State of Washington
Joint Legislative Audit and Review Committee (JLARC)

Inventory of State Infrastructure Programs

Volume 1 of 3 – Basic Infrastructure Projects

Report 06-11

November 29, 2006

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The Joint Legislative Audit and Review Committee (JLARC) carries out oversight, review, and evaluation of state-funded programs and activities on behalf of the Legislature and the citizens of Washington State. This joint, bipartisan committee consists of eight senators and eight representatives, equally divided between the two major political parties. Its statutory authority is established in RCW 44.28. This statutory direction requires the Legislative Auditor to ensure that performance audits are conducted in accordance with Government Auditing Standards as applicable to the scope of the audit.

JLARC staff, under the direction of the Committee and the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews, and other policy and fiscal studies. These studies assess the efficiency and effectiveness of agency operations, impacts and outcomes of state programs, and levels of compliance with legislative direction and intent. The Committee makes recommendations to improve state government performance and to correct problems it identifies. The Committee also follows up on these recommendations to determine how they have been implemented. JLARC has, in recent years, received national recognition for a number of its major studies.

INVENTORY OF STATE INFRASTRUCTURE PROGRAMS

REPORT 06-11
INVENTORY DIGEST
NOVEMBER 29, 2006

STATE OF WASHINGTON

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Public Funding for Infrastructure

"Infrastructure" can be described as "the basic installations and facilities on which the continuance and growth of a community or state depends."[1] Government agencies at various levels frequently build and operate such infrastructure, such as water systems, roads, and schools.

JLARC's Inventory of State Grant and Loan Programs That Fund Infrastructure

Washington's state government administers a number of grant and loan programs to assist local governments and others develop infrastructure. In 2005, the Legislature passed ESHB 1903, which directed the Joint Legislative Audit and Review Committee (JLARC) to assemble an inventory of these state grant and loan programs. JLARC has created this inventory in response to the Legislature's mandate.

JLARC's inventory of state grant and loan programs that fund infrastructure includes 75 separate programs. These programs provided more than $1 billion in grants and loans for infrastructure projects in 2005.

The inventory is organized into three report volumes:

Volume 1 – Basic Infrastructure. This volume describes programs that fund systems to address water and waste; examples include drinking water, wastewater and stormwater, flood and irrigation management, and solid or hazardous waste systems.

Volume 2 – Transportation Infrastructure. This volume describes programs that fund roads and bridges, as well as programs that fund projects featuring other modes of transportation from walking and biking to trains and aviation.

Volume 3 – Other Infrastructure. This volume describes programs that fund buildings, facilities, and recreation such as schools, housing, community facilities, and parks.

An individual program may fund projects in more than one category; for example, some Community Development Block Grants can be used to build drinking water and sewer systems, streets, and child care facilities. In these situations, the program is cross-listed in all of the appropriate volumes.

[1] New World Dictionary of the American Language, Second College Edition, 1979.

Information Included in the Inventory

Each of the three volumes contains **profiles about the individual programs** that fund infrastructure projects in that category. Program profiles include information about:

- Legislative intent;
- Recent budget history;
- Frequency of the grant or loan cycle;
- Maximum dollar amounts for the program and for individual projects;
- Matching requirements;
- Eligible applicants;
- Eligible projects;
- Timing and steps in the application and award process;
- Program goals and performance;
- Any program challenges identified by the agency; and
- A website reference for additional information.

In addition, each of the three volumes contains **summary information at the beginning of the document** to give a sense of the size of each program and what kinds of projects a program funds, and to identify distinguishing characteristics about which jurisdictions and projects are eligible for funding. This summary information is intended **to aid policy makers** as they consider potential program overlaps and distinguishing features. The summary information is also intended **to aid potential applicants** with identifying the programs that fund the types of projects of interest to them. Additionally, information at the beginning of each volume provides more resources for assistance to potential applicants, as well as charts to illustrate the organization and relative size of the various infrastructure programs included in each volume.

Data Caveats

To complete the profiles, JLARC solicited information from numerous state agencies. JLARC staff have verified the language of state laws and rules referenced in the program profiles. JLARC staff have not verified all of the budget, staffing, policy, and performance data supplied by the agencies. In some cases, the budget information supplied by the agencies does not match exactly with the information in the legislative budget tracking systems. Additionally, agencies approached budget reporting for these profiles in different ways, not always consistently with one another. A prudent reader will use the budget information in the program profiles to gain a sense of the relative magnitude and trends in program funding rather than as a precise budget document.

Acknowledgements

Staff from 20 different state agencies, boards, and commissions contributed their time and effort to help create this inventory. JLARC also acknowledges the work of our contractor, Berk & Associates, for work on drafts of the program profiles in Volumes 2 and 3, and for Berk & Associates' work for the Office of Financial Management in 2005, a study on which the JLARC inventory builds.[2]

Ruta Fanning
Legislative Auditor

On November 29, 2005, this report was approved for distribution
by the Joint Legislative Audit and Review Committee.

Representative Ross Hunter, Chair

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[2] "Inventory and Evaluation of the State's Public Infrastructure Programs and Funds." Prepared by Berk & Associates for the Washington State Office of Financial Management, December 16, 2005.

State of Washington

Joint Legislative Audit and Review Committee (JLARC)

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November 29, 2006

Victor Moore, Director
Office of Financial Management
PO Box 43113
Olympia, WA 98504-3113

Dear Mr. Moore:

We are pleased to transmit the attached compilation of state programs that assist local governments and others with developing their basic, transportation, and other infrastructure projects. This inventory includes information on 75 separate programs. These programs provided more than $1 billion in grants and loans for infrastructure projects in 2005. We feel this inventory will serve as a valuable tool for policymakers and potential project applicants alike.

The Legislature undertook the assembling of this information in part because no such comprehensive compilation existed. Having created this initial inventory, JLARC feels it is appropriate for the executive branch to assume responsibility for producing periodic inventory updates. We trust that you will assign this responsibility appropriately within the executive branch, and we look forward to seeing periodic updates of the inventory in the future.

Sincerely,

Representative Ross Hunter
Chair

Senator Linda Evans Parlette
Vice Chair

Representative Gary Alexander
Secretary

Senator Phil Rockefeller
Assistant Secretary

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Where Can Applicants Get Help With Their Infrastructure Projects?

From the Programs – and This Inventory Can Help Guide You:

- The summary information at the beginning of each JLARC volume can help you identify which programs may be right for your project;
- Many agencies offer special training sessions or other technical assistance for applicants
  → see the section on Timing and Steps in the Process in the individual program profiles;
- Most agencies offer websites with applications and other information such as program guidelines
  → see the Website section in the individual program profiles.

From the Infrastructure Assistance Coordinating Council:

The Infrastructure Assistance Coordinating Council (IACC) is a nonprofit organization made up of the staff from state and federal agencies that provide infrastructure funding, local government associations, nonprofit technical assistance firms, tribes, and universities. The purpose of the IACC is to improve the delivery of infrastructure assistance, both financial and technical, to local governments. To accomplish this, the IACC:

- Sponsors a statewide conference where the agencies assisting local governments with their infrastructure needs convene to discuss their programs with local government representatives;
- Arranges for special "tech-teams" at the conference to help a local government frame its infrastructure problem clearly, explore possible solutions, identify key regulatory and financing programs that should be involved, and get answers to as many questions as possible;
- Maintains a website with a database of infrastructure-related services available for local governments, including state, federal, local, and other resources *(http://www.infrafunding.wa.gov)*;
- Is developing a web-based system to track upcoming local government infrastructure projects for a six-year planning cycle or longer for 13 different infrastructure systems. The concept behind this effort is for local governments to be able to demonstrate their infrastructure funding needs to the Legislature and to others.

From the Small Communities Initiative:

Small communities struggling to address water or wastewater system issues are recommended by the regional offices of the departments of Ecology or Health for assistance from the Small Communities Initiative. Staff are available from Olympia and Spokane. To learn more,

- Check out the website for the Small Communities Initiative *(http://www.cted.wa.gov/SCI)*, which includes staff contact information;
- Look through the 2006 Small Communities Initiative Annual Report for examples of how other communities packaged financing for their water/wastewater projects;
- Contact your regional Department of Health or Ecology office to see if your community might be a good candidate for this program.

From Community, Trade and Economic Development's Business and Project Development Unit:

Communities with a focus on infrastructure as a part of local economic development may seek assistance from CTED's Business and Project Development Unit, with offices in Olympia, Seattle, Spokane, and the Tri-Cities. This same group helps businesses that want to locate or expand in Washington. For more information, visit *http://www.ChooseWashington.com.*

Many program staff are familiar with the wide range of infrastructure funding programs available in Washington. It is likely that, if a program is not the right fit for your project, staff can point you to other options. Assistance through the programs, the Small Communities Initiative, and the Business and Project Development Unit is subject to resource availability.

State Grant and Loan Programs That Can Fund Basic Infrastructure Projects

State Agencies Managing Programs in this Volume of the JLARC Inventory

Department of Ecology

Water Quality Program
- Water Pollution Control Revolving Fund
- Centennial Clean Water Fund
- Clean Water Act, Section 319

Solid Waste Program
- Coordinated Prevention Grant
- Safe Drinking Water Action Grant

Water Resources Program
- Drought Preparedness
- Watershed Plan Implementation & Flow Achievement

Shorelands and Environmental Assistance
- Flood Control Assistance

Toxics Program
- Safe Soils

State Parks and Recreation Commission
- Statewide Boat Pump-Out

Interagency Committee for Outdoor Recreation (with HCCC and PSAT)
- Hood Canal Aquatic Rehabilitation

Department of Community, Trade and Economic Development

Local Government Division
- CDBG General Purpose
- CDBG Community Investment
- CDBG Housing Enhancement
- CDBG Imminent Threat

Community Economic Revitalization Board
- Traditional
- Rural
- Job Development Fund

Public Works Board
- Construction
- Pre-Construction
- Planning
- Emergency

Department of Health
- Water System Acquisition & Rehabilitation
- Drinking Water State Revolving Fund

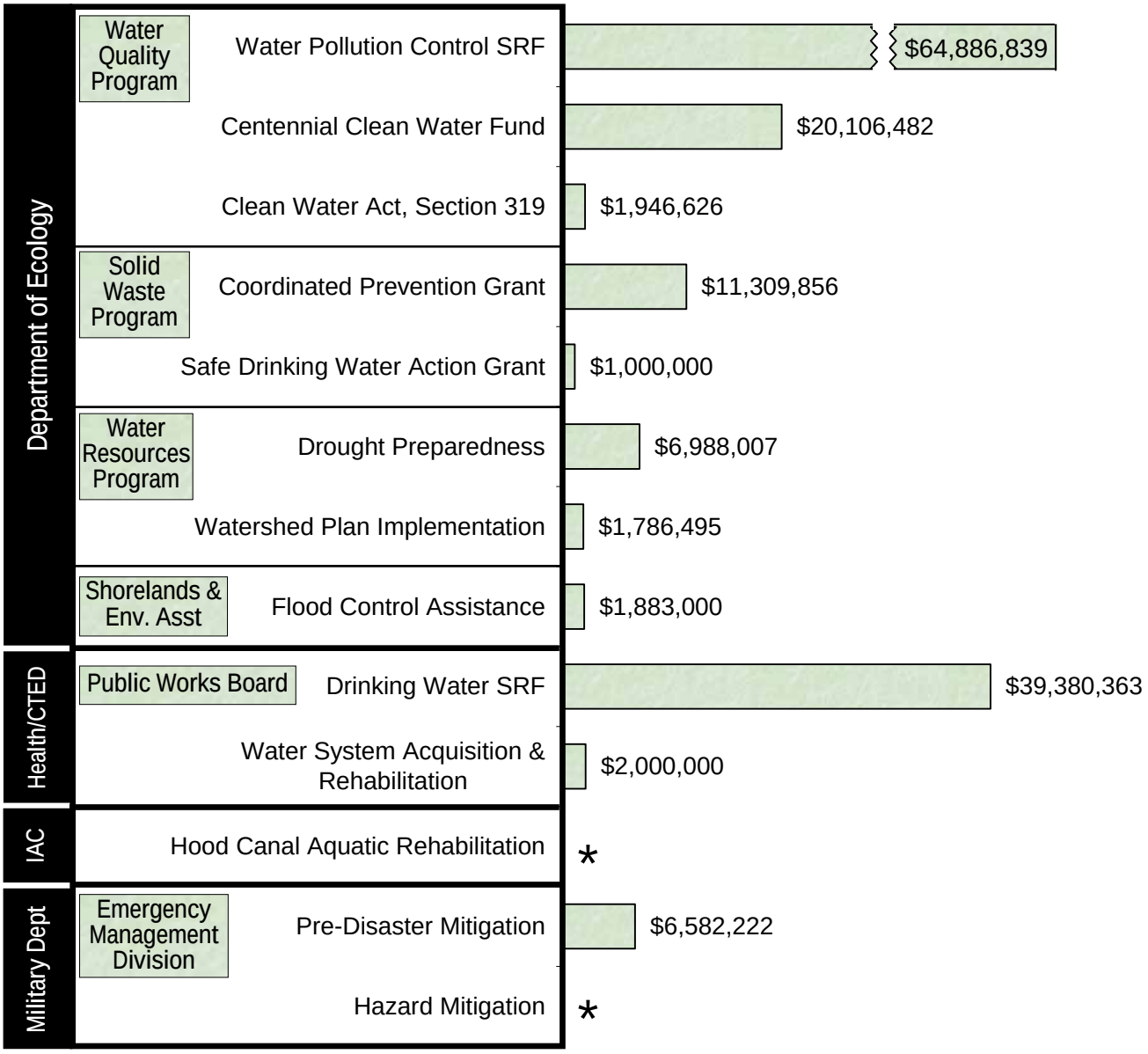
Military Department

Emergency Management Division
- Pre-Disaster Mitigation
- Disaster Public Assistance
- Hazard Mitigation

Resource Levels Vary for State Grant and Loan Programs That Can Fund Basic Infrastructure Projects (page 1 of 2)

Snapshot of Funding Levels for Projects Selected in 2005

(The programs in the chart below fund only Basic Projects)

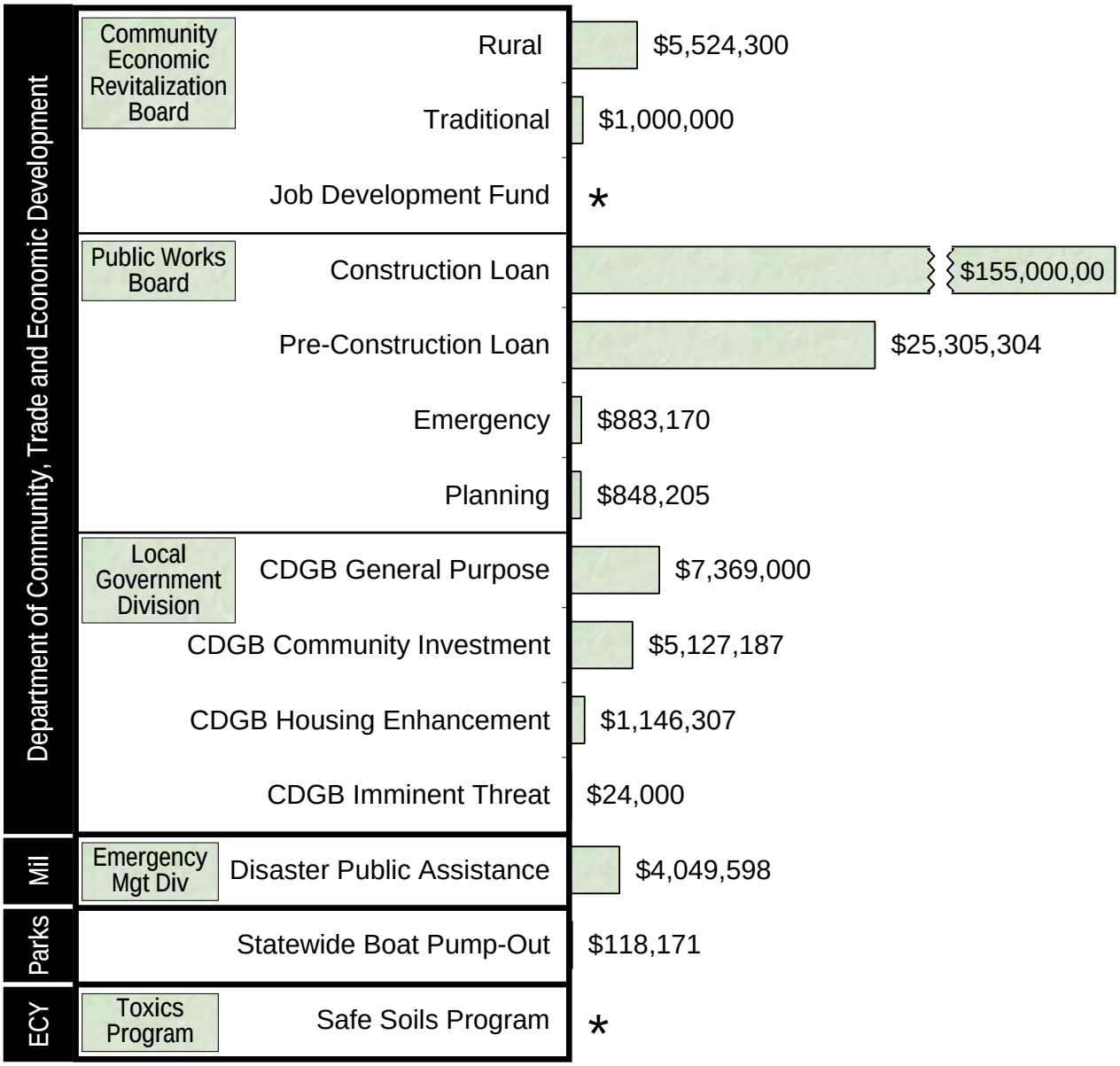


*No project selection in 2005.

Resource Levels Vary for State Grant and Loan Programs That Can Fund Basic Infrastructure Projects (Page 2 of 2)

Snapshot of Funding Levels for Projects Selected in 2005

(The programs in the chart below fund more than one kind of project, including Basic Projects)



*No project selection in 2005.

State Grant and Loan Programs That Can Fund Basic Infrastructure Projects

Program	Grants? Loans?	Projects Selected In 2005 (# of projects; $ awarded)	Categories of Basic Infrastructure Projects					
			Drinking Water	Wastewater/ Stormwater	Solid/ Hazardous Waste	Flood/Emergency Preparedness/Response	Irrigation/ Agriculture	Emergency Situations
Public Works Trust Fund (PWTF) Construction Loan Program*	L	64 projects; $155,000,000	✓	✓	✓			
PWTF Pre-Construction Loan Program*	L	43 projects; $25,305,304	✓	✓	✓			
PWTF Planning Loan Program*	L	11 projects; $848,205	✓	✓	✓			
PWTF Emergency Loan Program*	L	2 projects; $883,170	✓	✓	✓			✓
Drinking Water State Revolving Fund Program	L	37 projects; $39,380,363	✓					
Water System Acquisition & Rehabilitation Program	G	5 projects; $2,000,000	✓					
Community Development Block Grant (CDBG) General Purpose Grant Program*	G	13 projects; $7,369,000	✓	✓	✓			
CDBG Community Investment Fund Grant Program*	G	10 projects; $5,127,187	✓	✓	✓			
CDBG Housing Enhancement Grant Program*	G	5 projects; $1,146,307	✓	✓	✓			
CDBG Imminent Threat Grant Program*	G	1 project; $24,000	✓	✓	✓			✓

Program	Grants? Loans?	Projects Selected In 2005 (# of projects; $ awarded)	Categories of Basic Infrastructure Projects					
			Drinking Water	Wastewater/ Stormwater	Solid/ Hazardous Waste	Flood/Emergency Preparedness/Response	Irrigation/ Agriculture	Emergency Situations
Community Economic Revitalization Board (CERB) Traditional Program*	G, L	1 project; $1,000,000	✓	✓				
CERB Rural Program*	G, L	15 projects; $5,524,300	✓	✓				
Job Development Fund Program*	G	(First projects in 2007)	✓	✓				
Centennial Clean Water Fund Program	G, L	33 projects; $20,106,482		✓			✓	
Water Pollution Control Revolving Fund Program	L	22 projects; $64,886,839		✓			✓	
Clean Water Act, Section 319 Grant Program	G	11 projects; $1,946,626		✓			✓	
Statewide Boat Pump-Out Program*	G	7 projects; $118,171		✓				
Hood Canal Aquatic Rehabilitation Grants	G	(First projects in 2006)		✓				
Safe Drinking Water Action Grant Program	G	1 project; $1,000,000	✓		✓			✓
Coordinated Prevention Grant Program	G	83 grants; $11,309,856			✓			
Safe Soils Remediation and Awareness Projects*	G	(First projects in 2006)			✓			

Program	Grants? Loans?	Projects Selected In 2005 (# of projects; $ awarded)	Categories of Basic Infrastructure Projects					
			Drinking Water	Wastewater/ Stormwater	Solid/ Hazardous Waste	Flood/Emergency Preparedness/Response	Irrigation/ Agriculture	Emergency Situations
Drought Preparedness Program	G, L	27 projects; $6,988,007	✓				✓	
Watershed Plan Implementation and Flow Achievement Program/ Infrastructure Category	G	10 projects; $1,786,495	✓	✓			✓	
Flood Control Assistance Account Program	G	25 projects; $1,883,000				✓		✓
Emergency Management Hazard Mitigation Program	G	0 projects; $0				✓		
Emergency Management Disaster Public Assistance Program*	G	5 grants; $4,049,598	✓	✓	✓	✓		✓
Emergency Management Pre-Disaster Mitigation Program	G	9 projects; $6,582,222				✓		

* The programs marked with an asterisk are cross-listed with the collections of programs that fund Transportation Infrastructure projects and/or Other Infrastructure projects (buildings, facilities, recreation). The information on the number of projects selected and the amount awarded is a total for *all* categories. *This* volume of the JLARC inventory focuses on these programs' funding of Basic Infrastructure projects.

State Grant and Loan Programs That Can Fund Basic Infrastructure Projects: Who Is Eligible to Apply?

Program	Cities/Towns	Counties	Water and/or Sewer Districts	Port Districts	Public Utility Districts	Conservation Districts	Other Special Purpose Districts	Tribes	State Agencies	Non-Profit Organizations	Private Businesses	Other
Public Works Trust Fund (PWTF) Construction Loan Program*	✓	✓	✓		✓	✓	✓					
PWTF Pre-Construction Loan Program*	✓	✓	✓		✓	✓	✓					
PWTF Planning Loan Program*	✓	✓	✓		✓	✓	✓					
PWTF Emergency Loan Program*	✓	✓	✓		✓	✓	✓					
Drinking Water State Revolving Fund Program	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	
Water System Acquisition & Rehabilitation Program	✓	✓	✓		✓		✓					
Community Development Block Grant (CDBG) General Purpose Grant Program*	✓	✓										
CDBG Community Investment Fund Grant Program*	✓	✓										
CDBG Housing Enhancement Grant Program*	✓	✓										
CDBG Imminent Threat Grant Program*	✓	✓										
Community Economic Revitalization Board (CERB) Traditional Program*	✓	✓	✓	✓	✓		✓	✓				✓
CERB Rural Program*	✓	✓	✓	✓	✓		✓	✓				✓
Job Development Fund Program*	✓	✓	✓	✓	✓		✓	✓				✓
Centennial Clean Water Fund Program	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Water Pollution Control Revolving Fund Program	✓	✓	✓	✓	✓	✓	✓	✓	✓			

Program	Cities/Towns	Counties	Water and/or Sewer Districts	Port Districts	Public Utility Districts	Conservation Districts	Other Special Purpose Districts	Tribes	State Agencies	Non-Profit Organizations	Private Businesses	Other
Clean Water Act, Section 319 Grant Program	✓	✓				✓	✓	✓	✓	✓		
Statewide Boat Pump-Out Program*	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓
Hood Canal Aquatic Rehabilitation Grants	See Profile											
Safe Drinking Water Action Grant Program	✓	✓	✓	✓	✓		✓					
Coordinated Prevention Grant Program	✓	✓					✓					
Safe Soils Remediation and Awareness Projects*	See Profile											
Drought Preparedness Program	✓	✓	✓		✓	✓	✓	✓	✓			
Watershed Plan Implementation and Flow Achievement Program/ Infrastructure Category	✓	✓	✓		✓	✓	✓	✓	✓		✓	
Flood Control Assistance Account Program	✓	✓		✓		✓	✓	✓				
Emergency Management Hazard Mitigation Program	✓	✓	✓	✓	✓		✓	✓	✓	✓		
Emergency Management Disaster Public Assistance Program*	✓	✓	✓	✓	✓		✓	✓	✓	✓		
Emergency Management Pre-Disaster Mitigation Program	✓	✓	✓	✓	✓		✓	✓	✓			

* The programs marked with an asterisk are cross-listed with the collections of programs that fund Transportation Infrastructure projects and/or Other Infrastructure projects (buildings, facilities, recreation). *This* volume of the JLARC inventory focuses on these programs' funding of Basic Infrastructure projects.

State Grant and Loan Programs That Fund Drinking Water Projects: Distinguishing Characteristics[3]

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
Public Works Trust Fund (PWTF) Construction Loan Program	Eligible applicants must be using all local revenue sources which are reasonably available for funding public works; a city or county must be imposing a real estate excise tax of at least ¼ of 1 percent. Applicants must have a capital facilities plan and must be in compliance with the Growth Management Act.	Projects may be sized to address reasonable 20-year population growth.	The Public Works Board prepares a ranked project list once a year; the list is then submitted to the Legislature for approval each legislative session.
PWTF Pre-Construction Loan Program	Eligible applicants must be using all local revenue sources which are reasonably available for funding public works; a city or county must be imposing a real estate excise tax of at least ¼ of 1 percent. Applicants must have a capital facilities plan and must be in compliance with the Growth Management Act.		The Public Works Board can consider applications to this program at any meeting; the Board meets about once a month.
PWTF Planning Loan Program	Eligible applicants must be using all local revenue sources which are reasonably available for funding public works; a city or county must be imposing a real estate excise tax of at least ¼ of 1 percent. Applicants must have a capital facilities plan and must be in compliance with the Growth Management Act.	The majority of these loans are for updates of existing plans, so all but a brand new jurisdiction would have to have a base plan in place already.	The Public Works Board can consider applications to this program at any meeting; the Board meets about once a month.
PWTF Emergency Loan Program	The same as those above for the other PWTF loan programs, plus the local government must officially declare an emergency.	This is for repair or restoration of public works facilities that have been damaged by natural disaster or determined to be a threat to public health or safety through unforeseen or unavoidable circumstances.	The Public Works Board can consider applications to this program at any meeting; the Board meets about once a month.
Drinking Water State Revolving Fund Program	Eligible applicants are operators of Group A water systems that are regulated under the federal Safe Drinking Water Act. Group A systems serve 15 or more residential connections, or 25 or more people per day for 60 or more days per year. In addition to public entities, this program is also available to *private* for-profit and non-profit operators.	If a project is deemed eligible for funding under this program because the project addresses an *existing* health issue, the project may be sized to address reasonable 20-year growth.	Staff with the Department of Health work in conjunction with the Public Works Board to select a set of projects once each year. The list is reviewed by the federal Environmental Protection Agency.

[3]See individual program profiles for additional detail.

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
Water System Acquisition & Rehabilitation Program	Eligibility is confined to public entities that already manage a municipal Group A water system and that demonstrate a track record of sound drinking water utility management (see box above for what a Group A system is).	This program is only for financing the transfer and rehabilitation of failing water systems to municipal water systems.	The Legislature has provided funds for this program two times. Each time, staff with the Department of Health worked in conjunction with the Public Works Board to prioritize a list of projects within six months of the availability of the funds.
Community Development Block Grant (CDBG) General Purpose Grant Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development.	Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). The General Purpose Grant Program can fund the same projects as the Community Investment Fund Program, but the General Purpose Program uses an annual competitive process, and there is a $1 million cap on projects.	CTED approves a prioritized project list once each year.
CDBG Community Investment Fund Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development.	Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). Projects must rank in the top three of the county project priority list. There is no dollar maximum on projects.	Applicants may apply to this CTED program at any time.
CDBG Housing Enhancement Grant Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development.	Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). Only projects receiving Housing Trust Fund dollars may receive these grants.	CTED selects program grant recipients twice each year, once in the Spring and once in the Fall. This is in conjunction with grants awarded through the Housing Trust Fund.
CDBG Imminent Threat Grant Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development. Applicants must be suffering from an immediate threat to public health or safety, as verified by an independent source and supported by a formal declaration of an emergency.	Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). A project is only eligible for a grant from this program if the project is turned down for an emergency loan from the Public Works Trust Fund.	Applicants may apply to this CTED program following the development and declaration of an emergency situation.

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
Community Economic Revitalization Board (CERB) Traditional Program	CERB reviews whether local jurisdictions applying for funds are in compliance with the state's Growth Management Act. If a jurisdiction is not in compliance, CERB will consider how the non-compliance issues affect the proposed project site.	Projects must have a direct and specific connection to job creation or retention. Statute defines eligible business types (manufacturing, industrial distribution, etc.).There must be convincing evidence that a specific private development or expansion is ready to occur and will only occur if the public infrastructure improvement is made.	Applicants may bring project proposals to CERB throughout the year. CERB has six regular meetings per year.
CERB Rural Program	Applicants must meet definitions of being a rural county or a rural natural resources impact area. CERB also reviews whether local jurisdictions applying for funds are in compliance with the state's Growth Management Act. If a jurisdiction is not in compliance, CERB will consider how the non-compliance issues affect the proposed project site.	Projects must have a connection to job creation or retention. Statute defines eligible business types (manufacturing, industrial distribution, etc.). Unlike CERB's Traditional Program, this program can fund *prospective* development projects; an applicant must demonstrate the likelihood of project success with a feasibility study.	Applicants may bring project proposals to CERB throughout the year. CERB has six regular meetings per year.
Job Development Fund Program	Applicants must be able to supply a certification of compliance with the state's Growth Management Act.	The public sector project must be linked to a current or prospective private development project that will result in the creation or retention of jobs upon completion of the public project. Unlike the other two CERB programs, statute does not define eligible business types.	This is a biennial award process. CERB and the Public Works Board are generating the first prioritized list of projects in the Fall of 2006; the list will be under consideration by the Legislature in the 2007 legislative session.
Safe Drinking Water Action Grant Program	The applicant must be a local government that owns or operates a public drinking water system or that is applying on behalf of an entity that owns or operates one. The Department of Health must certify that a contaminant threatens the safety and reliability of the public water system, and the contaminants must include at least one hazardous substance.		Applicants may apply to this Ecology program throughout the year if faced with the qualifying situation with their drinking water system.
Drought Preparedness Program	The applicant must be receiving, or be projected to receive, less than 75% of normal water supply as a result of natural drought conditions, and must be experiencing, or be expected to experience, undue hardship as a result.	These must be projects or measures undertaken in response to drought conditions which are beyond the normal scope of operations of the applicant.	There is a funding cycle for this Ecology program only when there is an official declaration of a drought, as described in the program profile.

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
Watershed Plan Implementation and Flow Achievement Program/Infrastructure Category	This program is designed for local governments, districts, tribes, or private entities implementing approved watershed plans.	An eligible project would make changes to a drinking water system for the purpose of increasing instream flows or enhancing fish habitat. Projects are to be selected such that the stream flow improvements or other public benefits are commensurate with the investment of state funds.	Ecology has implemented one round of competitive applications for this fund program, in 2005.
Emergency Management Disaster Public Assistance Program	An eligible applicant must have damaged facilities in a disaster-declared county.	For projects to repair public utilities such as water systems, the damage has to be caused by the declared disaster event, must not have been caused by negligence of others, and must not come under the authority of another federal agency.	This Military Department's Emergency Management Division program is available only after a Presidential declaration of a disaster.

State Grant and Loan Programs That Fund Wastewater/Stormwater Projects: Distinguishing Characteristics[4]

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
Public Works Trust Fund (PWTF) Construction Loan Program	Eligible applicants must be using all local revenue sources which are reasonably available for funding public works; a city or county must be imposing a real estate excise tax of at least ¼ of 1 percent. Applicants must have a capital facilities plan and must be in compliance with the Growth Management Act.	Projects may be sized to address reasonable 20-year population growth.	The Public Works Board prepares a ranked project list once a year; the list is then submitted to the Legislature for approval each legislative session.
PWTF Pre-Construction Loan Program	Eligible applicants must be using all local revenue sources which are reasonably available for funding public works; a city or county must be imposing a real estate excise tax of at least ¼ of 1 percent. Applicants must have a capital facilities plan and must be in compliance with the Growth Management Act.		The Public Works Board can consider applications to this program at any meeting; the Board meets about once a month.
PWTF Planning Loan Program	Eligible applicants must be using all local revenue sources which are reasonably available for funding public works; a city or county must be imposing a real estate excise tax of at least ¼ of 1 percent. Applicants must have a capital facilities plan and must be in compliance with the Growth Management Act.	The majority of these loans are for updates of existing plans, so all but a brand new jurisdiction would have to have a base plan in place already.	The Public Works Board can consider applications to this program at any meeting; the Board meets about once a month.
PWTF Emergency Loan Program	The same as those above for the other PWTF loan programs, plus the local government must officially declare an emergency.	This is for repair or restoration of public works facilities that have been damaged by natural disaster or determined to be a threat to public health or safety through unforeseen or unavoidable circumstances.	The Public Works Board can consider applications to this program at any meeting; the Board meets about once a month.
Community Development Block Grant (CDBG) General Purpose Grant Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development.	Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). The General Purpose Grant Program can fund the same projects as the Community Investment Fund Program, but the General Purpose Program uses an annual competitive process, and there is a $1 million cap on projects.	CTED approves a prioritized project list once each year.

[4]See individual program profiles for additional detail.

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
CDBG Community Investment Fund Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development.	Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). Projects must rank in the top three of the county project priority list. There is no dollar maximum on projects.	Applicants may apply to this CTED program at any time.
CDBG Housing Enhancement Grant Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development.	Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). Only projects receiving Housing Trust Fund dollars may receive these grants.	CTED selects program grant recipients twice each year, once in the Spring and once in the Fall. This is in conjunction with grants awarded through the Housing Trust Fund.
CDBG Imminent Threat Grant Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development. Applicants must be suffering from an immediate threat to public health or safety, as verified by an independent source and supported by a formal declaration of an emergency.	Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). A project is only eligible for a grant from this program if the project is turned down for an emergency loan from the Public Works Trust Fund.	Applicants may apply to this CTED program following the development and declaration of an emergency situation.
Community Economic Revitalization Board (CERB) Traditional Program	CERB reviews whether local jurisdictions applying for funds are in compliance with the state's Growth Management Act. If a jurisdiction is not in compliance, CERB will consider how the non-compliance issues affect the proposed project site.	Projects must have a direct and specific connection to job creation or retention. Statute defines eligible business types (manufacturing, industrial distribution, etc.). There must be convincing evidence that a specific private development or expansion is ready to occur and will only occur if the public infrastructure improvement is made.	Applicants may bring project proposals to CERB throughout the year. CERB has six regular meetings per year.
CERB Rural Program	Applicants must meet definitions of being a rural county or a rural natural resources impact area. CERB also reviews whether local jurisdictions applying for funds are in compliance with the state's Growth Management Act. If a jurisdiction is not in compliance, CERB will consider how the non-compliance issues affect the proposed project site.	Projects must have a connection to job creation or retention. Statute defines eligible business types (manufacturing, industrial distribution, etc.). Unlike CERB's Traditional Program, this program can fund *prospective* development projects; an applicant must demonstrate the likelihood of project success with a feasibility study.	Applicants may bring project proposals to CERB throughout the year. CERB has six regular meetings per year.

