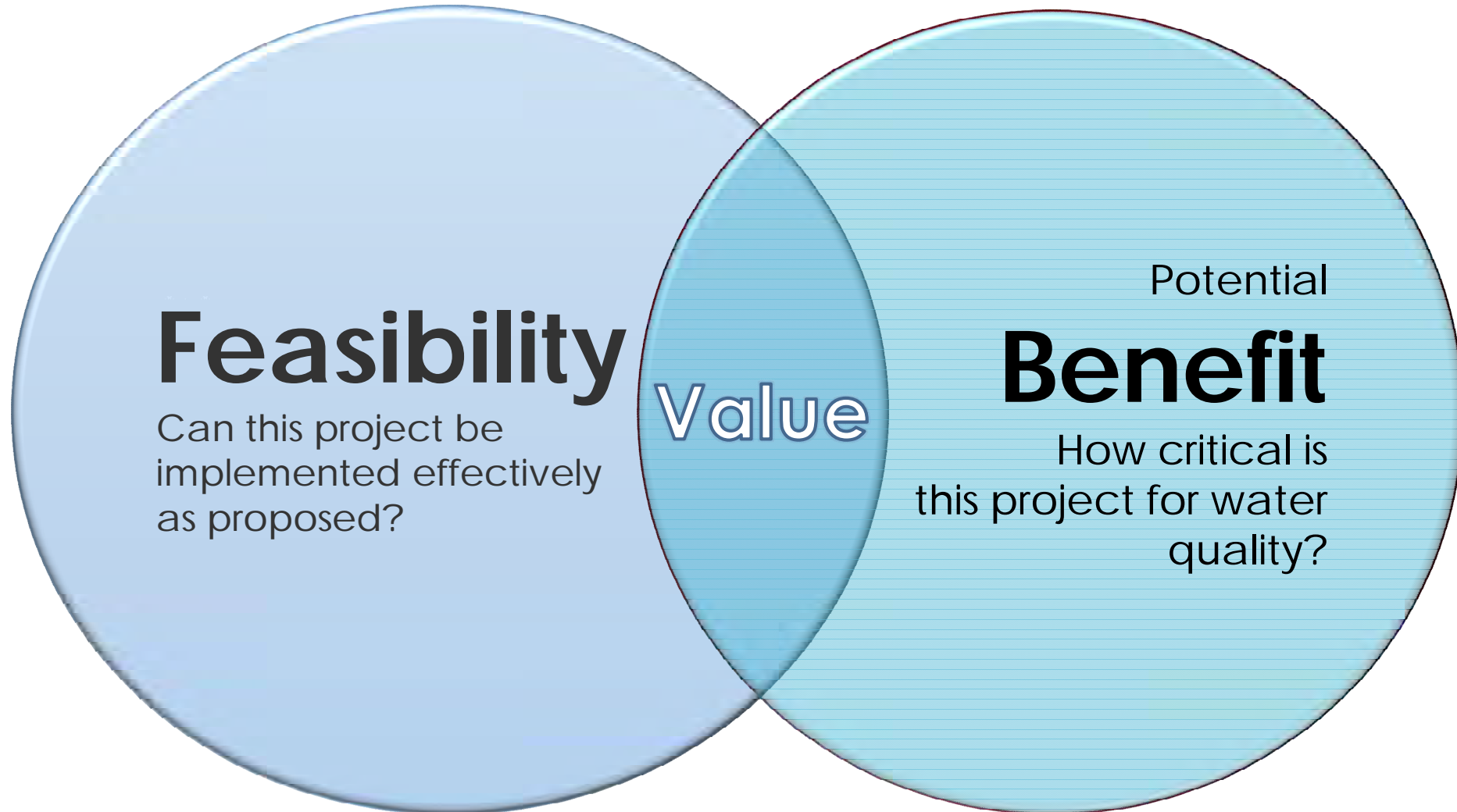


Combined Funding Program



New funds as of 2023*

Evaluation: Should this project be funded?



Project Feasibility 450 Points

Scope/
Team
75/65



Planning
Understand your watershed, project, and community
60



Schedule
100

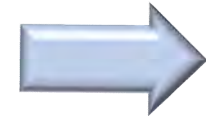


Budget/
Match
135/15

"How will this work be done?"

"Is Ecology confident that this can be implemented?"

