

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: A-2

DATE: March 12, 2009

SUBJECT: Waste Water Treatment Plant – Application for State Economic Stimulus Funding through State Revolving Fund

CONTACT PERSON: Deborah Knight, City Administrator

ISSUE:

Authorize the Mayor to sign an application for supplemental financial assistance through the Water Pollution Control Revolving Fund loan (SRF). The City is requesting \$275,000 to fund the remaining balance of the centrifuge installation.

STAFF RECOMMENDATION:

Authorize the Mayor to submit a fiscal year 2010 (FY 2010) supplemental financial assistance application to the Department of Ecology (DOE) for a low interest SRF loan.

SUMMARY:

The City of Sultan is seeking funding to complete installation of the centrifuge which is designated as Phase I of the Waste Water Treatment Plant Upgrade. At the Council meeting on February 26, 2009 the City Council directed staff to pursue all funding sources to complete the centrifuge installation and plant upgrade.

New funding for water pollution control facilities (e.g. waste water treatment) is available in Fiscal Year 2010 to Washington State through the federal stimulus package (American Recovery and Reinvestment). The funding is available through DOE. Due to the short time frame allowed by congress, the closing date for applications is Friday, March 13, 2009.

City staff recommend submitting an application even though the centrifuge installation and plant upgrade do not meet all of the application eligibility requirements. Specifically, the city has not yet completed the required federal and state environmental reviews to convert the Engineering Report to a Facility Plan.

The City Council discussed converting the Engineering Report to a Facility Plan in March 2008 and directed staff to pursue the centrifuge installation rather than the

additional planning work. In 2008 the estimated cost to complete the environmental reviews to develop a Facility Plan was approximately \$70,000 to \$80,000.

Even though there is no guarantee of funding city staff recommend submitting an application. First, if the city does not get funded, we will be able to review comments given during the review process which will make it easier to apply in the future. Second, the horizon is hazy and changing daily. Although congress wants the state to consider projects that are “shovel ready” within 120 days after the enactment of legislation (about June 17) the state has up to one year to include projects. If funding is available, the city may be able to complete the environmental reviews within the 360 day timeframe.

The staff recommendation is keeping with the council’s direction at the February 26, 2009 meeting to pursue all funding sources for the centrifuge installation and WWTP upgrade.

DISCUSSION:

Based on the availability of additional federal funds proposed through the American Recovery and Reinvestment legislation, the Department of Ecology Water Quality Program has reopened its FY 2010 application cycle to solicit additional eligible projects for funding consideration. Funds are available through the Clean Water Act Title VI, which funds Washington’s Water Pollution Control Revolving Fund loan program.

Approximately \$70-\$100 million in additional funds are available to the state for low interest loans. \$21 million for traditional water pollution control infrastructure construction projects. \$35 million is set aside for subsidies in the form of negative interest and principal forgiveness for qualified financial hardship recipients. The legislation also provides \$14 million for various “green infrastructure” projects, including stormwater control and energy efficiencies.

Based on EPA direction, supplemental applications will be rated and ranked based on the same application and criteria used for the existing FY 2010 Water Quality Combined Draft offer and Application List and the Draft Revolving Fund Intended use Plan published by DOE in January 2009. All projects will be ready to proceed to construction within one year of enactment of the Recovery Act.

- Priority will be given to projects ready to construct within 120 days from enactment.
- Wastewater facility construction projects must have:
 - An Ecology approval letter for Plans and Specifications. Plans and specifications can be submitted for approval through April 17, 2009.
 - An Ecology approval letter for the Facility Plan describing the project. Note – Sultan has an Engineering Report but has not completed a Facility Plan.

- Documentation of complete Environmental Review (NEPA w/FONSI or SERP w/state concurrence) including Endangered Species Act (ESA) documentation. Note – Sultan has not completed environmental reviews for the WWTP Upgrade.

BACKGROUND:

Originally, the city had intended to apply for a Public Works Trust Fund (PWTF) loan in 2007 for funding in 2008 because the interest rates were slightly lower than the DOE managed State Revolving Fund (SRF) loan. Also PWTF loans have fewer technical requirements for the application submittal.

Due to a miscommunication between city staff and the consulting team, the city missed the 2007 deadline date for FY 2008. City staff had planned to submit an application for a PWTF loan in 2008 for funding in FY 2009. Unfortunately, the state made a policy decision to use all the funds in 2008 rather than spread the funds over a two year period. There was not an application process for PWTF loan allocations in 2008 for 2009.

As a result, the city needed pursue other funding alternatives such as the Water Pollution Control Revolving Fund (SRF) loan to begin constructing the plant upgrade in 2009. The City Council discussed amending the WWTP Engineering Report in 2008 but decided to pursue installing the centrifuge as a long-term investment and to reduce plant operating costs for current rate payers.

At the council meeting on February 26, 2009 the City Council directed staff to pursue all funding sources to complete the centrifuge installation and plant upgrade including legislative proviso funds through the state capital budget, economic stimulus funding, public works trust fund loans, and reprioritizing the city's 2009 capital budget. The staff recommendation for the proposed DOE application is keeping with the Council's approved strategy.

FISCAL IMPACT:

There are limited fiscal impacts associated with the staff recommendation. Councilmember Sarah Davenport-Smith and Donna Murphy have been working together with Brown and Caldwell to complete the DOE FY 2010 SRF Supplemental Financial Assistance Application. The City Council approved amendment no. 6 to the Brown and Caldwell contract on February 26, 2009. The amendment includes funding to support grant and loan applications.

A decision not to pursue supplemental SRF funding could limit the city's future opportunities for low interest loans. If the city receives funding, the City Council will have an opportunity to review the terms and conditions of the loan before making a financial commitment.

ALTERNATIVES:

1. Authorize the Mayor to submit a FY 2010 supplemental financial assistance application to the Department of Ecology for a low interest SRF loan to fund the centrifuge installation.
2. Do not authorize the Mayor to submit a FY 2010 supplemental financial assistance application to the Department of Ecology for a low interest SRF loan to fund the centrifuge installation.

