

FY17 Funding Application Workshop
Facilities Break Out Session

Specific Information about:

Infrastructure Construction

Loan Funding

And

Hardship Subsidy

Welcome!

- Introduce Ecology staff
- General guidance
- Open forum
- Individual project introductions
 - Who you are
 - Who you represent
 - What kind of project(s) you have

Overview / Agenda

- Ecology's loan funding program
- Requirements to apply
 - Project "STEP"
 - SERP and Cross Cutters
 - To apply for Subsidy
- Application overview (EAGL updates)
- Hardship form overview

Loan Program

- Revolving Fund loan program based on federal capitalization
- Some capability to provide subsidy in the case of ratepayer hardship.
- Loan Rates
 - 2.0% for 20 year term
 - 1.0% for 5 year term.
 - Loan term cannot exceed the useful life of the project.

Eligible Projects

- Planning, Design, Construction
 - 20 years growth capacity
 - Change orders and bid overruns
 - Construction administration
 - Related supplies/tools
 - Wastewater and Stormwater infrastructure
 - CSO, I/I, sewers, lift stations, treatment, conveyance, reclaimed water
 - On-site Septic System repair/replacement
 - Large Onsite Septic Systems
 - Irrigation Efficiency Projects
 - Watershed restoration / Wetland protection
 - Non point and Estuary protection projects
-
- Cost effective solutions

Ineligible Projects

- Non clean-water projects (roads, bridges, drinking water, etc.)
- Work on private property
- Industrial and institutional projects
- Water Quantity or Flood Control
- Operation and Maintenance costs.

Recent Eligibility Changes

- Side Sewer replacement for I/I correction.

Coordination with Other Funders

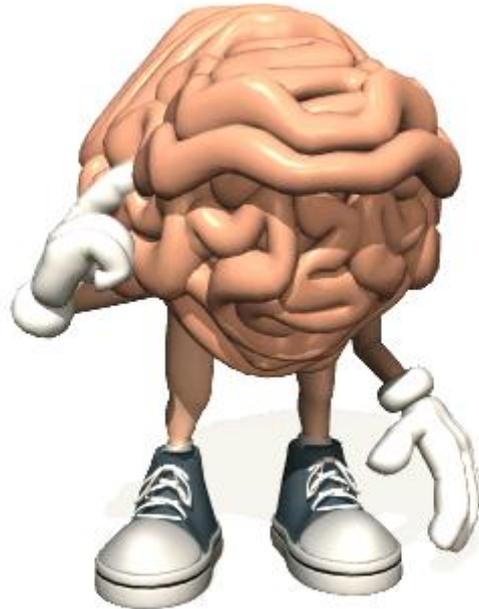
- Many other sources of funding
- Coordinate funding opportunities and requirements
 - USDA-Rural Development
 - Community Development Block Grant
 - Public Works Trust Fund

Timelines

- October 16, 2015 (5:00PM) – Applications must be submitted in EAGL
- November 6, 2015 – Engineering Approvals, SERP, Cost Effectiveness.
- February 2016 - Proposed funding list available.
- July 1, 2016 – Money available from legislature. Formal offers sent.
- January 31, 2017 – Financial Assistance Agreements must be signed.
- April 30, 2017 – Project work must be underway.
- July 1, 2021 – Project work must be completed.

- Ways to expedite your project

Questions?



Application Requirements Are Next!

Application Requirements

Vary based on type of project
and project stage

Step 1: Planning

- No prerequisites
- The planning project funded must include complete environmental review (SERP) as part of the scope of work*

* SERP is required for “Treatment Works” as defined in the Clean Water Act.

Step 2: Design

- At the time of application:
 - Technical approval of planning document by Ecology
 - Complete Environmental Review (SERP)
 - Stormwater: SERP is completed as part of design
 - Wastewater: SERP is required at the time of application
 - Cost Effectiveness Analysis

Step 3: Construction

- At the time of application:
 - Technical approval of planning document and design document by Ecology
 - Complete environmental review (SERP)
 - Cost effectiveness analysis
- Equivalency Projects: Federal Cross Cutter consultation must be complete prior to signing the loan agreement.
- Stormwater: Final design and SERP must be completed prior to signing the loan agreement.