Water Quality and Public Health Improvements



Water
Quality
500 points

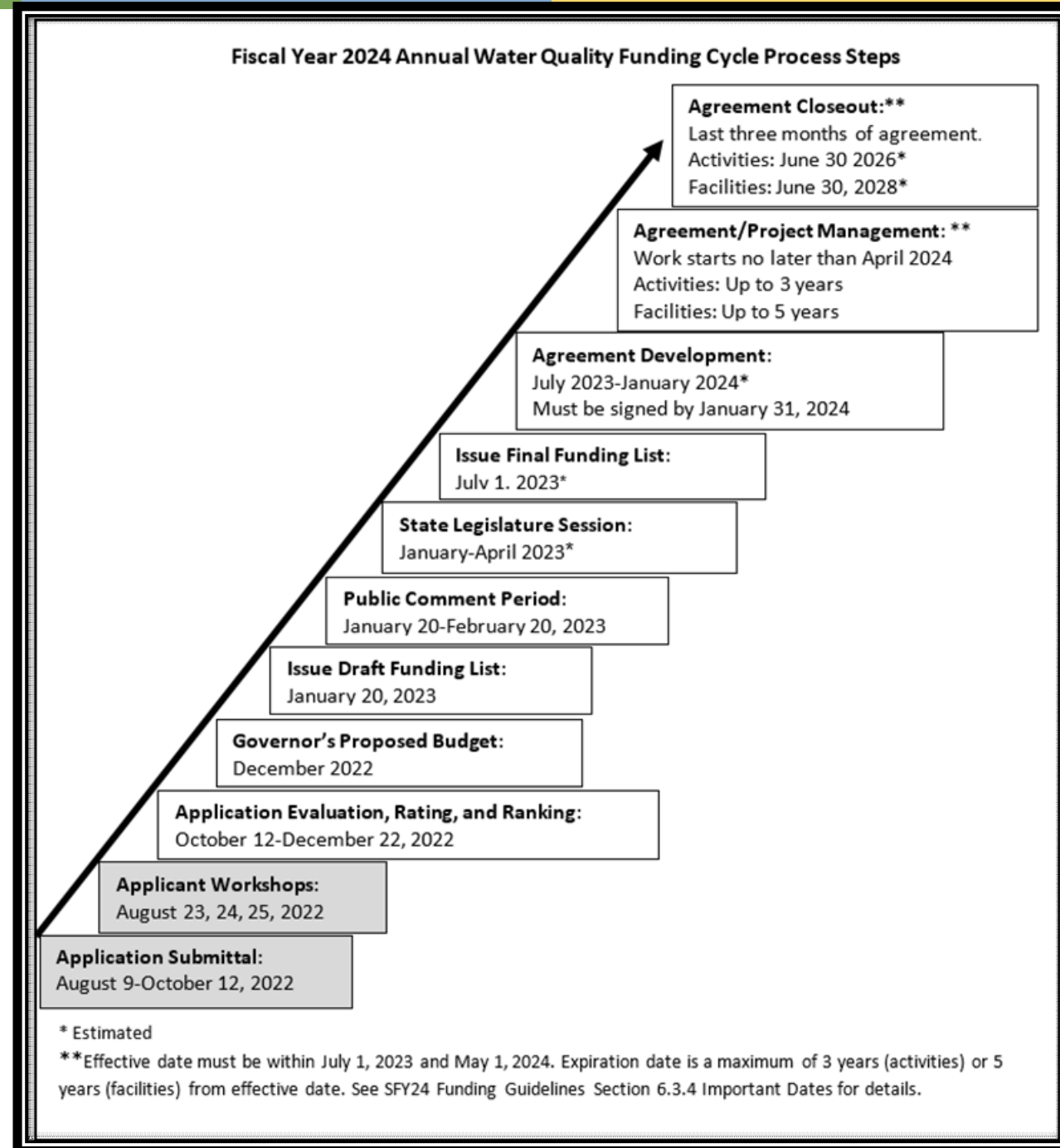
*"Assuming we **can** build it, **should** we?"*

"What is the final result?"