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
Job Development Fund Program	Applicants must be able to supply a certification of compliance with the state's Growth Management Act.	The public sector project must be linked to a current or prospective private development project that will result in the creation or retention of jobs upon completion of the public project. Unlike the other two CERB programs, statute does not define eligible business types.	This is a biennial award process. CERB and the Public Works Board are generating the first prioritized list of projects in the Fall of 2006; the list will be under consideration by the Legislature in the 2007 legislative session.
Centennial Clean Water Program	A city, town, or county planning under the Growth Management Act may not receive funding unless it has adopted a comprehensive plan – including a capital facilities plan – and accompanying development regulations (though there may be exceptions). An applicant facing financial hardship may have to accept a Water Pollution Control Revolving Fund loan to pay for project costs not covered by a Centennial Program grant.	Eligible costs are for the portion of a water pollution control facility's capacity that addresses 110% of the applicant's needs at the time of application. Costs for capacity to address growth beyond 10% are not eligible.	Ecology approves a prioritized project list once each year.
Water Pollution Control Revolving Loan Program	A city, town, or county planning under the Growth Management Act may not receive funding unless it has adopted a comprehensive plan – including a capital facilities plan – and accompanying development regulations (though there may be exceptions).	The project must not be inconsistent with adopted water quality plans such as the Puget Sound Water Quality Management Plan or city/county comprehensive sewer plans. Facilities may be sized to address up to 20 years' reserve capacity.	Ecology approves a prioritized project list once each year, with the review and concurrence of the federal Environmental Protection Agency.
Clean Water Act, Section 319 Grant Program		Projects must be in the state's water quality management plan to control nonpoint source pollution. Water pollution control facilities projects are not eligible.	Ecology approves a prioritized project list once each year.
Statewide Boat Pump-Out Program	Applicants for infrastructure projects must own or manage a marina, boat launch, or boater destination that is open to the public.	The project must provide public benefits. Upland facilities or treatment plants are generally excluded.	Applications are accepted by State Parks throughout the year.
Hood Canal Aquatic Rehabilitation Grants	This program is exclusive to the Hood Canal area.	Projects need to assist in addressing and resolving Hood Canal's low dissolved oxygen concentrations.	This program is new in 2006. The Interagency Committee for Outdoor Recreation is developing contracts for projects identified jointly by the Hood Canal Coordinating Council and the Puget Sound Action Team.

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
Watershed Plan Implementation and Flow Achievement Program/ Infrastructure Category	This program is designed for local governments, districts, tribes, or private entities implementing approved watershed plans.	An eligible project would make changes to a sewer or stormwater system for the purpose of using reclaimed water to increase instream flows or enhance fish habitat. Projects are to be selected such that the stream flow improvements or other public benefits are commensurate with the investment of state funds.	Ecology has implemented one round of competitive applications for this fund program, in 2005.
Emergency Management Disaster Public Assistance Program	An eligible applicant must have damaged facilities in a disaster-declared county.	For projects to repair public utilities such as sewer systems, the damage has to be caused by the declared disaster event, must not have been caused by negligence of others, and must not come under the authority of another federal agency.	This Military Department's Emergency Management Division program is available only after a Presidential declaration of a disaster.

State Grant and Loan Programs That Fund Solid and/or Hazardous Waste Projects: Distinguishing Characteristics[5]

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
Public Works Trust Fund (PWTF) Construction Loan Program	Eligible applicants must be using all local revenue sources which are reasonably available for funding public works; a city or county must be imposing a real estate excise tax of at least ¼ of 1 percent. Applicants must have a capital facilities plan and must be in compliance with the Growth Management Act.	Projects may be sized to address reasonable 20-year population growth.	The Public Works Board prepares a ranked project list once a year; the list is then submitted to the Legislature for approval each legislative session.
PWTF Pre-Construction Loan Program	Eligible applicants must be using all local revenue sources which are reasonably available for funding public works; a city or county must be imposing a real estate excise tax of at least ¼ of 1 percent. Applicants must have a capital facilities plan and must be in compliance with the Growth Management Act.		The Public Works Board can consider applications to this program at any meeting; the Board meets about once a month.
PWTF Planning Loan Program	Eligible applicants must be using all local revenue sources which are reasonably available for funding public works; a city or county must be imposing a real estate excise tax of at least ¼ of 1 percent. Applicants must have a capital facilities plan and must be in compliance with the Growth Management Act.	The majority of these loans are for updates of existing plans, so all but a brand new jurisdiction would have to have a base plan in place already.	The Public Works Board can consider applications to this program at any meeting; the Board meets about once a month.
PWTF Emergency Loan Program	The same as those above for the other PWTF loan programs, plus the local government must officially declare an emergency.	This is for repair or restoration of public works facilities that have been damaged by natural disaster or determined to be a threat to public health or safety through unforeseen or unavoidable circumstances.	The Public Works Board can consider applications to this program at any meeting; the Board meets about once a month.
Community Development Block Grant (CDBG) General Purpose Grant Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development.	Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). The General Purpose Grant Program can fund the same projects as the Community Investment Fund Program, but the General Purpose Program uses an annual competitive process, and there is a $1 million cap on projects.	CTED approves a prioritized project list once each year.
CDBG Community Investment Fund Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development.	Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). Projects must rank in the top three of the county project priority list. There is no dollar maximum on projects.	Applicants may apply to this CTED program at any time.

[5]See individual program profiles for additional detail.

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
CDBG Housing Enhancement Grant Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development.	Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). Only projects receiving Housing Trust Fund dollars may receive these grants.	CTED selects program grant recipients twice each year, once in the Spring and once in the Fall. This is in conjunction with grants awarded through the Housing Trust Fund.
CDBG Imminent Threat Grant Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development. Applicants must be suffering from an immediate threat to public health or safety, as verified by an independent source and supported by a formal declaration of an emergency.	Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). A project is only eligible for a grant from this program if the project is turned down for an emergency loan from the Public Works Trust Fund.	Applicants may apply to this CTED program following the development and declaration of an emergency situation.
Safe Drinking Water Action Grant Program	The applicant must be a local government that owns or operates a public drinking water system or that is applying on behalf of an entity that owns or operates one. The Department of Health must certify that a contaminant threatens the safety and reliability of the public water system, and the contaminants must include at least one hazardous substance.		Applicants may apply to this Ecology program throughout the year if faced with the qualifying situation with their drinking water system.
Coordinated Prevention Grant Program	The program is for counties or cities that are required to adopt or update local solid waste or hazardous waste plans.	Solid or hazardous waste expenses that are not directly related to compliance with state solid waste or hazardous waste laws and rules are not eligible.	In odd-numbered years, Ecology awards grants under its "regular" cycle, which is not a competitive process. If additional funds are available, Ecology offers an "off-set" round of funding in even-numbered years, which is competitive.
Safe Soils Remediation and Awareness Projects	Local jurisdictions do not apply directly to this program. Staff with Ecology's Toxics Cleanup Program identify areas of potential soil contamination and conduct outreach to schools, parks, and child care facilities, whether public or private, to instigate further testing.	Where contamination is found, Ecology works with the organization to develop a remediation plan, often timed to coincide with other work at the site.	Potential sites are identified by Ecology; there is no specific program award process.
Emergency Management Disaster Public Assistance Program	An eligible applicant must have damaged facilities in a disaster-declared county.	For projects to repair public utilities such as sewer systems, the damage has to be caused by the declared disaster event, must not have been caused by negligence of others, and must not come under the authority of another federal agency.	This Military Department's Emergency Management Division program is available only after a Presidential declaration of a disaster.

State Grant and Loan Programs That Fund Flood/Emergency Preparedness/Response Projects: Distinguishing Characteristics[6]

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
Flood Control Assistance Account Program	Applicants must participate in the National Flood Insurance Program and meet that program's requirements.	Projects are to have a general public and state interest, as differentiated from a private interest, and should be likely to yield public benefits commensurate with the amount of state funds allocated to them.	Ecology awards grants on a biennial cycle. However, the program retains some funds in reserve in order to be able to respond to emergency flooding situations.
Emergency Management Hazard Mitigation Program	Local government and tribal government applicants must have a local mitigation plan that is in accordance with federal regulatory requirements for such plans and that is approved by the Federal Emergency Management Agency.	The project must be in conformance with the State Mitigation Plan and the approved local plan. Projects must be cost-effective and substantially reduce the risk of future damage, hardship, loss, or suffering resulting from a major disaster. This program cannot fund repair and rebuilding after a disaster, as the Public Assistance Program can.	Funding is available through the Military Department's Emergency Management Division only after a Presidential declaration of a major disaster.
Emergency Management Disaster Public Assistance Program	An eligible applicant must have damaged facilities in a disaster-declared county.	For projects to repair public utilities such as water systems, the damage has to be caused by the declared disaster event, must not have been caused by negligence of others, and must not come under the authority of another federal agency.	This Military Department's Emergency Management Division program is available only after a Presidential declaration of a disaster.
Emergency Management Pre-Disaster Mitigation Program	Only the state or tribes can apply directly to the Federal Emergency Management Agency for these funds; local governments can then apply to the State as sub-applicants. Local government and tribal government applicants must have a local mitigation plan that is in accordance with federal regulatory requirements for such plans and that is approved by the Federal Emergency Management Agency.	Funding can be for mitigation planning and for projects that will significantly reduce or eliminate the impacts of the next major disaster event. Applicants and sub-applicants must provide a benefit-cost analysis for projects.	Grants are awarded on a national competitive basis. The Military Department's Emergency Management Division indicates that the timing has not been the same for any of the first three funding cycles of this program.

[6]See individual program profiles for additional detail.

State Grant and Loan Programs That Fund Irrigation/Agriculture Projects: Distinguishing Characteristics[7]

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
Centennial Clean Water Program	A city, town, or county planning under the Growth Management Act may not receive funding unless it has adopted a comprehensive plan – including a capital facilities plan – and accompanying development regulations (though there may be exceptions). An applicant facing financial hardship may have to accept a Water Pollution Control Revolving Fund loan to pay for project costs not covered by a Centennial Program grant. Conservation districts and other special purpose districts are also eligible to apply.	For agriculture, projects would likely be in the "activities" category, which would be actions to control nonpoint sources of water pollution.	Ecology approves a prioritized project list once each year.
Water Pollution Control Revolving Loan Program	A city, town, or county planning under the Growth Management Act may not receive funding unless it has adopted a comprehensive plan – including a capital facilities plan – and accompanying development regulations (though there may be exceptions). Conservation districts and other special purpose districts are also eligible to apply.	The project must not be inconsistent with adopted water quality plans such as the Puget Sound Water Quality Management Plan or city/county comprehensive sewer plans. For agriculture, projects would likely be in the "activities" category, which would be actions to control nonpoint sources of water pollution.	Ecology approves a prioritized project list once each year, with the review and concurrence of the federal Environmental Protection Agency.
Clean Water Act, Section 319 Grant Program	Conservation districts and other special purpose districts are eligible to apply.	Projects must be in the state's water quality management plan to control nonpoint source pollution. Water pollution control facilities projects are not eligible. This program only funds activities to control nonpoint sources of water pollution.	Ecology approves a prioritized project list once each year.
Drought Preparedness Program	The applicant must be receiving, or be projected to receive, less than 75% of normal water supply as a result of natural drought conditions, and must be experiencing, or be expected to experience, undue hardship as a result.	These must be projects or measures undertaken in response to drought conditions which are beyond the normal scope of operations of the applicant.	There is a funding cycle for this Ecology program only when there is an official declaration of a drought, as described in the program profile.
Watershed Plan Implementation and Flow Achievement Program/ Infrastructure Category	This program is designed for local governments, districts, tribes, or private entities implementing approved watershed plans.	An eligible project would make changes to an agricultural operation for the purpose of increasing instream flows or enhancing fish habitat. Projects are to be selected such that the stream flow improvements or other public benefits are commensurate with the investment of state funds.	Ecology has implemented one round of competitive applications for this fund program, in 2005.

[7]See individual program profiles for additional detail.

State Grant and Loan Programs That Fund Basic Infrastructure Projects In Emergency Situations: Distinguishing Characteristics[8]

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
PWTF Emergency Loan Program	Eligible applicants must be using all local revenue sources which are reasonably available for funding public works; a city or county must be imposing a real estate excise tax of at least ¼ of 1 percent. Applicants must have a capital facilities plan and must be in compliance with the Growth Management Act. Additionally, the local government must officially declare an emergency.	This is for repair or restoration of public works facilities that have been damaged by natural disaster or determined to be a threat to public health or safety through unforeseen or unavoidable circumstances. This could be for an emergency situation involving drinking water, wastewater, stormwater, solid waste, or hazardous waste infrastructure.	The Public Works Board can consider applications to this program at any meeting; the Board meets about once a month.
CDBG Imminent Threat Grant Program	Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that do not receive funds directly from the federal Department of Housing and Urban Development. Applicants must be suffering from an immediate threat to public health or safety, as verified by an independent source and supported by a formal declaration of an emergency.	This could be for an emergency situation involving drinking water, wastewater, stormwater, solid waste, or hazardous waste infrastructure. Projects must principally benefit low- and moderate-income people (LMI = 80% of county median income). *A project is only eligible for a grant from this program if the project is turned down for an emergency loan from the Public Works Trust Fund.*	Applicants may apply to this CTED program following the development and declaration of an emergency situation.
Safe Drinking Water Action Grant Program	The applicant must be a local government that owns or operates a public drinking water system or that is applying on behalf of an entity that owns or operates one. The Department of Health must certify that a contaminant threatens the safety and reliability of the public water system, and the contaminants must include at least one hazardous substance.	This could be for an emergency situation involving drinking water infrastructure.	Applicants may apply to this Ecology program throughout the year if faced with the qualifying situation with their drinking water system.
Flood Control Assistance Account Program	Applicants must participate in the National Flood Insurance Program and meet that program's requirements.	This could be for an emergency situation where basic infrastructure systems have been impacted by flooding. Projects are to have a general public and state interest, as differentiated from a private interest, and should be likely to yield public benefits commensurate with the amount of state funds allocated to them.	While Ecology distributes the majority of funds through a biennial competitive process, it holds some funds in reserve to be available to local jurisdictions in an emergency flooding situation.

[8]See individual program profiles for additional detail.

Program	Special Qualifications: Who Is Eligible to Apply?	Special Qualifications: What Projects Are Eligible?	Timing of the Award Process
Emergency Management Disaster Public Assistance Program	An eligible applicant must have damaged facilities in a disaster-declared county.	Funds may be used for permanent repair of public utilities such as drinking water, wastewater, and stormwater systems. Also eligible is emergency work for debris removal and emergency protective measures. The damage has to be caused by the declared disaster event, must not have been caused by negligence of others, and must not come under the authority of another federal agency.	This Military Department's Emergency Management Division program is available only after a Presidential declaration of a disaster.

Program Profiles

Public Works Trust Fund Construction Loan Program

Administered By:
Department of Community, Trade and Economic Development, Public Works Board

General Information

Program Purpose: The Public Works Trust Fund Construction Loan Program is a revolving low- or no-interest loan fund that helps eligible jurisdictions finance critical public works needs. Eligible activities include repair, replacement, rehabilitation, new construction, reconstruction, or improvement of drinking water, wastewater, stormwater, road, bridge, and solid waste/recycling public works systems to meet current standards for existing users and to meet needs for reasonable 20-year population growth.

Mission Statement: The mission of the Public Works Board is to provide financial and technical assistance to Washington communities for critical public health, safety, and environmental infrastructure that supports economic vitality.

Year Established: 1985

Enabling State Statutes: Chapter 43.155 RCW

Administrative Rules: Chapter 399-30 WAC

Legislative Intent: RCW 43.155.010

It is the policy of the state of Washington to encourage self-reliance by local governments in meeting their public works needs and to assist in the financing of critical public works projects by making loans, financing guarantees, and technical assistance available to local governments for these projects.

Is there a separate governing board? Yes, the Public Works Board. The Board establishes policies to guide each biennial project selection process, and the Board establishes the Construction Loan Program project list, which is then submitted to the Legislature for approval.

Budget Information

Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration*	2,035,527	2,124,000	1,911,000	2,103,100	2,128,444
New Appropriation for Loans**	180,977,000	296,743,000	308,373,000	416,200,000	288,900,000
Expenditure for Administration*	1,713,047	1,979,992	1,565,400	2,103,100	(estimated) 2,128,444
Funds Awarded for Loans**	202,384,000	290,520,707	277,685,000	394,800,473	(estimated) 252,781,253

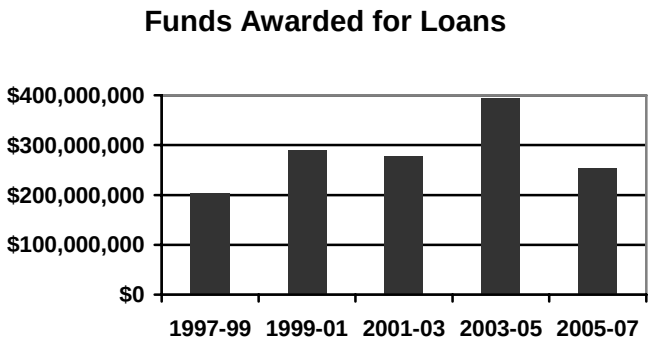
*Note: The information regarding administration in the table above represents the combined figures for all four of the Public Works Trust Fund programs described in this and the next three program profiles.

**Note: The New Appropriation for Loans amount is the amount available to the Board for all four PWTF loan programs in that biennium. The Funds Awarded for Loans amount is the amount awarded for Construction loans only. The balance between the two amounts is the amount the Board put toward the other three loan programs and can be found in the following loan program profiles.

FTEs for the Program in 2005-07:
8.8 FTEs administer all four of the Public Works Trust Fund loan programs

Fund Account(s):
058-1 – Public Works Assistance Account (also known as Public Works Trust Fund)

Fund Sources:
- Initially established with bond proceeds
- Loan repayments and interest
- RCW 82.18.040: 100% of the Solid Waste Collection Tax
- RCW 82.16.020: 60% of the Public Utility Tax on sewerage collection and 20% of the Public Utility Tax on water distribution
- RCW 82.45.060: 6.1% of the state portion of the Real Estate Excise Tax
- Use of the Accelerated Loan Commitment Model



Recent Changes to Funding Pattern: In 2005, the Legislature earmarked dollars in the Public Works Assistance Account for purposes other than trust fund loans: $50 million for specific Job/Economic Development Grants projects in 2005-07; up to $50 million in the 2007-09 biennium for a new Job Development Fund Program; and a percentage (1 and 6/10 %) of the Real Estate Excise Tax previously deposited into the Public Works Assistance Account was redirected to a new City-County Assistance Account. The Public Works Board estimates that the transfer to the City-County Assistance Account averages about $25 million per biennium that is no longer available for funding through the Public Works Trust Fund programs.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Annual, based on the state fiscal year.

Does the Legislature Approve Project Selection? Yes.

Number of Projects Selected in 2005: 64

Total Amount Awarded in 2005: $155 million

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? The passing of legislation authorizing the construction loan project list. In the establishment of the list to send to the Legislature, the Public Works Board is factoring in the amount that can be lent from the trust fund while still retaining fund integrity, based in part on projected loan repayments and interest, and projected revenues from the four tax sources.

Maximum Amount That Can Be Awarded to a Project: This is set by Public Works Board policy; in recent biennia, the maximum has ranged from $7 million to $10 million per applicant per biennium.

Matching Requirements: Per Public Works Board policy, construction loans require a minimum 5% match from the applicant. If the applicant provides a greater % match, the applicant can receive a lower interest rate.

Interest Rate Charged:
With a 15% local match → 0.5%
With a 10% local match → 1.0%
With a 5% local match → 2.0%

Repayment Statistics:
No loan defaults.

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☑ Drinking Water	☐ Grants
☑ Counties	☑ Wastewater	☑ Loans
☑ Water and/or Sewer Districts	☑ Stormwater	
☐ Port Districts	☑ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☑ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☐ Tribes	☑ Transportation Infrastructure	
☐ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: Eligible projects include repair, replacement, rehabilitation, new construction, reconstruction, or improvements of drinking water, wastewater, stormwater, road, bridge, and solid waste/recycling public works systems to meet current standards for existing users and to meet needs for reasonable 20-year population growth.

Special Qualifications Regarding Who Can Apply: To qualify for loans from this program, statute requires that a local government meet all the following conditions: (a) the city or county must be imposing a real estate excise tax at a rate of at least ¼ of 1%; (b) the local government must have developed a capital facility plan; and (c) the local government must be using all local revenue sources which are reasonably available for funding public works, taking into account local employment and economic factors. Additionally, except where necessary to address a public health need or substantial environmental degradation, statute requires a city, town, or county planning under the Growth Management Act to have adopted a comprehensive plan, including a capital facilities plan and development regulations.

Per rule, applicants must be in full compliance with the Growth Management Act. Full compliance includes adoption of the required planning components, no invalidity orders, and no unresolved findings by a Growth Management hearings board that the local government is out of compliance.

Special Qualifications Regarding Project Eligibility: WAC 399-30-030(3) provides detail on which project costs are eligible for public works loans.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

Note: The Public Works Board has a single application that applicants use to apply for the Board's Construction, Pre-Construction, Planning, and/or Emergency Loan programs.

Every March	The Public Works Board staff host between four and seven workshops around the state for potential applicants. These workshops are conducted in concert with staff from the Department of Health's Office of Drinking Water and also cover the two drinking water loan/grant programs that involve the Board. Applications, guidelines, and other materials are available on the Board's website.
Early May	Applications are due to the Board. Assistance has been available from Board staff to individual applicants as they prepare their applications.
May	Initial screening for applicant/project eligibility by Board staff.

May – July	Board staff score eligible projects using the criteria below. Based on this scoring, staff prepare a draft ranked list of projects.
Late July/ Early August	Board staff compare this ranked list of projects with the ranked list developed by the Department of Health for the Drinking Water State Revolving Fund program, looking for applicants who have applied to both programs. Staff work with any such applicants, also offering them a choice of which program to use.
Early August	The Public Works Board reviews the preliminary ranked list of projects. The Board often requests that staff collect or verify information about projects, for example, possible coordination with other funding agencies.
Between the two August Board meetings	Board staff collect the additional information requested by the Board.
Mid- to late-August	The Board reviews the initial ranked list and the additional information provided by staff. Per rule, the Board may adjust the list based on factors such as geographical balance and economic distress. The Board develops a final recommended list of projects to submit to the Legislature.
September/ October	The recommended list moves through the CTED and Governor budget development process. Per statute, Board staff must prepare a report for the fiscal committees of the Legislature with information about loans made in the prior fiscal year and about the projects on the prioritized list recommended for funding consideration in the coming legislative session.
Legislative session – Spring	The Legislature considers the recommended project list in the form of a bill. Per statute, the Legislature may remove projects from the recommended list but cannot change the order of projects on the list.

What Drives the Timing of the Application and Award Process? The timing of the process is based on the need for the project list to be incorporated into executive branch budget development and to be ready for the Legislature at the beginning of each session.

Evaluation Criteria:

Criteria used by staff in scoring applications: <u>Project Need and Solution</u> Project category (6 points maximum) Description of the need for the project and the solution (34 points maximum) <u>Local Management</u> Readiness to proceed (6 points maximum) System maintenance and operations (18 points maximum) Administrative, financial, and planning (18 points maximum) System capital improvements (18 points maximum) Maximum total points: 100	Per rule, the Board may adjust project rankings based on the following factors: • Geographical balance; • Economic distress; • Type of project; • Type of jurisdiction; • Past management practices of the applicant; and • Other criteria the Board considers advisable.

Recent Changes to the Process or Evaluation Criteria: In 2006, the criterion of readiness-to-proceed was incorporated expressly as a scoring item. Previously Board staff collected information on readiness-to-proceed as part of the additional information considered by the Board. Board staff indicate that the Board plans to reassess the existing process, with possible changes by the 2009 construction cycle.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

For all of the Public Works Trust Fund programs:

- Keep the program flexible enough to respond to the changing environment of infrastructure systems and public need;
- Minimize administrative costs while maximizing the use of the fund for critical infrastructure projects;
- Maintain good stewardship of the Public Works Assistance Account;
- Educate citizens on the need for critical infrastructure projects; and
- Continue to work cooperatively with other funders (e.g. DOH, CDBG, CERB, Ecology, and USDA Rural Development).

Performance Measures and Program Performance:

The Board provided information about two categories of performance measures: measures for clients, and measures for Board operations. With regard to measures for clients, the Board reports that, since 2001, applicants must identify the benefits of their proposed projects in their applications, and the Board uses this information as a component in prioritizing projects for funding. In 2003, the Board required performance measures as a part of the contractual agreement. As projects are completed and measures are reported, the Board indicates that it reports these to the Legislature in its Annual Legislative Report.

Currently clients have a range of individual performance measures, for example:

- One project plans to make sewer service available to more than 200 existing homes, which are currently connected to individual on-site septic systems. Within one year of project completion, at least 50 homes will be connected to the sewer, and their septic systems decommissioned; and
- For a road project, the applicant expects at least a 20% reduction in preventable accidents four years after the project's completion.

The Board indicates that it is in the process of standardizing the performance measures for its clients in order to enable a more unified set of information to be gathered, reported and interpreted. The Board plans to hold focus groups around the state to receive input from clients and stakeholders in Fall 2006.

With regard to its own performance measures, the Board has just completed its seven-year Strategic Plan for 2007-2014. The next step will be for the Board to create program performance measures, for example, the number of contracts executed, the number of contracts closed out on time, and the number of loan payments received.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The Board notes the following challenges:

- The lack of enough available funding to meet the infrastructure need. This is exacerbated when funds are appropriated from the Public Works Assistance Account for other purposes;
- Balancing competing statewide funding priorities such as balancing economic development needs with public health and safety needs; and
- As a result of increasing regulatory requirements, many infrastructure projects (e.g. drinking water and sewer projects) are much more expensive and take longer to build than in previous years. Examples of increasing regulatory requirements are new water quality regulations, homeland security requirements such as fencing, alarm systems, and cameras, and the new Executive Order 05-05 (Historic & Cultural Resources). These new requirements can have a major impact, especially on smaller jurisdictions.

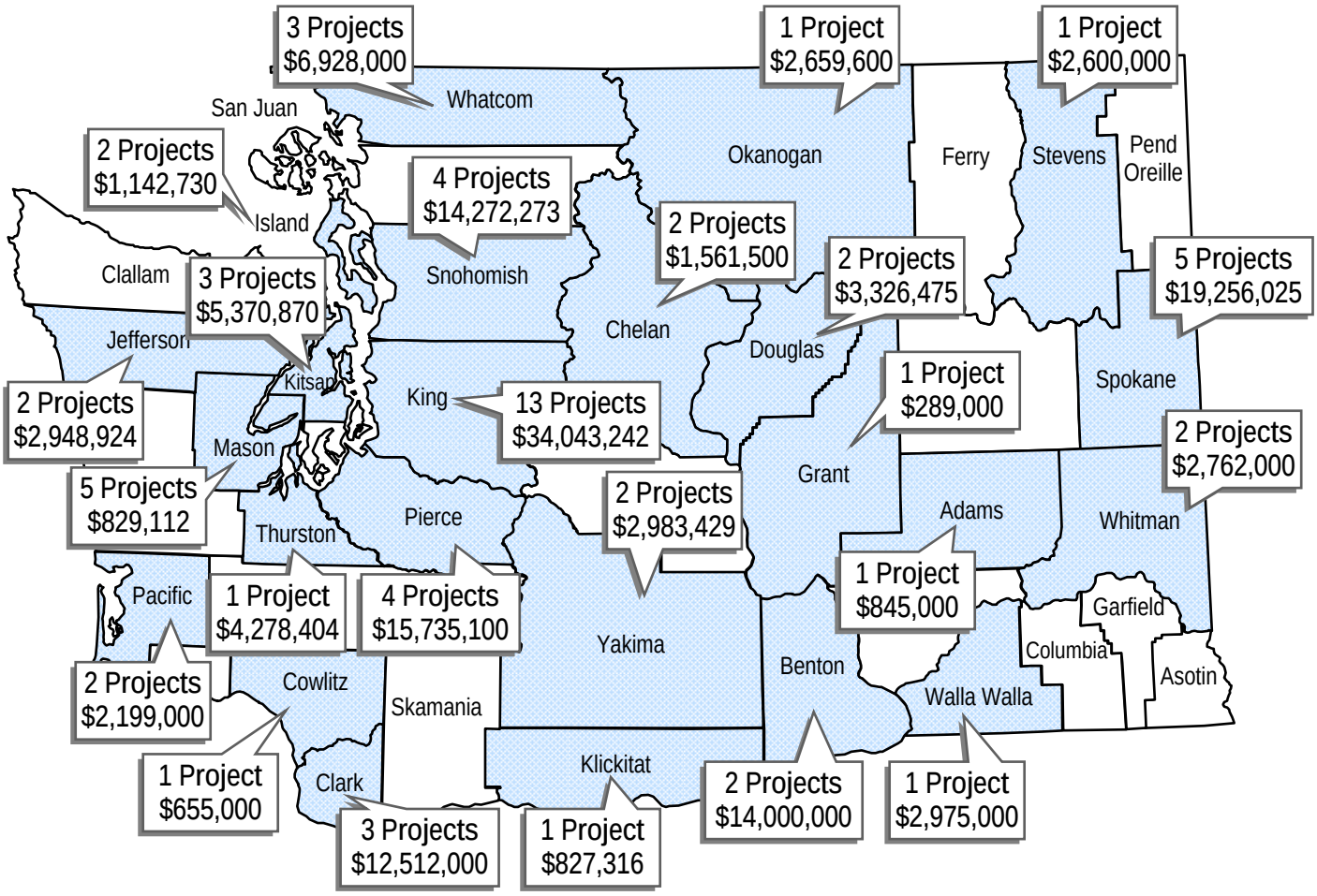
Web-site

For Additional Information:

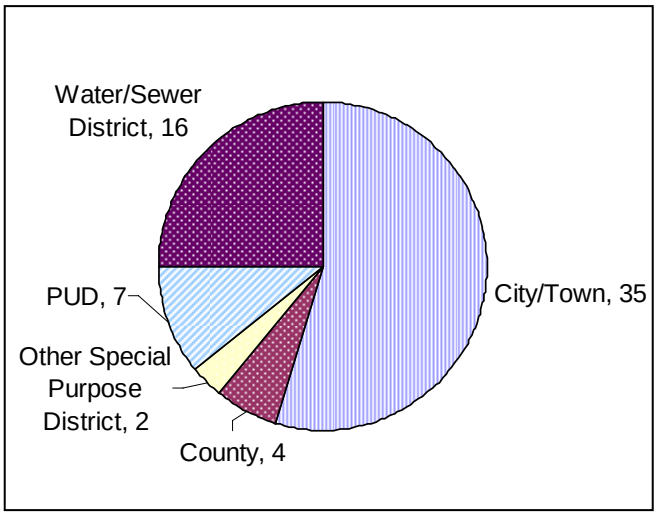
The Public Works Board website:
http://www.pwb.wa.gov

Public Works Trust Fund Construction Loan Program Awards, 2005

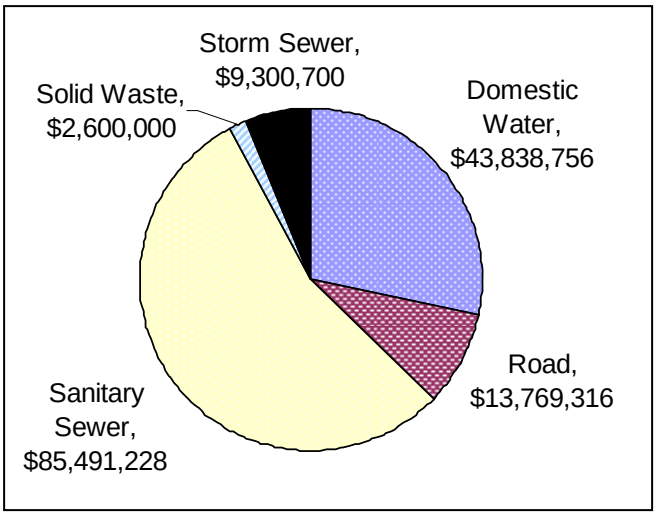
Location of Awards by County



Loan Recipients



Types of Projects Funded



Public Works Trust Fund Pre-Construction Loan Program

Administered By:
Department of Community, Trade and Economic Development, Public Works Board

General Information

Program Purpose: The Public Works Trust Fund Pre-Construction Loan Program is a revolving low-interest loan fund that helps eligible jurisdictions pay for pre-construction activities on public works projects. Pre-construction activities are activities such as project design, engineering, bid-document preparation, environmental studies, right of way acquisition, and other preliminary phases of public works projects. Projects may address drinking water, wastewater, stormwater, road, bridge, or solid waste/recycling public works systems.

Mission Statement: The mission of the Public Works Board is to provide financial and technical assistance to Washington communities for critical public health, safety, and environmental infrastructure that supports economic vitality.

Year Established: 1995

Enabling State Statutes: RCW 43.155.068

Administrative Rules: Chapter 399-30 WAC

Legislative Intent: RCW 43.155.068(1)

The Board may make low-interest or interest-free loans to local governments for preconstruction activities on public works projects before the Legislature approves the construction phase of the project . . . The purpose of the loans authorized in this section is to accelerate the completion of public works projects by allowing preconstruction activities to be performed before the approval of the construction phase of the project by the Legislature.

Is there a separate governing board? Yes, the Public Works Board. The Board establishes policies to guide the project selection process and determines whether proposed projects receive funding.

Budget Information

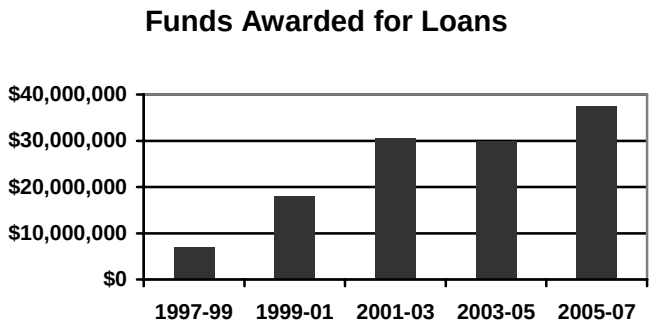
Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration*					
New Appropriation for Loans**	See Construction Loan Program profile for more information				
Expenditure for Administration*					
Funds Awarded for Loans**	7,073,069	18,044,925	30,540,621	29,929,848	(estimated) 37,455,000

*Note: The Public Works Board provided information on administration appropriations and expenditures for all four Public Works Trust Fund programs combined. These aggregated figures appear in the profile for the Construction Loan Program.
**Note: Per statute, not more than 15% of the biennial capital appropriation to the Public Works Board from the Public Works Assistance Account may be expended or obligated for preconstruction loans, emergency loans, or loans for planning. Of this 15%, statute puts additional constraints on amounts for emergency loans and planning.

FTEs for the Program in 2005-07:
8.8 FTEs administer all four of the Public Works Trust Fund loan programs

Fund Account(s):

058-1 – Public Works Assistance Account (also known as Public Works Trust Fund)



Fund Sources:

- Initially established with bond proceeds
- Loan repayments and interest
- RCW 82.18.040: 100% of the Solid Waste Collection Tax
- RCW 82.16.020: 60% of the Public Utility Tax on sewerage collection and 20% of the Public Utility Tax on water distribution
- RCW 82.45.060: 6.1% of the state portion of the Real Estate Excise Tax
- Use of the Accelerated Loan Commitment Model

Recent Changes to Funding Pattern: In 2005, the Legislature earmarked dollars in the Public Works Assistance Account for purposes other than trust fund loans: $50 million for specific Job/Economic Development Grants projects in 2005-07; up to $50 million for the 2007-09 biennium for a new Job Development Fund Program; and a percentage (1 and 6/10 %) of the Real Estate Excise Tax previously deposited into the Public Works Assistance Account was redirected to a new City-County Assistance Account. The Public Works Board estimates that the transfer to the City-County Assistance Account averages about $25 million per biennium that is no longer available for funding through the Public Works Trust Fund programs.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Open cycle; the Board accepts applications by the 5th of any month.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 43

Total Amount Awarded in 2005: $25,305,304

What Determines the Total Amount Available for Grants or Loans in a Given Time Period?
Per statute, not more than 15% of the biennial capital budget appropriation to the Board from the Public Works Assistance Account may be expended or obligated for preconstruction loans, emergency loans, or loans for capital facility planning. Of the 15%, not more than 10% may be for emergency loans, and not more than 1% may be for capital facility planning loans.

Maximum Amount That Can Be Awarded to a Project:
Per Public Works Board policy, the maximum amount is $1,000,000 per jurisdiction per biennium.

Matching Requirements: Per Public Works Board policy, loans require a minimum 5% match from the applicant. If the applicant provides a greater % match, the applicant can receive a lower interest rate.

Interest Rate Charged:
With a 15% local match → 0.5%
With a 10% local match → 1.0%
With a 5% local match → 2.0%

Repayment Statistics:
No loan defaults.

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☑ Drinking Water	☐ Grants
☑ Counties	☑ Wastewater	☑ Loans
☑ Water and/or Sewer Districts	☑ Stormwater	
☐ Port Districts	☑ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☑ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☐ Tribes	☑ Transportation Infrastructure	
☐ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: Eligible preconstruction activities include project design, engineering, bid document preparation, environmental studies, and right of way acquisition. Projects may address drinking water, wastewater, stormwater, road, bridge, or solid waste/recycling public works systems.