Step 4: Design & Construct

- Total project cost \$5M or less
- At the time of application:
 - Technical approval of planning document by Ecology
 - Complete environmental review (SERP)
 - Cost effectiveness analysis
- Design must be completed prior to June 30, 2017.
- Equivalency Projects: Federal Cross Cutting requirements must be complete prior to reimbursing for construction activities.
- Stormwater: Final design and SERP must be completed prior to reimbursing for construction activities.

State Environmental Review Process (SERP)

1. 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.
2. Consideration Of Alternatives and Cost Effectiveness Analysis.
3. Opportunity for public input including at least one public meeting.
 - Discussion of project alternatives.
 - Environmental consequences of the project.
 - Financial and rate impacts of the project.
4. Ecology's involvement in the process and concurrence with the final determination.

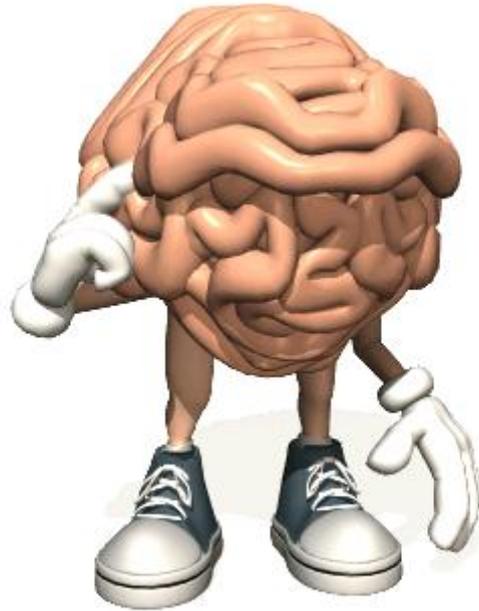
State Environmental Review Process (SERP)

- Required to apply for design or construction projects
- SERP is separated from the Federal cross cutting requirements
- Ecology can adopt NEPA to satisfy SERP requirements.
- SERP guidance available on Ecology website
- Questions? Contact your Regional Project Manager

Requirements for funded projects

- Federal Cross Cutter consultation requirements (equivalency)
- Federal Engineering procurement rules (equivalency)
- State public works procurement rules
- Comply with conditions of SERP and Cross cutters
- Applicant must be in compliance with the Growth Management Act (GMA) before finalizing agreement.
- Federal Davis-Bacon wage law
- Federal Disadvantaged Business Enterprise
- Federal Equal Employment Opportunity
- Federal Debarment and Transparency requirements
- Investment Grade Efficiency Audit
- American Iron and Steel requirements
- Financial Sustainability Planning requirements

Questions?



The Application is Next!

Application

The EAGL has landed

Forms

Status	Page Name	Note	Created By
Funding Program Guidelines			
	SFY 2017 Water Quality Combined Financial Assistance Guidelines		
	SFY 2017 Scoring Guidance		
	SFY 2017 Contact Information		
Application Forms			
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	CWSRF Preconstruction and SFAP Hardship		
	Uploads		

Scored Questions

1: Scope of Work	(up to 75)
2: Schedule	(up to 100)
3: Task Costs and Budget	(up to 135)
4: Additional Funding Information	(up to 15)
5: Project Team	(up to 65)
6: Project Planning and Development	(up to 60)
7: Water Quality and Public Health Improvements (6 parts)	(up to 500)
8: Hardship	(up to 50)

Total: Up to 1000

General Information Form

***Project Title**

***Project Short Description**
0 of 500

***Project Long Description**
0 of 4000

***Total Cost** ***Total Eligible Cost**

***Effective Date** ***Expiration Date**

***Project Category**

- Nonpoint Source Activity
- On-Site Sewage System
- Stormwater Activity
- Stormwater Facility
- Wastewater Facility

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Additional Funding Information (!)

ADDITIONAL FUNDING INFORMATION

Instructions:

Please fill in the appropriate fields.
Required fields are marked with an *
When done, click the **SAVE** button.

Ecology Loan Funding Request

Wastewater Facilities projects are eligible for loan funding only. Subsidies (grants, forgivable principal, and reduced interest loans) are available for applicants qualifying for Hardship or Preconstruction funding.

* Loan Amount Requested

* What loan term do you prefer? 5 years 20 years N/A

* If you've already begun work on your project, are you seeking interim refinance of the incurred costs? Yes No

Ecology Grant Funding Request

Additional Funding Information Form (15 total points)

Scoring

- **0-15 points:** Applicant has identified adequate matching funds. (Full points if no match is required.)