Annual Award Cycle

Tip: Plan and prepare to apply
~1 year ahead of the funding
need

- Year-round: Talk to us about potential projects!
- August – October: Application Open
- January: Draft Offer List
- June: Final Offer List
- July: Funding “turns green”
 - July-January: Agreement negotiations
- Agreement duration: 3-5 years



Fund Sources

5 “Pots” of funding

- Clean Water State Revolving Fund (CWSRF)
 - Now includes BIL
- Centennial Clean Water Grants (Centennial)
- Stormwater Financial Assistance Program (SFAP)
- Clean Water Act Section 319 Nonpoint Source Grant Program (Section 319)
- Sewer Overflow and Stormwater Reuse Municipal Grants Program (OSG)

Funding Source Estimates for SFY24

Nick Name	Fund Source Name	Fund Type		SFY24 Estimate
CWSRF	Clean Water State Revolving Fund	Loans (Standard and Forgivable)	Federal & State	<u>\$250M Total</u> \$221.9M Standard \$23.1M Forgivable
SFAP	Stormwater Financial Assistance Program	Grant	State	\$35M
Centennial	Clean Water Centennial Program	Grant	State	\$20M
Section 319	Clean Water Act Section 319	Grant	Federal	\$1.7M
OSG	Sewer Overflow & Stormwater Reuse Grants	Grant	Federal	\$11.4M

~\$318M Estimated Available

BIL, BABA, Blah Blah

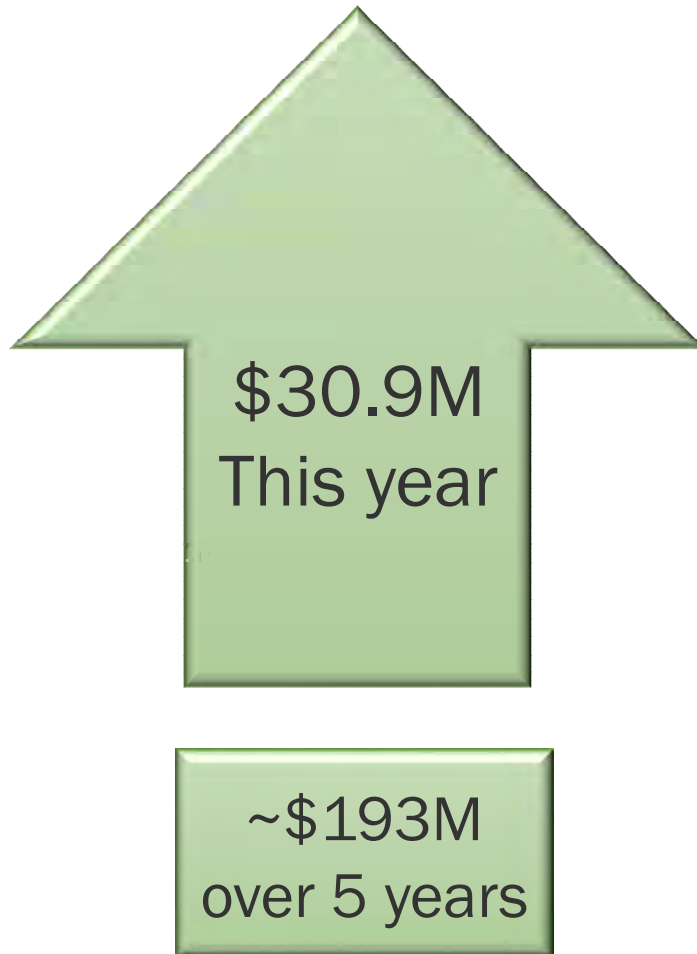
- *Infrastructure Investment and Jobs Act (IIJA)*, more commonly referred to as **BIL funds** (Bipartisan Infrastructure Law) includes clean water projects.



- BIL funding will be funneled through CWSRF
- BIL funds generally require Build America, Buy America Act (BABA) and other federal conditions.
 - Ecology is using our standard method of identifying specific projects to fulfill this requirement (“equivalency”).



Impacts of BIL: What does it look like?