The project may be delayed unless the city is able to find other sources of funding such as a state legislature allocation or negotiated developer agreements to keep the project funded through 2009.

RECOMMENDED ACTION:

Authorize the Mayor to submit a fiscal year 2010 (FY 2010) supplemental financial assistance application to the Department of Ecology (DOE) for a low interest SRF loan.

ATTACHMENTS

- A – Washington State Clean Water Revolving Fund – Economic Recovery Funding Guidance
- B – Supplemental Application

**Washington State Clean Water Revolving Fund
Economic Recovery Funding Guidance
American Recovery and Reinvestment Act of 2009**

Based on the availability of funds for the state's Clean Water State Revolving Fund through the American Recovery and Reinvestment Act of 2009 (ARRA) Ecology is now accepting additional applications under a FY 2010 Supplemental Application Cycle.

Applications will be accepted at Ecology's Headquarters in Lacey through close of business 5:00 pm Friday March 13, 2009. (Applications must be in our hands by this date and time)

Based on EPA direction, Supplemental applications will be rated and ranked based on the same application and criteria used for the existing Fiscal Year 2010 Water Quality Combined Draft Offer and Applicant List and the Draft Revolving Fund Intended Use Plan published on January 15, 2009 (draft lists are available at <http://www.ecy.wa.gov/programs/wq/funding/2010/index.html>).

A combined list of ranked applications will be developed by integrating Supplemental applications with the current ranked list and a Revised Draft List will be published and submitted to EPA in order to receive the federal ARRA capitalization funds. There will be a two week public comment period beginning with the publication of the Revised Draft List documents.

This is a fast moving and evolving process and we are working hard to balance the conditions around these new federal funds with our existing rules and processes to ensure the best use of available dollars for important water quality projects.

Recovery Applicant and Project Eligibility:

Applicants must be a public body able to secure a loan.

- "Public body" means the state of Washington or any agency, county, city or town, conservation district, other political subdivision, municipal corporation, quasi-municipal corporation, and those Indian tribes now or hereafter recognized as such by the federal government.
- "Loan security" Loans shall be secured by a general obligation pledge or a revenue pledge of the recipient.

Projects must be eligible under the Clean Water Act Title VI, water pollution control facilities and associated activities. The ARRA funding is focused on projects ready to go to construction.

Recovery Funding Allocations:

Total funds expected for Washington State - approximately \$65 million split into three categories:

- 1) 50% (approximately \$32.5M) for subsidization to eligible applicants for water pollution control infrastructure construction projects.
 - a) Ecology proposes making these funds available to qualified financial hardship recipients using current hardship determination and funding guidance. Subsidy will be in the form of forgivable principal.
- 2) 30% (approximately \$19.5M) for traditional water pollution control infrastructure construction projects.
- 3) 20% (approximately \$13M) of funds appropriated to address “green infrastructure, water or energy efficiency improvements or other environmentally innovative activities.” See attached table for eligible project types.
 - a) Ecology proposes to provide incentive loans with 50% forgivable principal, based on eligible project cost.

Proposed Recovery Funding Ceiling Limits:

Not more than half (50%) of each category can go to any one applicant (using current funding program rule language).

- 1) Qualified Wastewater Facility Hardship Applicant – approximately \$16 million maximum in forgivable principal, unless demand is limited (may be combined with ARRA water pollution control facility category loan or regular Revolving Fund loan, not to exceed \$25 million)
- 2) Water pollution control facility construction loans – approximately \$10 million maximum (may be combined with ARRA hardship assistance forgivable principal, Centennial grant, or regular revolving fund loan, not to exceed \$25 million)
- 3) Qualified Green Infrastructure Applicant – approximately \$6.5 million maximum
 - a) Proposed maximum of \$3.25 million in forgivable principal

Project Eligibility Requirements and Necessary Approvals:

- All projects will be ready to proceed to construction within one year of enactment of the Recovery Act.
 - Priority given to projects ready to construct within 120 days from enactment
- Wastewater facility construction projects must:
 - Provide: The Ecology approval letter for the Facility Plan describing this project.
 - Provide: Documentation of complete Environmental Review (NEPA [w/ FONSI] or SERP [w/ state concurrence]). If ESA is the only outstanding element for

Attachment A

SERP concurrence, submit ESA documentation consistent with Ecology's interim procedure for 2010.

- Provide: The Ecology approval letter for Plans and Specifications for this project. **Special for the supplemental application, Plans and Specifications can be submitted for approval through April 17, 2009**
- Ecology has determined that applications for **Step 4: Design-Construction projects are eligible** if the total project cost is under \$5 million, Facility Planning and environmental review is complete at the time of application, and the **Plans and Specifications are complete and submitted to Ecology by September 17, 2009**. Projects that do not meet this requirement will be bypassed for funding and the next priority project ready to proceed will be offered the available funds.
- Green infrastructure project applicants must show that all necessary pre-construction steps are completed or underway including project design, SEPA and Executive Order 05-05 (Archeological and Cultural Review) or SERP, if applicable.
 - **“Green” Projects must be bid-ready by September 17, 2009**; Design and all environmental reviews must be complete by this date. Projects that do not meet this requirement will be bypassed for funding and the next priority project ready to proceed will be offered the available funds.

Other Recovery Act Funding Conditions:

- General goal - 50% of funds committed for projects that can be initiated within 120 days of enactment.
- Specific requirement – must be “under contract or construction within 12 months of the date of enactment” (by Feb. 16, 2010) or funds will be reallocated.
- Priority to projects ready to proceed to construction within 12 months of enactment.
- Wage rate requirements – Davis-Bacon.
- Buy American iron, steel, and manufactured goods.
- Refinance of eligible costs incurred and allowed only back to October 1, 2008.
- Quarterly reporting, including jobs created or retained
- All federal requirements for Title VI (State Revolving Fund) of Clean Water Act as amended are required for use of ARRA funding.

