

Remedial Action Grants Rule Proposal Hearing May 29, 2014

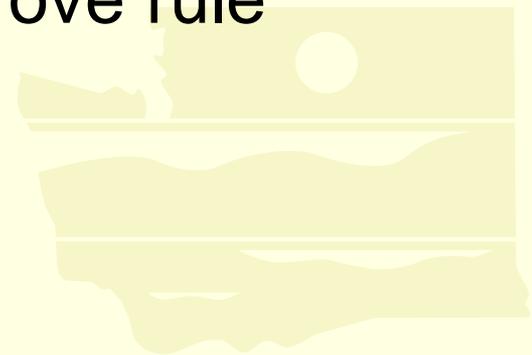


Presentation

Purpose of Rule Making
Overview of Rule Proposal
Submit Your Comments
Stay Informed

Purpose of the Rule Making

- Implement changes to the Model Toxics Control Act affecting the remedial action grant program.
- Make other changes to encourage and expedite the cleanup and reuse of contaminated sites by local governments.
- Streamline requirements and improve rule clarity and consistency.



General Themes

- Make the decision-making process clear and transparent.
- Balance the preference for certainty with the need for flexibility (e.g., rule vs. guidelines).
- Incentivize the cleanup and redevelopment of contaminated sites.
- Maximize the use of state funds to leverage cleanups.
- Leverage other sources of funding for cleanup and redevelopment.

Funding Cycle

- Annually, solicit project proposals to:
 - Update the biennial ten-year financing plan.
 - Determine project eligibility and priority.
 - Develop legislative budget requests.
- Allocate appropriated funds to eligible projects based on funding priority.
- Develop grant agreements for funded projects based on completed applications.

Funding Priority – Hierarchy

1. Oversight remedial action grants and loans under an existing extended grant agreement.
2. Site assessment grants and other grants and loans for previously funded projects, provided that substantial progress has been made.
3. Grants and loans for new projects.



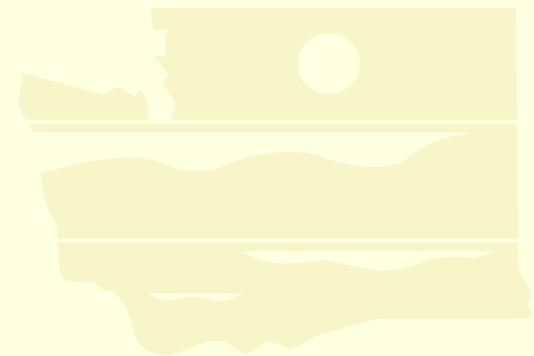
Funding Priority – Factors*

- The threat posed by the site.
- The land reuse potential of the site.
- Whether site is in a “highly impacted community.”
- The applicant’s readiness to proceed and performance under prior grant agreements.
- The ability of the grant to expedite cleanup of the site.
- The ability of the grant to leverage other public or private funding for cleanup and reuse of the site.
- The distribution of grants throughout the state.

* The list of priority-setting factors is different for Site Assessment Grants and Safe Drinking Water Action Grants.

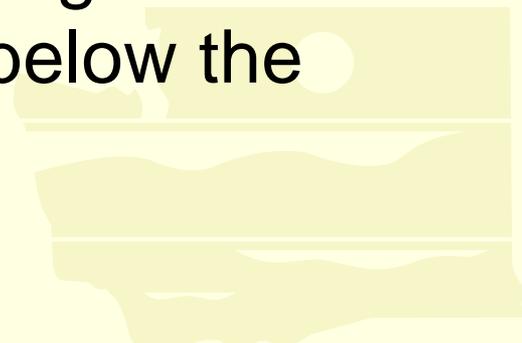
Cash Management & Performance

- Ecology will not award more funds each biennium than necessary to complete the agreed-upon scope of work for that biennium.
- Ecology will consider progress made in prior biennia when prioritizing future funding.



Economic Disadvantage

- **Relevance:** For oversight and independent remedial action grants, Ecology may fund up to 75% of eligible project costs if the applicant is “economically disadvantaged.”
- **Definition:** Under the rule proposal, a county or city is “economically disadvantaged” if its per capita income is equal to or below the respective median.



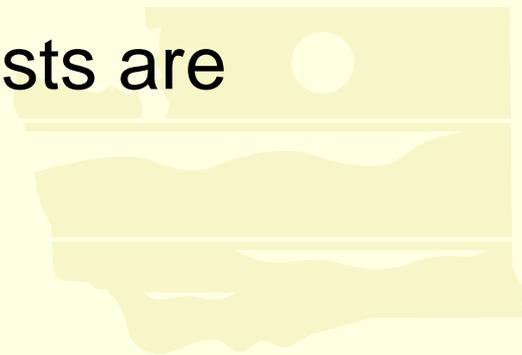
Contribution and Insurance Claims

- The current rule already allows proceeds from insurance claims to be used as match.
- The proposed rule also allows proceeds from contribution claims to be used as match.
- Use of proceeds is subject to:
 - Notice of action
 - Notice of resolution
 - Repayment of grant funds



Site Assessment Grants

- Specify that grant may be used to perform initial investigations, not just site hazard assessments.
- Allow sites to be located in other jurisdictions.
- Modify the list of priority-setting criteria.
- Modify or clarify which project costs are eligible for funding.