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Scope of Work (!)

Task Number	
Task Title	<input type="text"/> *
Task Cost	<input type="text"/> *
Task Description	<div style="border: 1px solid #ccc; height: 100px; width: 100%;"></div> <div style="text-align: right; font-size: small;">0 of 3500</div> <div style="text-align: right; font-size: x-small;">+ *</div>
Task Goal Statement	<div style="border: 1px solid #ccc; height: 60px; width: 100%;"></div> <div style="text-align: right; font-size: small;">0 of 1500</div> <div style="text-align: right; font-size: x-small;">+ *</div>
Task Expected Outcomes	<div style="border: 1px solid #ccc; height: 60px; width: 100%;"></div> <div style="text-align: right; font-size: small;">0 of 1500</div> <div style="text-align: right; font-size: x-small;">+ *</div>
Recipient Task Coordinator	<input type="text"/>

Scope of Work Form (75 points)

Scoring

- **0-75 points:** The scope of work represents a complete and concise description of the project tasks and outcomes, including deliverables and timelines.

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Subcategory Form

- * **Are you applying to refinance debt for a wastewater facility project that has been completed (i.e., standard refinance)?** Yes No
-

Wastewater facility and stormwater facility projects with Preconstruction tasks applying for CWSRF loans may be eligible for up to 50 percent forgivable principal for the Preconstruction tasks.

Stormwater activity and stormwater facility projects applying for SFAP grants may be eligible for a reduced grant match requirement (15%).

- * **Is this a wastewater facility or stormwater facility project that includes Preconstruction tasks for which you are seeking CWSRF funding or a stormwater project for which you are seeking SFAP grant funding and is the population of the community that will pay for the project less than 25,000 and is the median household income (MHI) of the community that will pay for the project less than the state MHI?** Yes No
-

Projects or portions of projects that meet one of EPA's criteria for Green Project Reserve (GPR) receive priority for CWSRF loans and may be eligible for 25% forgivable principal for the GPR portion of the project.

- * **Are you willing to accept a CWSRF loan to pay for part of the project and may the project or a portion of the project meet EPA's GPR criteria and do you want to be considered for GPR subsidy?** Yes No
-

Wastewater facility projects with Construction tasks may be eligible for grant, forgivable principal, and/or loan interest rates as low as 0% for the Construction tasks.

- * **Is this a wastewater facility project that includes Construction tasks for which you are seeking funding and is the population of the community that will pay for the project less than 25,000 and do you want to be considered for Financial Hardship subsidy?** Yes No

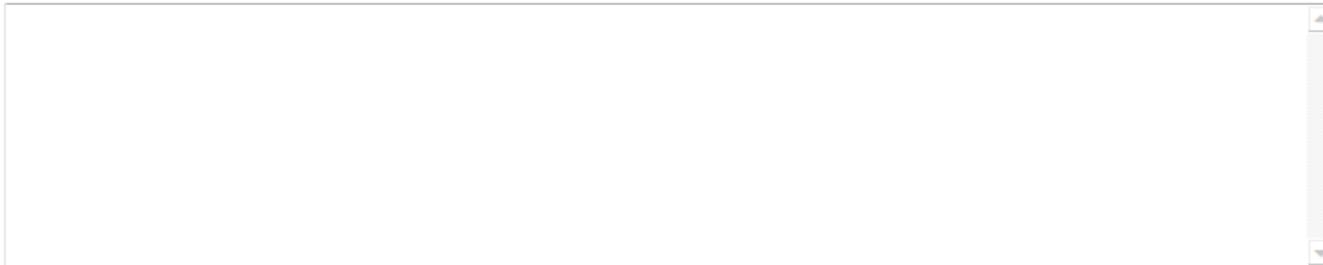
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Task Cost and Budget (!)