- Supplemented the SFY 2023 funding awards, which turned green July 2022
 - \$15.2M more Forgivable Principal
 - \$15.7M more Standard Loan
 - 4 Wastewater projects received additional funds to continue to next phase
 - 1 Project draft offer of \$5M loan was replaced with forgivable principal
 - 3 additional nonpoint source activity projects were funded
- Will continue supplementing funding awards annually through July 2026 (SFY 2027)

BIL Funds

Year	BIL Supplemental	Base Cap Grant	Total CWSRF	Total Forgivable Loan	BIL-Emerging Contaminants (100% Forgivable Loan)	
2022	\$30.9M	\$20.3M	\$51.2M	\$17.2M	\$1.6M	Appropriated
2023	\$36.3M	\$51.2M	\$87.5M	\$22.9M	\$4.5M	Authorized
2024	\$39.6M	\$55.4M	\$95.0M	\$24.9M	\$4.5M	Authorized
2025	\$42.9M	\$59.5M	\$102.4M	\$26.9M	\$4.5M	Authorized
2026	\$42.9M	\$59.5M	\$102.4M	\$26.9M	\$4.5M	Authorized
Total	\$192.9M	\$271M	\$464.1M	\$121.6M	\$16.6M	Authorized

BIL – Sewer Overflow and Stormwater Grant

The Sewer Overflow and Stormwater Reuse Municipal Grants Program (OSG) was reauthorized by America’s Water Infrastructure Act (AWIA) of 2018.

- For Planning, design and construction of treatment works to address combined sewer overflows, sanitary sewer overflows or stormwater.

- 25% to Disadvantaged Communities
- Same CWSRF Requirements
- State applies and provides 20% match

Year	WA OSG Funds Authorized	25% Mandated to Disadvantaged Communities
2020	\$511,000*	\$127,750
2021	\$730,000*	\$182,500
2022	\$5.1M	\$1.28M
2023	\$5.1M	\$1.28M
2024	\$5.1M	\$1.28M
2025	\$5.1M	\$1.28M
2026	\$5.1M	\$1.28M
Total	\$27M	\$6.75M

We Haven't Changed, We Just Have More Money

- Same Schedule
- Same Staff (working on adding more)
- Same Eligibility criteria
- Same Application Process



Who Can apply?

- Public bodies
 - Local governments
 - Tribes (federally recognized)
 - Special Purpose Districts (ports, conservation, etc)
- Non-profits



Eligible Applicants by Fund Source

Applicant	CWSRF/OSG	SFAP	Centennial	Section 319
Conservation Districts	X		X	X
Counties, cities/towns	X	X	X	X
Federally recognized tribes	X		X	X
Institutions of higher education	X		X	X
Irrigation districts	X		X	X
Local health jurisdictions	X		X	X
Nonprofit organizations				X
Port districts	X	X	X	X
Quasi-municipal corporations	X		X	X
Sewer districts	X		X	X

All of these entities can submit an application,
Ecology will take care of identifying the fund source

Project Types

- Wastewater facilities
- Stormwater facilities
- Stormwater activities
- Nonpoint source activities
- Onsite sewage systems

Planning

Design

Construction

Implementation

Wastewater Facilities



Wastewater Treatment



Wastewater Conveyance



Infiltration and Inflow (I/I)



Reclaimed Water



Combined Sewer Overflows (CSO)



Large On-site Sewage Systems (LOSS)