Special Qualifications Regarding Who Can Apply: To qualify for loans from this program, statute requires that a local government meet all the following conditions: (a) the city or county must be imposing a real estate excise tax at a rate of at least ¼ of 1%; (b) the local government must have developed a capital facility plan; and (c) the local government must be using all local revenue sources which are reasonably available for funding public works, taking into account local employment and economic factors. Additionally, except where necessary to address a public health need or substantial environmental degradation, statute requires a city, town, or county planning under the Growth Management Act to have adopted a comprehensive plan, including a capital facilities plan and development regulations.

Per rule, applicants must be in full compliance with the Growth Management Act. Full compliance includes adoption of the required planning components, no invalidity orders, and no unresolved findings by a Growth Management hearings board that the local government is out of compliance.

Special Qualifications Regarding Project Eligibility: WAC 399-30-030(3) provides detail on which project costs are eligible for public works loans.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

Note: The Public Works Board has a single application that applicants use to apply for the Board's Construction, Pre-Construction, Planning, and/or Emergency Loan programs.

Any time of year	The program is on an open cycle, and applicants can submit an application to the Public Works Board by the 5th of any month.
Month 1	Upon receipt, Board staff perform a threshold review on the application to make sure the applicant fulfills the eligibility and minimum qualification requirements.
Month 1 or 2	For applications meeting the requirements, Board staff score the application according to the number of points awarded for responses provided by the applicant regarding local management efforts and project need. Staff provide the Board information on the evaluation and scoring of applications.
Month 1 or 2	The Public Works Board considers a ranked list of projects based on the staff scoring process.

Month 1 or 2	The Public Works Board makes a decision about whether to approve a loan to a ranked project.

What Drives the Timing of the Application and Award Process? The applicant makes the initial decision about when to apply to this program.

Evaluation Criteria:

Criteria used by staff in scoring applications:

Project Need and Solution

- Project category (6 points maximum)
- Description of the need for the project and the solution (34 points maximum)

Local Management

- Readiness to proceed (6 points maximum)
- System maintenance and operations (18 points maximum)
- Administrative, financial, and planning (18 points maximum)
- System capital improvements (18 points maximum)

Maximum total points: 100

Recent Changes to the Process or Evaluation Criteria: In 2006, the criterion of readiness-to-proceed was incorporated expressly as a scoring item. Previously Board staff collected information on readiness-to-proceed as part of the additional information considered by the Board. Board staff indicate that the Board plans to reassess the existing process, with possible changes by the 2009 construction cycle.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

For all of the Public Works Trust Fund programs:

- Keep the program flexible enough to respond to the changing environment of infrastructure systems and public need;
- Minimize administrative costs while maximizing the use of the fund for critical infrastructure projects;
- Maintain good stewardship of the Public Works Assistance Account;
- Educate citizens on the need for critical infrastructure projects; and
- Continue to work cooperatively with other funders (e.g. DOH, CDBG, CERB, Ecology, and USDA Rural Development).

Performance Measures and Program Performance:

The Board provided information about two categories of performance measures: measures for clients, and measures for Board operations. With regard to measures for clients, the Board reports that, since 2001, applicants must identify the benefits of their proposed projects in their applications, and the Board uses this information as a component in prioritizing projects for funding. In 2003, the Board required performance measures as a part of the contractual agreement. As projects are completed and measures are reported, the Board indicates that it reports these to the Legislature in its Annual Legislative Report.

Currently clients have a range of individual performance measures, for example:

- One project plans to make sewer service available to more than 200 existing homes, which are currently connected to individual on-site septic systems. Within one year of project completion, at least 50 homes will be connected to the sewer, and their septic systems decommissioned; and
- For a road project, the applicant expects at least a 20% reduction in preventable accidents four years after the project's completion.

(continued on next page)

The Board indicates that it is in the process of standardizing the performance measures for its clients in order to enable a more unified set of information to be gathered, reported and interpreted. The Board plans to hold focus groups around the state to receive input from clients and stakeholders in Fall 2006.

With regard to its own performance measures, the Board has just completed its seven-year Strategic Plan for 2007-2014. The next step will be for the Board to create program performance measures, for example, the number of contracts executed, the number of contracts closed out on time, and the number of loan payments received.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The Board notes the following challenges:

- The lack of enough available funding to meet the infrastructure need. This is exacerbated when funds are appropriated from the Public Works Assistance Account for other purposes;
- Balancing competing statewide funding priorities such as balancing economic development needs with public health and safety needs; and
- As a result of increasing regulatory requirements, many infrastructure projects (e.g. drinking water and sewer projects) are much more expensive and take longer to build than in previous years. Examples of increasing regulatory requirements are new water quality regulations, homeland security requirements such as fencing, alarm systems, and cameras, and the new Executive Order 05-05 (Historic & Cultural Resources). These new requirements can have a major impact, especially on smaller jurisdictions.

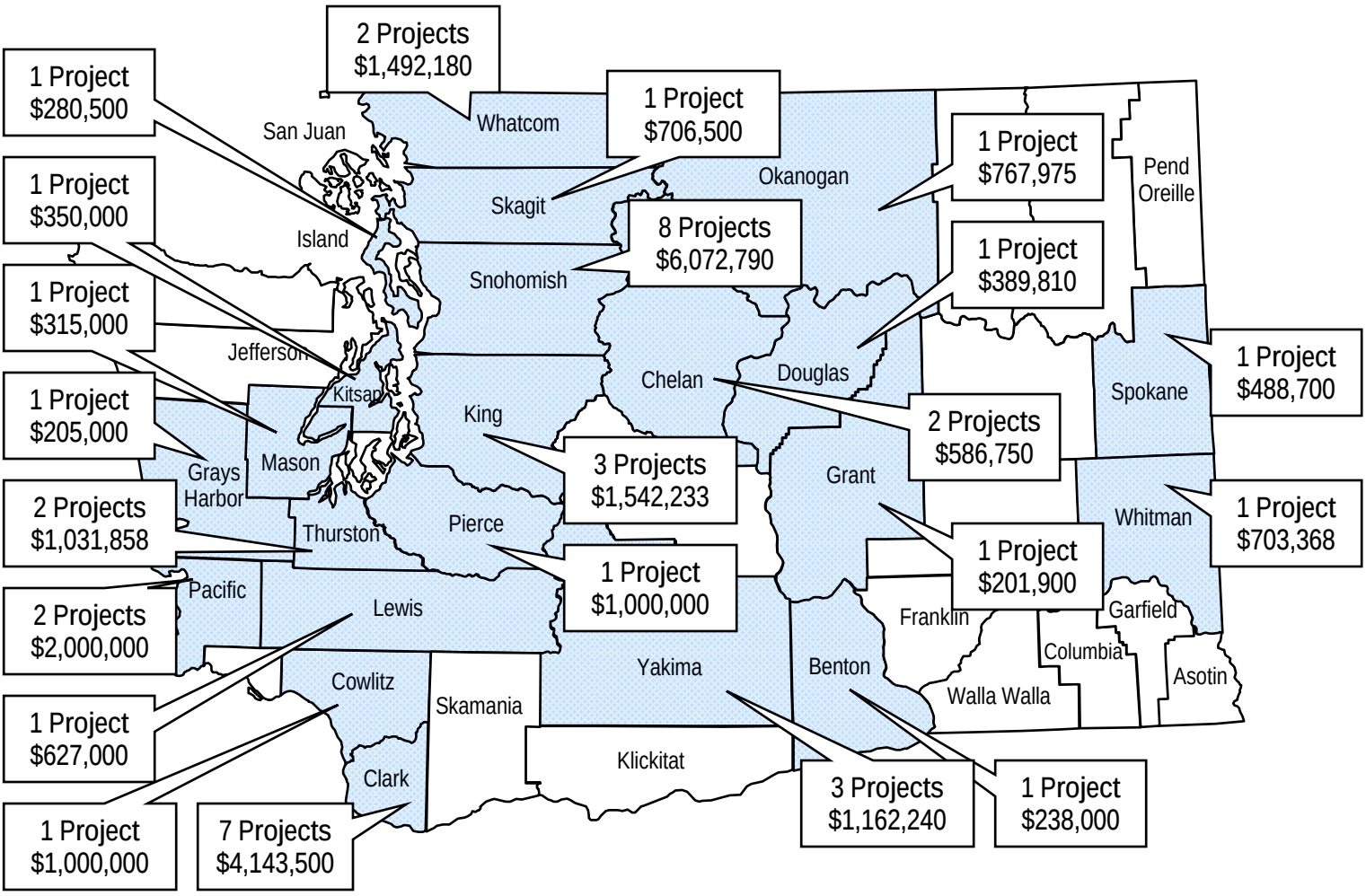
Website

For Additional Information:

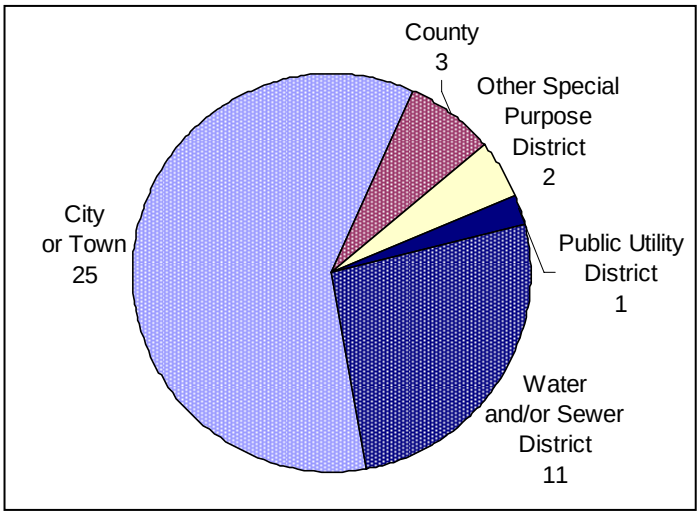
The Public Works Board website:
http://www.pwb.wa.gov

Public Works Trust Fund Pre-Construction Loan Program Awards, 2005

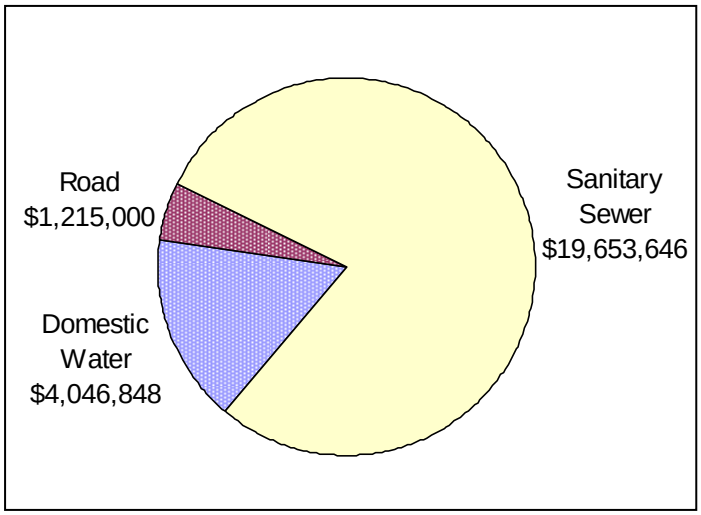
Location of Awards by County



Loan Recipients



Types of Projects Funded



Public Works Trust Fund Planning Loan Program

Administered By:
Department of Community, Trade and Economic Development, Public Works Board

General Information

Program Purpose: The Public Works Trust Fund Planning Loan Program is a revolving no-interest loan program that provides funds to eligible jurisdictions for updating their long-term Capital Facilities Plans or Comprehensive Systems Plans. Planning may address drinking water, wastewater, stormwater, road, bridge, or solid waste/recycling systems, and the planning funds may be used for either a single system or multiple systems. A brand new jurisdiction could apply to this program to help pay for a first-time planning effort; however, the vast majority of program loans are for the updating of plans.

Mission Statement: The mission of the Public Works Board is to provide financial and technical assistance to Washington communities for critical public health, safety, and environmental infrastructure that supports economic vitality.

Year Established: 1989

Enabling State Statutes: RCW 43.155.020(6) and RCW 43.155.050(1)

Administrative Rules: Chapter 399-30 WAC

Legislative Intent: RCW 43.155.050(1)

Money in the Public Works Assistance Account shall be used to make loans and to give financial guarantees to local governments for public works projects. . . . not more than 1% of the biennial capital budget appropriation may be expended for capital facility planning loans.

Is there a separate governing board? Yes, the Public Works Board. The Board establishes policies to guide the project selection process and determines whether proposed planning projects receive funding.

Budget Information

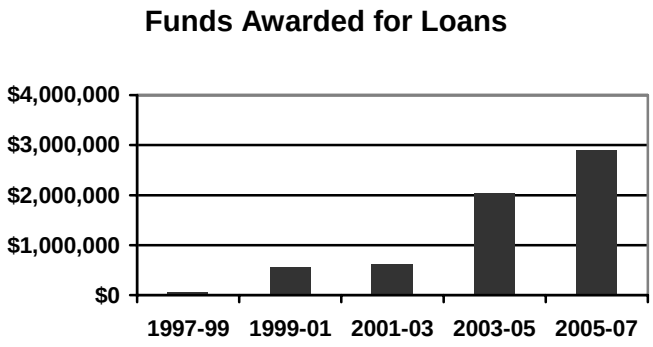
Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration*					
New Appropriation for Loans**	Up to 1% of the total Capital Budget biennial appropriation				
Expenditure for Administration*					
Funds Awarded for Loans**	45,000	562,422	612,978	2,027,282	(estimated) 2,889,000

*Note: The Public Works Board provided information on administration appropriations and expenditures for all four Public Works Trust Fund programs combined. These aggregated figures appear on the profile for the Construction Loan Program.
**Note: Per statute, not more than 1% of the biennial Capital Budget appropriation may be used for these planning loans.

FTEs for the Program in 2005-07:
8.8 FTEs administer all four of the Public Works Trust Fund loan programs

Fund Account(s):

058-1 – Public Works Assistance Account (also known as Public Works Trust Fund)



Fund Sources:
- Initially established with bond proceeds
- Loan repayments and interest
- RCW 82.18.040: 100% of the Solid Waste Collection Tax
- RCW 82.16.020: 60% of the Public Utility Tax on sewerage collection and 20% of the Public Utility Tax on water distribution
- RCW 82.45.060: 6.1% of the state portion of the Real Estate Excise Tax
- Use of the Accelerated Loan Commitment Model

Recent Changes to Funding Pattern: In 2005, the Legislature earmarked dollars in the Public Works Assistance Account for purposes other than trust fund loans: $50 million for specific Job/Economic Development Grants projects in 2005-07; up to $50 million for the 2007-09 biennium for a new Job Development Fund Program; and a percentage (1 and 6/10 %) of the Real Estate Excise Tax previously deposited into the Public Works Assistance Account was redirected to a new City-County Assistance Account. The Public Works Board estimates that the transfer to the City-County Assistance Account averages about $25 million per biennium that is no longer available for funding through the Public Works Trust Fund programs.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Open cycle; the Board accepts applications by the 5th of any month.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 11

Total Amount Awarded in 2005: $848,205

What Determines the Total Amount Available for Grants or Loans in a Given Time Period?
Per statute, no more than 1% of the biennial capital budget appropriation to the Board from the Public Works Assistance Account may be for capital facility planning loans.

Maximum Amount That Can Be Awarded to a Project:
Per Board policy, the maximum amount is $100,000 per jurisdiction per biennium.

Matching Requirements: Per Board policy, no match is required.

Interest Rate Charged:
Per Board policy, 0%. The Board reviews this policy annually.

Repayment Statistics:
No loan defaults.

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☑ Drinking Water	☐ Grants
☑ Counties	☑ Wastewater	☑ Loans
☑ Water and/or Sewer Districts	☑ Stormwater	
☐ Port Districts	☑ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☑ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☐ Tribes	☑ Transportation Infrastructure	
☐ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: Planning loans may be used for projects such as updates to Capital Facilities Plans, work on Comprehensive Systems Plans, and environmental assessments.

Special Qualifications Regarding Who Can Apply: Per statute, applicant cities or counties must be imposing a real estate excise tax at a rate of at least ¼ of 1%, and the local government must be using all local revenue sources which are reasonably available for funding public works, taking into account local employment and economic factors. Applicants must also be in compliance with the statutory and rule requirements with regard to the Growth Management Act. This includes the requirement to have already completed capital facility plans, and the majority of planning loans are for updates of existing plans. Board staff report that a brand new jurisdiction seeking funding to do its first capital facility plan could still apply to this program without having to meet the requirement to already have a completed plan.

Special Qualifications Regarding Project Eligibility: None beyond those above.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

Note: The Public Works Board has a single application that applicants use to apply for the Board's Construction, Pre-Construction, Planning, and/or Emergency Loan programs.

Any time of year	The program is on an open cycle, and applicants can submit an application to the Public Works Board by the 5th of any month.
Month 1	Upon receipt, Board staff perform a threshold review on the application to make sure the applicant fulfills the eligibility requirements. Planning loans are not competitive; the applicant must only meet the threshold requirements.
Month 1	For applications meeting the requirements, Board staff prepare a recommendation report for the Board.
Month 1 or 2	The Public Works Board makes a decision about whether to approve the loan at the next Board meeting.

What Drives the Timing of the Application and Award Process? The applicant makes the initial decision about when to apply to this program.

Evaluation Criteria:

Board staff review the application to see if it meets the eligibility requirements.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

For all of the Public Works Trust Fund programs:

- Keep the program flexible enough to respond to the changing environment of infrastructure systems and public need;
- Minimize administrative costs while maximizing the use of the fund for critical infrastructure projects;
- Maintain good stewardship of the Public Works Assistance Account;
- Educate citizens on the need for critical infrastructure projects; and
- Continue to work cooperatively with other funders (e.g. DOH, CDBG, CERB, Ecology, and USDA Rural Development).

Performance Measures and Program Performance:

The Board provided information about two categories of performance measures: measures for clients, and measures for Board operations. With regard to measures for clients, the Board reports that, since 2001, applicants must identify the benefits of their proposed projects in their applications, and the Board uses this information as a component in prioritizing projects for funding. In 2003, the Board required performance measures as a part of the contractual agreement. As projects are completed and measures are reported, the Board indicates that it reports these to the Legislature in its Annual Legislative Report.

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Currently clients have a range of individual performance measures, for example:

- One project plans to make sewer service available to more than 200 existing homes, which are currently connected to individual on-site septic systems. Within one year of project completion, at least 50 homes will be connected to the sewer, and their septic systems decommissioned; and
- For a road project, the applicant expects at least a 20% reduction in preventable accidents four years after the project's completion.

The Board indicates that it is in the process of standardizing the performance measures for its clients in order to enable a more unified set of information to be gathered, reported and interpreted. The Board plans to hold focus groups around the state to receive input from clients and stakeholders in Fall 2006.

With regard to its own performance measures, the Board has just completed its seven-year Strategic Plan for 2007-2014. The next step will be for the Board to create program performance measures, for example, the number of contracts executed, the number of contracts closed out on time, and the number of loan payments received.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The Board notes that, as additional requirements are imposed on local governments from the federal and state government, it is more challenging than ever for jurisdictions to meet all of these requirements. Some of the plans and reports required by these requirements are cost prohibitive. The Public Works Board offers small loans to jurisdictions for planning, but more resources are needed to assist local governments.

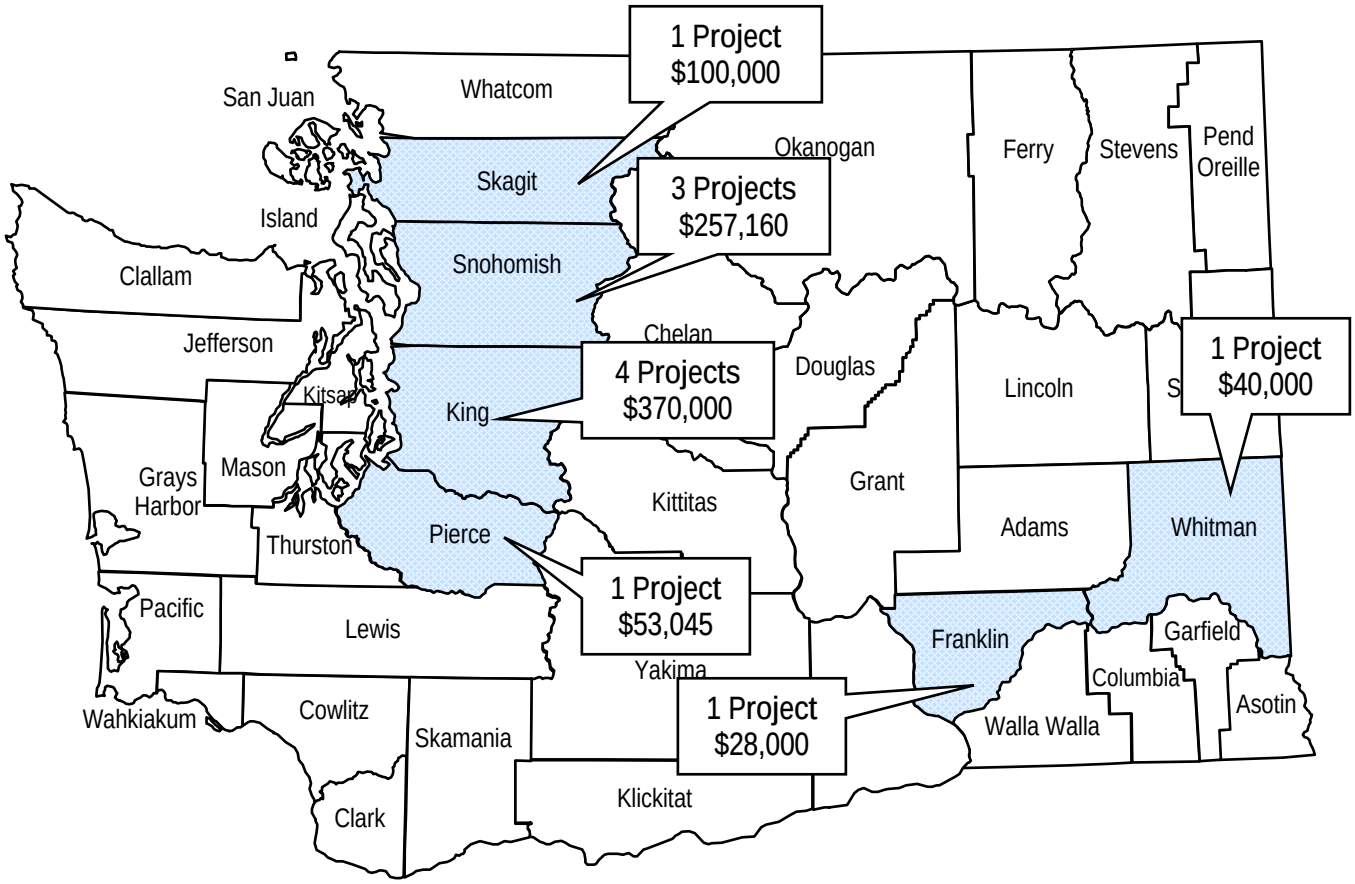
Website

For Additional Information:

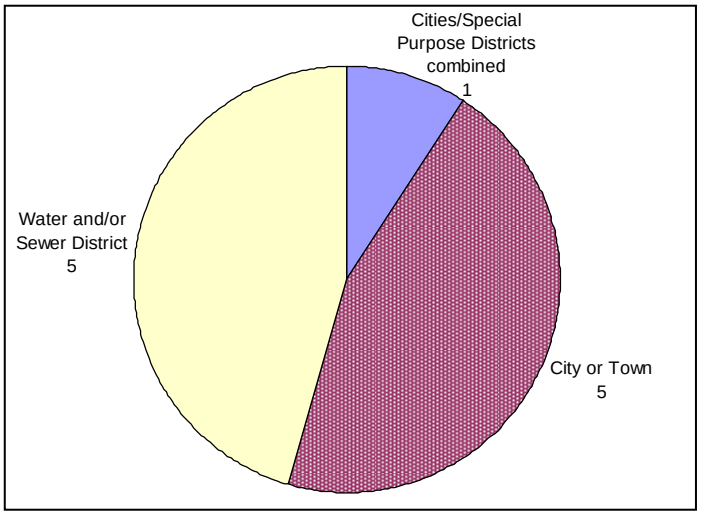
The Public Works Board website:
http://www.pwb.wa.gov

Public Works Trust Fund Planning Loan Program Awards, 2005

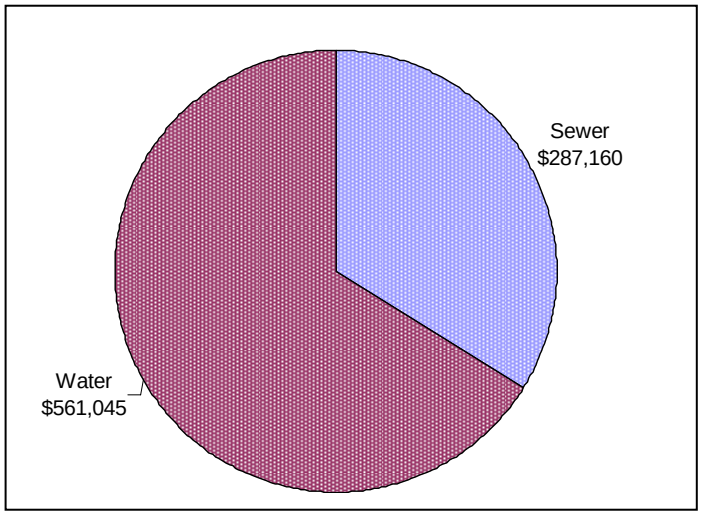
Location of Awards by County



Loan Recipients



Types of Planning Projects Funded



Public Works Trust Fund Emergency Loan Program

Administered By:
Department of Community, Trade and Economic Development, Public Works Board

General Information

Program Purpose: The Public Works Trust Fund Emergency Loan Program provides eligible jurisdictions with funds for immediate repair and restoration of public works services and facilities that have been damaged by natural disaster or determined to be a threat to public health or safety through unforeseen or unavoidable circumstances. Emergency loan projects may be for drinking water, wastewater, stormwater, road, bridge, and solid waste/recycling public works systems.

Mission Statement: The mission of the Public Works Board is to provide financial and technical assistance to Washington communities for critical public health, safety, and environmental infrastructure that supports economic vitality.

Year Established: 1985

Enabling State Statutes: Chapter 43.155 RCW

Administrative Rules: Chapter 399-30 WAC

Legislative Intent: RCW 43.155.010

It is the policy of the state of Washington to encourage self-reliance by local governments in meeting their public works needs and to assist in the financing of critical public works projects by making loans, financing guarantees, and technical assistance available to local governments for these projects.

Is there a separate governing board? Yes, the Public Works Board. The Board establishes policies to guide the project selection process and determines whether or not to approve applications for emergency loans.

Budget Information

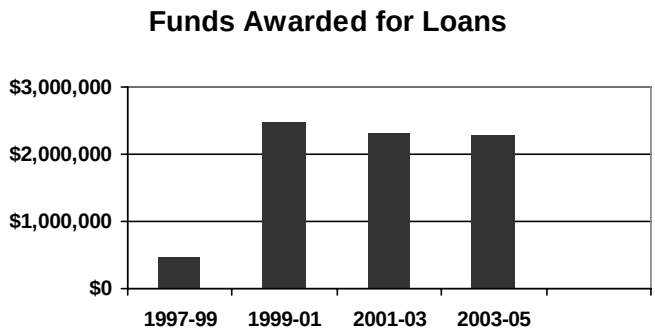
Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration*					
New Appropriation for Loans**	See Construction Loan Program profile for more information				
Expenditure for Administration*					
Funds Awarded for Loans**	487,515	2,477,480	2,300,817	2,293,170	Not yet available

*Note: The Public Works Board provided information on administration appropriations and expenditures for all four Public Works Trust Fund programs combined. These aggregated figures appear in the profile for the Construction Loan Program.

**Note: Per statute, no more than 10% of the biennial Capital Budget appropriation may be for emergency loans. Per rule, this is reduced to 5%. The Board generally plans on no more than $3 million per biennium for emergency loans.

FTEs for the Program in 2005-07:
8.8 FTEs administer all four of the Public Works Trust Fund loan programs

Fund Account(s):
058-1 – Public Works Assistance Account (also know as Public Works Trust Fund)



Fund Sources:

- Initially established with bond proceeds
- Loan repayments and interest
- RCW 82.18.040: 100% of the Solid Waste Collection Tax
- RCW 82.16.020: 60% of the Public Utility Tax on sewerage collection and 20% of the Public Utility Tax on water distribution
- RCW 82.45.060: 6.1% of the state portion of the Real Estate Excise Tax
- Use of the Accelerated Loan Commitment Model

Recent Changes to Funding Pattern: In 2005, the Legislature earmarked dollars in the Public Works Assistance Account for purposes other than trust fund loans: $50 million for specific Job/Economic Development Grants projects in 2005-07; up to $50 million for the 2007-09 biennium for a new Job Development Fund Program; and a percentage (1 and 6/10 %) of the Real Estate Excise Tax previously deposited into the Public Works Assistance Account was redirected to a new City-County Assistance Account. The Public Works Board estimates that the transfer to the City-County Assistance Account averages about $25 million per biennium that is no longer available for funding through the Public Works Trust Fund programs.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: The Board would accept an emergency loan application in any month.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 2

Total Amount Awarded in 2005: $883,170

What Determines the Total Amount Available for Grants or Loans in a Given Time Period?
Per statute, no more than 10% of the biennial capital budget appropriation may be for emergency loans. Per rule, this is reduced to 5%. The Board generally plans on no more than $3 million per biennium for emergency loans.

Maximum Amount That Can Be Awarded to a Project:
Per Board policy, $500,000 per applicant per biennium.

Matching Requirements: None.

Interest Rate Charged: Per Board policy, 3%. Board staff report that this rate, which is higher than the rate for construction loans, is intended as a deterrent for using this emergency program to bypass the regular construction loan competitive process.

Repayment Statistics:
No loan defaults.

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☑ Drinking Water	☐ Grants
☑ Counties	☑ Wastewater	☑ Loans
☑ Water and/or Sewer Districts	☑ Stormwater	
☐ Port Districts	☑ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☑ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☐ Tribes	☑ Transportation Infrastructure	
☐ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: Repair and restoration of public works services and facilities that have been damaged by natural disaster or determined to be a threat to public health or safety through unforeseen or unavoidable circumstances.

Special Qualifications Regarding Who Can Apply: The local government must officially declare an emergency. The statutory special qualifications for eligibility to other trust fund programs also apply: (a) the city or county must be imposing a real estate excise tax at a rate of at least ¼ of 1%; (b) the local government must have developed a capital facility plan; and (c) the local government must be using all local revenue sources which are reasonably available for funding public works, taking into account local employment and economic factors.

Per rule, applicants must be in full compliance with the Growth Management Act. Full compliance includes adoption of the required planning components, no invalidity orders, and no unresolved findings by a Growth Management hearings board that the local government is out of compliance.

There may be exceptions to address a public health need or substantial environmental degradation.

Special Qualifications Regarding Project Eligibility: WAC 399-30-030(3) provides detail on which project costs are eligible for public works loans.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

Note: The Public Works Board has a single application that applicants use to apply for the Board's Construction, Preconstruction, Planning, and/or Emergency Loan programs. Because of their emergency nature, there is no regular application cycle for emergency loans. Applicants may file requests throughout the year as an emergency situation arises.

At time of emergency	The local government makes an official declaration of an emergency. The local government fills out the sections of the application that are marked as being for emergency projects.
Within a month of receipt	Public Works Board staff review the applicant and the project for eligibility. Using the criteria below, staff conduct a threshold review of the application and may conduct a site visit. Board staff prepare a written report for the Board.
Next Board meeting	The Board determines whether or not to approve the emergency loan request.

What Drives the Timing of the Application and Award Process? An emergency event would drive the timing of any applications to this program.

Evaluation Criteria:

As part of the threshold review, Board staff ask the applicant to describe:

- The nature of the emergency in terms of a natural disaster or other unforeseen and unavoidable circumstances beyond the control of the local government;
- The nature and extent of the threat to public health and safety, including the number of people affected and the area affected;
- Whether the situation is presently causing substantial harm, or whether and how it poses an emergent threat to life, property, or both; and
- Why this problem needs to be addressed before the next regular application cycle for Public Works Trust Fund construction loan funds.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

For all of the Public Works Trust Fund programs:

- Keep the program flexible enough to respond to the changing environment of infrastructure systems and public need;
- Minimize administrative costs while maximizing the use of the fund for critical infrastructure projects;
- Maintain good stewardship of the Public Works Assistance Account;
- Educate citizens on the need for critical infrastructure projects; and
- Continue to work cooperatively with other funders (e.g. DOH, CDBG, CERB, Ecology, and USDA Rural Development).

Performance Measures and Program Performance:

The Board provided information about two categories of performance measures: measures for clients, and measures for Board operations. With regard to measures for clients, the Board reports that, since 2001, applicants must identify the benefits of their proposed projects in their applications, and the Board uses this information as a component in prioritizing projects for funding. In 2003, the Board required performance measures as a part of the contractual agreement. As projects are completed and measures are reported, the Board indicates that it reports these to the Legislature in its Annual Legislative Report.

Currently clients have a range of individual performance measures, for example:

- One project plans to make sewer service available to more than 200 existing homes, which are currently connected to individual on-site septic systems. Within one year of project completion, at least 50 homes will be connected to the sewer, and their septic systems decommissioned; and
- For a road project, the applicant expects at least a 20% reduction in preventable accidents four years after the project's completion.

The Board indicates that it is in the process of standardizing the performance measures for its clients in order to enable a more unified set of information to be gathered, reported and interpreted. The Board plans to hold focus groups around the state to receive input from clients and stakeholders in Fall 2006.

With regard to its own performance measures, the Board has just completed its seven-year Strategic Plan for 2007-2014. The next step will be for the Board to create program performance measures, for example, the number of contracts executed, the number of contracts closed out on time, and the number of loan payments received.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The Board notes that the challenges and issues raised about the other Public Works Trust Fund loan programs also apply to this program:

- The lack of enough available funding to meet the infrastructure need. This is exacerbated when funds are appropriated from the Public Works Assistance Account for other purposes;
- Balancing competing statewide funding priorities such as balancing economic development needs with public health and safety needs; and
- As a result of increasing regulatory requirements, many infrastructure projects (e.g. drinking water and sewer projects) are much more expensive and take longer to build than in previous years. Examples of increasing regulatory requirements are new water quality regulations, homeland security requirements such as fencing, alarm systems, and cameras, and the new Executive Order 05-05 (Historic & Cultural Resources). These new requirements can have a major impact, especially on smaller jurisdictions.

Additionally, Board staff note a requirement in the Community Development Block Grant Imminent Threat Program that an applicant to that program must first document that they applied for and *failed to receive* an emergency loan from the Public Works Board. Eligibility for the CDBG program would allow the applicant to get a *grant* rather than a *loan* to deal with an emergency situation. However, Board staff indicate that it is highly unlikely that the Board would turn down a loan request in an emergency situation unless the applicant somehow did not meet the eligibility requirements.