Integrated Planning Grants

- Add grant to the rule.
- Modify project eligibility requirements.
- Specify what types of activities are eligible for funding, as identified in the legislation.
- Increase the limit on eligible costs for projects involving studies of multiple sites from \$200,000 to \$300,000.



Oversight Remedial Action Grants

- Modify project eligibility requirements.
- Modify or clarify which project costs are eligible for funding, including retroactive costs.
- Provide extended grant agreements for multi-biennia projects exceeding \$20 million.
 - Initial agreements may not exceed 10 years, but may be extended if substantial progress is made.
 - Funding limited to 50% of eligible project costs.
 - Highest funding priority.

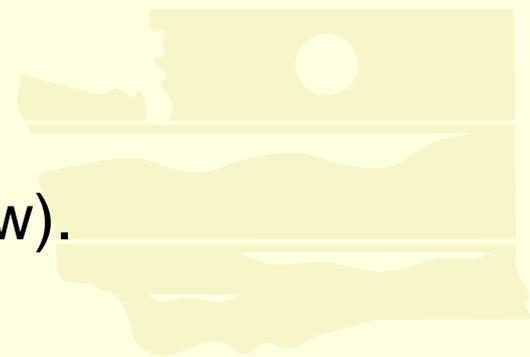
Oversight Remedial Action Loans

- Eliminate some eligibility requirements and simplify others to expand availability of loans.
- For standard loans, establish terms and conditions for:
 - Repayment periods and interest rates.
 - Interest accrual.



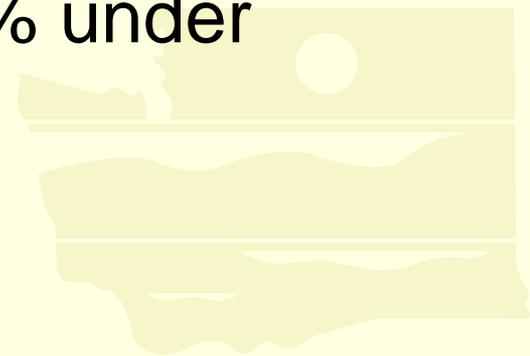
Independent Remedial Action Grants

- Provide two reimbursement options:
 - After completion of cleanup, subject to approval under VCP (existing).
 - Periodically during cleanup, subject to approval of work plans under VCP. 20% of each payment may be withheld until cleanup completed (new).
- Provide grants for both:
 - Site cleanups (existing).
 - Property cleanups within a site (new).



Independent Remedial Action Grants

- Modify or clarify which project costs are eligible for funding.
- Increase the limit on eligible project costs from \$400,000 to \$600,000.
- Allow the Director to increase Ecology's share of eligible project costs up to 90% under certain conditions.



Area-wide Groundwater Investigation Grants

- Limit the grant to investigations.
- Modify project eligibility requirements.
- Modify or clarify which project costs are eligible for funding.
- Limit eligible project costs to \$500,000.



Safe Drinking Water Action Grants

- Clarify project eligibility requirements.
- Modify the list of priority-setting criteria.
- Modify or clarify which project costs are eligible for funding.
- Increase Ecology's share of eligible project costs from 50% to 90%.



Meth Lab Site Assessment and Cleanup Grants

- Eliminate as separate type of grant:
 - In 2013, the Legislature eliminated specific funding for and prioritization of such actions under the Remedial Action Grant Program.
 - The number of such sites has decreased significantly.
- Address like any other site:
 - Provide Site Assessment Grants to conduct initial investigations and site hazard assessments.
 - Provide Independent Remedial Action Grants to clean up publically-owned sites.

Derelict Vessel Remedial Action Grants

- Eliminate as separate type of grant:
 - In 2013, the Legislature eliminated specific funding for and prioritization of such actions under the Remedial Action Grant Program.
 - DNR has a more expansive grant program that funds both disposal of hazardous substances and vessels.
- If needed, address like any other site:
 - Provide Site Assessment Grants to conduct initial investigations and site hazard assessments.
 - Provide Independent or Oversight Remedial Action Grants to clean up publically-owned sites.

Submit Your Comments by June 6

- **Testify** or **submit** comments at this hearing
- **Email** comments to: RAGrule@ecy.wa.gov
- **Fax** comments to: 360-407-7154
- **Mail** comments to: Adrienne Dorrah
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Olympia, WA 98504-7600

Stay Informed

- Visit our Web Page:

<http://www.ecy.wa.gov/programs/tcp/regs/wac173322/1309.html>

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- Contact the Rule Coordinator:

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