On-site Sewage Systems



Public Outreach and Education

Wastewater Facilities

Step 1- Planning

General sewer plans

Engineering reports

Value planning or
engineering studies

Rate studies

Environmental and
cultural resources review

Step 2- Design

Engineering plans
and specifications

Environmental and
cultural resources
review

Step 3- Construction

Construction

Construction
management

Step 4- Design & Construction

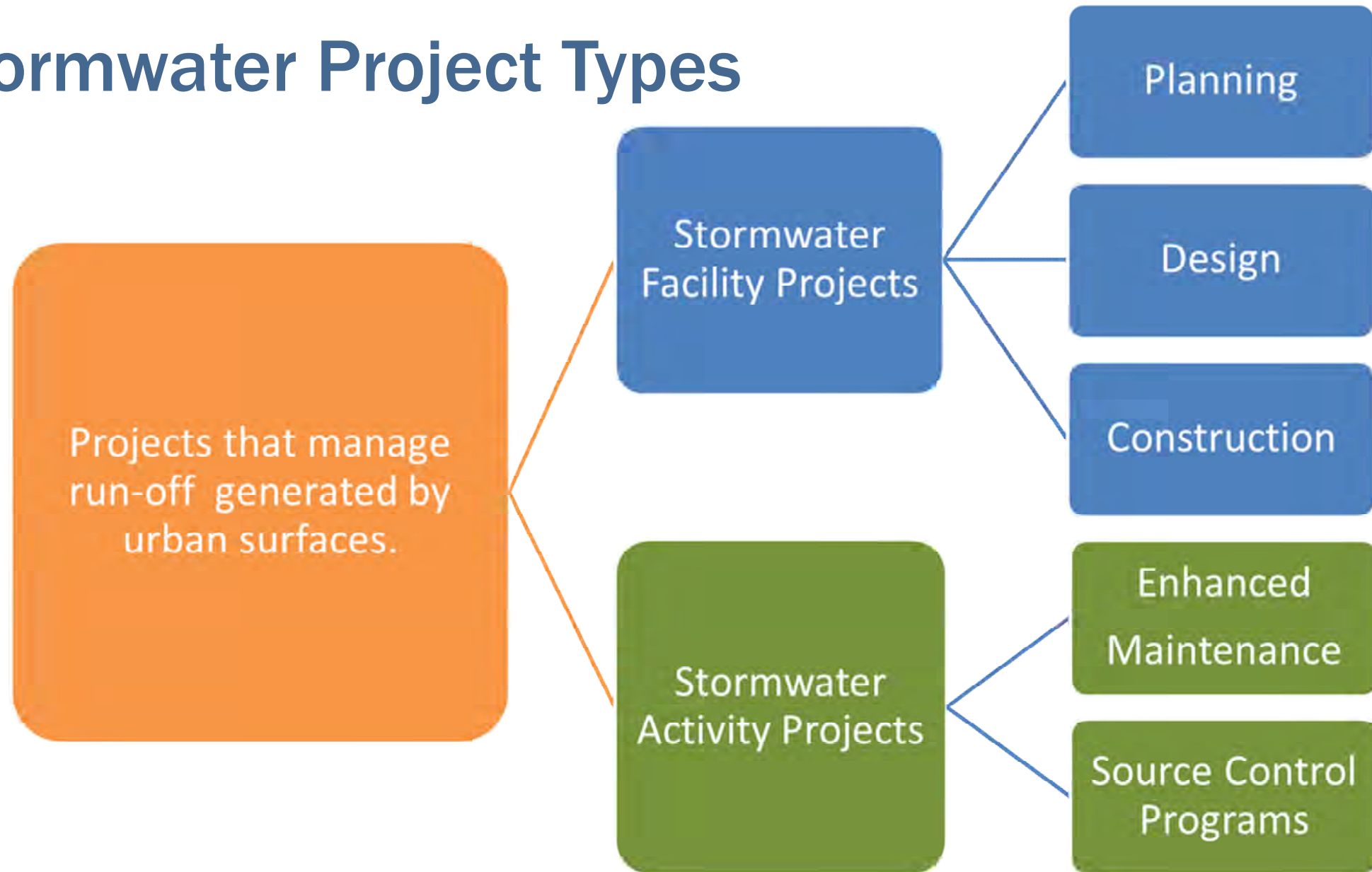
Combined facility design
and construction
projects

Total project cost up to
\$7M

5-years to complete
project

Design must be
complete within 1-year
of signing funding
agreement

Stormwater Project Types



Stormwater Facilities

- Retrofits of existing infrastructure are eligible for grant or loan
- New development is eligible for loan only
- Designs must be approved by Ecology
- See Stormwater Management Manuals for Eastern or Western WA



Stormwater Facilities

Step 1- Planning

Mapping SW
Infrastructure

Stakeholder Engagement

Conceptual Designs

Project prioritization

Stormwater Management
Action Plans

Step 2- Design

Engineering plans
and specifications

Environmental and
cultural resources
review

Step 3- Construction

Construction

Construction
management

Property or
Easement
Acquisition

Step 4- Design & Construction

Combined
facility design
and
construction
projects

Total project
cost up to
\$300K

Stormwater Activities

Enhanced Maintenance and Source Control Program Development

- Expansion of water quality benefits
 - Alternatives development and selection
 - Adaptive management
 - Equipment purchases
 - Decant facilities
 - Expansion of sweeping services, etc



Stormwater Facilities Step 1: Planning

- Mapping existing infrastructure including stormwater-sheds/catchments
- Mapping outfalls, discharge points, UICs
- Establishing local water quality improvement priorities
- Assembling GIS Layers to assist in the decision-making process
- Stakeholder engagement
- Preparing project lists and conceptual designs
- Development of Stormwater Management Action Plans (SMAP)