**Financial Hardship Funding Continuum for Wastewater Treatment
Facility Construction Projects.**

The Joint Explanatory Statement in Conference Report 111-16 further states that “the Conferees expect the States to target, as much as possible, the additional subsidized monies to communities that could not otherwise afford an SRF loan.”

Sewer User Fee divided by MHI	Below 2.0%	2.0% and above, but Below 3.0%	3.0% and above, but below 4.0%	4.0% and above
Hardship Designation	<i>Non-Hardship</i> (Low sewer user rates in relation to MHI) (Not subsidized)	<i>Moderate Hardship</i>	<i>Elevated Hardship</i>	<i>Severe Hardship</i> (Very high sewer user rates in relation to median household income(MHI))
Loan Rate Funding Continuum	Loan at 60% of market rate (2.9%)	Loan at 40% of market rate (1.9%)	Loan at 20% of market rate (1%)	Loan at 0% interest
Loan Subsidy Funding Continuum (Forgivable Principle)	0% Forgivable Principle	50% Forgivable Principle (not to exceed \$16M)	75% Forgivable Principle (not to exceed \$16M)	100% Forgivable Principle (not to exceed \$16M)

Additional Guidance on Green Infrastructure

The following is based on guidance provided by EPA through a March 2, 2009 memorandum. Ecology has also augmented this with some other specific eligible project examples.

Green Infrastructure - Practices that manage and treat stormwater and that maintain and restore natural hydrology by infiltrating, evapotranspiring and capturing and using stormwater.

- Green streets
- Water harvesting and reuse
- Porous pavement, bioretention, trees, green roofs, water gardens, constructed wetlands (Low Impact Development Technical Guidance Manual for Puget Sound¹ is a good reference http://www.psp.wa.gov/downloads/LID/LID_manual2005.pdf)
- Hydromodification for riparian buffers, floodplains, wetlands
- Downspout disconnection to remove stormwater from combined sewers and storm sewers
- On-site Septic Repair and Replacement local loan funds

Energy Efficiency – the use of improved technologies and practices to reduce the energy consumption of water quality projects

- Wastewater utility energy audit
- Retrofits and upgrades to pumps and treatment processes
- Leak detection equipment for treatment works
- Producing clean power for publicly owned wastewater treatment works
- wind, solar, hydroelectric, geothermal, biogas powered combined heat and power systems

Water Efficiency – the use of improved technologies and practices to deliver equal or better services with less water.

- Water Meters
- Fixture Retrofit
- Irrigation efficiency
- Gray Water Recycling
- Reclamation, recycling and reuse of rainwater, condensate, degraded water, stormwater and or wastewater streams
- Collection system leak detection equipment

Environmentally Innovative Projects - Demonstrate new/innovative approaches to managing water resources in a more sustainable way, including projects that achieve pollution prevention or pollutant removal with reduced costs and projects that foster adaptation of water protection programs and practices to climate change

- Wetland restoration
- Decentralized wastewater treatment solutions
- Water reuse
- Green stormwater infrastructure
- Water balance approaches
- Adaptation to climate change
- Integrated water resource management
- Direct Seed Program local loan funds (also has energy & water efficiency aspects)

Excerpt from American Recovery and Reinvestment Act of 2009

STATE AND TRIBAL ASSISTANCE GRANTS (INCLUDING TRANSFERS OF FUNDS)

For an additional amount for "State and Tribal Assistance Grants", \$6,400,000,000, which shall be allocated as follows:

(1) \$4,000,000,000 shall be for capitalization grants for the Clean Water State Revolving Funds under title VI of the Federal Water Pollution Control Act and \$2,000,000,000 shall be for capitalization grants under section 1452 of the Safe Drinking Water Act:

Provided, That the Administrator may retain up to 1 percent of the funds appropriated herein for management and oversight purposes:

Provided further, That funds appropriated herein shall not be subject to the matching or cost share requirements of sections 602(b)(2), 602(b)(3) or 202 of the Federal Water Pollution Control Act nor the matching requirements of section 1452(e) of the Safe Drinking Water Act:

Provided further, That the Administrator shall reallocate funds appropriated here in for the Clean and Drinking Water State Revolving Funds (Revolving Funds) where projects are not under contract or construction within 12 months of the date of enactment of this Act:

Provided further, That notwithstanding the priority rankings they would otherwise receive under each program, priority for funds appropriated herein shall be given to projects on a State priority list that are ready to proceed to construction within 12 months of the date of enactment of this Act:

Provided further, That notwithstanding the requirements of section 603(d)(13) of the Federal Water Pollution Control Act or section 1452(f) of the Safe Drinking Water Act, for the funds appropriated herein, each State shall use not less than 50 percent of the amount of its capitalization grants to provide additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans or grants or any combination of these:

Provided further, That, to the extent there are sufficient eligible project applications, not less than 20 percent of the funds appropriated herein for the Revolving Funds shall be for projects to address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities:

Provided further, That notwithstanding the limitation on amounts specified in section 518(c) of the Federal Water Pollution Control Act, up to 1.5 percent of the funds appropriated herein for the Clean Water State Revolving Funds may be reserved by the Administrator for tribal grants under section 518(c) of such Act:

Provided further, That up to 4 percent of the funds appropriated herein for tribal set-asides under the Revolving Funds may be transferred to the Indian Health Service to support management and oversight of tribal projects:

Provided further, That none of the funds appropriated herein shall be available for the purchase of land or easements as authorized by section 603(c) of the Federal Water Pollution Control Act or for activities authorized by section 1452(k) of the Safe Drinking Water Act:

Provided further, That notwithstanding section 603(d)(2) of the Federal Water Pollution Control Act and section 1452(f)(2) of the Safe Drinking Water Act, funds may be used to buy, refinance or restructure the debt obligations of eligible recipients only where such debt was incurred on or after October 1, 2008;

**Fiscal Year 2010 Supplemental
Financial Assistance Application Form
and Resource Guide**

for

**Washington State Water Pollution Control
Revolving Fund (Revolving Fund) Loan Program
and
Funds Designated for Economic Stimulus through the
American Recovery and Reinvestment Act of 2009**

**This FY 2010 Supplemental Financial Assistance Application Form can be
found at:**

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

If you need this document in an alternate format, please contact us at 360-407-6502. Persons with hearing loss can call 711 for Washington Relay Service. Persons with a speech disability can call 877-833-6341.

