

# Department of Ecology – Water Quality Financial Assistance Council Meeting

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**May 15, 2013**

*In Attendance: Nancy Aldrich, Mindy Ballinger, Stephen Bernath, Pat Brommer, David Dunn, Chris Gagnon, Don Gatchalian, James Kelly, Tom Lienesch, Shelly McMurry, Jeff Nejedly, Lynn Schneider, Daniel Thompson, Ed Thorpe, Melanie Tyler, Kim Wagar*

## **Welcome and Introductions, [Jeff Nejedly](#)/[Shelly McMurry](#)**

### **FMS Staff Update, [Jeff Nejedly](#)**

- Pat Brommer is the new Unit Supervisor
- EP4 Stormwater Coordinator position, interviews held, making final decision
- Two ES3 positions were posted, next step will be interviews

### **Budget Update, [Kim Wagar](#)**

- Reviewed SRF Loan proposed budget levels under each budget. Discussed Senates proposed level includes an additional \$69 million for possible acceleration for a total of \$250 million compared to Governor and House proposal of \$181 million.
- Discussed Centennial Grant proposed levels under each budget. All three budgets are at the \$50 million level.
- Discussed Stormwater Grant budget proposals in the House and Senate. Senate budget proposes \$75 million and House budget proposes \$100 million. Senate budget has many proviso projects.
- Please see Meeting Materials entitled “WQ Capital 3-Way Gov-Senate-House Comp 5-13-2013” to see how the three budget’s compare.

### **Legislative Update, [Jeff Nejedly](#)**

#### **Admin Charge Bill - <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=1141&year=2013>**

- Passed
- Signed May 1, 2013
- Ecology administration costs are around \$1.5M/year. 4 percent of the Federal cap grant was \$950,000.
- Estimated to be four to five years to be fully self sustaining. Until then, the gap is coming from the state toxics account.

- Next Steps:
  - Get rule development plan together
  - Formal announcement (CR 101)
  - Send out draft language
  - Done by the end of the year
- Very simple rule amendment. May 3<sup>rd</sup> Ecology Senior Management Team approved the rule development plan.
- FAC will serve as the rule advisory committee. Daniel will be forwarding FAC the draft announcement for review.
- It will be further discussed during the August agenda.
- The plan is to be done by the end of the year.
- Any loans that go into repayment after the year, 1% of the interest will start going into a separate administrative account.
- The admin charge is capped at 1%. The amount will be reevaluated after 5 years (2018).
- The bill is and the rule will be flexible to avoid a rule rewrite to adjust the rate.
- The rule process. Questions? Daniel Thompson, [Daniel.thompson@ecy.wa.gov](mailto:Daniel.thompson@ecy.wa.gov)
  - Public involvement
  - Development and comment on draft
  - Development of final and comment
  - 30 day implementation

#### **WQ Wastewater Discharge Fees -**

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=1275&year=2013>

- Died
- Try again next year

#### **Compliance to apply for funding (GMA) -**

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=5406&year=2013>

- Passed
- Allows for a grant and loan application w/o compliance but recipients have to be in compliance before agreement is signed.

#### **Maximizing Resources-Cross Agency Funding Coordination Update, [Jeff Nejedly](#)**

- Ecology is participating in a cross agency group of infrastructure funders that include representatives from Health (Drinking Water State Revolving Fund), USDA (Rural Development), Commerce/Public Works Trust Fund (PWTF), CDBG (Community Development Block Grant).
- The purpose of the group is to work together to maximize resources and find efficiencies across funding programs. This includes aligning processes and reducing “destructive competition”
- Members coordinate proposed funding lists, asking for input and have looked at affordability of funding packages for hardship communities.

- The group has discussed a more formal pre-application process to help communities navigate funding options and avoid some of the barriers to funding their infrastructure projects.
- FAC members recommended picking a pilot community

### **FY 2014 Draft WQ Offer List and IUP, [Daniel Thompson](#), [David Dunn](#)**

- Finished rating and ranking in January.
- 72 applicants were offered funding.
- 11 written comments sent in.
- Will publish final offer list July 1<sup>st</sup> (even if there's no budget).
- Everyone that met scoring requirements was offered money.
- The cap amount (\$35M) was increased to fund a \$60M Pierce County project.
- FAC members think as the Economy turns around, we should see more cities going forward with projects. We will see more retrofit applications because WQ standards are changing for stormwater/wastewater discharges that go into effect 2014.