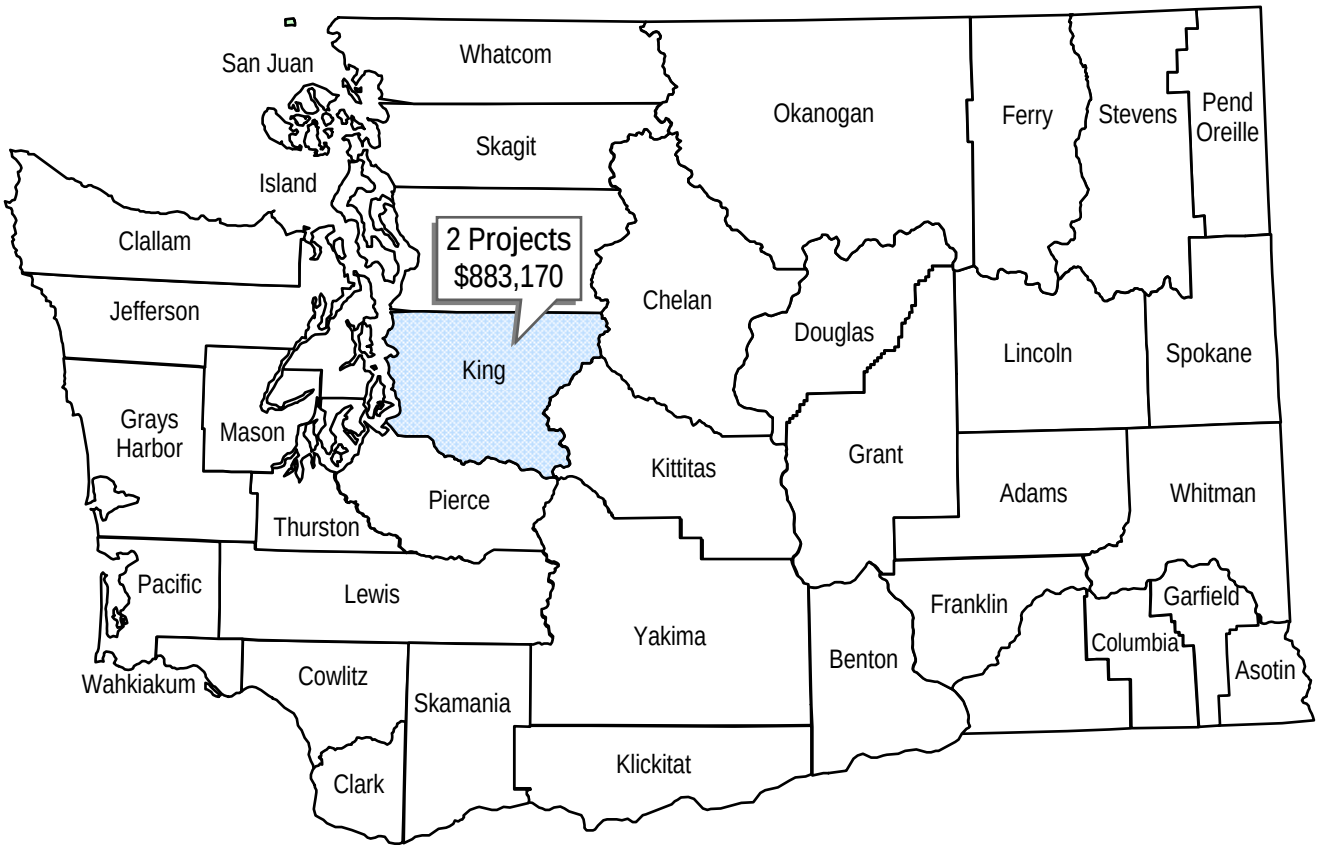
Website

For Additional Information:

The Public Works Board website:
http://www.pwb.wa.gov

Public Works Trust Fund Emergency Loan Program Awards, 2005

Location of Emergency Loans by County



Loan Recipients	Types of Projects Funded
In both cases, the recipients were water districts (two different districts).	In both cases, these were domestic water projects.

Drinking Water State Revolving Fund Program

Administered Jointly By:
Department of Health, Office of Drinking Water
Department of Community, Trade and Economic Development, Public Works Board

General Information

Program Purpose: The Drinking Water State Revolving Fund Program provides loans to eligible water systems for capital improvements that increase public health protection and compliance with drinking water regulations. Eligible water systems are public and private systems that are regulated under the federal Safe Drinking Water Act. The program is administered as a partnership between the Department of Health, the Department of Community, Trade and Economic Development, and the Public Works Board (PWB). Major funding for the program comes from a yearly grant from the federal Environmental Protection Agency (EPA).

Mission Statement: The mission of the program is to assist water systems to provide safe and reliable drinking water.

Year Established: 1996

Enabling State Statutes: RCW 70.119A.170

Administrative Rules: Chapter 246-296 WAC

Legislative Intent: RCW 70.119A.170(1)

The purpose of the account is to allow the state to use any federal funds that become available to states from Congress to fund a state revolving loan fund program as part of the reauthorization of the federal Safe Drinking Water Act . . . Moneys in the account may only be used, consistent with federal law, to assist water systems to provide safe drinking water through a program administered through the Department of Health, the Public Works Board, and the Department of Community, Trade and Economic Development and for other activities authorized under federal law.

Is there a separate governing board? Yes, the Public Works Board. Board staff review the financial capability and readiness to proceed of each applicant, and the Board makes the final selection of projects to receive loans from the program. The Board is also responsible for establishing financial terms that secure the debt and maintain a financially-sound revolving loan fund in perpetuity.

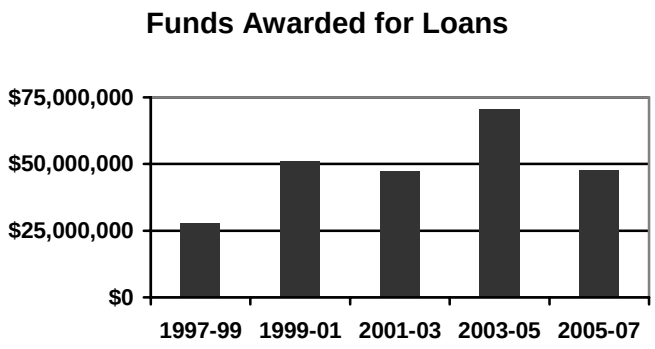
Budget Information

Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration	1,047,120	1,520,736	1,783,459	1,759,950	1,758,721
New Appropriation for Loans	43,822,450	40,819,497	36,700,000	77,355,883	58,463,077
Expenditure for Administration	1,047,120	1,520,736	1,783,459	1,759,950	(estimated) 1,758,721
Funds Awarded for Loans	27,939,815	51,193,270	47,245,502	70,536,747	(estimated) 47,500,000

FTEs for the Program in 2005-07:
2.0 for Health; 5.4 for Public Works Board

Fund Account(s):
04-R – Drinking Water Assistance Account
07-R – Drinking Water Assistance Repayment Account
05-R – Drinking Water Assistance Administration Account

Fund Sources:
- Federal capitalization grant from EPA
- 058-1 Public Works Assistance Account for the required 20% state match
- Loan repayments and interest earnings



Recent Changes to Funding Pattern: Agency staff report that: (1) There has been a gradual decline in the amount of the federal capitalization grant, and there may be additional reductions to the grant amount in the future; and (2) Washington's share of the national total is based on a needs assessment conducted every four years, and Washington's share declined as a result of the state's last need assessment relative to the results for other states.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Annual, based on the timing of EPA's grant

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 37

Total Amount Awarded in 2005: $39,380,363

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Legislative appropriation in the state Capital Budget. Total available is based on the amount of the federal grant, the state match, and estimated loan repayments and interest earnings.

Maximum Amount That Can Be Awarded to a Project: A maximum is determined each year by the Department of Health; in recent years, the maximum has ranged from $3-4 million.

Matching Requirements: None.

Interest Rate Charged: Interest rates are set per policy rather than statute or rule, and rates vary according to income level of those served:

- If water system is not in an economically distressed county → 1.5%
- If water system is in distressed county → 1%
- If 51% of the water system households are at 80% or below of median county income → 0.5%
- If 51% of the water system households are at 50% or below county median income → 0%

Additionally, applicants pay a 1% loan fee.

Repayment Statistics:
As of the close of 2005, no loan defaults.

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☑ Drinking Water	☐ Grants
☑ Counties	☐ Wastewater	☑ Loans
☑ Water and/or Sewer Districts	☐ Stormwater	
☑ Port Districts	☐ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☑ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☑ Tribes	☐ Transportation Infrastructure	
☐ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☑ Non-Profit Organizations	☐ Other	
☑ Private Businesses		
☐ Other		

Eligible Projects: Eligible projects include projects to address violations of drinking water standards or to prevent future violations. These may include projects for water treatment, transmission, distribution, source, and storage.

	Special Qualifications Regarding Who Can Apply: Eligible applicants operate Group A systems and are subject to regulation under the federal Safe Drinking Water Act. Group A systems are water systems that regularly serve fifteen or more residential connections, or 25 or more people per day for 60 or more days per year. Unlike the majority of the programs in the infrastructure program inventory, the program is available to *private* as well as local government applicants.
	Special Qualifications Regarding Project Eligibility: Per rule, projects needed primarily to serve future population growth are not eligible for funding. However, if a project is deemed eligible because of an *existing* health issue, the project can be sized to address reasonable 20-year growth.
	Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process		
	Timing and Steps in the Process:	
	Every March	The Department of Health Drinking Water Program staff hold a series of four to seven workshops around the state for potential applicants. These workshops are held in conjunction with workshops by Public Works Board staff on loan programs funded by the Public Works Trust Fund. Applications and materials are available on the DOH website; information is on the PWB website as well.
	May	Applications are due. DOH staff has been available to assist applicants as they worked to fill out the applications. By this time, the state Capital Budget has usually been adopted, which includes the estimated state dollar match.
	June/July	DOH staff conduct an initial screening of applications for eligibility. Eligible applications are then scored by DOH staff at headquarters and in regional offices, using the criteria below. Staff initially score applications separately, and then staff come together to compare scores. Based on the scores, DOH staff prepare a draft priority project list.
	Late July/ Early August	Staff with DOH and PWB compare draft priority lists from this program and drinking water applications to the Public Works Trust Fund programs, looking in particular for applicants who applied to both programs. Staff will then work with such applicants. The Public Works Board may require applicants to use the Drinking Water State Revolving Fund program.
	Early August	DOH presents a draft priority project list to the Public Works Board.
	August	PWB staff send a request for supplemental financial information to the private water system applicants.
	August/ September	DOH creates a draft Intended Use Plan, a document that must be submitted to EPA. The draft document is posted on the agency website, and copies are sent to loan applicants. This triggers a 30-day public review period of the draft, including a public hearing.
	October	DOH may revise its project list and Intended Use Plan if necessary, based on information received in the review period. DOH submits the Intended Use Plan and its grant application to EPA.
	October/ November	PWB staff review applicant financial data and may request additional information. PWB staff meet with private system applicants. PWB staff also review information on environmental impacts and compliance with cultural/historical review requirements. PWB staff may recommend bypassing an application based on financial concerns or if the project is not ready to proceed.
	End of January	Projects that were on the prioritized list contingent upon the completion of additional work, such as system plans, may drop off the list at this point if that work has not been completed.
	January/ February	EPA awards the capitalization grant to the state.

February	DOH and PWB staff present a potentially-revised prioritized project list to the Public Works Board. The Board makes a decision whether to approve the projects on the list.

What Drives the Timing of the Application and Award Process? The timing of the process is such that contracts can be developed for the projects on the Board-approved list shortly after EPA awards the capitalization grant to the state.

Evaluation Criteria: Department of Health staff review applications using health-related criteria, while Public Works Board staff primarily review financial factors.

Department of Health Priority Criteria:

- The type and significance of the public health risk to be addressed;
- Compliance status and the need to bring the system into compliance with drinking water standards; and
- The affordability on a per household basis for community water systems.

Department of Health Supporting Criteria:

- Demonstrated existing or potential Safe Drinking Water Act compliance problems;
- Project involves restructuring benefits;
- Project involves regional benefits;
- Project provides solutions to multiple areas of public health risk;
- Greatest need on a per household basis; and
- Project includes installation of service meters.

Public Works Board Minimum Criteria:

- Applicant ability to repay;
- Applicant ability to provide adequate security in case of default; and
- Readiness to proceed.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The October 2005 Intended Use Plan submitted to EPA contains both long-term and short-term goals for the program.

Long-Term Goals:

- Maintain the economic viability of the Drinking Water State Revolving Fund Program to meet current and projected Drinking Water Program and system needs in the state;
- Provide loans and technical assistance to community and nonprofit, noncommunity water systems to facilitate effective planning, design, financing, and construction of improvements aimed at increasing public health protection and compliance with primary drinking water regulations; and
- Ensure adequate resources to provide long-term administration of the program.

Short-Term Goals:

- Provide at least 15% of the funds to systems serving fewer than 10,000 persons;
- Provide assistance to communities in strengthening their local capacity; and
- Provide additional loan subsidies to systems with customers at or below 80% of the county's median household income.

Performance Measures and Program Performance:

The agencies did not provide JLARC with information on performance measures and program performance.

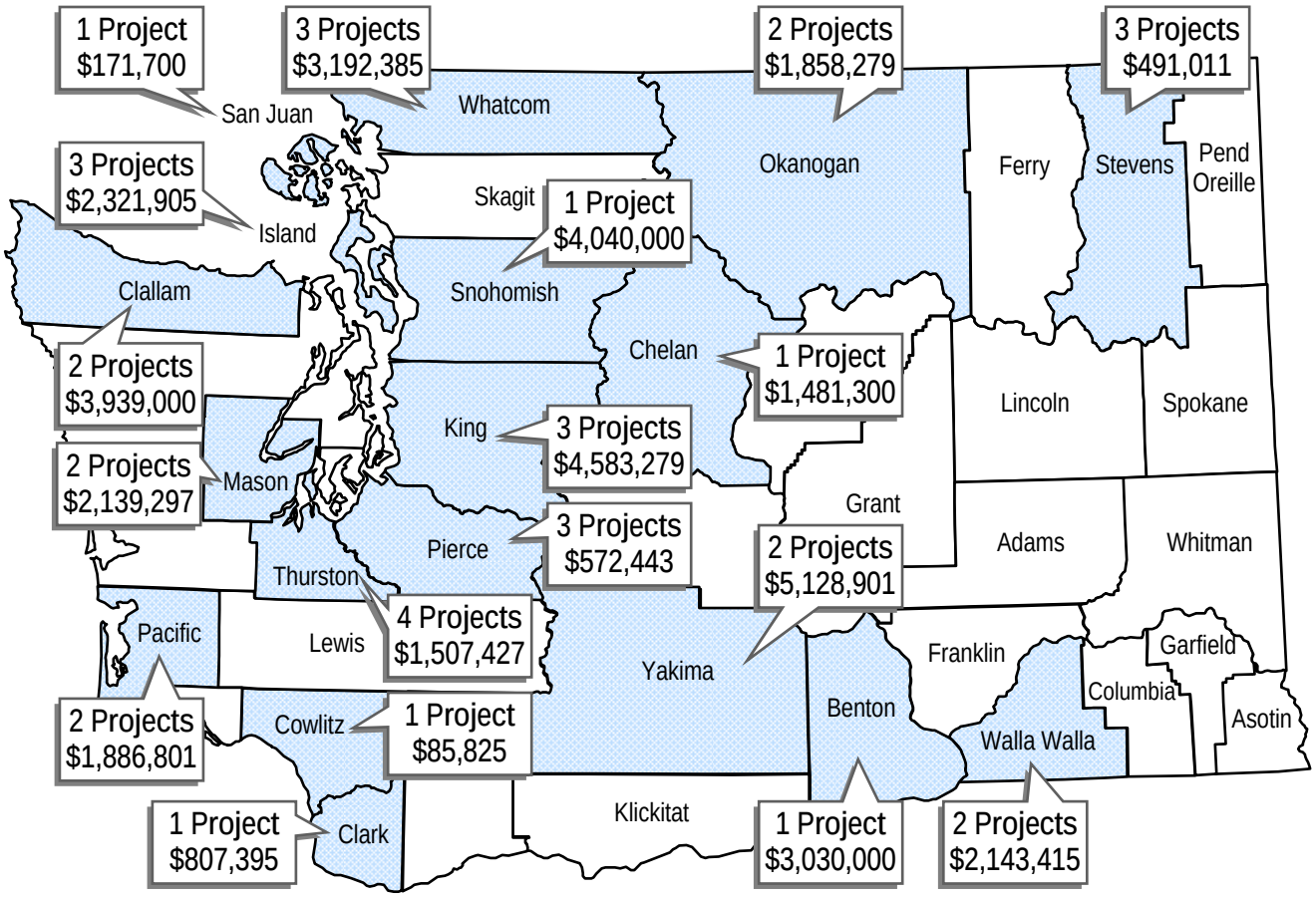
Agency-Identified Challenges\Issues	**Program Challenges or Issues Identified by the Agency:**
	The agencies note: • The decreasing level of the federal capitalization grant; and • Having adequate resources available to manage the program, particularly in light of the decreasing federal grant level.

Website	**For Additional Information:**
	Department of Health, Office of Drinking Water website http://www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm

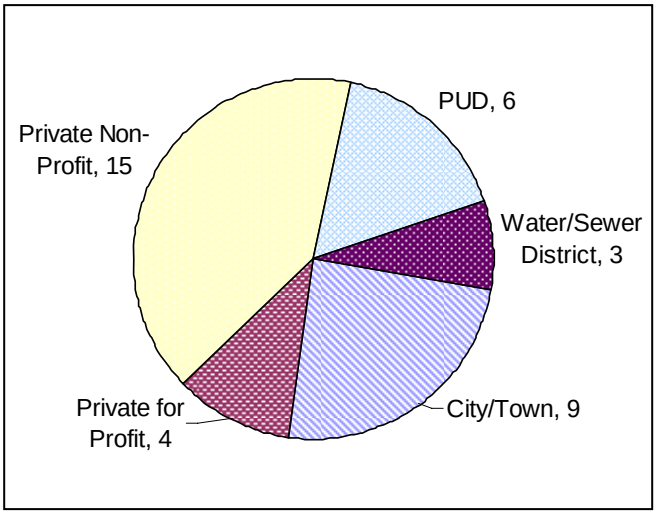
Drinking Water State Revolving Fund Loan Awards, 2005

Project List Approved By the Public Works Board in February 2005

Location of Awards by County



Loan Recipients



Types of Projects Funded

All loans are for drinking water projects.

Water System Acquisition and Rehabilitation Program

Administered Jointly By:
Department of Health, Office of Drinking Water
Department of Community, Trade and Economic Development, Public Works Board

General Information

Program Purpose: The Water System Acquisition and Rehabilitation Program assists municipal water systems in acquiring and rehabilitating water systems that have water quality problems or deteriorated infrastructure.

Mission Statement: The mission of the program is to finance the transfer of ownership and rehabilitation of failing drinking water systems to municipal water systems.

Year Established: 2003

Enabling State Statutes: Capital Budget provisos only

Administrative Rules: Per direction in the provisos, there are no rules – only guidelines.

Legislative Intent: C 26 L 2003, Section 130 (Capital Budget)

The State Building Construction Account appropriation is provided solely to provide assistance to counties, cities, and special purpose districts to identify, acquire, and rehabilitate public water systems that have water quality problems or have been allowed to deteriorate to a point where public health is an issue.

Is there a separate governing board? Yes, the Public Works Board. Board staff review applications of financial capability and readiness to proceed, and the Board makes the final selection of projects to receive grants from the program.

Budget Information

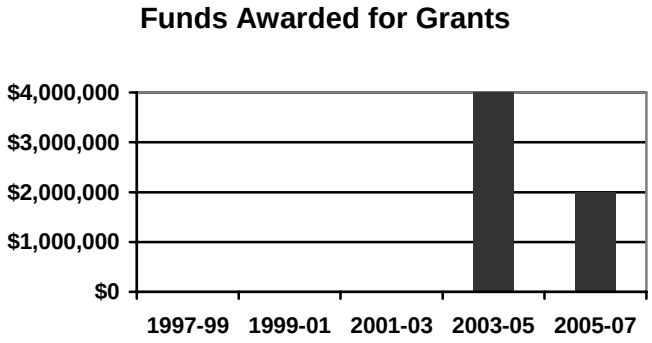
Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration*				0	0
New Appropriation for Grants				4,000,000	2,000,000
Expenditure for Administration*				Not estimated	Not estimated
Funds Awarded for Grants				4,000,000	2,000,000

*Note: Neither agency received funding to administer this program; both agencies report using other resources to cover expenses.

FTEs for the Program in 2005-07:
0 for Health; 0 for Public Works Board

Fund Account(s):
057-1 – State Building Construction Account

Fund Sources:
057-1 – State Building Construction Account



Recent Changes to Funding Pattern: The Legislature has provided funding for this program twice to date, once in 2003 and again in 2005.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Intermittent funding; not a regular cycle.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 5

Total Amount Awarded in 2005: $2,000,000

What Determines the Total Amount Available for Grants or Loans in a Given Time Period?
Legislative appropriation in the state Capital Budget.

Maximum Amount That Can Be Awarded to a Project:
Per legislative proviso, no more than ¼ of available funding ($500,000 in 2005).

Matching Requirements: Per guidelines:
- For acquisition/purchase costs, up to 25% grant; at least 75% match
- For connection charges, up to 75% grant; at least 25% match
- For pre-acquisition/pre-construction/construction costs, up to 50% grant; at least 50% match

Interest Rate Charged:	**Repayment Statistics:**
Not applicable (grant only)	Not applicable (grants only)

Eligible Applicants and Projects

Who Is Eligible To Apply?	**What Categories of Projects Are Eligible?**	**Award Type:**
☑ Cities and Towns	☑ Drinking Water	☑ Grants
☑ Counties	☐ Wastewater	☐ Loans
☑ Water and/or Sewer Districts	☐ Stormwater	
☐ Port Districts	☐ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☐ Tribes	☐ Transportation Infrastructure	
☐ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: Eligible projects include pre-acquisition, acquisition, connection charges, pre-construction and construction activities.

Special Qualifications Regarding Who Can Apply: Eligibility is confined to public entities that already manage a municipal Group A water system and that demonstrate a track record of sound drinking water utility management. A Group A water system is a system that regularly serves fifteen or more residential connections, or 25 or more people per day for 60 or more days per year.

Special Qualifications Regarding Project Eligibility: The guidelines provide examples of eligible and ineligible projects. Ineligible projects include projects primarily intended to serve future growth and projects needed mainly for fire protection.

Recent Changes in Eligible Applicants or Categories of Projects: Eligibility provisions have remained the same in the two rounds of funding.

Application and Award Process

Timing and Steps in the Process:

Note: There have been two rounds of funding to date. The Capital Budget proviso directed the agencies to use the Drinking Water State Revolving Fund Program as an administrative model. The agencies were to expedite the use of the funds.

July	The Department of Health and the Public Works Board issue application guidelines for the funding round. Technical assistance is available to applicants through DOH and PWB.
September	Applications are due to Department of Health.
October	Using the criteria below, DOH staff initially screen the applications for eligibility. If an applicant disagrees with a DOH staff determination that a project is ineligible, applicants have 10 working days from the date of notification to ask for reconsideration. DOH staff score eligible projects, resulting in a draft ranked project list.
November	DOH staff deliver the draft project list to PWB staff. PWB staff review the financial aspects of the proposed projects and also assess the proposed project's readiness to proceed. Staff develop a potentially revised draft project list to present to the Public Works Board. Applicants have an opportunity to ask the Board to review a PWB staff recommendation if the applicant disagrees with the recommendation.
December	The Public Works Board reviews and makes a final decision on a prioritized project list.

What Drives the Timing of the Application and Award Process? The availability of the funds and the Legislature's directive to expedite the use of those funds.

Evaluation Criteria: Department of Health staff review applications using health-related criteria, while Public Works Board staff primarily review financial factors.

Department of Health Priority Criteria:

- The type and significance of the public health risk to be addressed;
- Compliance status and the need to bring the system into compliance with drinking water standards; and
- The affordability on a per household basis for community water systems.

Department of Health Supporting Criteria:

- Demonstrated existing or potential Safe Drinking Water Act compliance problems;
- Project involves restructuring benefits;
- Project involves regional benefits;
- Project provides solutions to multiple areas of public health risk;
- Greatest need on a per household basis; and
- Project includes installation of service meters.

Public Works Board Minimum Criteria:

- Ability to complete the project;
- Review of prior contract performance; and
- Readiness to proceed.

Recent Changes to the Process or Evaluation Criteria: None (only two funding rounds to date).

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The agencies report that goals and objectives have not yet been developed for this program.

Performance Measures and Program Performance:

The agencies report that performance measures have not yet been developed for this program.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The agencies note that:

- The first major question before the Legislature is whether to continue this effort as a regular, on-going program.
- If the Legislature determines that it does want to provide grant funding on a regular basis for the acquisition and rehabilitation of these failing water systems, it must then decide on the best way to administer such a program. One major question would be whether to have a once-a-year competitive cycle or to have an open cycle when projects can come forward any time of the year as they are ready to proceed.

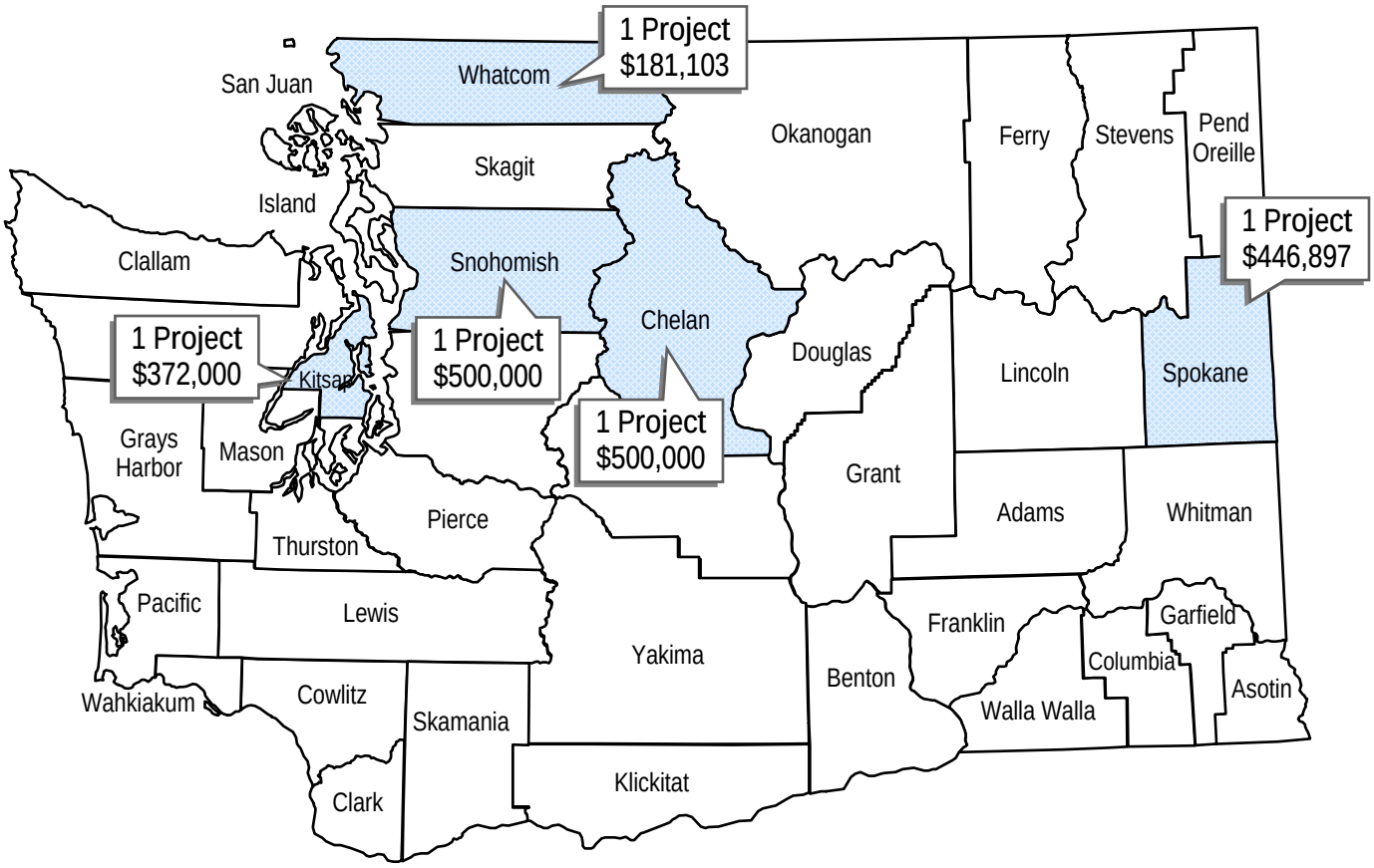
Website

For Additional Information:

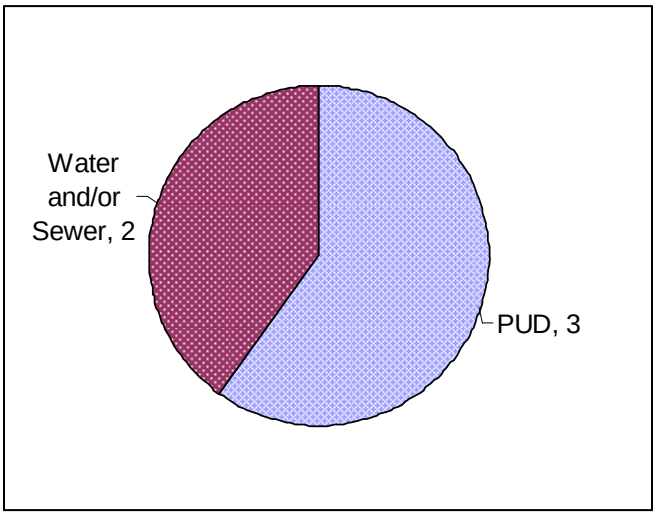
Department of Health, Office of Drinking Water website
http://www.doh.wa.gov/ehp/dw/wsarp/wsarp.htm

Water System Acquisition and Rehabilitation Program Grant Awards, 2005

Location of Awards by County



Grant Recipients



Types of Projects Funded

All grants are for drinking water projects.

Community Development Block Grant General Purpose Grant Program

Administered By:
Dept of Community, Trade and Economic Development, Local Government Division

General Information

Program Purpose: Community Development Block Grant (CDBG) General Purpose Grants assist small cities, towns, and counties in carrying out significant community and economic development projects that principally benefit low- and moderate-income persons. As with all of the state's CDBG grant programs, the General Purpose Grant Program is funded by the U.S. Department of Housing and Urban Development (HUD).

Mission Statement: The mission of all of the state's CDBG grant programs is to improve and maintain the economic and physical environment of eligible cities and counties in order to enhance the quality of life for low- and moderate-income residents and, as a result, benefit the entire community.

Year Established: 1982

Enabling State Statutes:
Not applicable (federal law)

Administrative Rules:
Not applicable (federal law)

Legislative Intent: (Congressional) 42 USC 5301(c)

The primary objective . . . of the community development program of each grantee is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

Is there a separate governing board? No.

Budget Information

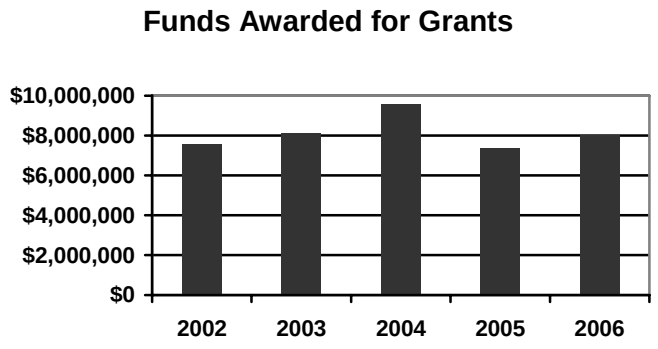
Recent Calendar Year Budgets	2002	2003	2004	2005	2006 (Projected)
New Appropriation for Administration*					
New Appropriation for Grants	7,320,000	7,000,000	8,000,000	7,500,000	7,000,000
Expenditure for Administration*					
Funds Awarded for Grants**	7,568,556	8,093,274	9,578,115	7,369,000	8,000,000

*Note: CTED receives administrative funding based on the total CDBG federal grant. CTED does not allocate a specific portion of this total administrative funding to each of the nine individual CDBG grant programs.
**Note: CTED is sometimes able to award more in funding than the original allocation in the action plan, for example through the inclusion of contingency funds.

FTEs for the Program in 2005-07:
9.2 FTEs administer all nine CDBG programs

Fund Account(s):
001-2 – General Fund – Federal
001-1 – General Fund – State

Fund Sources:
Annual grant from the U.S. Department of Housing and Urban Development; very small portion from General Fund State is intended to provide a required match to administer the federal grant.



Recent Changes to Funding Pattern: (1) At the federal level, recent budget proposals have called for reductions in funding for all states' CDBG programs; other administration proposals would eliminate or revamp the programs. (2) At the state level, CTED indicates that current policy does not allow for consideration of in-kind services by other CTED programs to count toward the state match required for administrative funding, and that the CDBG programs have not received an appropriation of sufficient state funds to meet that match requirement.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Annual, based on a calendar year.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 13

Total Amount Awarded in 2005: $7,369,000

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? The amount of the federal grant the state receives from HUD, and then the state's allocation of that total grant amount among the CDBG grant programs that the state chooses to offer.

Maximum Amount That Can Be Awarded to a Project: $1 million

Matching Requirements: There is no matching requirement, though applicants may fare better in project scoring if they can demonstrate that they are leveraging other funds.

Interest Rate Charged:	Repayment Statistics:
Not applicable (grants only).	Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☑ Drinking Water	☑ Grants
☑ Counties	☑ Wastewater	☐ Loans
☐ Water and/or Sewer Districts	☑ Stormwater	
☐ Port Districts	☑ Solid/Hazardous Waste	
☐ Public Utility Districts	☐ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☐ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☐ Tribes	☑ Transportation Infrastructure	
☐ State Agencies	☑ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: While the majority of funds in this grant program currently go to water and sewer projects, a wide range of projects are eligible, including community centers, health care facilities, child care facilities, economic development projects, and streets. Project eligibility for the General Purpose Grant Program is the same as for the Community Investment Fund Grant Program; the distinction is that the General Purpose Grant application process in an annual, competitive one while the Community Investment Fund application process is open year-round.

Special Qualifications Regarding Who Can Apply: Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that are "non-entitlement" jurisdictions, meaning that they do not receive CDBG funds from HUD directly.

Special Qualifications Regarding Project Eligibility: Projects must principally benefit low- and moderate-income people. "Principally benefit" means that at least 51% of the benefit is to low- and moderate-income people. "Low- and moderate-income" is defined as 80% of county median income.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

September	CTED staff hold two workshops for potential applicants, one in Eastern Washington and one in Western Washington.
Mid-November	Applications are due to CTED.
November – March	CTED staff screen the applications for eligibility. A team of CTED staff then evaluate each eligible application using the criteria below and give each application a score out of a possible 100 points. An application must receive a score of at least 65 points to receive funding. Based on the scores, the projects are placed in a single rank order.
End of March	CTED director reviews and approves the prioritized project list.
By March/April	CTED receives final confirmation on the amount of the state's grant from HUD. CTED notifies successful and unsuccessful applicants.
April	CTED holds two workshops for grant recipients, one in Eastern Washington and one in Western Washington.

What Drives the Timing of the Application and Award Process? The timing of the process allows for a final prioritized project list to be released shortly after the confirmation of the amount of the federal grant from HUD, which also allows for work on contract completion so that successful applicants have their funding in time for the construction season.

Evaluation Criteria:

- Need of the community (25 possible points)
- Readiness to proceed with the project (25 possible points)
- Capacity of the jurisdiction to complete the project (25 possible points)
- Results of the project (25 possible points)

Applicants must receive a score of at least 65 points to receive funding.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

These objectives are for *all* of the Community Development Block Grant programs:

- Achieve a leverage ratio of at least 1:1;
- Within 12 months, obligate 100% of the CDBG annual award from HUD;
- Provide two Application Workshops and two Management Handbook workshops each year;
- HUD requires 70% of CDBG projects benefit low- and moderate-income (LMI) persons. Washington's CDBG program will strive to have at least 90% of projects benefit LMI persons;
- All funded construction projects will meet the High Score Standard of 65 points;
- Provide economic opportunity through improved/new accessibility, affordability or sustainability while expending no more than $20,000 per job created;
- Provide decent housing with improved/new availability, affordability or sustainability for LMI households while expending no more than $30,000 per household; and
- Provide a suitable living environment through improved/new accessibility, affordability or sustainability for target areas that annually serve at least 55% LMI persons.

Performance Measures and Program Performance:

- Average leverage ratio each year
  - → Average leverage ratio is 1:3 for 2002 through 2005;
- Percent of HUD award obligated within 12 months
  - → 100% of the HUD award has been obligated within 12 months for the last four years;
- Number of workshops conducted per year
  - → Five workshops in 2005
- Percent of projects benefiting LMI
  - → Over the last four years, CDBG has averaged about 97% of projects benefiting LMI;
- Percent of construction projects meeting the High Standard Score
  - → The High Standard Score has been met for each construction project.

The program staff are developing measures for the latter three objectives for use in 2007.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The agency notes the following concerns:

- Uncertainty about the level of federal funding in the future;
- The need for additional state general funds for administrative funding of CDBG grant programs; and
- Concern about not having enough staffing to provide sufficient help to program clients.