Attachment B

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FY 2010 Supplemental Water Quality Financial Assistance Application Resources

This section provides information about resources that may help you prepare a successful application, including a scoring guideline that outlines how evaluators will assign points. The application follows this resource section.

Ecology cannot guarantee website accuracy or continued maintenance. Ecology does not endorse non-Ecology websites.

Application materials:

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

Information on basin location of salmonid stocks (listed as threatened or endangered):

<http://www.nwr.noaa.gov>

Longitude and latitude of your project:

<http://apps.ecy.wa.gov/wqawa/viewer.htm>

Conversion from degrees, minutes, and seconds to decimal degrees:

<http://www.directionsmag.com/latlong.asp>

Information on problem areas, affected designated uses, or water quality programs addressed or implemented (*Washington's Water Quality Management Plan to Control Nonpoint Source Pollution, Volume 1*):

http://www.ecy.wa.gov/programs/wq/nonpoint/nps_plan.html

The Environmental Protection Agency's (EPA) Watershed Planning Handbook to locate the required nine key criteria for nonpoint planning and implementation projects (see Chapter 2, page 16):

http://www.epa.gov/owow/nps/watershed_handbook/

The Water Quality Assessment interactive map for 303(d)-listed waters:

<http://apps.ecy.wa.gov/wqawa/viewer.htm>

TMDL Lead contact information:

<http://www.ecy.wa.gov/programs/wq/tmdl/contacts.html>

Financial Hardship Evaluation Form (required for hardship determinations):

<http://www.ecy.wa.gov/programs/wq/funding/2010/FinancialHardshipForm-FY2010.pdf>

FY 2010 Supplemental Water Quality Financial Assistance Application Resources

Contacts for Questions

Internet:	Water Quality Program: http://www.ecy.wa.gov/programs/wq/wqhome.html Funding Information: http://www.ecy.wa.gov/programs/wq/funding/funding.html
Ecology, Water Quality Program Reception:	Headquarters – Lacey (360) 407- 6400 Central Regional Office (CRO) – Yakima (509) 575-2490* Eastern Regional Office (ERO) – Spokane (509) 329-3400* Northwest Regional Office (NWRO) – Bellevue (425) 649-7000* Southwest Regional Office (SWRO) – Lacey (360) 407-6300* <i>(*Number is the spill /environmental emergency line after hours)</i>
General Information: Facility Projects: Activity Projects:	Jeff Nejedly (360) 407-6566, e-mail jnej461@ecy.wa.gov Brian Howard (360) 407-6510, e-mail brho461@ecy.wa.gov Alice Rubin (360) 407-6429, e-mail arub461@ecy.wa.gov
Application Packets:	Section Secretary (360) 407-6502
U.S. Mail Address: <i>(Not to be used for UPS or other package delivery services)</i>	Department of Ecology, Water Quality Program Financial Management Section, P.O. Box 47600 Olympia, WA 98504-7600
Street Address: <i>(Physical location/ package delivery – not to be used for U.S. Mail)</i>	Department of Ecology, Water Quality Program Financial Management Section, 300 Desmond Drive, Lacey, WA 98503

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FY 2010 Supplemental Water Quality Financial Assistance Application Resources

ECOLOGY EVALUATOR SCORING GUIDELINES (for use with Part 2)

DO NOT FILL IN

Ecology's project evaluators will use the following criteria to score project proposals. The questions in the scoring guidelines are taken from Part 2 of the application. Each question is followed by a table outlining scoring criteria that should help guide the applicant in developing answers to the questions.

Executive Summary – In 250 words or less, describe the project and its water quality benefits.

1. Scope of Work (Up to 250 pts.)

Points are awarded for a clear, complete, and well thought-out scope that directly addresses a water quality problem. The scope demonstrates an understanding of the work required to implement and complete the project. Resourceful approaches or solutions are encouraged.

- Provide a detailed scope of work to achieve the water quality benefits of the project that includes clearly defined tasks, deliverables, and cost per task.
- Describe the project area and provide supporting map(s) and any relevant diagrams and pictures.

1.	Scope of Work	Total 250 Points
	Complete and concise description of the project tasks and outcomes. Clear detailed description of deliverables, timelines, and purpose.	Up to 100 pts.
	Project directly and measurably addresses a water quality problem.	Up to 150 pts.

2. Proposed Budget (Up to 150 pts.)

Budget: Points are awarded for a complete, reasonable budget that is consistent with the tasks described in the scope of work.

- Provide a clearly defined Task- and Object-oriented budget (as applicable).

Cost Estimate Process: Points are awarded to cost effective projects with accurate cost estimates. For example, an applicant may determine cost effectiveness and estimate accuracy based on experience with past or on-going projects, through consultation with other entities that have related experience, or through a planning process such as value analysis.

- Describe how costs were estimated. Include the steps taken to ensure accuracy, such as experience with past or ongoing projects, or through consultation with other entities that have related experience.
- Describe the process used to control cost and ensure that this is a cost-effective project (e.g., value engineering for facilities projects or cost analysis for activities projects).

FY 2010 Supplemental Water Quality Financial Assistance Application Resources

2.	Proposed Budget	Total 150 Points
	Complete project budget is consistent with the scope of work.	Up to 20 pts
	The cost estimate process is reasonable.	Up to 30 pts
	The project budget represents a good value for the work and water quality benefit achieved.	Up to 100 pts

3. Water Quality and Public Health Improvements (Up to 250 pts.)

Points are awarded for improvements and protection of water quality and public health. Substantial environmental improvements receive the most points. Measurable improvements receive more points than unclear or vague benefits. The actual benefit, total impact (area impacted, number of people affected), level of implementation, and the severity of the problem will be considered. Only changes that can be achieved by the proposed scope of work will be considered.