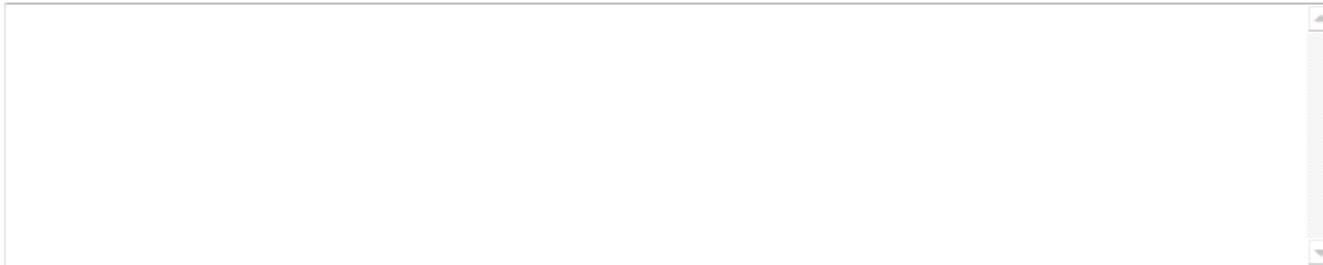
*Describe the process used to estimate the cost of the project.



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*Has the proposed project been demonstrated to be the lowest cost solution to the problem?

If the proposed project is not the lowest cost, describe the other benefits or considerations such as feasibility, community acceptance, or coordination with other projects that influenced the decision making process.



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*Upload a detailed budget for the project and any supporting documentation, including engineers estimates, cost analysis, etc.

Task Costs/Budget Form (135 points)

Scoring

- **0-50 points:** The application demonstrates how the applicant arrived at the cost estimate for each task. The process used by the applicant to develop this estimate is based on real-world data.
- **0-85 points:** The cost to complete the scope of work is reasonable when compared to similar projects in the region.

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Water Quality and Public Health Improvements (!)

- Name the water body(ies) the project will improve or protect and describe the current regulatory requirements and available planning documents for the water body. Include a description of any NPDES permitting requirements, TMDLs, or local watershed plans.
- Describe how the project area is connected to this water body and how implementation of the project will meet regulatory requirements or support the water quality planning efforts listed above. Reference the specific requirements or recommendations that the project will address and discuss how the project will reduce or prevent the pollutants listed from entering the waterbody. All projects in the Puget Sound Region must include the elements of the Puget Sound Action Agenda that will be supported by the proposed project.
- Describe the measure and method that will be used to determine the water quality benefit and overall success of the project.
- Using the method described above, estimate the water quality and public health benefits that will be achieved through implementing of the proposed project.
- How long will the project provide a water quality benefit after the funding assistance ends? Who will be responsible for maintaining this benefit during it's useful life?
- Will any measures be taken to reduce greenhouse gases as part of the project? What policies or measures has your organization put in place to reduce greenhouse gas emissions apart from this project?
- Upload a map or maps that show an aerial view of the project area, an estimated direction of flow for the project area, potential locations for the proposed facility or activity, and how the project connects to the water body named above.

Water Quality and Public Health Improvements Form (500 points)

Scoring

- **0-135 points:** Project proposes to reduce or prevent pollution in a waterbody that has been identified as a priority by a local, state or federal agency.
- **0-150 points:** The proposed project area is directly connected to the water body identified for improvement and applicant has provided sufficient technical justification to show the proposed project will reduce the pollutants of concern in the water body identified for improvement.
- **0-50 points:** Applicant has identified how each task will be evaluated in order to determine success, noted if the measure is quantitative or qualitative, and defined a goal.
- **0-100 points:** The project will achieve substantial water quality and public health benefits.
- **0-50 points:** Applicant has a plan and commitments in place to fund long-term maintenance and sustain the water quality benefits of this project.
- **0-15 points:** How well does the applicant and the project address greenhouse gas emission reductions in accordance with RCW 70.235.070?

Project Team (!)

***Fill out the following table to describe your Project Team, including staff, contractors, and partner agencies:**

Team Member Name/and or Title*	Key Responsibilities*	Qualifications/Experience*	Estimated Total Hours Devoted to the Project*	Who w respon: to v
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To add a team member, fill out a row and SAVE. A blank row will appear. To remove a team member, clear the contents of the entire row and SAVE. A blank row will always be visible.