Nonpoint Source Pollution: Restoration

- Riparian buffers
- Lakes
 - Phase process required
- Wetlands
- Stream
 - Grading and bank stabilization
 - Installation of large woody debris
 - Channel re-establishment/re-meander



Nonpoint Source Pollution: Agricultural BMPs

- Conservation-based cropping systems
 - Direct seed high residue retention
- Livestock feeding and off-stream watering BMPs
- Livestock exclusion



Nonpoint Source Pollution: Land Acquisition

- Property purchase and conservation easements for:
 - Riparian areas
 - Watershed protection
 - Wetland preservation and protection
 - Drinking source water protection



Onsite Sewage Systems

- Large Onsite Sewage Systems (LOSS)
- Planning and Surveys
 - Data collection
 - Hot spot detection
 - Outreach and education
- Composting Toilet Systems
- Local Loan Program
 - Repair and replacement for individual homeowners
 - Loan loss reserve



- Regional Loan Program
 - Statewide partnership between local governments, DOH & Ecology, and a financial institution partner

Ineligible Projects

- Non-clean water projects (e.g., roads, bridges, drinking water systems)
- Exclusively industrial projects, except:
 - Publicly-owned industrial wastewater treatment facility reducing the burden on a municipal wastewater treatment facility (CWSRF-only)
 - Publicly-owned industrial stormwater facility (SFAP-only)
- Water quantity
- Project solely for flood control
- Operation, maintenance, and repair costs
 - Some exceptions will be discussed later

How Much Can We Get?

- There are some general limits and set asides to help distribute funding more fairly
- Nonpoint
 - up to \$500k grant per project
 - Up to \$25M CWSRF loan per applicant (50% of the SRF set aside for nonpoint)
- Stormwater
 - Up to \$10M SFAP grant per applicant
 - Up to \$50M CWSRF per applicant
- Wastewater hardship
 - Up to \$5M combined amount of grant and forgivable loan
 - Up to \$50M CWSRF per applicant

CWSRF is big program

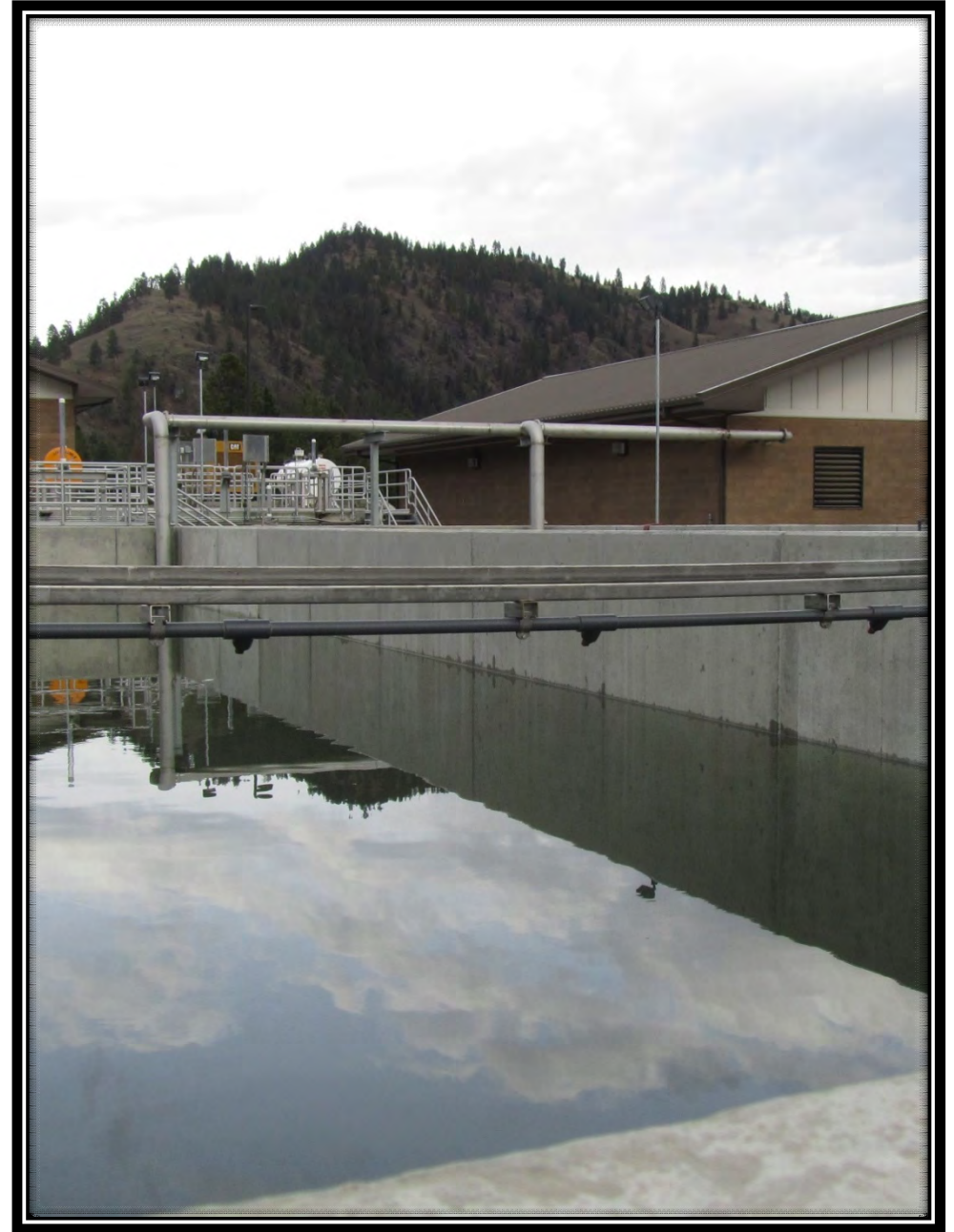
- Standard Loan
- Funded through:
 - Federal grant
 - Bipartisan Infrastructure Law (BIL) funding
 - Repaid principal and interest