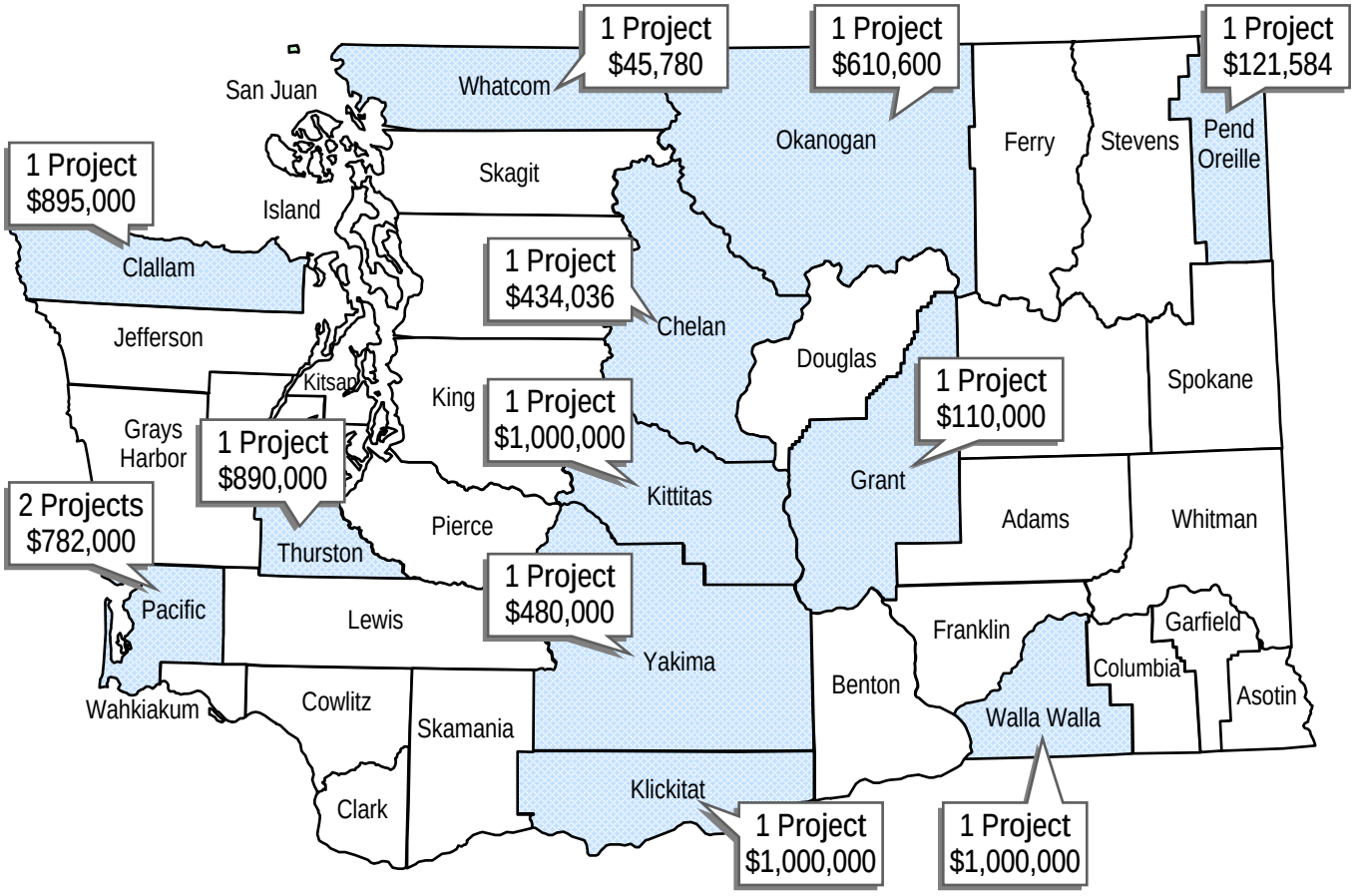
Website

For Additional Information:

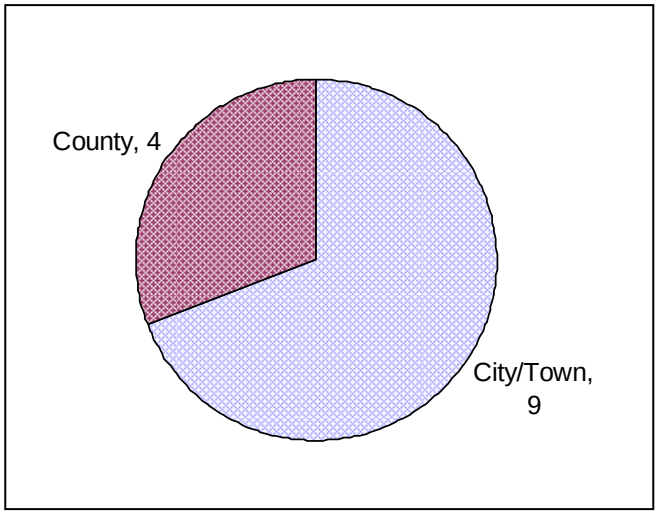
CTED Website on Community Development Block Grants
http://www.cted.wa.gov/cdbg

Community Development Block Grant General Purpose Grant Program
Program Awards, 2005

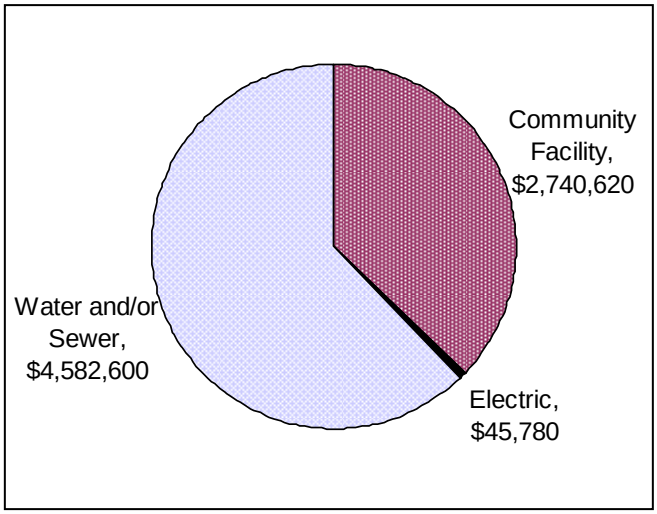
Location of Awards by County



Grant Recipients



Types of Projects Funded



Community Development Block Grant Community Investment Fund Grant Program

Administered By:
Department of Community, Trade and Economic Development
Local Government Division

General Information

Program Purpose: Community Development Block Grant (CDBG) Community Investment Fund Grants assist small cities, towns, and counties in carrying out significant community and economic development projects that principally benefit low- and moderate-income persons. As with all of the state's CDBG grant programs, the Community Investment Fund Grant Program is funded by the U.S. Department of Housing and Urban Development (HUD).

Mission Statement: The mission of all of the state's CDBG grant programs is to improve and maintain the economic and physical environment of eligible cities and counties in order to enhance the quality of life for low- and moderate-income residents and, as a result, benefit the entire community.

Year Established: 1982

Enabling State Statutes: Not applicable (federal law)

Administrative Rules: Not applicable (federal law)

Legislative Intent: (Congressional) 42 USC 5301(c)

The primary objective . . . of the community development program of each grantee is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

Is there a separate governing board? No.

Budget Information

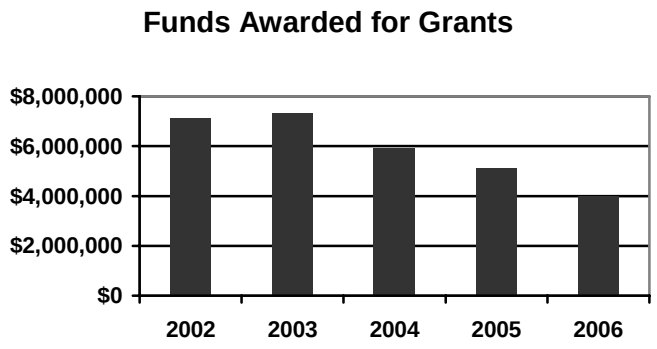
Recent Calendar Year Budgets	2002	2003	2004	2005	2006 (Projected)
New Appropriation for Administration*					
New Appropriation for Grants	4,500,000	4,845,000	4,500,000	5,178,030	4,107,728
Expenditure for Administration*					
Funds Awarded for Grants**	7,105,193	7,315,000	5,919,200	5,127,187	4,000,000

*Note: CTED receives administrative funding based on the total CDBG federal grant. CTED does not allocate a specific portion of this total administrative funding to each of the nine individual CDBG grant programs.
**Note: CTED is sometimes able to award more in funding than the original allocation in the action plan, for example through the inclusion of contingency funds.

FTEs for the Program in 2005-07:
9.2 FTEs administer all nine CDBG programs

Fund Account(s):
001-2 – General Fund – Federal
001-1 – General Fund – State

Fund Sources:
Annual grant from the U.S. Department of Housing and Urban Development; very small portion from General Fund State is intended to provide a required match to administer the federal grant.



Recent Changes to Funding Pattern: (1) At the federal level, recent budget proposals have called for reductions in funding for all states' CDBG programs; other administration proposals would eliminate or revamp the programs. (2) At the state level, CTED indicates that current policy does not allow for consideration of in-kind services by other CTED programs to count toward the state match required for administrative funding, and that the CDBG programs have not received an appropriation of sufficient state funds to meet that match requirement.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Annual, based on a calendar year.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 10

Total Amount Awarded in 2005: $5,127,187

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? The amount of the federal grant the state receives from HUD, and then the state's allocation of that total grant amount among the CDBG grant programs that the state chooses to offer.

Maximum Amount That Can Be Awarded to a Project: No set maximum.

Matching Requirements: There is no matching requirement, though applicants may fare better in project scoring if they can demonstrate that they are leveraging other funds.

Interest Rate Charged:	Repayment Statistics:
Not applicable (grants only).	Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☑ Drinking Water	☑ Grants
☑ Counties	☑ Wastewater	☐ Loans
☐ Water and/or Sewer Districts	☑ Stormwater	
☐ Port Districts	☑ Solid/Hazardous Waste	
☐ Public Utility Districts	☐ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☐ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☐ Tribes	☑ Transportation Infrastructure	
☐ State Agencies	☑ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: While the majority of funds in this grant program currently go to water and sewer projects, a wide range of projects are eligible, including community centers, health care facilities, child care facilities, economic development projects, and streets. Project eligibility for the Community Investment Fund Grant Program is the same as for the General Purpose Grant Program; a distinction is that the General Purpose Grant application process is an annual, competitive one while the Community Investment Fund application process is open year-round.

Special Qualifications Regarding Who Can Apply: Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that are "non-entitlement" jurisdictions, meaning that they do not receive CDBG funds from HUD directly.

Special Qualifications Regarding Project Eligibility: Projects must principally benefit low- and moderate-income people. "Principally benefit" means that at least 51% of the benefit is to low- and moderate-income people. "Low- and moderate-income" is defined as 80% of county median income. In addition, the project must rank in the top three of the county project priority list, and the county legislative authority must submit a letter verifying the regional priority status of the project.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

Any time of year	Unlike the CDBG General Purpose Grant annual competitive process, applicants may apply for a Community Investment Fund Grant at any time. CTED staff can review a pre-application to determine if the project is eligible and to determine if the applicant needs additional technical assistance in defining a project that is viable and ready to proceed. Once the application is submitted, a staff person at CTED evaluates the application according to the criteria below. A project must receive a score of at least 65 points in order to receive funding. Projects are funded on a first-come, first-serve basis until funds for this program are allocated.

What Drives the Timing of the Application and Award Process? An applicant may apply at any time during the year, though funds are awarded on a first-come, first-serve basis.

Evaluation Criteria:

- Need of the community (25 possible points)
- Readiness to proceed with the project (25 possible points)
- Capacity of the jurisdiction to complete the project (25 possible points)
- Results of the project (25 possible points)

Applicants must receive a score of at least 65 points to receive funding.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

These objectives are for *all* of the Community Development Block Grant programs:

- Achieve a leverage ratio of at least 1:1;
- Within 12 months, obligate 100% of the CDBG annual award from HUD;
- Provide two Application Workshops and two Management Handbook workshops each year;
- HUD requires 70% of CDBG projects benefit low- and moderate-income (LMI) persons. Washington's CDBG program will strive to have at least 90% of projects benefit LMI persons;
- All funded construction projects will meet the High Score Standard of 65 points;
- Provide economic opportunity through improved/new accessibility, affordability or sustainability while expending no more than $20,000 per job created;
- Provide decent housing with improved/new availability, affordability or sustainability for LMI households while expending no more than $30,000 per household; and
- Provide a suitable living environment through improved/new accessibility, affordability or sustainability for target areas that annually serve at least 55% LMI persons.

Performance Measures and Program Performance:

- Average leverage ratio each year
  - → Average leverage ratio is 1:3 for 2002 through 2005
- Percent of HUD award obligated within 12 months
  - → 100% of the HUD award has been obligated within 12 months for the last four years
- Number of workshops conducted per year
  - → Five workshops in 2005

(continued on next page)

- Percent of projects benefiting LMI
  → Over the last four years, CDBG has averaged about 97% of projects benefiting LMI
- Percent of construction projects meeting the High Standard Score
  → The High Standard Score has been met for each construction project

The program staff are developing measures for the latter three objectives for use in 2007.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The agency notes the following concerns:

- Uncertainty about the level of federal funding in the future;
- The need for additional state general funds for administrative funding of CDBG grant programs; and
- Concern about not having enough staffing to provide sufficient help to program clients.

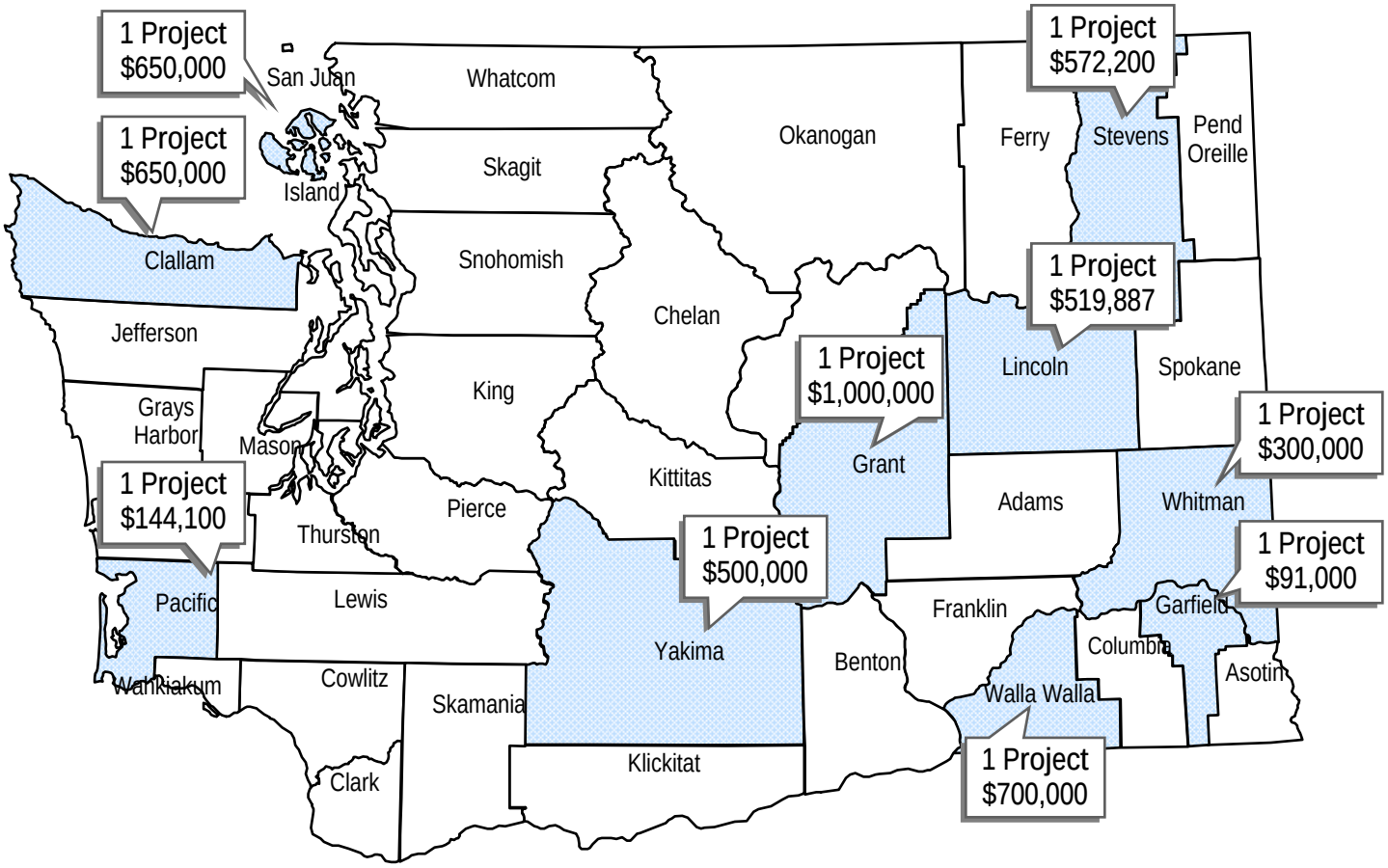
Website

For Additional Information:

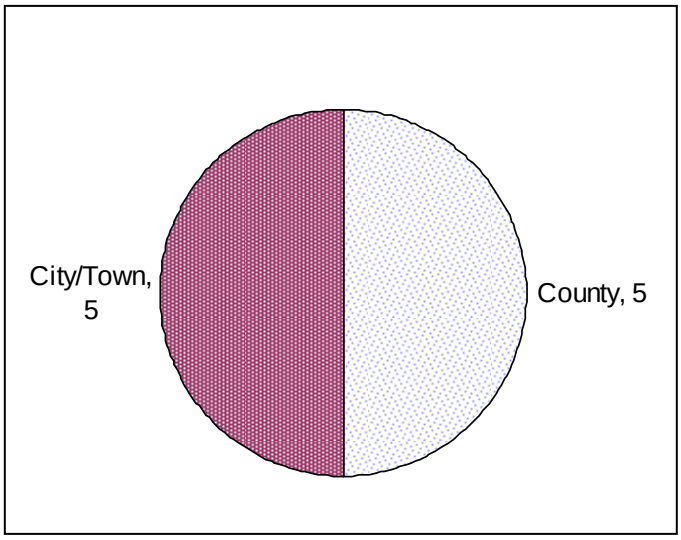
CTED Website on Community Development Block Grants
http://www.cted.wa.gov/cdbg

Community Development Block Grant Community Investment Fund Program Grant Awards, 2005

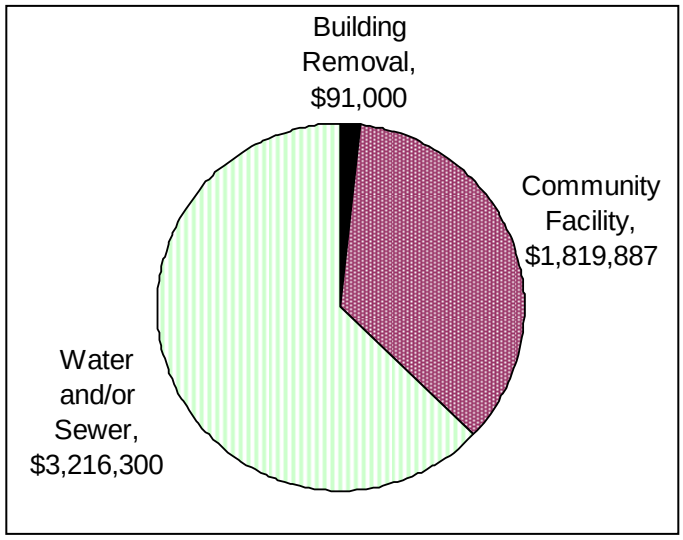
Location of Awards by County



Grant Recipients



Types of Projects Funded



Community Development Block Grant Housing Enhancement Grant Program

Administered By:
Dept of Community, Trade and Economic Development, Local Government Division

General Information

Program Purpose: Community Development Block Grant (CDBG) Housing Enhancement Grants provide eligible cities and counties with companion grants in coordination with funding from the Housing Trust Fund, allowing these local jurisdictions to partner with non-profit, low-income housing developers to assist in the development or preservation of housing projects. The Housing Enhancement Grant funds are available to cover project costs that cannot be paid for using Housing Trust Fund dollars but that are essential to the project's overall success, such as offsite water and sewer infrastructure. As with all of the state's CDBG grant programs, the Housing Enhancement Grant Program is funded by the U.S. Department of Housing and Urban Development (HUD).

Mission Statement: The mission of all of the state's CDBG grant programs is to improve and maintain the economic and physical environment of eligible cities and counties in order to enhance the quality of life for low- and moderate-income residents and, as a result, benefit the entire community.

Year Established: 1982

Enabling State Statutes: Not applicable (federal law)

Administrative Rules: Not applicable (federal law)

Legislative Intent: (Congressional) 42 USC 5301(c)

The primary objective . . . of the community development program of each grantee is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

Is there a separate governing board? No.

Budget Information

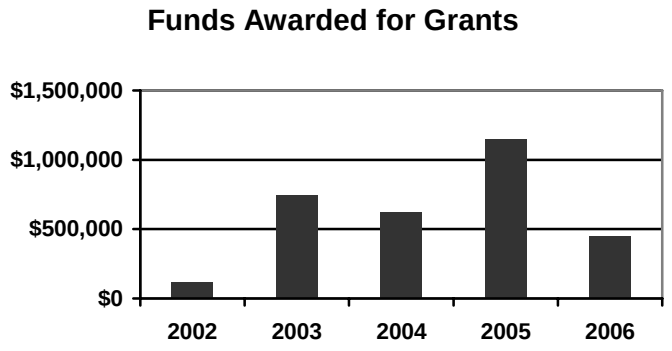
Recent Calendar Year Budgets	2002	2003	2004	2005	2006 (Projected)
New Appropriation for Administration*					
New Appropriation for Grants	1,000,000	1,000,000	1,185,000	1,000,000	800,000
Expenditure for Administration*					
Funds Awarded for Grants**	115,750	742,340	624,578	1,146,307	450,000

*Note: CTED receives administrative funding based on the total CDBG federal grant. CTED does not allocate a specific portion of this total administrative funding to each of the nine individual CDBG grant programs.
**Note: CTED is sometimes able to award more in funding than the original allocation in the action plan, for example through the inclusion of contingency funds.

FTEs for the Program in 2005-07:
9.2 FTEs administer all nine CDBG programs

Fund Account(s):
001-2 – General Fund – Federal
001-1 – General Fund – State

Fund Sources:
Annual grant from the U.S. Department of Housing and Urban Development; very small portion from General Fund State is intended to provide a required match to administer the federal grant.



Recent Changes to Funding Pattern: (1) At the federal level, recent budget proposals have called for reductions in funding for all states' CDBG programs; other administration proposals would eliminate or revamp the programs. (2) At the state level, CTED indicates that current policy does not allow for consideration of in-kind services by other CTED programs to count toward the state match required for administrative funding, and that the CDBG programs have not received an appropriation of sufficient state funds to meet that match requirement.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Twice per year, in conjunction with the Housing Trust Fund cycle.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 5

Total Amount Awarded in 2005: $1,146,307

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? The amount of the federal grant the state receives from HUD, and then the state's allocation of that total grant amount among the CDBG grant programs that the state chooses to offer.

Maximum Amount That Can Be Awarded to a Project: No set maximum.

Matching Requirements: None, although these grants will always be in combination with funding from the Housing Trust Fund.

Interest Rate Charged:	Repayment Statistics:
Not applicable (grants only).	Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☑ Drinking Water	☑ Grants
☑ Counties	☑ Wastewater	☐ Loans
☐ Water and/or Sewer Districts	☑ Stormwater	
☐ Port Districts	☑ Solid/Hazardous Waste	
☐ Public Utility Districts	☐ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☐ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☐ Tribes	☑ Transportation Infrastructure	
☐ State Agencies	☑ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: Eligible projects must be directly related to the housing project but ineligible for funds from the Housing Trust Fund. Examples include water or sewer lines for a housing project, with the lines running on the public domain, or a day-care facility that has been incorporated into the design of a larger housing project.

Special Qualifications Regarding Who Can Apply: Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that are "non-entitlement" jurisdictions, meaning that they do not receive CDBG funds from HUD directly.

Special Qualifications Regarding Project Eligibility: Projects must principally benefit low- and moderate-income people. "Principally benefit" means that at least 51% of the benefit is to low- and moderate-income people. "Low- and moderate-income" is defined as 80% of county median income. Additionally, only projects receiving Housing Trust Fund dollars may apply for Housing Enhancement Grants. A proposed project must be necessary and appropriate within the scope and the proposed use of a Housing Trust Fund project.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

Note: CDBG Housing Enhancement Grant applications are considered in conjunction with applications for Housing Trust Fund (HTF) projects. The Housing Trust Fund has two application cycles per year, one in the Spring and one in the Fall.

Twice per year	Applicants file an application for the CDBG program as part of the application for the Housing Trust Fund.
	Review of applications takes place in two stages. In Stage One, Housing Trust Fund staff review the application to see that it meets HTF threshold requirements. CDBG staff review the HTF application and the Housing Enhancement Project summary form to screen for project eligibility. CDBG staff may request additional information from the applicant, which the applicant has up to two weeks to provide.
	HTF and CDBG staff meet to finalize the eligibility determination and funding recommendation. CDBG staff notify the applicants of Housing Enhancement funding eligibility/ineligibility.
	For eligible projects, Stage Two begins. CDBG sends the applicant an acknowledgement letter along with additional required forms and information. The applicant must complete a set of federal requirements within 60 days of the date of the acknowledgement letter.
	If these requirements are satisfied, CDBG staff work to complete contract arrangements with the applicant.

What Drives the Timing of the Application and Award Process? The driver is the linkage to the Housing Trust Fund application cycles.

Evaluation Criteria:

Regular CDBG Evaluation Criteria:

- Need of the community (25 possible points)
- Readiness to proceed with the project (25 possible points)
- Capacity of the jurisdiction to complete the project (25 possible points)
- Results of the project (25 possible points)

Applicants must receive a score of at least 65 points to receive funding.

Additional threshold criteria:

- The project activity is not eligible for funding from the Housing Trust Fund;
- The CDBG dollars appear to fill a funding and/or affordability gap; and
- The project meets a HUD national objective.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

These objectives are for *all* of the Community Development Block Grant programs:

- Achieve a leverage ratio of at least 1:1;
- Within 12 months, obligate 100% of the CDBG annual award from HUD;
- Provide two Application Workshops and two Management Handbook workshops each year;
- HUD requires 70% of CDBG projects benefit low- and moderate-income (LMI) persons. Washington's CDBG program will strive to have at least 90% of projects benefit LMI persons;
- All funded construction projects will meet the High Score Standard of 65 points;
- Provide economic opportunity through improved/new accessibility, affordability or sustainability while expending no more than $20,000 per job created;
- Provide decent housing with improved/new availability, affordability or sustainability for LMI households while expending no more than $30,000 per household; and
- (8) Provide a suitable living environment through improved/new accessibility, affordability or sustainability for target areas that annually serve at least 55% LMI persons.

Performance Measures and Program Performance:

- Average leverage ratio each year
  - → Average leverage ratio is 1:3 for 2002 through 2005
- Percent of HUD award obligated within 12 months
  - → 100% of the HUD award has been obligated within 12 months for the last four years
- Number of workshops conducted per year
  - → Five workshops in 2005
- Percent of projects benefiting LMI
  - → Over the last four years, CDBG has averaged about 97% of projects benefiting LMI
- Percent of construction projects meeting the High Standard Score
  - → The High Standard Score has been met for each construction project

The program staff are developing measures for the latter three objectives for use in 2007.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The agency notes the following concerns:

- Uncertainty about the level of federal funding in the future;
- The need for additional state general funds for administrative funding of CDBG grant programs; and
- Concern about not having enough staffing to provide sufficient help to program clients.

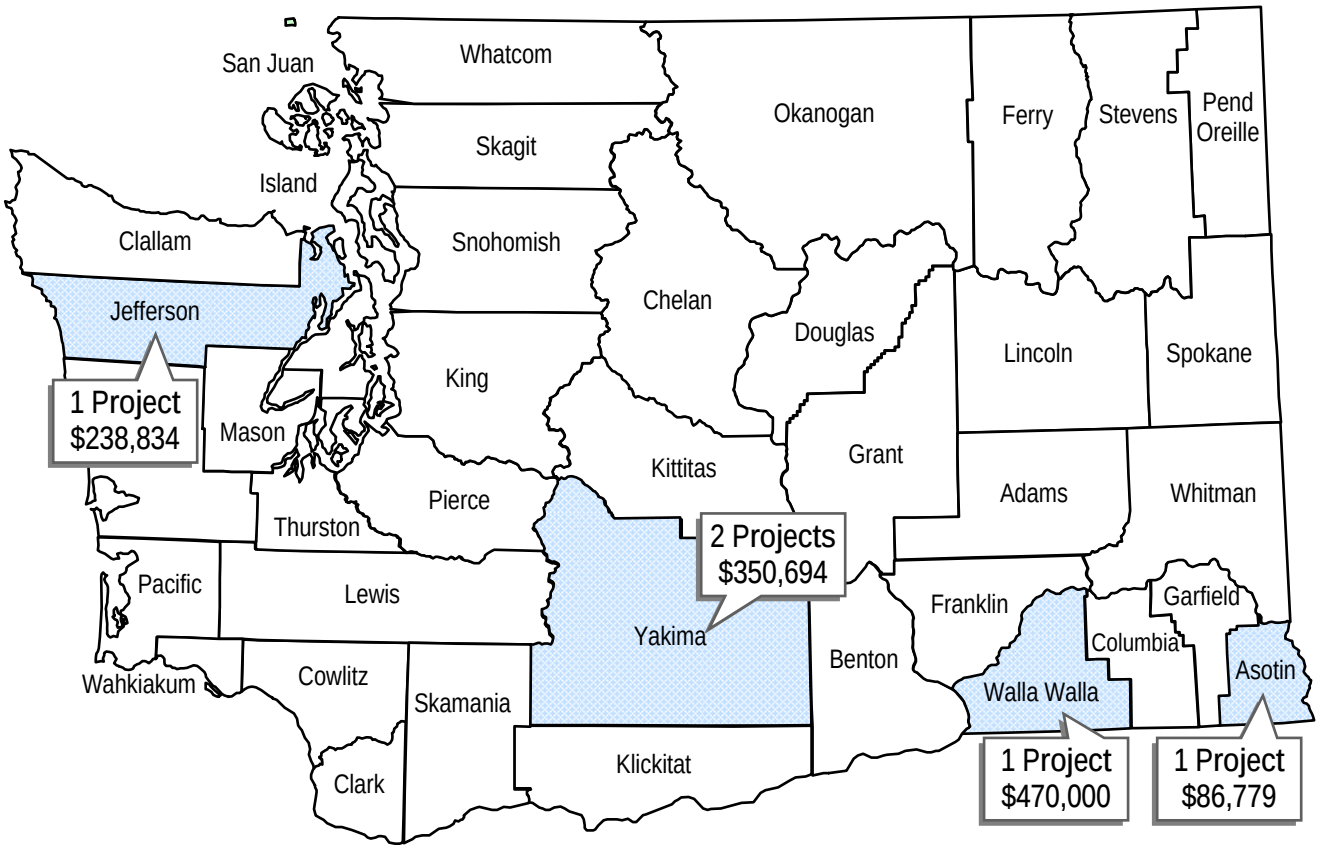
Website

For Additional Information:

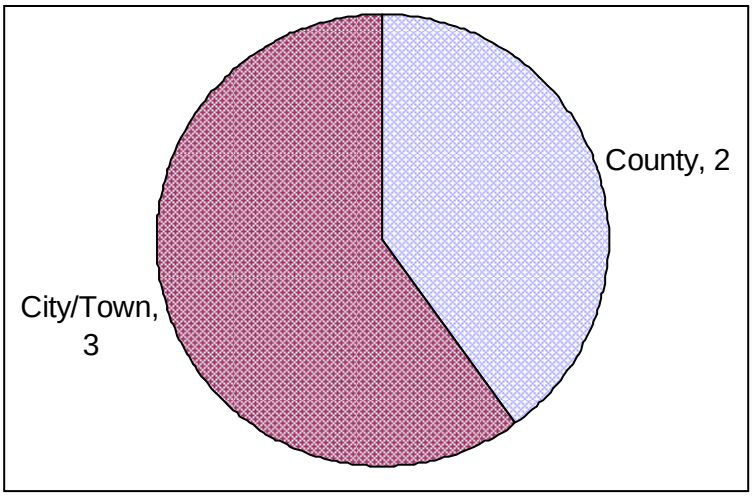
CTED Website on Community Development Block Grants
http://www.cted.wa.gov/cdbg

Community Development Block Grant Housing Enhancement Grant Program
Program Awards, 2005

Location of Awards by County



Grant Recipients



Types of Projects Funded:

Infrastructure improvements for low- and moderate-income housing, senior housing, and farm worker rental units

Community Development Block Grant Imminent Threat Program

Administered By:
Dept of Community, Trade and Economic Development, Local Government Division

General Information

Program Purpose: Community Development Block Grant (CDBG) Imminent Threat Grants assist eligible communities in meeting unique, emergency needs that pose a serious, immediate threat to public health and safety. As with all of the state's CDBG grant programs, the Imminent Threat Grant Program is funded by the U.S. Department of Housing and Urban Development (HUD).

Mission Statement: The mission of all of the state's CDBG grant programs is to improve and maintain the economic and physical environment of eligible cities and counties in order to enhance the quality of life for low- and moderate-income residents and, as a result, benefit the entire community.

Year Established: 1982

Enabling State Statutes:
Not applicable (federal law)

Administrative Rules:
Not applicable (federal law)

Legislative Intent: (Congressional) 42 USC 5301(c)

The primary objective . . . of the community development program of each grantee is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

Is there a separate governing board? No.

Budget Information

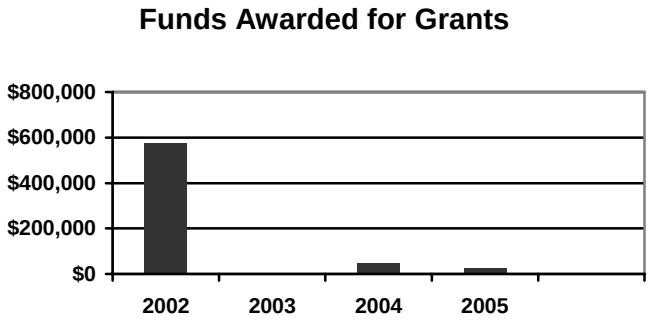
Recent Calendar Year Budgets	2002	2003	2004	2005	2006 (Projected)
New Appropriation for Administration*					
New Appropriation for Grants	400,000	400,000	400,000	300,000	166,000
Expenditure for Administration*					
Funds Awarded for Grants**	572,959	0	46,612	24,000	Not yet available

*Note: CTED receives administrative funding based on the total CDBG federal grant. CTED does not allocate a specific portion of this total administrative funding to each of the nine individual CDBG grant programs.
**Note: CTED is sometimes able to award more in funding than the original allocation in the action plan, for example through the inclusion of contingency funds. Due to the emergency nature of these grants, more may be issued in the duration of the biennium

FTEs for the Program in 2005-07:
9.2 FTEs administer all nine CDBG programs

Fund Account(s):
001-2 – General Fund – Federal
001-1 – General Fund – State

Fund Sources:
Annual grant from the U.S. Department of Housing and Urban Development; very small portion from General Fund State is intended to provide a required match to administer the federal grant.



Recent Changes to Funding Pattern: (1) At the federal level, recent budget proposals have called for reductions in funding for all states' CDBG programs; other administration proposals would eliminate or revamp the programs. (2) At the state level, CTED indicates that current policy does not allow for consideration of in-kind services by other CTED programs to count toward the state match required for administrative funding, and that the CDBG programs have not received an appropriation of sufficient state funds to meet that match requirement.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Continuous cycle, on a calendar year basis.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 1

Total Amount Awarded in 2005: $24,000

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? The amount of the federal grant the state receives from HUD, and then the state's allocation of that total grant amount among the CDBG grant programs that the state chooses to offer.

Maximum Amount That Can Be Awarded to a Project: No set maximum.

Matching Requirements: None.

Interest Rate Charged:
Not applicable (grants only).

Repayment Statistics:
Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?