### **Project Affordability, [David Dunn](#)**

- There are a few communities (Belfair, Concrete and Toledo) who have contacted Ecology with difficulty repaying their loans.
- Some counted on more growth and now the rate they would have to charge their rate payers are not affordable.
- To avoid default on loans, if the communities can't afford it, Ecology shouldn't fund it.
- Ecology needs to attack this problem at the planning stage, not just value engineering.
- Realistic rates: What can this community afford?
- Communities need to tell their engineers what they can afford before the process begins, otherwise they're designs are going beyond their cost ability.
- Ecology will evaluate factoring user rates into funding decisions.
- Ecology will have a discussion about this with regional engineers. They typically don't focus on the cost but rather if the technology or project will meet the water quality standards.
- Explore case studies of good and bad examples.

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**Lunch 12:00 PM -1:00 PM**

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### **Unobligated Stormwater Proviso Funds (11-13 Budget), [Pat Brommer](#)**

## Framework

~\$7M Deobligated or declined from FY11 SWRLID and FY12 Statewide Stormwater Grants and Provisos:

- In accordance with the proviso language Ecology is allocating, through a competitive grant process, all available funds from previous offers that were unable to execute a contract by April 30, 2013.
- Eligible Applicants: Cities, Towns, Counties, and Ports covered by a Phase I or Phase II NPDES Municipal Stormwater Permit.
- Design/construct and construction stormwater projects: Retrofit of existing facilities, including the use of low impact development techniques.
- Project ceiling: \$1M per project/ \$5M per recipient for multiple projects.
- 25 percent cash match.
- Project completion date: **June 30, 2015**
- Minor changes to Guidance and Application:
  - Incorporating questions on watershed and basin evaluation criteria within the application. Updated language in three questions: Severity of Stormwater Quality or Hydrologic Problem and Expected Improvements (Q3), Technical Planning Process (Q5), and Local Commitment (Q6).

## Schedule

May 1 – June 14, 2013	Application period
June 14 –July 26, 2013	Review and rating period
August 2, 2013	Final Offer List and Offer Letters out
August 2 – December 1, 2013	Negotiate agreements
June 30, 2015	Project Completion Dates

## Upcoming Changes to Ecology Grants and Loans, [Shelly McMurry](#)

- Ecology has been working since November to “Lean” agency grant and loan management practice. This includes identifying and documenting standard grant and loan management processes across the agencies 22 grant and loan programs.
- This was initiated due to the agencies need for an on-line grant and loan management system.
- Ecology has a contract with a vendor to customize their “off the shelf” on-line grant and loan management system. Ecology has named this system EAGL (Ecology Administration of Grants and Loans)
- Water Quality’s combined funding (SRF, Centennial, 319) will be the first program using the system. We are on track for our FY15 application cycle to be applied on-line!!! WQ staff are working on translating our current forms into an on line application.
- Existing agreements will continued to be managed outside of the system so there will be a period older agreements will follow existing processes and new agreements will be managed in EAGL.

- Once staff and recipients are trained and using the new system, we will begin seeing a lot of efficiencies and recipients who receive and manage multiple Ecology funding program will appreciate the consistent terminology and forms.

## Ecology Website Revisions, [Melanie Tyler](#)

- Currently, it is very difficult to find information about Ecology's 22 grant and loan funding opportunities and we repeatedly get feedback that it is difficult to find programmatic information.
- One of the Lean recommendations was to revamp our agency grant and loan web presence.
- Melanie Tyler is leading an effort to develop a proposed structure and looking for feedback.
- The group is considering EAGL in their design. Only registered users will have access to EAGL so a central web portal and consistent programmatic websites will make it easier for the public, legislators and recipients to find information about funded projects and information needed to manage agreements.

Future FAC Meetings:

August 21, 2013

November 30, 2013

*\*To email staff, click on their name after the subject title.*