

## **Cost reimbursement flow charts**

The 2010 legislature amended the water code to include new provisions for cost reimbursement and two more methods in which cost reimbursement can be used to process water right applications.

Attached are descriptions of four cost reimbursement flow paths. Numbers 1 and 2 are simply variants of what might be called a “standard” cost reimbursement process under RCW 90.03.265. This is where a single applicant decides to go through the CR process. Changes to the water code now allow an application to be processed without others when there is “no diminishment” of the water source to the senior applicants. The difference between #1 and #2 is that the applicant produces the Phase 1 report or Ecology contracts with a consultant to produce the report.

#3 describes the coordinated process where multiple applications are processed by one of Ecology’s consultants (RCW 90.03.265)

#4 describes the expedited cost reimbursement process under RCW 90.03.655, where multiple applications are processed by Ecology staff.

# #1

## **Base CRA flowchart**

Phase 1 process (Applicant has Ecology/Ecology's consultant prepare Phase 1 report)

(Optional) Applicant comes in for a pre-application meeting

Applicant submits water right application (if not already filed)

Applicant submits letter or email indicating intent to proceed with CRA

Applicant chooses desired consultant from Ecology consultant pool (or lets Ecology pick)

Ecology determines there isn't a conflict of interest with the Applicant and Consultant

Regional Project Manager (PM) sends the chosen consultant a copy of the application

Consultant submits cost estimate and scope for Phase 1

Ecology prepares the Cost Reimbursement Agreement/Contract and sends it to the applicant.

Applicant signs CRA and returns it to Ecology (with payment option)

Ecology prepares the Work Assignment (WA) for our consultant

Consultant begins work and prepares Phase 1 Report.

## **Phase 2 process**

Ecology drafts Phase 2 Agreement incorporating scope and cost, sends it to applicant

Applicant signs Phase 2 CRA and returns it to ECY

Ecology prepares Phase 2 Work Assignment and sends to consultant

Consultant prepares draft ROEs and submits them to Ecology for review and edits

Consultant finalizes ROE's

Final ROEs are signed by Ecology

## #2

### **Base CRA flowchart (2)**

#### Phase 1 process (Applicant has their own consultant do Phase 1 Report)

(Optional) Applicant comes in for a pre-application meeting

Applicant submits water right application (if not already filed)

Applicant proceeds to have their own consultant prepare a Phase 1 report

Applicant submits letter or email indicating intent to proceed with a CRA and chooses a consultant to process the application from Ecology's consultant pool (or lets Ecology make the pick)

Ecology determines there isn't a conflict of interest and sends the consultant a copy of application and Phase 1 report

Consultant reviews Phase 1 report and submits cost estimate and scope for Phase 2

#### **Phase 2 process**

Ecology drafts Phase 2 Agreement incorporating scope and cost, sends it to applicant

Applicant signs Phase 2 CRA and returns it to ECY

Ecology prepares Phase 2 Work Assignment and sends to consultant

Consultant prepares draft ROEs and submits them to Ecology for review and edits

Consultant finalizes ROE's

Final ROEs are signed by Ecology

## #3

### **Coordinated cost reimbursement (initiating applicant uses own consultant for Phase 1; chooses ECY consultant for Phase 2)**

Note: Under this process, the cost of processing all the applications will have to be determined by the Phase 2 consultant. The consultant will essentially tell us how much it's going to cost for them to process the group of apps. Ecology will then have to prorate the total cost (including the backfill and Ecology staff replacement costs) among the applicants based on the amount of water requested.

1. (Optional) Applicant comes in for a pre-application meeting
2. Applicant submits water right application (if not already filed)
3. Applicant submits letter or email indicating intent to proceed with Coordinated CRA and chooses Phase 2 consultant (or lets Ecology pick)
4. Applicant has their own consultant determine scope of watershed (source), list of applicants, etc. and provides this information to ECY and Phase 2 consultant.
5. Ecology sends copies of applications to Phase 2 consultant
6. Phase 2 consultant prepares estimate of costs and timeline to process all of the applications.
7. Ecology prepares Phase 1 CRA for time spent reviewing applicant's Phase 1 work, preparing notices, reviewing responses, etc.
8. Ecology notifies (in writing) every applicant in water source
9. Individual mail notice:
  - Informs applicants CCR is being initiated
  - Criteria for application approval/denial
  - Estimated Cost
  - Estimated time to decision
  - Provide at least 60-days for applicant to respond to participation request

[Mail notice may need to be repeated if applicants decline to participate and costs per application change]

10. General notice (this is a general notice incorporating much of the information above, not the individual public notices for each application):
  - Notice is posted on Ecology website
  - Notice is published in a newspaper
  
11. Ecology drafts Phase 2 CRA contracts for each applicant
  
12. Applicants sign the Phase 2 CRAs and return them to Ecology with full pre-payment
  
13. Ecology prepares Phase 2 Work Assignment and sends it to Phase 2 consultant
  
14. Consultant prepares draft ROEs and submits them to Ecology for review and edits
  
15. Consultant finalizes ROE's
  
16. Final ROEs are signed by Ecology

# #4

## Expedited cost reimbursement

Notes: Under this process, Ecology receives payment up front and does all work on processing the applications.

interest from applicants/10% of applicants

requires full pre-payment

fees must be deposited within 60-days

Ecology “may adjust the fee” if it appears the application is more complicated and will take extra time and effort to process.

Allows for “change orders” to adjust the cost of processing an application

1. Ecology determines there is interest from watershed applicants to proceed with an expedited cost reimbursement process or is petitioned by 10% of applicants from a watershed.
2. Ecology:
  - Determines the source of water and identifies the applications to be processed
  - Determines full cost of processing the applications (including the initial review, cost process, letters to be sent, public notice, etc.)
  - Determines the pro-rated cost for each application
  - Subtracts the original application fees for the cost of each application
3. Ecology notifies (in writing) every applicant in the water source  
Individual mail notice includes:
  - Informs applicants Expedited Cost Reimbursement is being initiated
  - Criteria for application approval/denial
  - Estimated Cost
  - Estimated time to decision
  - Provide at least 60-days for applicant to respond to participation request
4. General notice (this is a general notice incorporating much of the above information, not the individual public notices for each application):
  - Notice is posted on ECY website
  - Notice is published in a newspaper

[Steps 2 and 4 may need to be repeated if applicants decline to participate and costs per application change]

5. Applicant must respond within 60-days requesting to participate.
6. Full pre-payment must be received within 60 days of the applicant's letter requesting to participate. Failure to do so excludes the applicant from expedited processing.
7. Ecology drafts Phase 2 CRA contracts for each applicant that has made payment
8. Applicants sign the Phase 2 CRAs and return them to Ecology
9. Ecology staff process the applications charging their time to the CRA account.
10. Final ROEs are signed by Ecology