- [x] Cities and Towns
- [x] Counties
- [ ] Water and/or Sewer Districts
- [ ] Port Districts
- [ ] Public Utility Districts
- [ ] Conservation Districts
- [ ] Other Special Purpose Districts
- [ ] Tribes
- [ ] State Agencies
- [ ] Non-Profit Organizations
- [ ] Private Businesses
- [ ] Other

What Categories of Projects Are Eligible?

- [x] Drinking Water
- [x] Wastewater
- [x] Stormwater
- [x] Solid/Hazardous Waste
- [ ] Flood Management
- [ ] Irrigation/Agriculture
- [ ] Emergency Preparedness/Response
- [ ] Transportation Infrastructure
- [x] Other Infrastructure (Buildings, Facilities, Recreation)
- [ ] Other

Award Type:

- [x] Grants
- [ ] Loans

Eligible Projects: Projects must be compatible with CDBG eligible activities that include, but are not limited to, improvements to water, sewer, and drainage facilities. Recent examples are repair of a collapsed city well and repair of a broken sewer line.

Special Qualifications Regarding Who Can Apply: Eligible applicants are cities and towns with less than 50,000 population or counties with less than 200,000 population that are "non-entitlement" jurisdictions, meaning that they do not receive CDBG funds from HUD directly. Additionally, applicants must be suffering from an immediate and urgent threat to public health or safety, as verified by an independent source and supported by a formal declaration of emergency.

Special Qualifications Regarding Project Eligibility: Projects must principally benefit low- and moderate-income people. "Principally benefit" means that at least 51% of the benefit is to low- and moderate-income people. "Low- and moderate-income" is defined as 80% of county median income. Additionally, a project is not eligible for an Imminent Threat Grant until it is first determined that the project is not eligible for an emergency loan from the Public Works Trust Fund.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

Any time of year	Given the emergency nature of such applications, there is no regular grant application cycle. CTED staff verify the official declaration of an emergency, the appropriate CDBG eligibility requirements, and the inability of the project to qualify for an emergency loan through the Public Works Board. Applicants answer a series of questions intended to establish the scope, severity, validity, history, and impact of the imminent threat.

What Drives the Timing of the Application and Award Process? The emergency event.

Evaluation Criteria:

As indicated above, CTED staff evaluate the scope, severity, validity, history, and impact of the imminent threat. Program materials indicate that, given a limitation of funds, the review process is rigorous and intended to screen for only the most serious, emergency public health and safety threats, and for projects that are not eligible for an emergency loan from the Public Works Trust Fund.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

These objectives are for *all* of the Community Development Block Grant programs:

- Achieve a leverage ratio of at least 1:1;
- Within 12 months, obligate 100% of the CDBG annual award from HUD;
- Provide two Application Workshops and two Management Handbook workshops each year;
- HUD requires 70% of CDBG projects benefit low- and moderate-income (LMI) persons. Washington's CDBG program will strive to have at least 90% of projects benefit LMI persons;
- All funded construction projects will meet the High Score Standard of 65 points;
- Provide economic opportunity through improved/new accessibility, affordability or sustainability while expending no more than $20,000 per job created;
- Provide decent housing with improved/new availability, affordability or sustainability for LMI households while expending no more than $30,000 per household; and
- Provide a suitable living environment through improved/new accessibility, affordability or sustainability for target areas that annually serve at least 55% LMI persons.

Performance Measures and Program Performance:

These performance measures are for *all* of the CDBG grant programs:

- Average leverage ratio each year
  - → Average leverage ratio is 1:3 for 2002 through 2005
- Percent of HUD award obligated within 12 months
  - → 100% of the HUD award has been obligated within 12 months for the last four years
- Number of workshops conducted per year
  - → Five workshops in 2005
- Percent of projects benefiting LMI
  - → Over the last four years, CDBG has averaged about 97% of projects benefiting LMI
- Percent of construction projects meeting the High Standard Score
  - → The High Standard Score has been met for each construction project

The program staff are developing measures for the latter three objectives for use in 2007.

Agency-Identified Challenges\Issues	**Program Challenges or Issues Identified by the Agency:**
	The agency notes that, while the same overall funding concerns about all CDBG grant programs apply to this one as well, this grant program is used infrequently. The biggest challenge reported is inherent in the nature of responding to an imminent threat: being able to respond with a fast enough turn-around time on an application.

Website	**For Additional Information:**
	CTED Website on Community Development Block Grants http://www.cted.wa.gov/cdbg

Community Development Block Grant Imminent Threat Grant Program
Program Grant Award, 2005

Grant Recipient:
Island County

Type of Project Funded:
Emergency drinking water
for three schools

Community Economic Revitalization Board Traditional Program

Administered By:
Department of Community, Trade and Economic Development
Community Economic Revitalization Board

General Information

Program Purpose: The Community Economic Revitalization Board (CERB) Traditional Program provides funding assistance statewide for public facilities to foster business/job development and retention for specific higher wage business types (identified later in this profile). "Public facilities" include bridges, roads, domestic and industrial water, sanitary and storm sewer, railroad, electricity, telecommunications, natural gas, buildings and structures, and port facilities – all for the purpose of job creation, job retention, or job expansion.

Mission Statement: CERB's mission is to help communities create and retain jobs in partnership with business and industry, providing low-interest loans and grants to local governments to help finance construction of public facility projects supporting private sector development.

Year Established: 1982

Enabling State Statutes: Chapter 43.160 RCW

Administrative Rules: Chapter 133-40 WAC

Legislative Intent: RCW 43.160.010

The Legislature finds that it is the public policy of the state of Washington to direct financial resources toward the fostering of economic development through the stimulation of investment and job opportunities and the retention of sustainable existing employment for the general welfare of the inhabitants of the state . . . A valuable means of fostering economic development is the construction of public facilities which contribute to the stability and growth of the state's economic base.

Is there a separate governing board? Yes, the Community Economic Revitalization Board. The Board develops policies for the management of this program and makes the decisions about awarding program loans and grants.

Budget Information

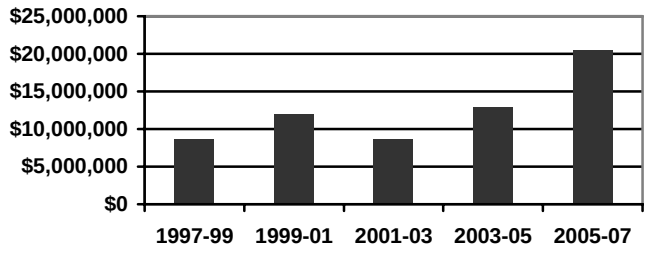
Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration*	515,000	537,056	594,463	627,000	616,000
New Appropriation for Grants/Loans	10,000,000	17,000,000	7,475,000	11,380,000	20,448,000
Expenditure for Administration*	---	537,056	435,972	570,554	(estimated) 616,000
Funds Awarded for Grants/Loans**	8,600,000	11,900,000	8,600,000	12,900,000	(estimated) 20,448,000

*,**Note: The budget information above is a combined total for CERB's Traditional and Rural programs. The administrative budget information above and the FTE number below do not include the work of CTED's Business and Project Development Unit staff in support of the work of CERB.

FTEs for the Program in 2005-07:* 2.8 for combined Traditional and Rural

Fund Account(s): 887-1 – Public Facilities Construction Loan Revolving Account

Funds Awarded for Grants/Loans



Fund Sources:

- CERB loan repayments;
- Interest earnings on the Public Facilities Construction Loan Revolving Account and the Public Works Assistance Account; and
- Other transfers from the Public Works Assistance Account – most recently a set of five annual transfers associated with loans repaid from the Public Works Board's Timber and Rural Natural Resources loan program.

Recent Changes to Funding Pattern: CERB was originally funded by state bond sales in 1982. Since then, funding has come from the repayment of CERB loans plus amounts from a variety of other sources. CERB staff report that this has resulted in major fluctuations from biennium to biennium in the amount of funding CERB has available for grants and loans. Using current projections for loan repayments and interest earnings, CERB staff estimate available revenues of approximately $6.9 million in 2007-09 for its Traditional and Rural programs, down from $20.4 in 2005-07.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Open cycle; CERB normally meets six times per year to consider applications to this program.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 1

Total Amount Awarded in 2005: $1,000,000

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Legislative appropriation in the state Capital Budget, based in part on projections of loan repayments and interest earnings. Per statute, at least 75% of the funding CERB receives must be used for financial assistance for projects in rural counties or rural natural resources impact areas, leaving at most 25% of funds for CERB's Traditional Program.

Maximum Amount That Can Be Awarded to a Project:
Per Board policy, $1 million per industrial construction project.

Matching Requirements: The Board has set, as a target, a local match requirement of 25% of the CERB request.

Interest Rate Charged: Based on the rate of government bonds at the time the application comes before the Board; per statute, the rate may not exceed 10%.

Repayment Statistics:
No loan defaults.

Eligible Applicants and Projects

Who Is Eligible To Apply?

- ☑ Cities and Towns
- ☑ Counties
- ☑ Water and/or Sewer Districts
- ☑ Port Districts
- ☑ Public Utility Districts
- ☐ Conservation Districts
- ☑ Other Special Purpose Districts
- ☑ Tribes
- ☐ State Agencies
- ☐ Non-Profit Organizations
- ☐ Private Businesses
- ☑ Other

What Categories of Projects Are Eligible?

- ☑ Drinking Water
- ☑ Wastewater
- ☑ Stormwater
- ☐ Solid/Hazardous Waste
- ☐ Flood Management
- ☐ Irrigation/Agriculture
- ☐ Emergency Preparedness/Response
- ☑ Transportation Infrastructure
- ☑ Other Infrastructure (Buildings, Facilities, Recreation)
- ☑ Other

Award Type:

- ☑ Grants
- ☑ Loans

Eligible Projects: CERB's Traditional Program can fund a wide range of projects. These include projects in Basic Infrastructure systems such as domestic and industrial water, sanitary sewer, and storm sewer as well as utilities such as electricity, natural gas, and telecommunications. The program can also fund Transportation Infrastructure projects such as roads, bridges, and rail spurs, and Other Infrastructure projects such as general purpose industrial buildings and port facilities. In the column on who is eligible to apply, the "Other" box is checked to highlight that Public Development Authorities apply for project funding through CERB's programs.

Special Qualifications Regarding Who Can Apply: Per statute, CERB reviews whether local jurisdictions applying for funds are in compliance with the state's Growth Management Act. If a jurisdiction is not in compliance, CERB will consider how the non-compliance issues affect the proposed project site.

Special Qualifications Regarding Project Eligibility: The major qualification for projects in this program is a proposed project's direct and specific connection to job creation or retention. Per statute, CERB may only provide financial assistance:

- For projects which would result in specific private developments or expansions in manufacturing, production, food processes, assembly, warehousing, advanced technology, research and development, industrial distribution, processing of recycling materials, manufacturing facilities that rely on recyclable materials, which support the relocation of businesses from nondistressed urban areas to rural counties or rural natural resources impact areas, or which substantially support the trading of goods or services outside of the state's borders;
- For projects that improve opportunities for the successful maintenance, establishment, or expansion of industrial or commercial plants or will otherwise assist in the creation or retention of long-term economic opportunities;
- When the application includes convincing evidence that *a specific private development or expansion is ready to occur and will occur only if the public facility improvement is made*.

Additionally, the applicant must demonstrate that no other timely source of funding is available to it at costs reasonably similar to financing available from CERB.

CERB is prohibited by statute from funding projects that have the primary purpose of facilitating retail shopping developments, that would displace existing jobs in any other community in the state, that are for the acquisition of real property, or that have the primary purpose of facilitating or promoting gambling.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

Note: CERB's Traditional Program does not have a specific annual or biennial application cycle date. The Board can consider applications year-round. As per Board rules, CERB has six regular meetings per year.

Any time of year	Local jurisdictions pursuing economic development efforts, and companies considering siting a business in Washington, are often in contact with CTED staff in the Business and Project Development unit. These CTED staff assist local governments or businesses to determine the range of options available to meet local economic development needs and can help identify whether CERB may be an appropriate funding source.
	If a local jurisdiction, after consultation with CTED staff, determines that CERB funding is a viable option, the potential applicant fills out an application form and assembles the required supporting documentation. Supporting documentation must include convincing evidence of an eligible private sector business development that is contingent on the proposed project. Business and Project Development staff can provide insights and feedback on proposed project applications, and CERB staff are also available to answer questions.

45 days before the CERB meeting	The applicant turns in the application form and documentation. The Business and Project Development staff role shifts from applicant assistance to board support staff, preparing a written project summary, evaluation, and staff recommendation for the Board to consider at its meeting.
At the Board meeting	Business and Project Development staff present the project to the Board. The applicant or applicant representative must be present at the meeting as well. Using the criteria below, the Board makes a decision whether to fund the project.

What Drives the Timing of the Application and Award Process? CERB staff and Business and Project Development staff can help an applicant assess whether an application is ready to go before the Board; ultimately, however, the timing is the applicant's decision.

Evaluation Criteria: Traditional Program application evaluation criteria include:

- The local unemployment rate at the area where the project is proposed;
- The estimated number of jobs created or retained;
- The projected wage rates associated with the project;
- The ratio of dollar of CERB money to the projected new state and local tax revenues;
- The cost per job;
- The requested CERB funding as a percent of total project cost;
- The proposed amount of local match; and
- The ratio of dollar of CERB money to the amount of private investment.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The goals and objectives for CERB programs are to:

- Encourage business and industry expansion and retention to provide stable employment;
- Expand employment opportunities in economically distressed regions;
- Strengthen the economies of areas with high unemployment by encouraging private capital investment and development;
- Seek opportunities to leverage CERB funds with other public monies; and
- Encourage responsible local government investment in public facilities projects by requiring a local match.

Performance Measures and Program Performance:

CERB is required to report to the Legislature biennially on:

- The number of applications for CERB assistance;
- The number and type of projects approved;
- The grant or loan amount awarded each project;
- The projected number of jobs created or retained by each project;
- The actual number of jobs created or retained by each project; and
- The number of delinquent loans and the number of project terminations.

The report may also include additional performance measures and recommendations for programmatic changes. These performance measures apply to the CERB programs, generally.

(continued on next page)

CERB staff report that data from the CERB 2004 Legislative Report show that, since 1982, the $97 million that CERB has invested resulted in supporting the creation and/or retention of nearly 22,000 statewide jobs; CERB investment in public infrastructure was the catalyst for the investment of over $2.3 billion in private capital investment in facilities, machinery, and equipment by business and industry; and the generation of an estimated $58 million in new annual state and local taxes by new business developments that help stabilize local economies and generate future income.

CERB staff noted a five-year snapshot (1994-1999) of the CERB Rural and Traditional programs' job and private capital investment outcomes. The number of jobs actually created/retained by the private sector business after construction of the public infrastructure project was 113% greater than the number of jobs estimated at the time of application. The amount of actual private capital investment in private facilities and equipment was 272% greater than the amount estimated at the time of application.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The Board notes the following concerns:

- The ongoing and unmet need for funding for economic development projects, as witnessed by the volume of applications to CERB's regular programs and to the new Job Development Fund Program;
- The need for stable and predictable funding for CERB's regular programs. Funding for CERB programs has fluctuated widely from biennium to biennium. Having stability in the amount available may encourage communities to come forward with strong projects at the point in time when the project is ready to proceed, if they can count on the funding being there. Currently, the wide fluctuation in funding encourages applicants to come forward when the money is there, not necessarily when the project is ready to go. Timing is especially critical for these economic development projects when the public facility must be timed to complement the development of the private project.

Website

For Additional Information:

CERB website
http://www.cted.wa.gov/cerb

Community Economic Revitalization Board Traditional Program

Program Award, 2005

Loan/Grant Recipient:
Spokane International Airport

Type of Project Funded:
Facility Construction

Community Economic Revitalization Board Rural Program

Administered By:
Department of Community, Trade and Economic Development
Community Economic Revitalization Board

General Information

Program Purpose: The Community Economic Revitalization Board (CERB) Rural Natural Resources/Rural Counties Program expands assistance opportunities for targeted areas across the state to achieve more stable and diversified local economies. The Rural Program funds infrastructure for prospective economic development projects to support specific higher wage business types in rural counties and rural natural resources areas that have been affected by downturns in the timber and commercial salmon industries. The program also funds tourism development projects in rural areas, project-specific feasibility studies, and pre-development planning activities to help evaluate high-priority economic development projects that will assist these communities in meeting their economic development goals.

Mission Statement: CERB's mission is to help communities create and retain jobs in partnership with business and industry, providing low-interest loans and grants to local governments to help finance construction of public facility projects supporting private sector development.

Year Established: 1991

Enabling State Statutes: Chapter 43.160 RCW

Administrative Rules: Chapter 133-40 WAC

Legislative Intent: RCW 43.160.010(5)

The Legislature finds that sharing economic growth statewide is important to the welfare of the state. Rural counties and rural natural resources impact areas do not share in the economic vitality of the Puget Sound region . . . It is therefore the intent of the Legislature to increase the amount of funding available through CERB for rural counties and rural natural resources impact areas, and to authorize flexibility for available resources in these areas to help fund planning, predevelopment, and construction costs of infrastructure and facilities and sites that foster economic vitality and diversification.

Is there a separate governing board? Yes, the Community Economic Revitalization Board. The Board develops policies for the management of this program and makes the decisions about awarding program loans and grants.

Budget Information

Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration					
New Appropriation for Grants/Loans		CERB provided budget information for its Traditional and Rural Programs combined. See the profile for the CERB Traditional Program for this combined information.			
Expenditure for Administration					
Funds Awarded for Grants/Loans					

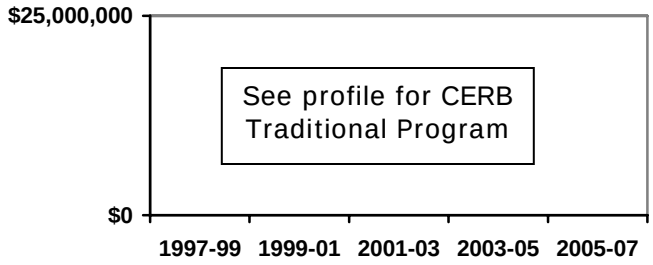
*Note: The FTE number below does not include the work of CTED's Business and Project Development Unit staff in support of the work of CERB.

FTEs for the Program in 2005-07:
2.8 for combined Traditional and Rural

Fund Account(s):
887-1 – Public Facilities Construction Loan Revolving Account

Fund Sources:
- CERB loan repayments;
- Interest earnings on the Public Facilities Construction Loan Revolving Account and the Public Works Assistance Account; and
- Other transfers from the Public Works Assistance Account – most recently a set of five annual transfers associated with loans repaid from the Public Works Board's Timber and Rural Natural Resources loan program.

Funds Awarded for Grants/Loans



Recent Changes to Funding Pattern: CERB was originally funded by state bond sales in 1982. Since then, funding has come from the repayment of CERB loans plus amounts from a variety of other sources. CERB staff report that this has resulted in major fluctuations from biennium to biennium in the amount of funding CERB has available for grants and loans. Using current projections for loan repayments and interest earnings, CERB staff estimate available revenues of approximately $6.9 million in 2007-09 for its Traditional and Rural programs, down from $20.4 in 2005-07.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Open cycle; CERB normally meets six times per year to consider applications to this program.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 15

Total Amount Awarded in 2005: $5,524,300

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Legislative appropriation in the state Capital Budget, based in part on projections of loan repayments and interest earnings. Per statute, at least 75% of the funding CERB receives must be used for financial assistance for projects in rural counties or rural natural resource impact areas.

Maximum Amount That Can Be Awarded to a Project: Per statute, the maximum amount varies by type of project:
- $1 million maximum for industrial construction projects;
- $250,000 maximum for tourism construction projects;
- $50,000 maximum for feasibility studies, pre-development planning, including project engineering, and other planning efforts.

Matching Requirements: The Board sets, as a target, a 25% local match for construction projects. For feasibility studies and other planning efforts, the Board sets a 50% match target.

Interest Rate Charged: Based on the rate of government bonds at the time the application comes before the Board; per Board policy, the rate may not exceed 6%.

Repayment Statistics:
No loan defaults.

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☑ Drinking Water	☑ Grants
☑ Counties	☑ Wastewater	☑ Loans
☑ Water and/or Sewer Districts	☑ Stormwater	
☑ Port Districts	☐ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☑ Tribes	☑ Transportation Infrastructure	
☐ State Agencies	☑ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☑ Other	
☐ Private Businesses		
☑ Other		

Eligible Projects: CERB's Rural Program can fund a wide range of projects. These include projects in Basic Infrastructure systems such as domestic and industrial water, sanitary sewer, and storm sewer as well as utilities such as electricity, natural gas, and telecommunications. The program can fund Transportation Infrastructure projects such as roads, bridges, and rail spurs, and Other Infrastructure projects such as general purpose industrial buildings and port facilities. The Rural Program can also fund feasibility studies and other planning efforts for these projects. In the column on who is eligible to apply, the "Other" box is checked to highlight that Public Development Authorities apply for project funding through CERB's programs.

Special Qualifications Regarding Who Can Apply: Applicants must meet statutory definitions of being a rural county or a rural natural resources impact area. CERB also reviews whether local jurisdictions applying for funds are in compliance with the state's Growth Management Act. If a jurisdiction is not in compliance, CERB will consider how the non-compliance issues affect the proposed project site.

Special Qualifications Regarding Project Eligibility: Projects must have a connection to job creation or job retention. Unlike CERB's Traditional Program, which requires a commitment to a project by a private sector company, CERB's Rural Program can fund *prospective* development construction projects. An applicant for a prospective development project must demonstrate a high likelihood that the project will provide long-term economic opportunity through a feasibility threshold analysis submitted with the application. Rural Program prospective development construction projects are targeted to the same private business types as the Traditional Program, with the addition of tourism projects that fall into other business types such as hotel/motel.

For Rural Program projects that are submitted with an eligible private sector business, the application must provide convincing evidence that a specific private development or expansion is ready to occur and will occur only if the public facility improvement is made, which is the same as the Traditional Program. Such applications are limited to the following eligible business types: manufacturing, production, food processing, assembly, warehousing, industrial distribution, advanced technology, research and development, recycling facilities, or businesses that substantially support the trading of goods and services beyond state borders.

Additionally, the applicant must demonstrate that no other timely source of funding is available to it at costs reasonably similar to financing available from CERB.

CERB is prohibited by statute from funding projects that have the primary purpose of facilitating retail shopping developments, that would displace existing jobs in any other community in the state, that are for the acquisition of real property, or that have the primary purpose of facilitating or promoting gambling.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

Note: CERB's Rural Program does not have a specific annual or biennial application cycle date. The Board can consider applications year-round. As per Board rules, CERB has six regular meetings per year.

Any time of year	Local jurisdictions pursuing economic development efforts, and companies considering siting a business in Washington, are often in contact with CTED staff in the Business and Project Development unit. These CTED staff assist local governments or businesses to determine the range of options available to meet local economic development needs and can help identify whether CERB may be an appropriate funding source.
	If a local jurisdiction, after consultation with CTED staff, determines that CERB funding is a viable option, the potential applicant fills out an application form and assembles the required supporting documentation. Supporting documentation must include convincing evidence of an eligible private sector business development that is contingent on the proposed project. Business and Project Development staff can provide insights and feedback on proposed project applications, and CERB staff are also available to answer questions.
45 days before the CERB meeting	The applicant turns in the application form and documentation. The Business and Project Development staff role shifts from applicant assistance to board support staff, preparing a written project summary, evaluation, and staff recommendation for the Board to consider at its meeting.
At the Board meeting	Business and Project Development staff present the project to the Board. The applicant or applicant representative must be present at the meeting as well. Using the criteria below, the Board makes a decision whether to fund the project.

What Drives the Timing of the Application and Award Process? CERB staff and Business and Project Development staff can help an applicant assess whether an application is ready to go before the Board; ultimately, however, the timing is the applicant's decision.

Evaluation Criteria: Rural Program application evaluation criteria include:

- The local unemployment rate at the area where the project is proposed;
- The estimated number of jobs created or retained;
- The projected wage rates associated with the project;
- The ratio of dollar of CERB money to the projected new state and local tax revenues;
- The cost per job;
- The requested CERB funding as a percent of total project cost;
- The proposed amount of local match; and
- The ratio of dollar of CERB money to the amount of private investment.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The goals and objectives for CERB programs are to:

- Encourage business and industry expansion and retention to provide stable employment;
- Expand employment opportunities in economically distressed regions;
- Strengthen the economies of areas with high unemployment by encouraging private capital investment and development;
- Seek opportunities to leverage CERB funds with other public monies; and
- Encourage responsible local government investment in public facilities projects by requiring a local match.

Performance Measures and Program Performance:

CERB is required to report to the Legislature biennially on:

- The number of applications for CERB assistance;
- The number and type of projects approved;
- The grant or loan amount awarded each project;
- The projected number of jobs created or retained by each project;
- The actual number of jobs created or retained by each project; and
- The number of delinquent loans and the number of project terminations.

The report may also include additional performance measures and recommendations for programmatic changes. These performance measures apply to the CERB programs, generally.

CERB staff report that data from the CERB 2004 Legislative Report show that, since 1982, the $97 million that CERB has invested resulted in supporting the creation and/or retention of nearly 22,000 statewide jobs; CERB investment in public infrastructure was the catalyst for the investment of over $2.3 billion in private capital investment in facilities, machinery, and equipment by business and industry; and the generation of an estimated $58 million in new annual state and local taxes by new business developments that help stabilize local economies and generate future income.

CERB staff noted a five-year snapshot (1994-1999) of the CERB Rural and Traditional programs' job and private capital investment outcomes. The number of jobs actually created/retained by the private sector business after construction of the public infrastructure project was 113% greater than the number of jobs estimated at the time of application. The amount of actual private capital investment in private facilities and equipment was 272% greater than the amount estimated at the time of application.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The Board notes the following concerns:

- The ongoing and unmet need for funding for economic development projects, as witnessed by the volume of applications to CERB's regular programs and to the new Job Development Fund Program;
- The need for stable and predictable funding for CERB's regular programs. Funding for CERB programs has fluctuated widely from biennium to biennium. Having stability in the amount available may encourage communities to come forward with strong projects at the point in time when the project is ready to proceed, if they can count on the funding being there. Currently, the wide fluctuation in funding encourages applicants to come forward when the money is there, not necessarily when the project is ready to go. Timing is especially critical for these economic development projects when the public facility must be timed to complement the development of the private project.

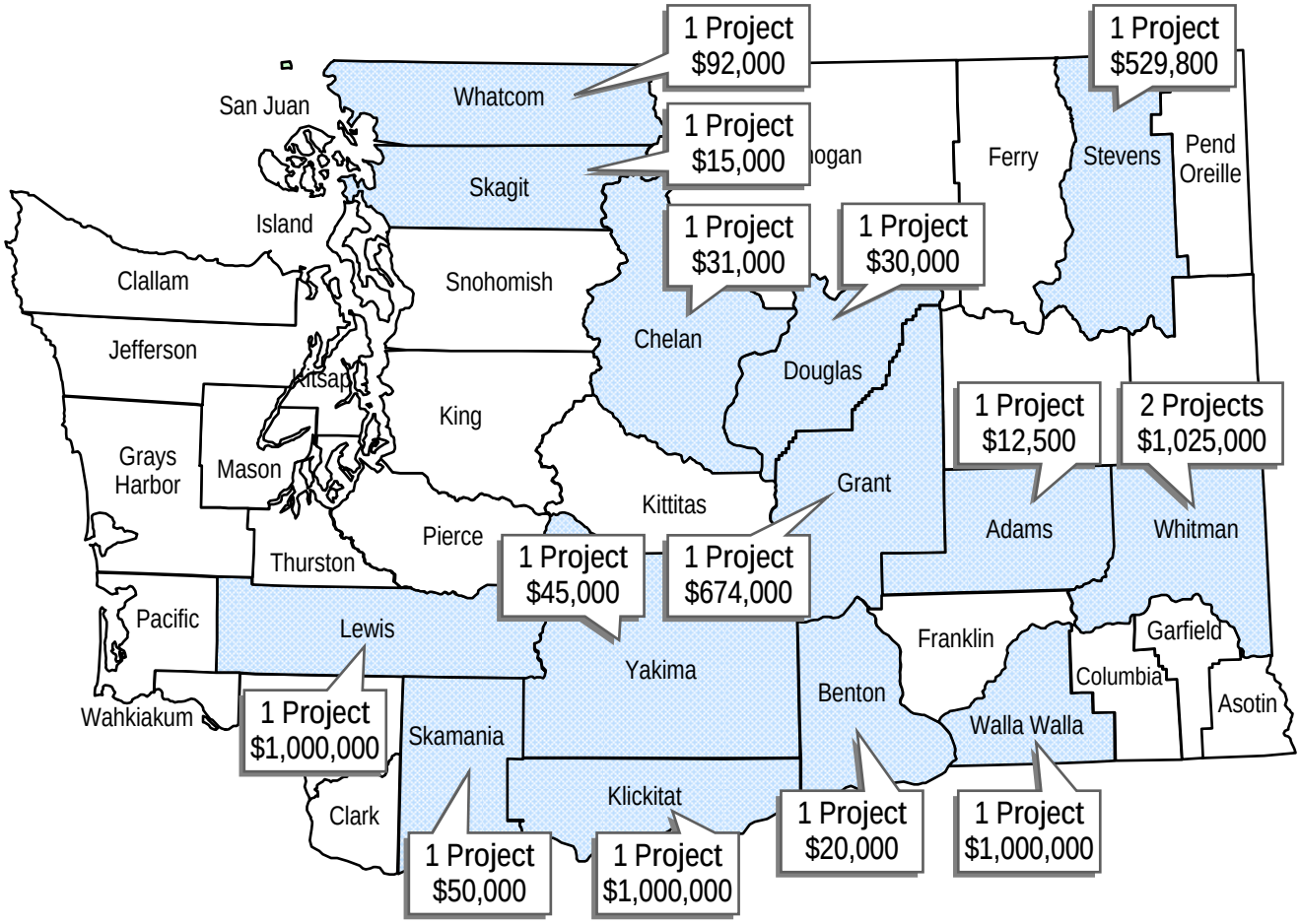
Website

For Additional Information:

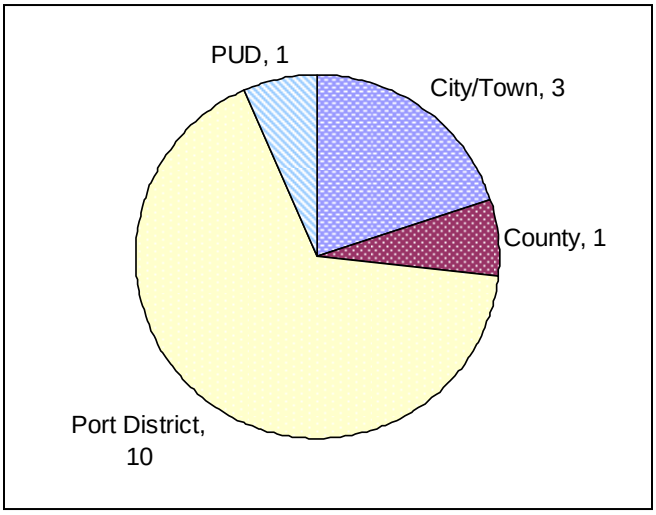
CERB website
http://www.cted.wa.gov/cerb

Community Economic Revitalization Board Rural Program Awards, 2005

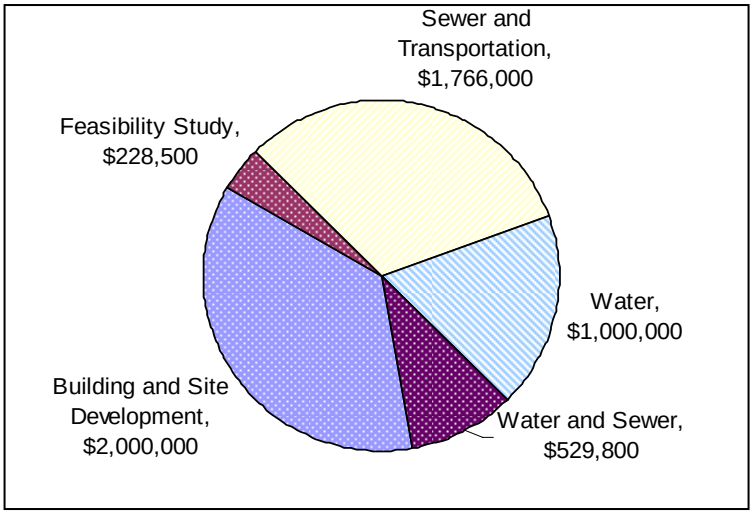
Location of Awards by County



Loan/Grant Recipients



Types of Projects Funded



Job Development Fund Program

Administered By:
Department of Community, Trade and Economic Development
Community Economic Revitalization Board
Public Works Board

General Information

Program Purpose: The purpose of the Job Development Fund Program is to provide grants for public infrastructure projects that directly stimulate community and economic development by supporting the creation of new jobs or the retention of existing jobs. This new (2005) program is administered primarily by the Community Economic Revitalization Board (CERB); the Public Works Board (PWB) also plays a role in project selection.

Mission Statement: CERB's mission is to help communities create and retain jobs in partnership with business and industry, providing low-interest loans and grants to local governments to help finance construction of public facility projects supporting private sector development.

Year Established: 2005

Enabling State Statutes:
RCW 43.160.230-240
RCW 43.155.050

Administrative Rules:
No rules; there are program guidelines.

Legislative Intent: From ESHB 1903 (2005), Section 1

The Legislature finds that current economic development programs and funding, which are primarily low-interest loan programs, can be enhanced by creating a grant program to assist with public infrastructure projects that directly stimulate community and economic development by supporting the creation of new jobs or the retention of existing jobs.

Is there a separate governing board? Yes; CERB and PWB both play roles with this new program. CERB is responsible for developing the guidelines for the new program and for developing a prioritized list of projects recommended for funding. The project list then goes before the PWB for its review before the list's eventual delivery to the Legislature for final approval.

Budget Information

Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration					430,000
New Appropriation for Grants					
Expenditure for Administration*					(estimated) 430,000
Funds Awarded for Grants**					

*Note: The expenditure information above and the FTE number below do not include the work of CTED's Business and Project Development Unit staff in support of CERB's work on this program, nor do they include the efforts of the Public Works Board staff.
**Note: The first grants will be awarded in 2007. The Legislature appropriated $50 million in the 2005 Capital Budget for specific projects labeled as Job/Economic Development Grants. However, the projects were selected by the Legislature, not through the process described in this profile. The Legislature then amended its 2005 project list in the 2006 Supplemental Capital Budget.

FTEs for the Program in 2005-07: *
2.0 for CERB

Fund Account(s):
058-1 – Public Works Assistance Account (also known as Public Works Trust Fund)
10-H – Job Development Account

Funds Awarded for Grants
The Legislature will consider awarding an estimated $49.5 million in grants via this program in 2007.

Fund Sources: Transfer of up to $50 million each biennium from the Public Works Assistance Account to the Job Development Account.

Recent Changes to Funding Pattern: None (program new in 2005).

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Biennial, with the first grants in 2007. The enabling legislation terminates in June 2011.

Does the Legislature Approve Project Selection? Yes.

Number of Projects Selected in 2005: 0

Total Amount Awarded in 2005: $0

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Legislative action in a budget bill or separate legislation, based on the parameters in ESHB 1903 from the 2005 Legislative Session.

Maximum Amount That Can Be Awarded to a Project:
Per statute, $10 million.

Matching Requirements: Per statute, grant assistance from the Job Development Fund may not exceed 33% of the cost of the project; the applicant must find the remaining 67% from other sources. Per CERB policy, the "cost of the project" refers to the cost of the *public* project.

Interest Rate Charged:	Repayment Statistics:
Not applicable (grants only).	Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☑ Drinking Water	☑ Grants
☑ Counties	☑ Wastewater	☐ Loans
☑ Water and/or Sewer Districts	☑ Stormwater	
☑ Port Districts	☐ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☑ Tribes	☑ Transportation Infrastructure	
☐ State Agencies	☑ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☑ Other	
☐ Private Businesses		
☑ Other		

Eligible Projects: The Job Development Fund Program can fund a wide range of projects. These include projects in Basic Infrastructure systems such as domestic and industrial water, sanitary sewer, and storm sewer as well as utilities such as electricity, natural gas, and telecommunications. The program can also fund Transportation Infrastructure such as roads, bridges, and rail spurs, and Other Infrastructure projects such as general purpose industrial buildings and port facilities. In the column on who is eligible to apply, the "Other" box is checked to highlight that Public Development Authorities apply for project funding through CERB's programs.