- Define the water quality and public health problems the project will address.
- Describe the expected project results, including how the project will help achieve water quality and public health improvements and protection. Describe how much of the problem will be addressed by the project.
- Describe how success of the project will be measured and documented.
- Describe how the water quality and public health improvements will be sustained for the long-term.

3.	Water Quality and Public Health Improvements	Total 250 Points
	How severe is the water quality problem and how well is it defined.	Up to 50 pts
	Project will achieve substantial water quality benefits.	Up to 100 pts
	Project success can be measured, and proposed methods to measure success are reasonable.	Up to 50 pts
	The project provides long-term sustainability of water quality benefits (e.g., operation and maintenance of the system, long-term on-site septic program follow-up, and watershed management).	Up to 50 pts

4. State and Federal Requirements (Up to 100 pts.)

Points are awarded for projects that address state and federal requirements (e.g. Total Maximum Daily Load (TMDL), permit requirements, watershed plans, etc.). How well the project addresses TMDL objectives will be considered. Straight to implementation proposals will be awarded points based on the link between the activity proposed and the ability to meet water quality standards.

- Describe how this project is specifically required by a state or federal agency. Provide reference or documentation including permit conditions, department orders, court orders, or other department correspondence.

FY 2010 Supplemental Water Quality Financial Assistance Application Resources

- Explain how this project addresses specific actions in an Ecology-authored Water Quality Improvement Report or Water Quality Implementation Plan. Provide the document publication number and the last date of contact with the respective Ecology TMDL lead.
- Explain how this project addresses specific actions in a program or a plan, other than a TMDL, that is designed to meet water quality standards.

4.	State and Federal Requirements	Total 100 Points
	<p>How well does this facilities project address a current permit requirement or other legal requirement?</p> <p style="text-align: center;">Or</p> <p>How well does this activities implementation project address required actions of a Water Quality Improvement Report, other current approved plan, or a program specifically designed to address water quality problems?</p>	Up to 100 pts

5. Project Team (Up to 50 pts.)

Points are awarded based on skills, qualifications, and experience of the established or potential project team members.

- Describe roles and responsibilities of each team member. Include the estimated amount of time each team member will devote to the project. (e.g., what percentage of each team member’s work week will be devoted to this project?)
- Describe the relevant skills and qualifications of each team member (do not submit resumes).

5.	Project Team	Total 50 Points
	Team members’ roles and responsibilities are well defined and an estimated percentage of time each team member will devote to this project is adequate for the scope of work.	Up to 30 pts
	Team members’ past experience is relevant.	Up to 20 pts

6. Project Development and Local Support (Up to 100 pts.)

Points are awarded based on project development efforts and commitments from project partners. Provide documentation as appropriate.

- Describe the decision making process used to select this project.
- Describe how you have involved and fostered local, regional, and statewide partnerships for the success of the project.
- Describe how you will sustain long-term water quality efforts.
- For cities, towns and counties, indicate whether you are designated an "evergreen community" per RCW 35.105.030.

FY 2010 Supplemental Water Quality Financial Assistance Application Resources

6.	Project Development and Local Support	Total 100 Points
	A comprehensive decision making process was used to arrive at the proposed project.	Up to 50 pts
	The level of local support and commitments for the project is documented (e.g., on-going strategic review of sewer user rates, on-going watershed planning, interlocal cooperation, and ordinance development).	Up to 50 pts

7. Readiness to Proceed (Up to 50 pts.)

Points are awarded based on how soon a project can begin.

- Describe the steps you have taken to proceed immediately with the project.
- Provide detailed information and documentation on project elements such as completed designs, permits, inter-local agreements, landowner agreements, easements, other secured funding, staff, Quality Assurance Project Plans, and other agency approvals.

7.	Readiness to Proceed	Total 50 Points
	Project elements are in place for the project to proceed and documentation is provided.	Up to 50 pts

8. Ratepayer Impact (50 pts.)

Points are awarded to projects that potentially place financial hardship on sewer ratepayers without the requested financial assistance. Applicants claiming financial hardship must fill out the financial hardship evaluation form and submit it with the application. Points will be assigned based on the outcome of the hardship calculations done at Ecology Headquarters as guided through rule.

8.	Ratepayer Impact	Total 50 Points
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Note: Ties of overall total points in the evaluation of the project are broken using the score to Question 3 - Water Quality and Public Health Improvements. For example in a tie between two projects, the project that scores higher in Question 3 is placed above the other on the priority list. The score from Question 7 - Readiness to Proceed, is used if the tie cannot be broken using Question 3.

END OF APPLICATION RESOURCES

Part 1

FY 2010 Supplemental Water Quality Financial Assistance Application



Fiscal Year 2010 Supplemental Financial Assistance Application
Centennial Clean Water Program (Centennial)
Federal Clean Water Act Section 319
Nonpoint Source Fund (Section 319)
Washington State Water Pollution Control
Revolving Fund (Revolving Fund)

ECOLOGY USE

Application no. _____

1. PROJECT TITLE:

2. APPLICANT NAME: <i>(Public body or private not-for-profit per IRS 501 (C) (3))</i>	3. FEDERAL ID NO:
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4. APPLICANT SIGNATORY: *(The person whose name is listed here must sign Box 13 of this application)*

Name: _____

Title: _____	Telephone Number: _____
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Address: _____

5. APPLICANT STAFF CONTACT:

Name: _____

Title: _____	Telephone Number: _____	E-Mail Address: _____
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Address: _____

6. PROJECT INFORMATION:

What is the population in the PROJECT area? _____

Is the PROJECT located in a basin with salmonid stocks listed as threatened or endangered in accordance with the Endangered Species Act? Yes No

Is the PROJECT statewide? Yes No

If NO, list below the county(ies), Water Resource Inventory Area designation(s), Legislative district(s), and Congressional district(s) where at least five percent of the PROJECT will be accomplished.