***Describe similar projects that your project team or organization has completed. Note any deviations from the original proposal in scope or budget. Briefly describe project success and lessons learned. If the project was funded by Ecology, include the Ecology grant or loan number.**

0 of 2500

Project Team Form (65 total points)

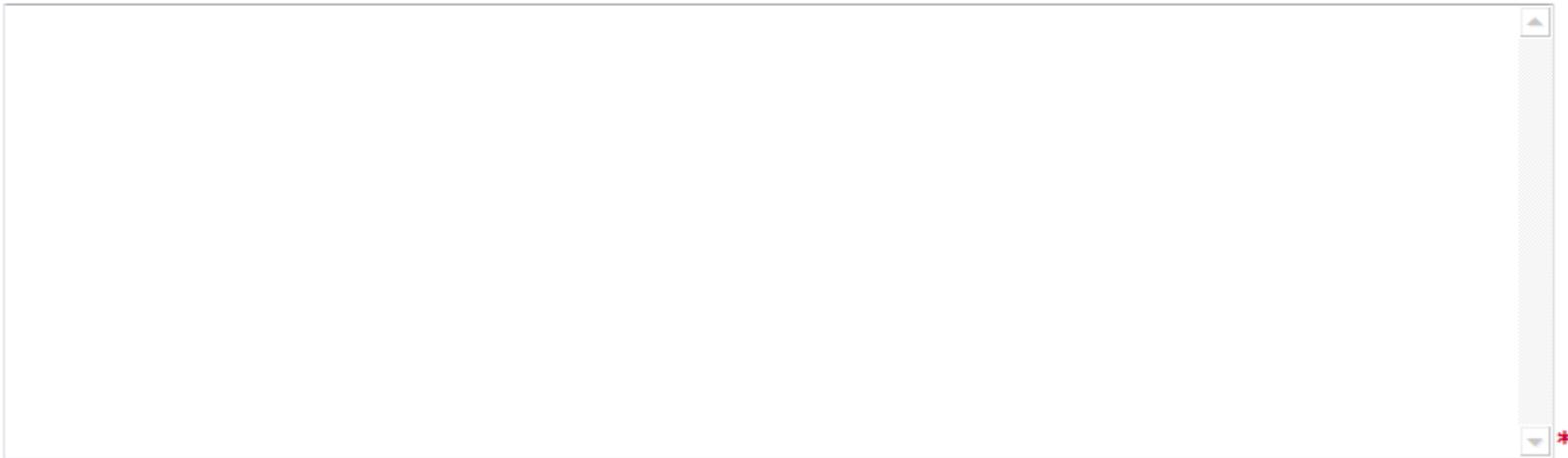
Scoring

- **0-50 points:** Team members' roles and responsibilities are well defined and adequate for the scope of work. Team members' past experience is relevant to the proposed project. Applicant has a plan in place to maintain sufficient staffing levels to complete the project.
- **0-15 points:** The applicant documents successful performance on other funded water quality projects, including Ecology funded projects. Previously constructed projects provided the water quality benefits described in the project application on time and within budget.

Project Planning and Development (!)

*Describe the process used by your organization to select the project for implementation. In your description please include:

- (1) All criteria used to evaluate the value, feasibility and site suitability of the proposed project.
- (2) Alternatives to the proposed project that were considered.
- (3) A list of project stakeholders, their involvement in the decision-making process, and their level of support for the project.
- (4) The plan to ensure long term project success and maintenance of the water quality benefits.



0 of 7500

Project Planning and Development Form (60 total points)

Scoring

- **0-40 points:** Applicant used a complete and well-defined set of criteria to determine the value and feasibility of the proposed project and included the useful life and long-term maintenance costs in their evaluation of the project and project alternatives.
- **0-20 points:** Applicant has provided documentation showing that key stakeholders have been identified and will support the project.

Project Schedule (!)

*Describe the steps you have taken to be ready to proceed immediately with the project. Provide detailed information and documentation on project elements such as status of designs, permits, interlocal agreements, landowner agreements, easements, other secured funding, staff, or agency approvals.

If applicable, describe the environmental review completed such as:

- * National Environmental Policy Act (NEPA)
- * Environmental Review Process (SERP) - ([Click Here](#))
- * State Environmental Policy Act (SEPA) - ([Click Here](#))
- * Cultural Resource Assessment - ([Click Here](#))

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*Are there any factors such as design completion, workload, staffing, funding coordination with another construction project, permitting, environmental review, cultural resources review, or approval of interagency agreements that will prevent beginning work on the proposed scope and requesting payment within six months of the publication of the final offer list?

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*Upload a Project Schedule that includes all tasks necessary to complete the project, including tasks that are not part of the funding request.

Project Schedule Form (100 total points)

Scoring

- **0-25 points:** The project schedule includes all tasks including pre-project administrative elements such as permitting, MOUs, land owner agreements, etc., and provides sufficient time to complete all elements.
- **0-75 points:** The applicant is ready to start on the proposed scope of work and can begin drawing down funds.