Special Qualifications Regarding Who Can Apply: Applicants must be able to supply a certification of compliance with the state's Growth Management Act. Applicants must also be able to demonstrate that they have provided notice to the area's Associate Development Organization of the applicant's intent to apply to the program.

Special Qualifications Regarding Project Eligibility: Per statute, the proposed public sector project must be linked to a current or prospective private development project that will result in the creation or retention of jobs upon completion of the public project. More specifically per the CERB guidelines, the public infrastructure investment must be linked to results in specific private developments or expansions in the following business types: manufacturing, production, food processing, assembly, warehousing, advanced technology, research and development, industrial distribution, processing of recyclable materials, manufacturing facilities that rely on recyclable materials, businesses that substantially support the trading of goods or services outside of the state's borders, high priority tourism facilities that create year-round jobs, or other business developments that are competitive in terms of the creation or retention of higher wage jobs and/or other comparative economic development outcomes. Since the statute did not specify specific business types as it does for CERB's other two programs, this offered an opportunity for CERB to consider applications for retail, commercial, and mixed uses.

Recent Changes in Eligible Applicants or Categories of Projects: None (program new in 2005).

Application and Award Process

Timing and Steps in the Process:

Note: The process described below is the process being used in the first round of funding being allocated through the Job Development Fund Program. CERB members and staff plan to debrief following the completion of this first experience to determine any recommendations for changes to the process or the evaluation criteria.

September – November 2005	CERB develops guidelines for the new Job Development Fund Program.
December 1, 2005	CERB issues statewide competitive project solicitation.
January 6, 2006	Deadline for potential applicants to submit a pre-application to CERB.
January 27, 2006	Deadline for CTED Business and Project Development staff to provide initial technical assistance and feedback on the proposed project to the applicant.
April 3, 2006	Deadline for submittal of final applications to CERB.
April/May 2006	CERB and CTED Business and Project Development staff screen the applications for eligibility. These staff and a staff member from the Public Works Board then score each application using the criteria below. Based on these scores, staff develop a draft prioritized project list for consideration by CERB.
May 18, 2006	CERB reviews the scoring of the applications and develops a prioritized list of projects to recommend to the Legislature for funding ($49.5 million). CERB also exercises an option in the statute to develop an alternate list of projects ($10 million).
August 2006	The Public Works Board reviews the CERB prioritized list and approves a project list.
Autumn 2006	The list is incorporated into budget proposals from CTED, then from the Governor.
January 2007	The Job Development Fund prioritized list goes to the Legislature for its consideration. Per statute, the Legislature may remove projects from the list but may not change the ranking of projects. If the Legislature removes projects from the original list, if may add projects from the alternate list, in order of priority.
Spring 2007	The Legislature completes its work on the list; the Governor takes action.

What Drives the Timing of the Application and Award Process? The timing of the original legislative action on ESHB 1903 and the need to have a list prepared for legislative consideration in 2007. CERB staff estimate selected applicants will receive their grant funds beginning in August or September, following the allotment process. This means that 16 to 18 months will elapse between the final application deadline (April 2006) and the receipt of grant funds for a project (Autumn 2007).

Evaluation Criteria: CERB used the following criteria in its initial round of ranking projects:

Need

- Comparative level of economic activity – 10%
- Comparative level of existing financial capacity to increase economic activity in the community – 5%

Relative Economic Benefits/Outcomes

- Jobs – 25%
- Return on the state's investment – 30%
- Ability of the project to improve the viability of existing businesses in the project area – 5%

Commitment/Readiness to Proceed

- Local commitment – 12.5%
- Readiness to proceed – 12.5%

Maximum possible score is 100%.

Recent Changes to the Process or Evaluation Criteria: None (program new in 2005).

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The goals and objectives for CERB programs are to:

- Encourage business and industry expansion and retention to provide stable employment;
- Expand employment opportunities in economically distressed regions;
- Strengthen the economies of areas with high unemployment by encouraging private capital investment and development;
- Seek opportunities to leverage CERB funds with other public monies; and
- Encourage responsible local government investment in public facilities projects by requiring a local match.

Performance Measures and Program Performance:

CERB is required to report biennially to the Legislature on its program and expects Job Development Fund grant recipients to perform the same type of outcome reporting as recipients of other CERB assistance. Information will be collected and reported on:

- Actual number of jobs created/retained;
- Actual amount of private sector investment in the private project;
- Actual amount of funds invested in the public project;
- Percent of jobs created/retained above the annual average county wage rate; and
- Actual state and local tax revenue generated.

Agency-Identified Challenges\Issues	**Program Challenges or Issues Identified by the Agency:**
	The Board notes: • The amount of unmet need for funding for economic development projects, as witnessed by the volume of applications to CERB's regular programs and to this new program; • CERB members and staff are committed to debriefing on this first process once it has been completed and to passing on to the Legislature the lessons learned from this first round of Job Development Fund project selection.

Website	**For Additional Information:**
	CERB website: http://www.cted.wa.gov/cerb

Centennial Clean Water Fund Program

Administered By:
Department of Ecology
Water Quality Program

General Information

Program Purpose: The Centennial Clean Water Fund provides grants and some low-interest loans to eligible governments for wastewater treatment facilities and for certain activities that reduce nonpoint sources of water pollution. "Facilities" refer to facilities or systems for the control, collection, storage, treatment, disposal, or recycling of wastewater or stormwater. "Activities" include actions to control nonpoint sources of water pollution and to prevent or correct the effects of water pollution.

Mission Statement: The mission of the Water Quality Program is to protect and restore Washington's waters.

Year Established: 1986

Enabling State Statutes: Chapter 70.146 RCW

Administrative Rules: Chapter 173-95A WAC

Legislative Intent: RCW 70.146.010

It is the purpose of this chapter to provide financial assistance to the state and to local governments for the planning, design, acquisition, construction, and improvement of water pollution control facilities and related activities in the achievement of state and federal water pollution control requirements for the protection of the state's waters.

Is there a separate governing board? No. However, there is a Financial Advisory Council comprised of various state and federal agencies, local governments, tribal clients, and stakeholders that provides advice and guidance on program rules, policies, and guidelines.

Budget Information

Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration	384,138	461,500	583,800	724,631	792,400
New Appropriation for Grants/Loans	70,000,000	62,526,527	50,094,769	43,950,000	46,250,000
Expenditure for Administration	382,562	375,248	604,416	709,562	(estimated) 764,666
Expenditure for Grants/Loans*	78,770,129	54,654,710	53,818,696	44,061,039	(estimated) 42,461,862

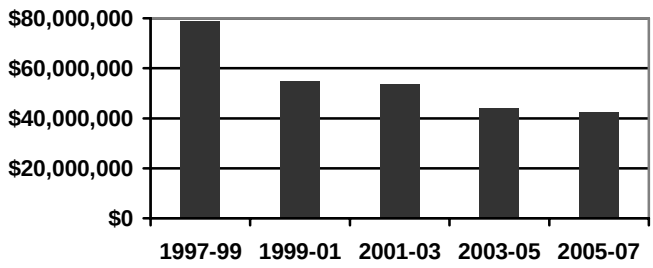
* Funds under this program are issued on a cost-reimbursement basis. Projects often take three to four years to complete. The amount in the last line of the chart above includes funds reimbursed for projects selected during the indicated biennium as well as funds reimbursed for projects selected in earlier biennia that have reimbursements crossing biennia. The amounts include reappropriations.

FTEs for the Program in 2005-07: 14.96

Fund Account(s):

130-1 – Water Quality Account (State)
057-1 – State Building Construction Acct
173-1 – State Toxics Control Account

Funds Awarded for Grants/Loans



Fund Sources: Funds are deposited into the Water Quality Account from:

- RCW 82.24.027: 4 mills per cigarette
- RCW 82.24.026: 1.7% of 30 mills per cigarette
- RCW 82.26.020: 13% of the 75% tax on the sale of tobacco products (from 7/1/2005 through 7/1/2021)
- RCW 82.32.390: Sales tax on construction materials used to build facilities funded by the Water Quality Account

[Funding note: RCW 82.26.025, providing 16.75% of the 129.42% tax on the wholesale price of tobacco products as a fund source, was repealed as of 7/1/2005.]

Recent Changes to Funding Pattern: Per statute, the Water Quality Account has a guarantee of revenue of $90 million per biennium. When tobacco revenue is not sufficient to reach $90 million, the State Treasurer transfers General Fund dollars sufficient to reach the guarantee. Ecology reports that, over the past few biennia, due to state budget cuts, portions of the General Fund transfer have been suspended. Today's programs are supported by a combination of the tobacco tax dedicated to the Water Quality Account, General Fund revenue, State Building Construction Bonds, and transfers from the State Toxics Control Account. Additionally, the Legislature has used Water Quality Account funds for other purposes. Ecology reports that, of $46.2 million appropriated for the 2005-07 biennium, $9 million is appropriated directly from the Water Quality Account for use by Ecology for this grant/loan program.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Annual, based on the state fiscal year.

Does the Legislature Approve Project Selection? In general, no. However, per rule, the Legislature must approve special extended grant payments. The Legislature also earmarks specific projects to receive funding.

Number of Projects Selected in 2005: 33 projects total (26 projects through the competitive process; 7 projects earmarked by the Legislature to receive funds).

Total Amount Awarded for Projects Selected in 2005: $20,106,482 total ($12,846,482 through the competitive process; $7,260,000 for the projects selected by the Legislature).

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Legislative appropriation in the state Capital Budget, based in part on projected revenues from tobacco-related taxes, projected sales tax revenues to be collected on construction materials used to build facilities funded by the Water Quality Account, and principal and interest from the repayment of loans funded under the program. Once this total has been established, by rule Ecology allocates 2/3 of the funds available competitively to *facilities* projects, 1/3 to *activities* projects.

Maximum Amount That Can Be Awarded to a Project: Per rule, the maximum amount available per project varies depending on whether the project is for *facilities* or *activities*, whether the funding is provided by *loan* or by *grant*, and other factors. [The majority of funding from this program is in the form of grants.]

For *facilities* projects, the ceiling for loans is $5 million or half the total eligible cost of the project, whichever is less. The ceiling for financial hardship grants is $5 million for facilities construction projects or half the total eligible cost of the project plus an unemployment differential, whichever is less. An applicant may be eligible to receive a grant for half the total eligible construction costs for a combined design/construction project if the applicant qualifies as facing financial hardship and if the total project cost does not exceed $1 million.

For *activities*, there is a loan ceiling of $500,000. The ceiling for grants for activities is either $250,000 or $500,000, depending on whether the applicant's match is in the form of in-kind goods and services or cash, respectively.

Matching Requirements: Again there are distinctions between *facilities* and *activities* and between *grants* and *loans*.

For *facilities* projects receiving grants in a financial hardship situation, the applicant must accept a loan from Ecology for all or part of the remainder of the total eligible project cost (per rule). The loan would likely be from the Water Pollution Control Revolving Fund Program (which is jointly administered by Ecology with the Centennial Fund Program) or from the Centennial Fund. For loans from the Centennial Fund, there is not a specific match requirement like the one above; however the applicant needs to find other funding for one half of the eligible cost of the project. Ecology reports that there would be circumstances where the agency could fund 100% of the eligible cost with a loan.

For *activities*, grants must be matched by cash or by a combination of cash and in-kind goods and services that amount to 25% of total eligible project cost. The type of match allowed depends on the amount of grant awarded.

Interest Rate Charged: The interest rate Ecology charges is based on the bond market interest rate in the period before the annual application cycle begins. For loans up to five years in duration, the interest rate is 30% of the average market rate (e.g. FY 07 – 1.3%). For loan durations more than five years up to 20 years, the interest rate is 60% of the average market rate (e.g. FY 07 – 2.6%). However, the payment term and the interest rate can be adjusted in cases of financial hardship.

Repayment Statistics:
No loan defaults.

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☐ Drinking Water	☑ Grants
☑ Counties	☑ Wastewater	☑ Loans
☑ Water and/or Sewer Districts	☑ Stormwater	
☑ Port Districts	☐ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☑ Conservation Districts	☑ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☑ Tribes	☐ Transportation Infrastructure	
☐ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: By rule, Ecology allocates 2/3 of the funds available competitively to *facilities* projects, allocating the remaining 1/3 of these funds to *activities* projects. "Facilities" refer to facilities or systems for the control, collection, storage, treatment, disposal, or recycling of wastewater and stormwater. "Activities" include actions to control nonpoint sources of water pollution and to prevent or mitigate pollution of groundwater.

Special Qualifications Regarding Who Can Apply: Per statute, a county, city, or town planning under the state's Growth Management Act may not receive a grant or loan from this program unless the local government has adopted a comprehensive plan – including a capital facilities plan – and accompanying development regulations. There may be an exception to address a public health need or substantial environmental degradation. Per rule, there are additional requirements that the local applicant must be in compliance with the Growth Management Act. State agencies are generally not eligible to apply in the competitive process, though Ecology notes that the Legislature sometimes earmarks program funds for state agency projects.

Applicants must also meet technical engineering prerequisites for facilities projects, with approval by Ecology that the applicant is proceeding according to the agency's "Step Process."

Projects such as nonpoint activities projects can be implemented on private land with an easement or a landowner agreement, but the application must come from a qualifying eligible government.

Special Qualifications Regarding Project Eligibility: Per statute, eligible costs covered by the Centennial Fund Program are for the portion of a water pollution control facility's capacity that addresses 110% of the applicant's needs at the time the application is submitted. Costs for capacity to address growth beyond 10% are not eligible for this program (note that the companion Water Pollution Control Revolving Fund Program can provide loans for up to 20 years reserve capacity). WAC 173-95A-060 includes a more detailed list of what project elements are not eligible for funding (e.g. legal and lobbying expenses) and what project elements may be eligible for loans but not grants.

Recent Changes in Eligible Applicants or Categories of Projects: The 2006 Supplemental Capital Budget includes specific appropriations for this program and for the Water Pollution Control Revolving Fund Program to pay for on-site sewage replacement as part of the effort to clean up Puget Sound. The appropriation may be used to (1) establish new or expand existing on-site sewage repair and replacement loan or grant programs by county governments or tribes; or (2) develop a pilot program to administer an on-site sewage repair and replacement loan program through a qualified private or nonprofit lending institution.

Application and Award Process

Timing and Steps in the Process:

Note: The Department of Ecology conducts a joint solicitation, evaluation, and ranking process for applications to the Centennial Clean Water Fund Program, the Water Pollution Control Revolving Fund Program, and the Clean Water Act Section 319 Program. The applicant fills out a single application to apply to any or all of the three programs.

August	Ecology sends a notice to local governments and other potential applicants that the application period is about to open.
September 1 through October 31	The application period is open. Ecology holds a series of four to six workshops around the state to assist potential applicants. Information about the programs and the process is available on the agency website, and assistance for applicants is available through Ecology staff at headquarters and in the regional offices.
First two weeks of November	Ecology technical staff conduct an initial screening of the applications for eligibility.
Mid-November through December	Ecology assembles the group of Ecology staff who will be evaluating the applications using the criteria listed below. Each application is reviewed by two people, one from the region where the project would be located, and one from a different region. If the variance on the two scores is more than 10%, Ecology revisits the scoring and may bring in a third reviewer. Projects are ranked by total score. Ecology staff then consider how to allocate the funds available via all three programs to the ranked projects.
January	Ecology produces a preliminary project list for all three programs based on expected federal funding for the revolving loan and Section 319 programs and on appropriations included in the Governor's proposed Capital Budget. Ecology shares this list with the Legislature.

Spring	The Legislature and Governor complete work on the state's Capital Budget, and Ecology receives confirmation on the federal funding.
May/June, assuming budgets have been enacted	Ecology revisits the preliminary project list based on total appropriations and appropriations for earmarked projects. Ecology creates a revised project list and opens a 30-day public review and comment period on the revised list. Ecology then prepares a responsiveness summary from the public comment and may adjust the list. Ecology prepares an Intended Use Plan for the projects funded through the revolving fund and provides this list to the Environmental Protection Agency for its review and concurrence.
July	The finalized project list is available as funding for the new fiscal year becomes available. Ecology holds two workshops later in the year to train funding recipients.

What Drives the Timing of the Application and Award Process? The timing of the process has the project list selected after the various budgets are enacted and prior to the budgets taking effect in July. The timing on the drafting of the preliminary project list allows for the sharing of this list with the Legislature.

Evaluation Criteria: The criteria below are the evaluation criteria used on the single application to the three jointly-administered programs (the Centennial Clean Water Fund Program, the Water Pollution Control Revolving Fund Program, and the Clean Water Act Section 319 Program). Applicants provide answers to the appropriate questions plus information on how a proposed project fits within locally-derived priorities.

Question #	Criteria	Points Available
1	Summary of Problem and Solution	0
2	Public Health Emergency or Hazard	340**
3 – 6	Impairments or Imminent Threats of Impairment to Water Quality	180
7	Total Maximum Daily Load Development or Implementation	160
8 – 10	How the Project Addresses the Water Quality Problem	100
11 – 12	Project Scope, Budget, and Management Team	240
13	Local Initiatives	120
14	State and Federal Mandates	100
	Local Priority Setting Process	100
	Total Possible Points	**1,000**
** 340 points substitutes for Questions 3 – 7		

Recent Changes to the Process or Evaluation Criteria: Ecology adjusted the timing of the process a few years ago, in part so that legislators could see a preliminary project list in January. Ecology reports the criteria have evolved over time, depending on changes in water quality priorities or emerging needs. All criteria continue to address water quality or public health.

Program Goals and Objectives:

The program's overall goal is to protect and restore Washington's waters.

Financial assistance applicants are required to identify which Water Quality Program goal a project meets:

- Eliminating a "severe public health hazard" or "public health emergency;"
- Restoring water bodies to water quality standards or preventing healthy bodies from degrading; or
- Regulatory compliance with a consent decree, compliance order, or discharge permit requirement.

Program Goals, Objectives, and Performance Measures

Performance Measures and Program Performance:

Ecology reports that, during the negotiation of the grant or loan agreement, the goals, outcomes, and post-project assessment process are established in the agreement. Two of the three goals listed above (the first and third) are achievable by the grant recipient as it proceeds to complete the project. However, restoration of water quality of a water body may take several years to achieve and may involve a variety of financial resources. Ecology explains this as the rationale for the second level of performance measures that are achievable with one project: "Outcomes." These are quantitative and qualitative measures, e.g., reducing turbidity, nutrient load, fecal coliforms, and restoring a riparian area to the point where it will, in time, become functional (trees mature to shade and reduce stream temperatures).

Ecology reports that the third level of performance measures are referred to as "Milestones" and are also written into financial assistance agreements as deliverables or required performance. This tier is often used to define what work has been completed, so payments can be released.

Ecology reports it has developed and implemented an outcome-based process for documenting anticipated outcomes versus achieved outcomes via a post-project assessment. Ecology notes that JLARC audited the Water Quality Program in January 2001. Ecology has issued follow-up reports each year as the process has been set in motion.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The agency notes that:

- Small- and medium-sized local governments that are financially challenged rely heavily on grant support to help make high-cost capital wastewater treatment infrastructure projects affordable. With decreasing legislative appropriations to Ecology from the Water Quality Account to the Centennial Clean Water Fund Program, Ecology is not able to meet the existing (e.g. aging wastewater facilities, new permit requirements) and emerging (e.g. stormwater) water quality needs of small- and medium-sized communities.
- The existing and emerging nonpoint source pollution problems that are identified in Washington's *Water Quality Management Plan to Control Nonpoint Source Pollution* and the funding needs of Washington communities are significant. The 2002 state water quality assessment identified 2,372 listings of impaired waters. Of those, 2,102 can be attributed to nonpoint sources of pollution (88.6%). For FY06, there were $3,103,973 worth of unfunded nonpoint projects that were submitted for funding consideration by eligible governments and non-profit organizations.
- As with other funding sources managed by Ecology, an information system that improves the current Contracts and Grants Payable system and that incorporates project and financial management tools for grants and loans would provide substantial benefit to the program in terms of effective and efficient project and program management, and improved environmental outcome tracking and reporting capabilities. Ecology is partnering with the Office of Financial Management and others to develop a statewide system that will take full advantage of Internet, electronic document, and workflow management technologies.

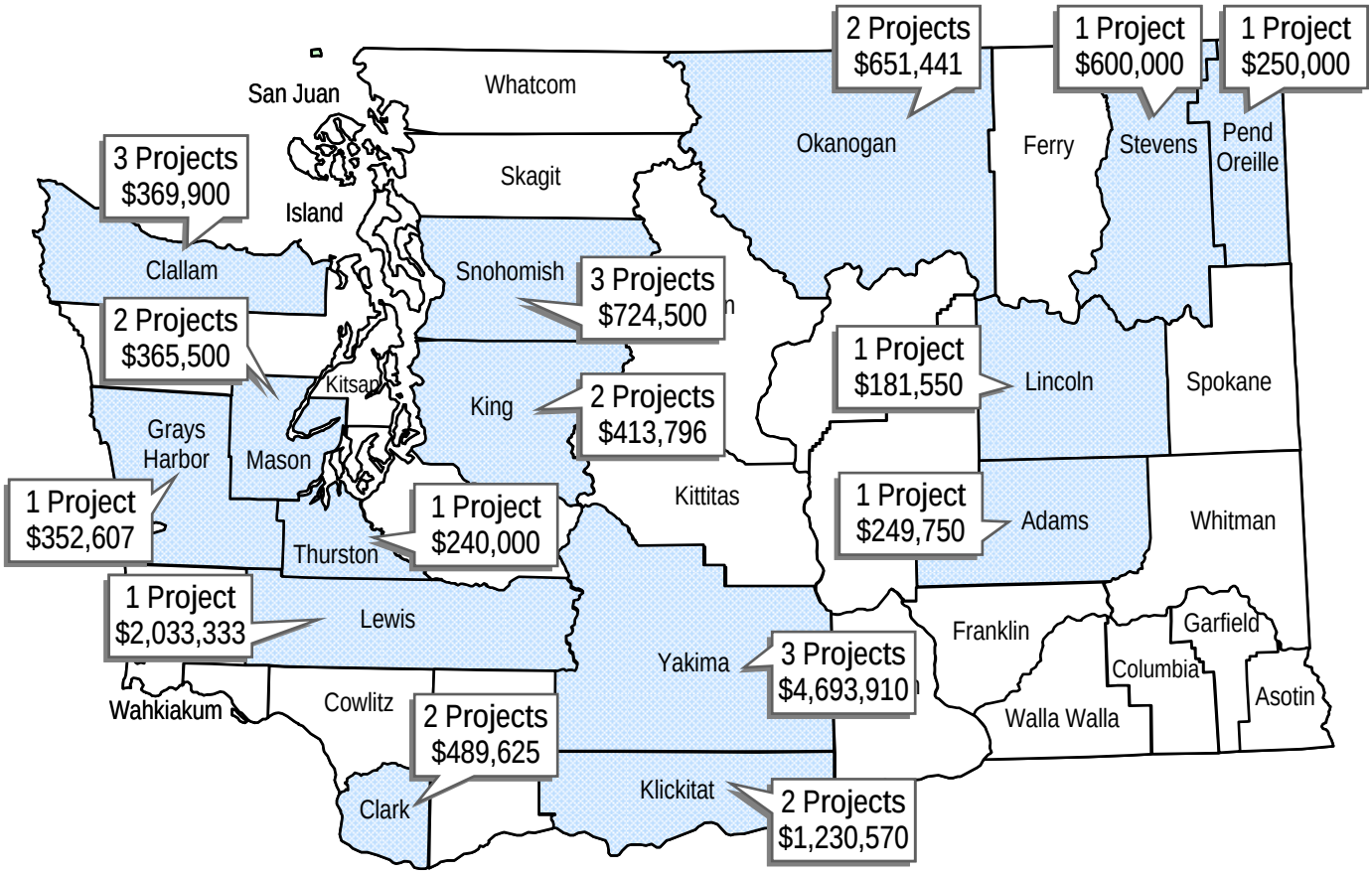
Website

For Additional Information:

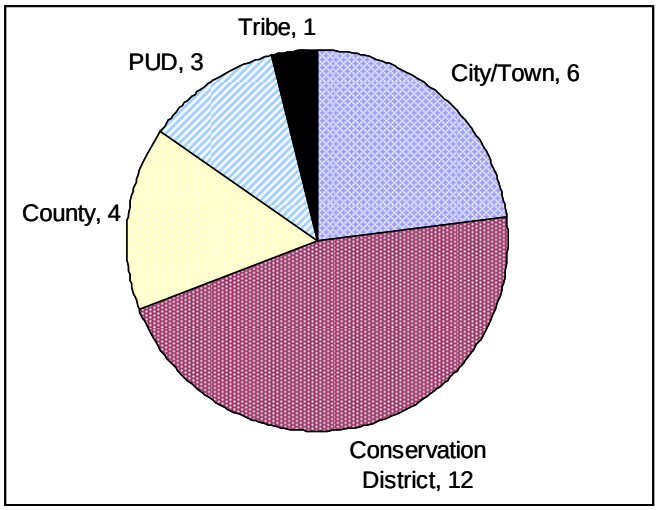
Ecology Water Quality Program Grants and Loans
http://www.ecy.wa.gov/programs/wq/funding/funding.html

Centennial Clean Water Fund Competitive Grant/Loan Awards, 2005

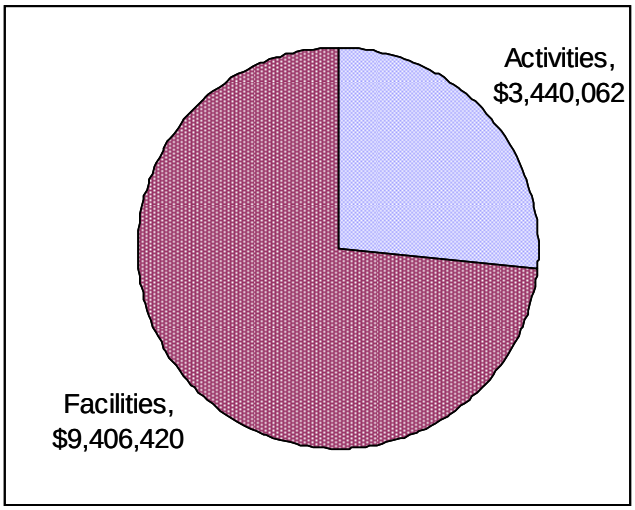
Location of Awards By County



Grant/Loan Recipients



Types of Projects Funded



In addition to the projects selected throught the competitive process, the Legislature earmarked $7,260,000 for seven specific projects in Spokane, Mason, Kitsap, Pierce, and Jefferson counties.

Water Pollution Control Revolving Fund Program

Administered By:
Department of Ecology
Water Quality Program

General Information

Program Purpose: The Water Pollution Control Revolving Fund provides low-interest loans to eligible governments for projects that improve and protect the state's water quality. Loans may be used for wastewater treatment facilities and for certain activities that reduce nonpoint sources of water pollution. "Facilities" refer to facilities or systems for the control, collection, storage, treatment, disposal, or recycling of wastewater or stormwater. "Activities" include actions to control nonpoint sources of water pollution and to prevent or correct the effects of water pollution.

The United States Congress established the State Revolving Fund loan program as part of the Clean Water Act amendments of 1987. The amendments authorized the Environmental Protection Agency (EPA) to offer yearly grants to states for establishing sustaining loan programs. In response, Washington's Legislature created this state program as a mechanism to receive this federal funding for water pollution control.

Mission Statement: The mission of the Water Quality Program is to protect and restore Washington's waters.

Year Established: 1988

Enabling State Statutes: Chapter 90.50A RCW

Administrative Rules: Chapter 173-98 WAC

Legislative Intent: RCW 90.50A.005

It is the purpose of this chapter to provide an account to receive federal capitalization grants to provide financial assistance [loans] to the state and to local governments for the planning, design, acquisition, construction, and improvement of water pollution control facilities and related activities in the achievement of state and federal water pollution control requirements for the protection of the state's waters.

Is there a separate governing board? No. However, there is a Financial Advisory Council comprised of various state and federal agencies, local governments, tribal clients, and stakeholders that provides advice and guidance on program rules, policies, and guidelines.

Budget Information

Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration	2,075,000	2,639,000	3,338,000	2,309,511	2,842,000
New Appropriation for Loans*	101,500,000	100,600,000	202,412,802	147,081,409	239,616,286
Expenditure for Administration	2,012,457	2,079,914	2,784,717	1,974,255	(estimated) 2,529,380
Funds Awarded for Loans**	167,685,399	79,435,911	155,484,384	202,792,887	(estimated) 187,293,765

* The larger appropriation in 2005-07 was at Ecology's request as a contingency against the possible early repayment of some large loans. The agency wanted to be able to re-loan the money if those large early repayments occurred. They did not. Ecology also reports it was hoping for additional federal funding.

** Funds under this program are issued on a cost-reimbursement basis. Projects often take three to four years to complete. The amount in the last line of the chart above includes funds reimbursed for projects selected during the indicated biennium as well as funds reimbursed for projects selected in earlier biennia that have reimbursements crossing biennia. The amounts include reappropriations.

FTEs for the Program in 2005-07: 14.49

Fund Account(s):

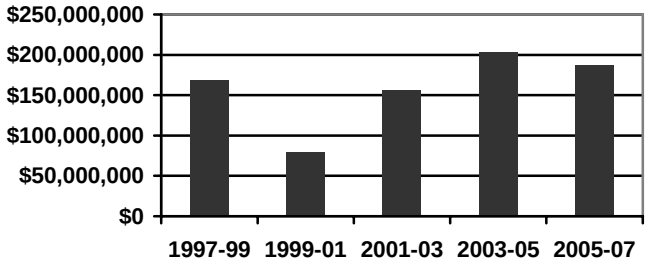
727-1 Water Pollution Control Revolving Account – State

727-2—Water Pollution Control Revolving Account – Federal

Fund Sources:

- Federal Capitalization Grant from EPA
- 20% State match from the Water Quality Account
- Loan principal and interest repayments/investment interest

Funds Awarded for Loans



Recent Changes to Funding Pattern: Ecology reports that the last several years' capitalization grants from the EPA have averaged approximately $23 million per year. The 2005 grant, however, was reduced to $18.7 million. The 2006 award is estimated to be $15.2 million, plus a one-time transfer of $11 million. As the federal funding decreases, so does the amount of funds available to loan out in current and future years. Ecology indicates that the current plan proposed by the President is to phase out the capitalization grant program in 2011. After that date, the states would be operating their Revolving Fund programs using repayments of principal and interest.

The federal Clean Water Act allows states to use a maximum of 4% of the federal capitalization grant award plus accompanying state match for the administration of the loan program. States are unable to use any repayments of principal and interest to administer the loan program. The amount of federally-granted administration money is decreasing and is scheduled in the President's budget to phase out in 2011.

The Clean Water Act mandates that states manage the revolving fund in perpetuity. For FY 2007, Ecology increased the interest rate on new loans from 1.5% to 2.6% based on 60% of the market rate and a maximum 20-year term to help ensure perpetuity of the fund. Ecology offered loans for financially-challenged communities at zero percent for 20 years. Ecology is currently amending the Revolving Fund rules and reports that the agency is evaluating the interest rate structure to assure that interest rates are marketable to small and large communities and tribes, and to ensure perpetuity of the revolving fund. Ecology plans to implement the new rule for the FY 2009 funding cycle.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Annual, based on the state fiscal year.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 22 projects total (24 projects originally selected; of these, two loans were declined).

Total Amount Awarded for Projects Selected in 2005: $64,886,839 for the 22 projects.

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Legislative appropriation in the state Capital Budget, based in part on the amount the state receives from the EPA in the federal capitalization grant, the state's 20% match to the federal grant, and estimates of the monies returning to the fund from loan repayments, interest, and investment earnings.

Maximum Amount That Can Be Awarded to a Project: While there is not a specific dollar amount maximum, per rule no one applicant may receive more than 50% of the funds available competitively in either the facilities category or the activities category, unless demand in one category is limited.

Matching Requirements: None, although loans from this program serve as a mandatory match to certain grants from the Centennial Clean Water Fund Program.

Interest Rate Charged: Ecology determines the interest rate prior to each funding cycle based on the average market interest rate for tax exempt municipal bonds. Loans repaid within five years are established at 30% of the market rate (e.g. FY 07 – 1.3%). For loan durations more than five years up to 20 years, the interest rate is 60% of the market rate (e.g. FY 07 – 2.6%). However, the payment term and the interest rate can be adjusted in cases of financial hardship. Ecology is obligated to retain the perpetuity of the fund and must charge interest rates accordingly.	**Repayment Statistics:** No loan defaults.

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☐ Drinking Water	☐ Grants
☑ Counties	☑ Wastewater	☑ Loans
☑ Water and/or Sewer Districts	☑ Stormwater	
☑ Port Districts	☐ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☑ Conservation Districts	☑ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☑ Tribes	☐ Transportation Infrastructure	
☐ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: By rule, Ecology initially allocates 80% of the monies in the fund for *facilities* projects and 20% for *activities* projects; however Ecology can modify this allocation if demand in one category is limited. "Facilities" refer to facilities or systems for the control, collection, storage, treatment, disposal, or recycling of wastewater or stormwater. "Activities" include actions to control nonpoint sources of water pollution. Historically, 97% of the funds available have been offered for water pollution control facilities projects.

Special Qualifications Regarding Who Can Apply: Per rule, a city, town, or county may not receive loans from Ecology if the local jurisdiction is not in compliance with the Growth Management Act. Compliance includes adoption of a comprehensive plan and development regulations. There may be an exception to address a public health need or substantial environmental degradation. State agencies are generally not eligible to apply in the competitive process, though Ecology notes that the Legislature sometimes earmarks program funds for state agency projects.

Applicants must also meet technical engineering prerequisites for facilities projects, with approval by Ecology that the applicant is proceeding according to the agency's "Step Process."

Special Qualifications Regarding Project Eligibility: Proposed projects must not be inconsistent with adopted water quality plans such as the Puget Sound Water Quality Management Plan, and city or county comprehensive sewer plans. WAC 173-98-050 includes a more detailed list identifying ineligible project costs.

Recent Changes in Eligible Applicants or Categories of Projects: The 2006 Supplemental Capital Budget includes specific appropriations for this program and for the Centennial Clean Water Fund Program to pay for on-site sewage replacement as part of the effort to clean up Puget Sound. The appropriation may be used to (1) establish new or expanded existing on-site sewage repair and replacement loan or grant programs by county governments or tribes; or (2) develop a pilot program to administer an on-site sewage repair and replacement loan program through a qualified private or nonprofit lending institution.

Application and Award Process		
	Timing and Steps in the Process:	
	Note: The Department of Ecology conducts a joint solicitation, evaluation, and ranking process for applications to the Centennial Clean Water Fund Program, the Water Pollution Control Revolving Fund Program, and the Clean Water Act Section 319 Program. The applicant fills out a single application to apply to any or all of the three programs.	
	August	Ecology sends a notice to local governments and other potential applicants that the application period is about to open.
	September 1 through October 31	The application period is open. Ecology holds a series of four to six workshops around the state to assist potential applicants. Information about the programs and the process is available on the agency website, and assistance for applicants is available through Ecology staff at headquarters and in the regional offices.
	First two weeks of November	Ecology technical staff conduct an initial screening of the applications for eligibility.
	Mid-November through December	Ecology assembles the group of Ecology staff who will be evaluating the applications using the criteria listed below. Each application is reviewed by two people, one from the region where the project would be located, and one from a different region. If the variance on the two scores is more than 10%, Ecology revisits the scoring and may bring in a third reviewer. Projects are ranked by total score. Ecology staff then consider how to allocate the funds available via all three programs to the ranked projects.
	January	Ecology produces a preliminary project list for all three programs based on expected federal funding for the revolving loan and Section 319 programs and on appropriations included in the Governor's proposed Capital Budget. Ecology shares this list with the Legislature.
	Spring	The Legislature and Governor complete work on the state's Capital Budget, and Ecology receives confirmation on the federal funding.
	May/June, assuming budgets have been enacted	Ecology revisits the preliminary project list based on total appropriations and appropriations for earmarked projects. Ecology creates a revised project list and opens a 30-day public review and comment period on the revised list. Ecology then prepares a responsiveness summary from the public comment and may adjust the list. Ecology prepares an Intended Use Plan for the projects funded through the revolving fund and provides this list to the Environmental Protection Agency for its review and concurrence.
	July	The finalized project list is available as funding for the new fiscal year becomes available. Ecology holds two workshops later in the year to train funding recipients.
	What Drives the Timing of the Application and Award Process? The timing of the process has the project list selected after the various budgets are enacted and prior to the budgets taking effect in July. The timing on the drafting of the preliminary project list allows for the sharing of this list with the Legislature.	
	Evaluation Criteria: The criteria below are the evaluation criteria used on the single application to the three jointly-administered programs (the Centennial Clean Water Fund Program, the Water Pollution Control Revolving Fund Program, and the Clean Water Act Section 319 Program). Applicants provide answers to the appropriate questions plus information on how a proposed project fits within locally-derived priorities.	