Please Note: You must select a primary location and then provide additional location information as applicable. All separate designations (County, Legislative District, Congressional District, and WRIA) must equal 100 percent (list from greatest to least percentage, and please break any ties by at least one percentage point). Limit your separate Legislative Districts and Congressional Districts to those that cover greater than five percent of the project area.

County(ies) for the Project:	
Name	Percent
Primary	

WRIA(s) for the project:	
Water Resource Inventory Area	Percent
Primary	

HUC Code for the Project: http://water.usgs.gov/wsc/map_index.html	
Hydrologic Unit Code	Percent
Primary	

Part 1

FY 2010 Supplemental Water Quality Financial Assistance Application

Total	100	Total	100	Total	100
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Congressional District(s) for the Project:		Legislative District(s) for the Project:		Stream Reach Code (14-digit number depicting the water body for the project): http://nhd.usgs.gov/index.html	
Number	Percent	Name	Percent	Segment and Reach (NHD)	Percent
Primary		Primary		Primary	
Total	100	Total	100	Total	100

Provide GPS coordinates representative of your project location and the water body affected. The project location is the approximate center of where you will be working. The water body location should be located in the water body affected by the project, or the project location for ground water projects. Facilities projects should report the outfall location or center of the land application site.

Location	Latitude/Longitude	Primary Site	Secondary Site	Tertiary Site
Project Location	Latitude: (e.g., 45.3530)			
	Longitude: (e.g., -120.4510)			

7. PROJECT DURATION:

Estimated Start Date:

Project Length: months

Anticipated Project Completion Date:

For Water Pollution Control Facility Construction projects, indicate the anticipated Initiation of Operation Date:

Note: *Projects must be completed within five years of issuance of the Final Offer and Applicant List date.*

8. WATER BODY AND NEEDS ADDRESSED BY PROJECT:

For all projects:

Is the affected water body listed on the Clean Water Act Section 303(d) List as impaired? Yes No

If yes, what is the 303(d)-Listing parameter(s) and associated identification number(s)?

Check all type(s) of water bodies that the proposal targets:

- | | |
|--|--|
| <input type="checkbox"/> Freshwater rivers | <input type="checkbox"/> Direct marine water |
| <input type="checkbox"/> Freshwater lakes | <input type="checkbox"/> Saltwater estuary |
| <input type="checkbox"/> Freshwater wetlands | <input type="checkbox"/> Other (specify) |
| <input type="checkbox"/> Ground water | |

Check all that this project will address:

- Endangered salmonids
- Threatened salmonids
- Other Endangered Species Act protected species (identify)
- Protection of shellfish habitat

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- Protection of domestic water supply
- TMDL requirements
- NPDES requirements
- Other (specify)

9. FOR WATER POLLUTION CONTROL ACTIVITY PROJECTS ONLY:

NOTE: All funded Ecology water quality activity projects must meet the objectives of the *Washington's Water Quality Management Plan to Control Nonpoint Sources of Pollution (Vol. 3)* (<http://www.ecy.wa.gov/pubs/0510027.pdf>).

Type of Activity Project

Check all that this project would include:

- Agricultural best management practices
- Stormwater best management practices
- Other best management practices (specify):
- Water quality monitoring
- Riparian restoration
- Large woody debris placement
- Bank stabilization
- Public education and outreach
- On-site septic system planning/surveys
- Groundwater protection and/or planning
- PILOT/demonstration project
- Comprehensive planning (such as watershed management plans or stormwater management plans)
- Other (specify): _____

Watershed Plan Criteria

NOTE: Review the information on EPA's 9 Key Elements for non-point source projects. Please refer to EPA's Watershed Planning Handbook to evaluate if the plan being implemented meets these criteria.

Is this activity project primarily planning or implementation?

- Planning Yes No
 Implementation Yes No

If applying for an implementation project, please fill out the table below.

Implementation Action	Reference the plan that describes this action, including page numbers and where a copy of the plan can be obtained for review.

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Will the proposed project directly result in a load reduction of Nitrogen, Phosphorus, and/or Sediment? Yes
 No

Check applicable boxes below.

NOTE: The recipient of financial assistance will be responsible for reporting the annual load reduction results.

- Dissolved oxygen
- Nitrogen
- Phosphorus
- Sediment
- Fecal coliform
- Temperature
- Others (specify):

10. FOR WATER POLLUTION CONTROL FACILITY PROJECTS ONLY:

GROWTH MANAGEMENT ACT (GMA) COMPLIANCE:

Are you GMA compliant? Yes No

If not, when do you expect to be in compliance?

Do you expect to be in compliance for the duration of the project? Yes No

Type of Facility Project

Check all that this project involves:

- Wastewater treatment systems needs
- Water reclamation and reuse
- Stormwater pollutant control needs
- On-site septic system repair/replacement program
- Combined sewer overflow correction
- Other (specify):

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For wastewater and stormwater treatment facilities projects, check only **one** of the six boxes below that represents the present proposal, and complete **all** prerequisite planning dates and include attachments noted.

Proposal to obtain financial assistance for:	Prerequisite:
<input type="checkbox"/> Combined comprehensive, general sewer, or stormwater plan with a facilities plan (Not eligible for supplemental application)	Not applicable
<input type="checkbox"/> Site specific facility planning (Step 1) (Not eligible for supplemental application)	Not applicable
<input type="checkbox"/> Design (Step 2) (Not eligible for supplemental application)	Not applicable
<input type="checkbox"/> Construction (Step 3)	Provide: The Ecology approval letter for the Facility Plan describing this project. Provide: Documentation of complete Environmental Review. NEPA (w/ FONSI) or SERP (w/ state concurrence). If ESA is the only outstanding element for SERP concurrence, submit ESA documentation consistent with Ecology's interim procedure for 2010. Provide: The Ecology approval letter for Plans and Specifications for this project. Special for the supplemental application, Plans and Specifications can be submitted for approval through April 17, 2009
<input type="checkbox"/> Design and construction (Step 4) (Not eligible for supplemental application)	Not applicable
<input type="checkbox"/> Design-Build and Design-Build-Operate (Not eligible for supplemental application)	Not applicable

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Do you have an Ecology permit for this project? Yes No Provide permit number:
If no, what is the permit status?