- Forgivable principal loan
 - It's a grant!
 - We just don't call it that because it's less red tape...
 - Available for:
 - Hardship
 - Green project reserve (GPR)
 - Is only provided if applicant is willing to accept loan
 - Along with a standard CWSRF loan
 - Select 'yes' for accepting loan to be considered

Hardship

- Wastewater or Stormwater projects may be eligible
- Does not apply to nonpoint or OSS projects
- Opportunity for grant or forgivable principal
 - Up to 50% of the total Ecology source
 - Essentially a grant



Hardship Determination/Affordability Criteria

Construction

- < 25,000 population of service area
- Factors include
 - Cost of the Project
 - Existing Costs
 - Median Household Income
- Impact to Rate Payers (wastewater)
 - Sewer rate >2% MHI

Preconstruction

- < 25,000 population
- MHI of service < 80% of state MHI
- Eligibility in Guidelines Appendix M

Green Project Reserve (GPR)

- Must be willing to accept a CWSRF loan, and meet EPA's criteria for:
 - Green Infrastructure
 - Energy Efficiency
 - Water Efficiency
 - Environmentally Innovative
- May receive 25% forgivable loan



Interest Rates

Loan Term	Interest Rate for Most Projects	Interest Rate for OSS/Nonpoint Projects
5 Years	0.6%	0.2%
20 Years	1.2%	0.4%
30 Years	1.6%	0.8%



- Hardship eligible projects may qualify for a lower interest rate, 0.0-1.1%
 - See Table 12 in the SFY24 Funding Guidelines



Funding Packages

- Ecology will figure out which fund sources and how much can be offered to your project.
- Some projects may be offered a mix of different sources in a single “funding package”



**Ecology
simplifies
it for you!**

Funding Guidelines

- 300 pages!?!? Do I have to read all that?!
 - No.
 - Start with the “How to Use This Document” on page 1
 - Focus on the info that pertains to your project type.
- Chapter 4 will help you prepare your application.



State Fiscal Year 2024 Funding Guidelines Water Quality Combined Funding Program

Centennial Clean Water Program

Clean Water Act Section 319 Program

Clean Water State Revolving Fund

Stormwater Financial Assistance Program

Sewer Overflow and Stormwater Reuse Municipal Grants Program

Water Quality Program

Washington State Department of Ecology
Olympia, Washington

August 2022, Publication 22-10-016

Questions?

Eliza Keeley-Arnold
eliza.keeley-arnold@ecy.wa.gov



DEPARTMENT OF
ECOLOGY
State of Washington