Remember Required Uploads

- Engineering Report or General Sewer Plan approval
- Ecology SERP determination letter
- Ecology's plans and specifications approval
- Detailed budget and supporting documentation
- Map(s) of the project area
- Project Schedule

Additional information

- David.Dunn@ecy.wa.gov 360/407-6503
- Ecology funding program site:
<http://www.ecy.wa.gov/programs/wq/funding/funding.html>
- FY2017 Funding information:
<http://www.ecy.wa.gov/programs/wq/funding/cycles/2017>
- Grant and Loan listserv: <http://www.ecy.wa.gov/maillist.html>



DEPARTMENT OF
ECOLOGY
State of Washington

Financial Hardship for Wastewater Facility Construction



Applicability

- **Financial Hardship applies to wastewater treatment facility construction projects**
 - **Hardship consideration for facility “Preconstruction” is addressed via the “*CWSRF Preconstruction and SFAP Hardship*” Form**
- **Applicability:**
 - **Only applies to existing residential need**
 - **Does not apply to growth**
 - **Does not apply to industrial, large commercial, or state institutional customers**



Criteria

- Population $\leq 25,000$ paying for the project
- Without subsidy the project will result in sewer fees of $\geq 2\%$ of the Median Household Income (MHI) of the community
 - Specific MHI does not matter
 - Existing sewer fee does not matter



Financial Hardship Analysis Basis

■ Basis of the hardship analysis

- Look at the current costs of the system
- Add to it the costs of the project
- Examine the impact on existing residential ratepayers
 - Assumes no growth
- Assumes all Ecology funding requested is covered with a standard, 2.0% interest 20-year loan

■ Conservative approach



Information Needed for Analysis

Total Costs Requested From Ecology
Design Costs Needed From Ecology
Annual Debt Service From Committed Non-Ecology Loans for Project
Annual Facility Costs, Including Existing Debt Service
Existing Population of Area Served by Project
Design Population of Area Served by Project
Existing Residential ERUs
Existing Commercial/Industrial/Institutional ERUs
Annual MHI of Project Area



Subsidy Options and Limits

■ Subsidy Options

- Centennial grant
- Forgivable principal loan
- Further reduced interest rates—down to 0%

■ Limits

- \$5 million grant per project cap



Interest Rates & Subsidy Eligibility

<i>Sewer Fee ÷ MHI =</i>	<2%	2%-3%	3%-5%	>5%
<i>Hardship Designation:</i>	Non-hardship	Moderate	Elevated	Severe
<i>20-year Loan Rates:</i>	2.0%	1.3%	0.7%	0%
<i>Grant/Forgivable Principal Loan Eligibility:</i>	Not eligible	50% (\$5M cap)	75% (\$5M cap)	100% (\$5M cap)



Financial Hardship Form

- **Must complete the Financial Hardship form in EAGL in order to be considered for eligibility**

- **Access the form via the Subcategory Form**
 - ***Answer YES to the question, “Is this a wastewater facility project that includes Construction tasks for which you are seeking funding and is the population of the community that will pay for the project less than 25,000 and do you want to be considered for Financial Hardship subsidy?”***



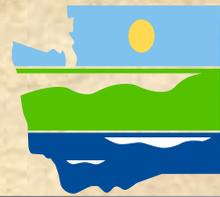
Financial Hardship Form Sections

- Roles and Responsibilities
- Other Funding (Grants and Loans)
- Estimated Annual Facility Costs
 - Only include the costs for those paying for the project
- Population of Area Served by Project
 - Only include those responsible for paying for the project
 - If the project is not to accommodate growth, make sure that's clear
- Number of Existing Ratepayers
 - See next slide
- Monthly Sewer Fees
- Median Household Income (MHI)



Existing Ratepayers

- **“Residential” includes:**
 - **Single family residences**
 - **Multi-family residences**
 - **Local public facilities (e.g. fire station, schools)**
 - **Small commercial customers**
 - **<3,500 gallons/day**
 - and**
 - **<\$100,000 annual gross income**
- **Commercial/Industrial/Institutional = all others**
- **A single family residence = 1 ERU (equivalent residential unit)**
- **Determine ERUs for others by costs**



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State of Washington

QUESTIONS?