For wastewater facilities, provide information on the effluent limits: BOD: mg/l TSS: mg/l

For wastewater facilities, provide the following information:

Number of system-wide users:

System design capacity (MGD):

Number of effluent permit violations over the last twelve months:

Maximum monthly flow over the last twelve months (MGD):

Biological Oxygen Demand (BOD) (mg/l):

Effluent discharge of Total Suspended Solids (TSS) (mg/l):

Effluent discharge of Ammonia (mg/l):

Effluent discharge of Total Nitrogen (mg/l):

Effluent discharge of Phosphorus (mg/l):

Effluent discharge of Fecal Coliform (CFU/100 ml):

HARDSHIP

For domestic wastewater construction projects:

Is financial hardship assistance requested? Yes No

If yes, a Financial Hardship Analysis Form must be included with this application. The hardship form is found at:
<http://www.ecy.wa.gov/programs/wq/funding/2010/FinancialHardshipForm-FY2010.pdf>

For stormwater projects:

Is financial hardship assistance requested? Yes No

For hardship criteria on stormwater projects refer to Ecology's funding website at:
<http://www.ecy.wa.gov/programs/wq/funding/2010/index.html>

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11. FUNDING REQUEST: <i>(Identify the amount of funding requested to complete your project.)</i>	
Check for consistency with costs provided in Part 2, Question 2.	Project Amount & Terms:
<i>Total Project Cost</i> This amount represents the full cost of the project.	\$ _____
<i>Eligible Project Cost</i> This amount represents that portion of the project cost that is eligible for Ecology grant or loan assistance.	\$ _____
<i>Ecology Loan Request (Activity or Facility Projects)</i> This represents the amount Ecology will loan, up to 100 percent of the eligible project cost. Refer to Ecology's Web page for loan term and interest rates.	\$ _____ Term: _____ years
<i>If applicable, check all types of Green Infrastructure involved in this project:</i> <input type="checkbox"/> Green Infrastructure <input type="checkbox"/> Energy Efficient Improvements <input type="checkbox"/> Water Efficiency Improvements <input type="checkbox"/> Environmentally Innovative Activities	Dollar amount of Loan Request dedicated to one or more types of Green Infrastructure implementation: \$ _____
<i>Other Funds in Project</i> Identify anticipated source(s) of federal and other funds: Federal agency _____ Other agency _____ Other agency _____	Amount requested (or to be requested) from these agencies: \$ _____ \$ _____ \$ _____

If you are requesting financial hardship consideration, you must submit the financial hardship analysis form ([Hardship Form](#)) with this application. Ecology will determine your hardship eligibility and identify a project funding package that may include reduced interest rate and possibly additional subsidy in the form of forgivable principal or grant.

12. BRIEF PROJECT DESCRIPTION (to appear in the funding list): <i>(50 words or less)</i>

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13. APPLICATION CERTIFICATION:

I CERTIFY TO THE BEST OF MY KNOWLEDGE THAT THE INFORMATION IN THIS APPLICATION IS TRUE AND CORRECT AND THAT I AM THE LEGALLY AUTHORIZED SIGNATORY OR DESIGNEE FOR THE SUBMITTAL OF THIS INFORMATION ON BEHALF OF THE APPLICANT.

Printed Name	Signature
Title	Date

14. APPLICATION SUBMITTAL INFORMATION:

Application Due Date: March 13, 2009

Department of Ecology (Lacey headquarters office) must receive the following by 5:00pm on the Due Date:

- **One original signed application**
- **Two copies of the signed original**
- **One electronic version of the application on CD ROM (in MS WORD format)**

U.S. Postal Mailing Address:

Overnight Mail or Hand Delivery Address:

Department of Ecology
 Water Quality Program
 Financial Management Section
 P.O. Box 47600
 Olympia, WA 98504-7600

Department of Ecology
 Water Quality Program
 Financial Management Section
 300 Desmond Drive
 Lacey, WA 98503

(This concludes Part 1)

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An applicant resource guide is located at the beginning of this form.

EXECUTIVE SUMMARY (0 points)

Summarize the overall water quality problem and how it will be solved or addressed by the project.
(Limit your answer to 250 words or less.)

1. SCOPE OF WORK (up to 250 points)

Points are awarded for a clear, complete, and well thought-out scope that directly addresses a water quality problem. The scope demonstrates an understanding of the work required to implement and complete the project. Resourceful approaches or solutions are encouraged.

- Provide a detailed scope of work to achieve the water quality benefits of the project that includes clearly defined tasks, deliverables, and costs per task.
- Describe the project area and provide a supporting map(s) and any relevant diagrams and pictures.

Task 1 is standard for all grant and loan projects. Follow the format provided below for the additional tasks in your scope of work:

Task 1- Project Administration/Management:

- A. The RECIPIENT will administer and manage the project. Responsibilities will include, but not be limited to: maintenance of project records; submittal of payment vouchers, fiscal forms, and progress reports; compliance with applicable procurement and interlocal agreement requirements; attainment of all required permits, licenses, easements, or property rights necessary for the project; conducting, coordinating, and scheduling of all project activities; quality control; and submittal of required performance items.
- B. The RECIPIENT will ensure that every effort is made to maintain effective communication with the RECIPIENT's designees, the DEPARTMENT, all affected local, state, or federal jurisdictions, and any interested individuals or groups. The RECIPIENT will carry out this project in accordance with completion dates outlined in this Agreement.
- C. The RECIPIENT shall submit all invoice requests and supportive documentation to the Financial

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Manager of the DEPARTMENT.

Required Performance:

1. Effective administration and management of this grant project.
2. Maintenance of all project records.
3. Submittal of all required performance items, including the Post Project Assessment Plan, progress reports, financial vouchers, and maintenance of all project records.

Total Task Cost \$

Task 2:

Task 3:

Task 4:

Task 5:

Task 6:

Task 7:

2. PROPOSED BUDGET (up to 150 points)

Budget: Points are awarded for a complete, reasonable budget that is consistent with the tasks described in the scope of work. Budget examples can be found in Appendix A of *Administrative Requirements for Recipients of Ecology Grants and Loans* “Yellow Book,” found at:

<http://www.ecy.wa.gov/programs/wq/funding/2010/index.html>

- Provide a clearly defined Task and Object Budget (as applicable).

TOTAL Eligible Costs by Task Elements

Proposed Project Budget and Time Frame			
Task elements	Total Project Cost	Total Eligible Cost	Months needed to complete
1. Project administration/management	\$	\$	
2.	\$	\$	
3.	\$	\$	

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4.	\$	\$	
5.	\$	\$	
6.	\$	\$	
7.	\$	\$	
8.	\$	\$	
9.	\$	\$	
10. <i>(Include additional tasks as needed)</i>	\$	\$	
Total costs and months needed to complete:	\$	\$	

TOTAL Eligible Cost by Budget Object

Salaries:	\$ _____	
Benefits:	\$ _____	
Indirect costs:	\$ _____	(May include up to 25 percent of employee salaries and benefits)
Contracts:	\$ _____	
Materials, goods, and services (list major item):	\$ _____	
Equipment (list major items):	\$ _____	
	\$ _____	
	\$ _____	
Travel:	\$ _____	
Other (please outline):	\$ _____	
	\$ _____	
Total Eligible Cost:	\$ _____	

Match Source

List other funding sources and amounts, including local matching funds, volunteer in-kind, or interlocal contributions (25 percent = 0.25 multiplied by the total eligible project cost):

- | | |
|-----------------|----|
| Funding Source: | \$ |
| Funding Source: | \$ |
| Funding Source: | \$ |
| Funding Source: | \$ |
| Funding Source: | \$ |
| Funding Source: | \$ |

Describe the status of matching funds:

Cost Estimate Process: Points are awarded to cost-effective projects with accurate cost estimates. For example, an applicant may determine cost effectiveness and estimate accuracy based on experience with past or ongoing projects, through consultation with other entities that have related experience, or through a planning process such as value analysis.

- Describe how costs were estimated. Include the steps taken to ensure accuracy.
- Describe the process used to control cost and ensure that this is a cost-effective project (e.g., value engineering for facilities projects or cost analysis for activities projects).

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3. WATER QUALITY AND PUBLIC HEALTH IMPROVEMENTS (up to 250 points)

Points are awarded for improvements and protection of water quality and public health. Substantial environmental improvements receive the most points. Measurable improvements receive more points than unclear or vague benefits. The actual benefit, the total impact (area impacted, number of people affected), level of implementation, and the severity of the problem will be considered. Only changes that can be achieved by the proposed scope of work will be considered.

- Define the water quality and/or public health problems the project will address.
- Describe the expected project results, including how the project will help achieve water quality and/or public health improvements and protection.
- Describe how much of the water quality problem will be addressed by the project.
- Describe how success of the project will be measured and documented.
- Describe how the water quality and/or public health improvements will be sustained for the long term.

4. STATE AND FEDERAL REQUIREMENTS (up to 100 points)

Points are awarded for projects that address state and federal requirements (e.g. Total Maximum Daily Load (TMDL), permit requirements, watershed plans, etc.). How will the project TMDL objectives will be considered.

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Straight to implementation proposals will be awarded points based on the link between the activity proposed and the ability to meet water quality standards.

- Describe how this project is specifically required by a state or federal agency. Provide reference or documentation including permit conditions, department orders, court orders, or other department correspondence.
- Explain how this project addresses specific actions in an Ecology-authored Water Quality Improvement Report or Water Quality Implementation Plan. Provide the document publication number and the last date of contact with the respective Ecology TMDL lead.
- Explain how this project addresses specific actions in a program or a plan, other than a TMDL, that is designed to meet water quality standards.

5. PROJECT TEAM (up to 50 points)

Points are awarded based on skills, qualifications, and experience of the established or potential project team members.

- Describe roles and responsibilities of each team member. Include the estimated amount of time each team member will devote to the project. (e.g. What percent of each team member's work week will be devoted to this project?)
- Describe the relevant skills and qualifications of each team member (*do not submit resumes*).

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FY 2010 Water Quality Financial Assistance Application

6. PROJECT DEVELOPMENT AND LOCAL SUPPORT (up to 100 points)

Points are awarded based on project development efforts and commitments from project partners. Provide documentation as appropriate.

- Describe the decision making process used to select this project.
- Describe any local, regional, or statewide partnerships that will substantially contribute to the success of the project.
- Describe the long term sustainability of this project's water quality improvement.
- For cities, towns and counties, indicate whether you are designated an "evergreen community" per RCW 35.105.030.

7. READINESS TO PROCEED (up to 50 points)

Points are awarded based on how soon a project can begin.

- Describe the steps you have taken to proceed immediately with the project.
- Provide detailed information and documentation on project elements such as completed designs, permits, GMA compliance, interlocal agreements, landowner agreements, easements, other secured funding, staff, or agency approvals.

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8. RATEPAYER IMPACT (50 points)

Points are awarded for wastewater treatment facilities construction projects that place financial hardship on sewer ratepayers. Applicants claiming financial hardship must fill out the financial hardship evaluation form and submit it with the application. Points will be assigned based on the outcome of the hardship calculations done at Ecology Headquarters as guided through rule.

Are you claiming financial hardship? Yes No

If yes, provide a financial hardship evaluation form at:

<http://www.ecy.wa.gov/programs/wq/funding/2010/index.html> .

(Thank you! This concludes Part 2)

Did you remember to:

- Number the pages?
- Verify that the budget in Part 2, Question 2 is consistent with Part 1, Question 11?
- Include maps, diagrams, and/or pictures?
- Include applicable letter(s)?
- Include citations?
- Include applicable forms, such as hardship analysis?
- Send a signed original to Department of Ecology by 5:00pm, October 31, 2008 (consider using "Return Receipt Requested")?