Question #	Criteria	Points Available
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3 – 6	Impairments or Imminent Threats of Impairment to Water Quality	180
7	Total Maximum Daily Load Development or Implementation	160
8 – 10	How the Project Addresses the Water Quality Problem	100
11 – 12	Project Scope, Budget, and Management Team	240
13	Local Initiatives	120
14	State and Federal Mandates	100
	Local Priority Setting Process	100
	Total Possible Points	**1,000**
** 340 points substitutes for Questions 3 – 7		

Recent Changes to the Process or Evaluation Criteria: Ecology adjusted the timing of the process a few years ago, in part so that legislators could see a preliminary project list in January. Ecology reports the criteria have evolved over time, depending on changes in water quality priorities or emerging needs. All criteria continue to address water quality or public health.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The program's overall goal is to protect and restore Washington's waters.

Financial assistance applicants are required to identify which Water Quality Program goal a project meets:

- Eliminating a "severe public health hazard" or "public health emergency;"
- Restoring water bodies to water quality standards or preventing healthy bodies from degrading; or
- Regulatory compliance with a consent decree, compliance order, or discharge permit requirement.

Performance Measures and Program Performance:

Ecology reports that, during the negotiation of the loan agreement, the goals, outcomes, and post-project assessment process are established in the agreement. Two of the three goals listed above (the first and third) are achievable by the grant recipient as it proceeds to complete the project. However, restoration of water quality of a water body may take several years to achieve and may involve a variety of financial resources. Ecology explains this as the rationale for the second level of performance measures that are achievable with one project: "Outcomes." These are quantitative and qualitative measures, e.g., reducing turbidity, nutrient load, fecal coliforms, and restoring a riparian area to the point where it will, in time, become functional (trees mature to shade and reduce stream temperatures).

Ecology reports that the third level of performance measures are referred to as "Milestones" and are also written into financial assistance agreements as deliverables or required performance. This tier is often used to define what work has been completed, so payments can be released.

Ecology reports it has developed and implemented an outcome-based process for documenting anticipated outcomes versus achieved outcomes via a post-project assessment. Ecology notes that JLARC audited the Water Quality Program in January 2001. Ecology has issued follow-up reports each year as the process has been set in motion.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The agency notes that:

- The Clean Water Act mandates that states manage the revolving fund in perpetuity. For FY 2007, Ecology increased the interest rate on new loans from 1.5% to 2.6% based on 60% of the market rate and a maximum 20-year term to help ensure perpetuity of the fund. Ecology offered loans for financially-challenged communities at zero percent for 20 years. Ecology is currently amending the Revolving Fund rules and reports that the agency is evaluating the interest rate structure to assure that interest rates are marketable to small and large communities and tribes, and to ensure perpetuity of the revolving fund. Ecology plans to implement the new rule for the FY 2009 funding cycle. The agency expects revolving fund loans will remain affordable compared to banks and municipal bonds.
- The federal Clean Water Act allows states to use a maximum of 4% of the federal capitalization grant award plus accompanying state match for the administration of the loan program. States are unable to use any repayments of principal and interest to administer the loan program. The amount of federally-granted administration money is decreasing and is scheduled in the President's budget to phase out in 2011. Ecology indicates that it needs to find a long-term solution to administer the revolving fund in accordance with the Clean Water Act as well as provide an appropriate level of technical assistance and oversight to local governments.
- As with other funding sources managed by Ecology, an information system that improves the current Contracts and Grants Payable system and that incorporates project and financial management tools for grants and loans would provide substantial benefit to the program in terms of effective and efficient project and program management, and improved environmental outcome tracking and reporting capabilities. Ecology is partnering with the Office of Financial Management and others to develop a statewide system that will take full advantage of Internet, electronic document, and workflow management technologies.

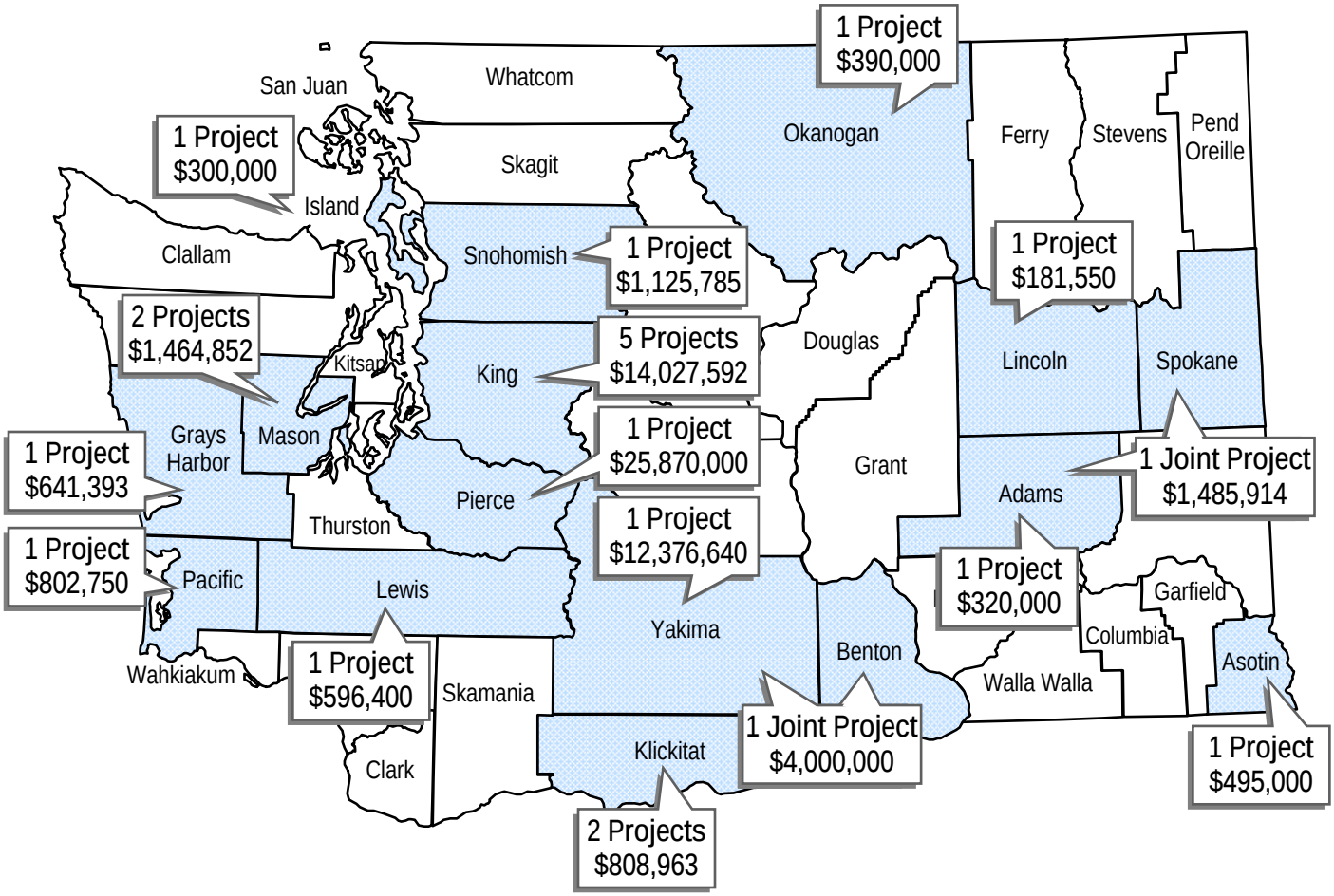
Website

For Additional Information:

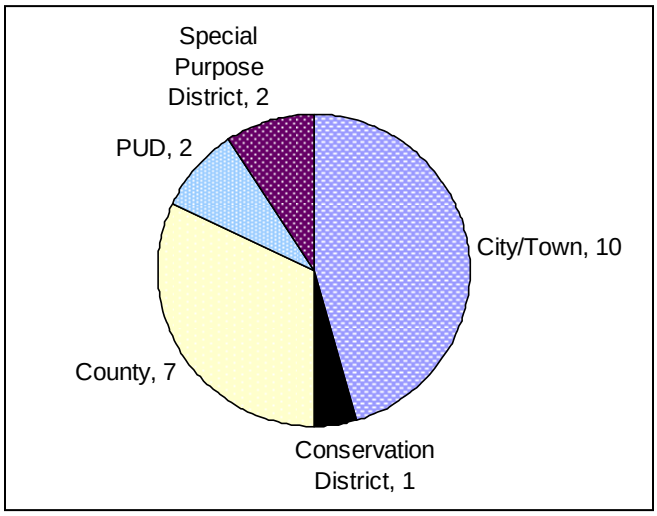
Ecology Water Quality Program Grants and Loans
http://www.ecy.wa.gov/programs/wq/funding/funding.html

Water Pollution Control Revolving Fund Program Loan Awards, 2005

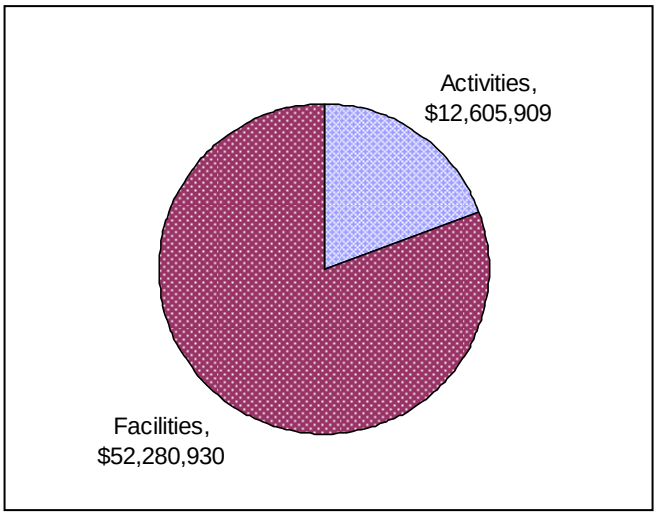
Location of Awards by County



Loan Recipients



Types of Projects Funded



Clean Water Act Section 319 Grant Program

Administered By:
Department of Ecology
Water Quality Program

General Information

Program Purpose: The Section 319 Grant Program provides grants to eligible governments and 501(c)3 non-profit organizations for implementation of activities that reduce nonpoint sources of water pollution. This is pollution that enters the state's waters from dispersed rather than point sources, for example, surface water run-off from agricultural lands, urban areas, or forest lands. Like the Water Pollution Control State Revolving Fund, Congress established this program as part of the federal Clean Water Act amendments of 1987. The program provides a federal funding source for states to use in nonpoint source pollution control programs.

Unlike the Centennial Clean Water Fund and Water Pollution Control Revolving Fund programs, Section 319 grants may not be used for wastewater infrastructure facilities such as wastewater treatment plants. However, JLARC is including this program in the infrastructure program inventory because Ecology administers this program jointly with the other two programs, including a single application for all three programs and an integrated application review process.

Mission Statement: The mission of the Water Quality Program is to protect and restore Washington's waters.

Year Established: 1987

Enabling State Statutes: Not applicable (federal law)

Administrative Rules: None specifically, but Ecology tries to manage this consistently with the Centennial Program rules, Chapter 173-95A WAC.

Legislative Intent: (Congressional) 33 USC 1251

(a) The objective of this chapter is to restore and maintain the chemical, physical, and biological integrity of the Nation's waters. In order to achieve this objective it is hereby declared that, consistent with the provisions of this chapter . . .

(7) it is the national policy that programs for the control of nonpoint sources of pollution be developed and implemented in an expeditious manner so as to enable the goals of this chapter to be met through the control of both point and nonpoint sources of pollution.

Is there a separate governing board? No. However, there is a Financial Advisory Council comprised of various state and federal agencies, local governments, tribal clients, and stakeholders that provides advice and guidance on program rules, policies, and guidelines.

Budget Information

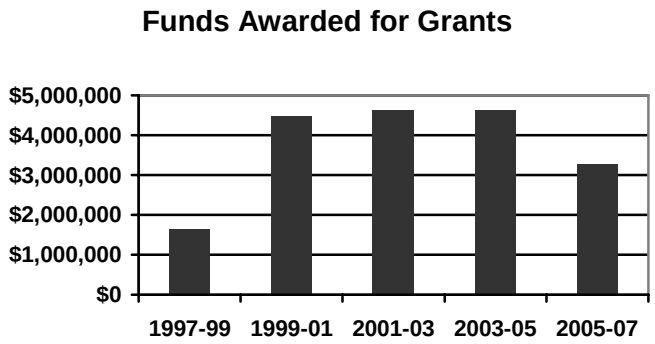
Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration	250,785	398,133	349,744	612,613	750,611
New Appropriation for Grants	1,643,904	4,475,426	4,629,273	4,640,349	3,279,150
Expenditure for Administration	250,785	398,133	349,744	612,613	(estimated) 750,611
Funds Awarded for Grants	1,643,904	4,475,426	4,629,273	4,640,349	(estimated) 3,279,150

In addition to the funds for the grant program, Ecology also receives Section 319 funds that are used by Ecology staff for projects that directly support the State's nonpoint program and funds that are used by other state agencies to assist in implementing other actions identified in the State's Nonpoint Work Plan.

FTEs for the Program in 2005-07: 1.0

Fund Account(s):
001-2 – General Fund - Federal

Fund Sources:
Funds originate with a federal appropriation to the EPA, which passes it to states as block grants. States are required to provide 40% non-federal matching. Ecology has permission to provide the match by counting qualifying activities projects funded by the Centennial Clean Water Fund Program.



Recent Changes to Funding Pattern: Ecology reports that appropriations from Congress in recent years have been declining. For state FY 06, grant funds were reduced 16%; for state FY 07, appropriations were reduced by 1%.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Annual, based on the state fiscal year.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 11

Total Amount Awarded in 2005: $1,946,626

What Determines the Total Amount Available for Grants or Loans in a Given Time Period?
First, funds are contingent on Congressional appropriations. Once Congress makes the final determination of funds to allocate to the Section 319 program, the EPA uses a formula to calculate the percentage each state will receive.

At the state level, Ecology's Water Quality Program determines the funding split between pass-through grants and other program-supported nonpoint projects. The current split is 60% for pass-through grants and 40% for other program-supported projects.

Maximum Amount That Can Be Awarded to a Project: Consistent with the Centennial Program rule, the ceiling for grants is either $250,000 or $500,000, depending on whether the applicant's match is in the form of in-kind goods and services or cash, respectively.

Matching Requirements: Again consistent with the Centennial Program rule, the grant must be matched by cash or a combination of cash and in-kind goods and services that amount to 25% of total eligible project cost.

Interest Rate Charged:
Not applicable (grants only)

Repayment Statistics:
Not applicable (grants only)

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☐ Drinking Water	☑ Grants
☑ Counties	☑ Wastewater	☐ Loans
☐ Water and/or Sewer Districts	☑ Stormwater	
☐ Port Districts	☐ Solid/Hazardous Waste	
☐ Public Utility Districts	☐ Flood Management	
☑ Conservation Districts	☑ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☑ Tribes	☐ Transportation Infrastructure	
☑ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☑ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: Eligible projects include implementation of best management practices on public and private property (for example, riparian restoration, streambank restoration, and farm planning), public information and education, and groundwater protection efforts.

Special Qualifications Regarding Who Can Apply: Local public bodies and certain other groups are eligible: counties, cities, towns, conservation districts, municipal or quasi-municipal corporations, non-profit organizations, federally recognized tribes, and (in some instances) state colleges and universities. Other state agencies, federal agencies, and local school districts are ineligible. Projects can be implemented on private land with an easement or a landowner agreement, but the application must come from a qualifying agency or organization.

Special Qualifications Regarding Project Eligibility: Section 319 funds are limited to implementing provisions found in the State Nonpoint Plan to, directly or indirectly, protect and improve water quality from nonpoint sources of pollution. Water pollution control *facilities* projects are not eligible.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

Note: The Department of Ecology conducts a joint solicitation, evaluation, and ranking process for applications to the Centennial Clean Water Fund Program, the Water Pollution Control Revolving Fund Program, and the Clean Water Act Section 319 Program. The applicant fills out a single application to apply to any or all of the three programs.

August	Ecology sends a notice to local governments and other potential applicants that the application period is about to open.
September 1 through October 31	The application period is open. Ecology holds a series of four to six workshops around the state to assist potential applicants. Information about the programs and the process is available on the agency website, and assistance for applicants is available through Ecology staff at headquarters and in the regional offices.
First two weeks of November	Ecology technical staff conduct an initial screening of the applications for eligibility.

Mid-November through December	Ecology assembles the group of Ecology staff who will be evaluating the applications using the criteria listed below. Each application is reviewed by two people, one from the region where the project would be located, and one from a different region. If the variance on the two scores is more than 10%, Ecology revisits the scoring and may bring in a third reviewer. Projects are ranked by total score. Ecology staff then consider how to allocate the funds available via all three programs to the ranked projects.
January	Ecology produces a preliminary project list for all three programs based on expected federal funding for the revolving loan and Section 319 programs and on appropriations included in the Governor's proposed Capital Budget. Ecology shares this list with the Legislature.
Spring	The Legislature and Governor complete work on the state's Capital Budget, and Ecology receives confirmation on the federal funding.
May/June, assuming budgets have been enacted	Ecology revisits the preliminary project list based on total appropriations and appropriations for earmarked projects. Ecology creates a revised project list and opens a 30-day public review and comment period on the revised list. Ecology then prepares a responsiveness summary from the public comment and may adjust the list. Ecology prepares an Intended Use Plan for the projects funded through the revolving fund and provides this list to the Environmental Protection Agency for its review and concurrence.
July	The finalized project list is available as funding for the new fiscal year becomes available. Ecology holds two workshops later in the year to train funding recipients.

What Drives the Timing of the Application and Award Process? The timing of the process has the project list selected after the various budgets are enacted and prior to the budgets taking effect in July. The timing on the drafting of the preliminary project list allows for the sharing of this list with the Legislature.

Evaluation Criteria: As a reminder, the criteria below are the evaluation criteria used on the single application to the three jointly-administered programs (the Centennial Clean Water Fund Program, the Water Pollution Control Revolving Fund Program, and the Clean Water Act Section 319 Program). Applicants provide answers to the appropriate questions plus information on how a proposed project fits within locally-derived priorities.

Question #	Criteria	Points Available
1	Summary of Problem and Solution	0
2	Public Health Emergency or Hazard	340**
3 – 6	Impairments or Imminent Threats of Impairment to Water Quality	180
7	Total Maximum Daily Load Development or Implementation	160
8 – 10	How the Project Addresses the Water Quality Problem	100
11 – 12	Project Scope, Budget, and Management Team	240
13	Local Initiatives	120
14	State and Federal Mandates	100
	Local Priority Setting Process	100
	Total Possible Points	**1,000**
** 340 points substitutes for Questions 3 – 7		

Recent Changes to the Process or Evaluation Criteria: Ecology adjusted the timing of the process a few years ago, in part so that legislators could see a preliminary project list in January. Ecology reports the criteria have evolved over time, depending on changes in water quality priorities or emerging needs. All criteria continue to address water quality or public health.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The program's overall goal is to protect and restore Washington's waters.

Financial assistance applicants are required to identify which Water Quality Program goal a project meets:

- Eliminating a "severe public health hazard" or "public health emergency;"
- Restoring water bodies to water quality standards or preventing healthy bodies from degrading; or
- Regulatory compliance with a consent decree, compliance order, or discharge permit requirement.

Performance Measures and Program Performance:

At the federal level, two performance measures are:

- Acreage of Best Management Practices installed; and
- Load reductions of sediment (tons per year), phosphorus (pounds per year), and nitrogen (pounds per year) for each Best Management Practice implemented within a stream reach.

At the state level, the Department of Ecology reports that, during the negotiation of the grant agreement, the goals, outcomes, and post-project assessment process are established in the agreement. Two of the three goals listed above (the first and third) are achievable by the grant recipient as it proceeds to complete the project. However, restoration of water quality of a water body may take several years to achieve and may involve a variety of financial resources. Ecology explains this as the rationale for the second level of performance measures that are achievable with one project: "Outcomes." These are quantitative and qualitative measures, e.g., reducing turbidity, nutrient load, fecal coliforms, and restoring a riparian area to the point where it will, in time, become functional (trees mature to shade and reduce stream temperatures).

Ecology reports that the third level of performance measures are referred to as "Milestones" and are also written into financial assistance agreements as deliverables or required performance. This tier is often used to define what work has been completed, so payments can be released.

Ecology reports it has developed and implemented an outcome-based process for documenting anticipated outcomes versus achieved outcomes via a post-project assessment. Ecology notes that JLARC audited the Water Quality Program in January 2001. Ecology has issued follow-up reports each year as the process has been set in motion.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The agency notes that:

- The existing and emerging nonpoint source pollution problems that are identified in Washington's *Water Quality Management Plan to Control Nonpoint Source Pollution* and the funding needs of Washington communities are significant. The 2002 state water quality assessment identified 2,372 listings of impaired waters. Of those, 2,102 can be attributed to nonpoint sources of pollution (88.6%). For FY06, there were $3,103,973 worth of unfunded nonpoint projects that were submitted for funding consideration by eligible governments and non-profit organizations.
- As with other funding sources managed by Ecology, an information system that improves the current Contracts and Grants Payable system and that incorporates project and financial management tools for grants and loans would provide substantial benefit to the program in terms of effective and efficient project and program management, and improved environmental outcome tracking and reporting capabilities. Ecology is partnering with the Office of Financial Management and others to develop a statewide system that will take full advantage of Internet, electronic document, and workflow management technologies.

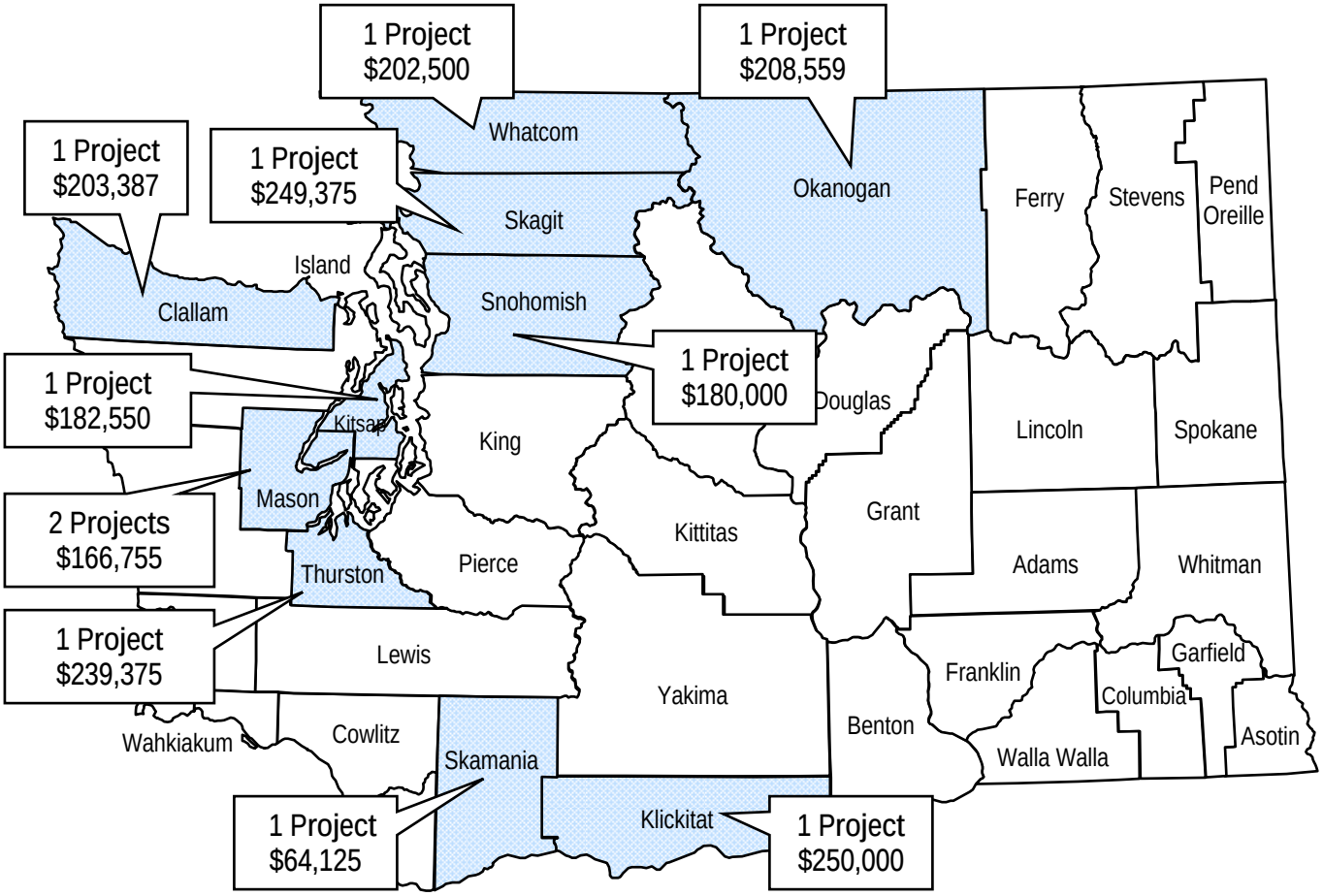
Web-site

For Additional Information:

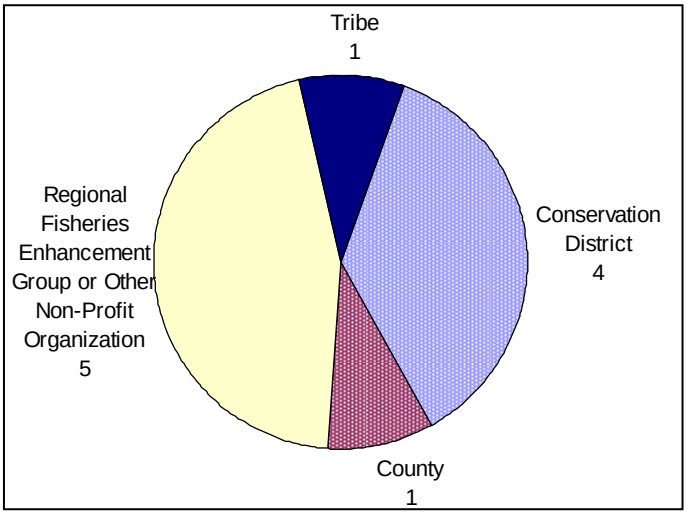
Ecology Water Quality Program Grants and Loans
http://www.ecy.wa.gov/programs/wq/funding/funding.html

Clean Water Act Section 319 Grant Program
Grant Awards Selected in 2005

Location of Awards by County



Grant Recipients



Types of Projects Funded

Examples include activities to restore and/or improve creeks, bays, and tributaries, and an equine outreach and education effort.

Statewide Boat Pump-Out Program

Administered By:
Washington State Parks & Recreation Commission

General Information

Program Purpose: In 1992, Congress passed the federal Clean Vessel Act. This measure seeks to decrease the amount of sewage discharged into the water by recreational boaters, in part by providing funds to states to pay for the installation of boat pump-outs and for boater education. The Statewide Boat Pump-Out Program is Washington's implementation of the federal Clean Vessel Act.

This program is included with the collection of programs that fund Basic Infrastructure because the program addresses wastewater. JLARC is also cross-listing this program near other boating-related programs in the Other Infrastructure collection of programs for program visibility.

Mission Statement: The mission of the program is to provide boat pump-out equipment to boater destination sites to collect boater-generated waste and to provide information to boaters on environmental issues.

Year Established: 1994

Enabling State Statutes: (See rules below)

Administrative Rules: Chapter 352-76 WAC

Legislative Intent: (Congressional) From the Clean Vessel Act, PL 102-587, Title V, Subtitle F, Section 5602

The Congress finds the following: . . . There is currently an inadequate number of pumpout stations for type III marine sanitation devices where recreational vessels normally operate. Sewage discharged by recreational vessels because of an inadequate number of pumpout stations is a substantial contributor to localized degradation of water quality in the United States. The purpose of this subtitle is to provide funds to States for the construction, renovation, operation, and maintenance of pumpout stations and waste reception facilities.

Is there a separate governing board? Yes, this program is under the jurisdiction of the Washington State Parks and Recreation Commission. Additionally, projects are reviewed by the Boating Environmental Committee of the State Parks Boating Safety Council.

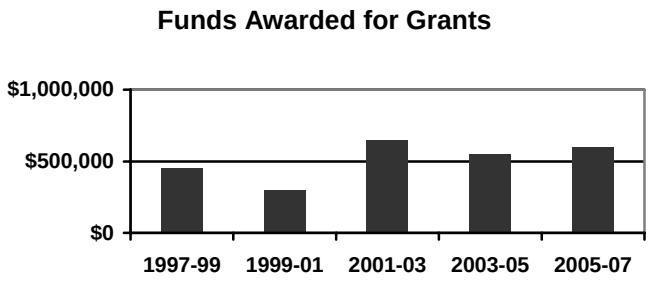
Budget Information

Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration	Not provided	Not provided	156,069	166,480	247,658
New Appropriation for Grants	850,000	900,000	1,000,000	1,000,000	1,000,000
Expenditure for Administration	Not provided	Not provided	156,069	166,480	(estimated) 247,658
Funds Awarded for Grants	454,968	295,234	645,542	546,918	(estimated) 600,000

FTEs for the Program in 2005-07: 1.6

Fund Account(s):
001-2 – General Fund – Federal
02R – Aquatic Lands Enhancement Account

Fund Sources:
- Federal grant from the U.S. Fish & Wildlife Service
- ALEA funds come from the sale or lease of state-owned aquatic lands or materials from those lands.



Recent Changes to Funding Pattern: State Parks staff report that re-appropriation of award funds has been increasing. Award recipients are taking longer than expected to submit receipts for their project expenditures. Some of the projects are taking many years to complete.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: State Parks itself applies for the federal grant annually and accepts applications throughout the year.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 7

Total Amount Awarded in 2005: $118,171

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Legislative appropriation in the state Capital Budget and amount of the federal grant. The total amount available is the result of a four-step process:

- State Capital Budget appropriation sets the spending authority based on agency request;
- Federal program announces how much the state is eligible to receive;
- State Parks makes its request to the federal program;
- Federal program awards funds to Washington.

Maximum Amount That Can Be Awarded to a Project: None.

Matching Requirements: The federal Clean Vessel Act stipulates that federal funds may not provide more than 75% of approved project costs. Applicants must pay at least 25% of approved project costs. Other federal funds may not be used toward the match.

Interest Rate Charged:	**Repayment Statistics:**
Not applicable (grants only).	Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?	**What Categories of Projects Are Eligible?**	**Award Type:**
☑ Cities and Towns	☐ Drinking Water	☑ Grants
☑ Counties	☑ Wastewater	☐ Loans
☐ Water and/or Sewer Districts	☐ Stormwater	
☑ Port Districts	☐ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☑ Tribes	☐ Transportation Infrastructure	
☑ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☑ Non-Profit Organizations	☐ Other	
☑ Private Businesses		
☑ Other		

Eligible Projects: Examples of eligible projects include:

- Equipment purchase such as sewage pump-outs, forward lift stations, piping, electrical materials, and other items that may be needed;
- Facilities or activities necessary to hold and transport sewage to sewage treatment plants, such as holding tanks, piping, and haulage costs;
- Facilities or activities necessary to get sewage treatment plants to accept sewage, such as installing bleeding facilities;
- Educate/inform boaters about pollution problems; to inform them of the location of pump-out and dump stations; and to encourage environmentally responsible behavior;
- Purchase of a pump-out skiff to use in a marina; and
- Sewage disposal, and operation and maintenance of equipment.

Special Qualifications Regarding Who Can Apply:

For facilities projects, the major special qualification is that applicants must own or manage a marina, boat launch, or boater destination that is open to the public. There may be more types of applicants than those checked above that are applicable because they meet this latter requirement.

Applicants for educational projects can be the above groups as well as schools, public or private non-profits, and boating organizations.

Special Qualifications Regarding Project Eligibility: Projects must comply with environmental permitting regulations which include the Shoreline Management Act, the State Environmental Policy Act, and Army Corps of Engineers requirements. In addition, projects must comply with Department of Natural Resources rules regarding pile driving and dredging.

Per rule, certain activities are not eligible: activities that do not provide public benefits; enforcement activities; construction or renovation of upland restroom facilities; and construction, renovation, operation, or maintenance of on-site sewage treatment plants (unless approved by the U.S. Fish and Wildlife Service).

Recent Changes in Eligible Applicants or Categories of Projects: None. State Parks staff note that there has been a shift in emphasis in projects from providing *some* pump-out capacity to instead meeting peak demand. More equipment is portable so that it can be warehoused during periods of low demand, thereby increasing its lifespan.

Application and Award Process

Timing and Steps in the Process:

Annually	State Parks goes through the process to apply for the federal funding and conducts outreach to potential applicants.
Any time of year	Applicants may submit an application to State Parks.
Within 1 to 2 months	The State Parks Grant Coordinator reviews the application for eligibility. If funds are not adequate to meet demand, there are criteria in rule to evaluate and rank projects.
Within 1 to 2 months	The Boating Environmental Committee of the State Parks Boating Safety Council reviews the application.
Within 2 weeks	The Director of State Parks considers the recommendations of staff and the Committee and makes a decision about whether to award funds for the project.

What Drives the Timing of the Application and Award Process? The timing on the submission of the application is at the discretion of the applicant.

Evaluation Criteria:

Per rule, the following criteria are used to evaluate and rank applications if the funds available are not adequate to meet demand:

<u>For Boat Sewage Disposal Facility Applications</u>

- Proposals that provide for public/private partnerships;
- Proposals that provide for innovative ways to increase the availability and use of boat sewage pump-out facilities;
- Proposals that benefit the waters most likely to be affected by the discharge of sewage from vessels;
- Proposals in areas with a high vessel/boat sewage pump-out facility ratio;
- Proposals which show consideration for the economics of installation or implementation to provide greatest cost benefit ratio, e.g., where private parties put in more than the minimum amount;
- Proposals which contribute to the statewide network of facilities or programs in terms of proximity to existing facilities and geographic balance; and
- Proposals which demonstrate their compatibility with the state's plan for boat sewage disposal.

For Education and Information Applications

- Proposals which encourage sound environmental practices through changing boater behavior;
- Proposals which target sensitive areas as defined in the state's plan for boat sewage disposal;
- Proposals which encourage community involvement;
- Proposals targeted to areas of high boater use;
- Proposals which demonstrate innovative approaches to education or information; and
- Proposals which provide for public/private partnerships.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The program's goal is to expand the network of publicly-accessible boat pump-out and dump station facilities throughout the state, and to strengthen the partnership of boaters, boating facility operators and owners, and Washington State Parks to work together for cleaner waters in Washington.

Performance Measures and Program Performance:

- The program collects data on the amount of sewage pumped annually. State Parks reports that the amount collected has been increasing annually.
- The use of pump-out facilities by boaters contributes to the protection of water quality. State Parks reports that it does not independently monitor water quality but does collaborate with other agencies that do in order to track water quality outcomes.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The agency notes that:

- Current funding does not allow placement of facilities on land;
- Some marinas cannot afford the 25% matching funds required by the grant conditions;
- Some marina operators fear the long-term operation and maintenance costs of a pump-out;
- A portion of potential applicants are reluctant to apply because of the paperwork and time involved (and many lose their application or contract and are difficult to contact because turn-over in management at marinas is very common);
- The program would like to coordinate with the Interagency Committee for Outdoor Recreation to require that a boat pump-out facility is included in all of the IAC's boater access projects;
- Most pump-out equipment has a lifespan of 5 – 10 years. The program is receiving applications for assistance with replacing equipment that was installed with program assistance in the program's early years. From 2004-2006, 28 pump-out grants were awarded for equipment replacement and only three were for new facilities or equipment.
- There are still locations that have not installed any equipment, having decided not to for the reasons listed above or for reasons of their own.

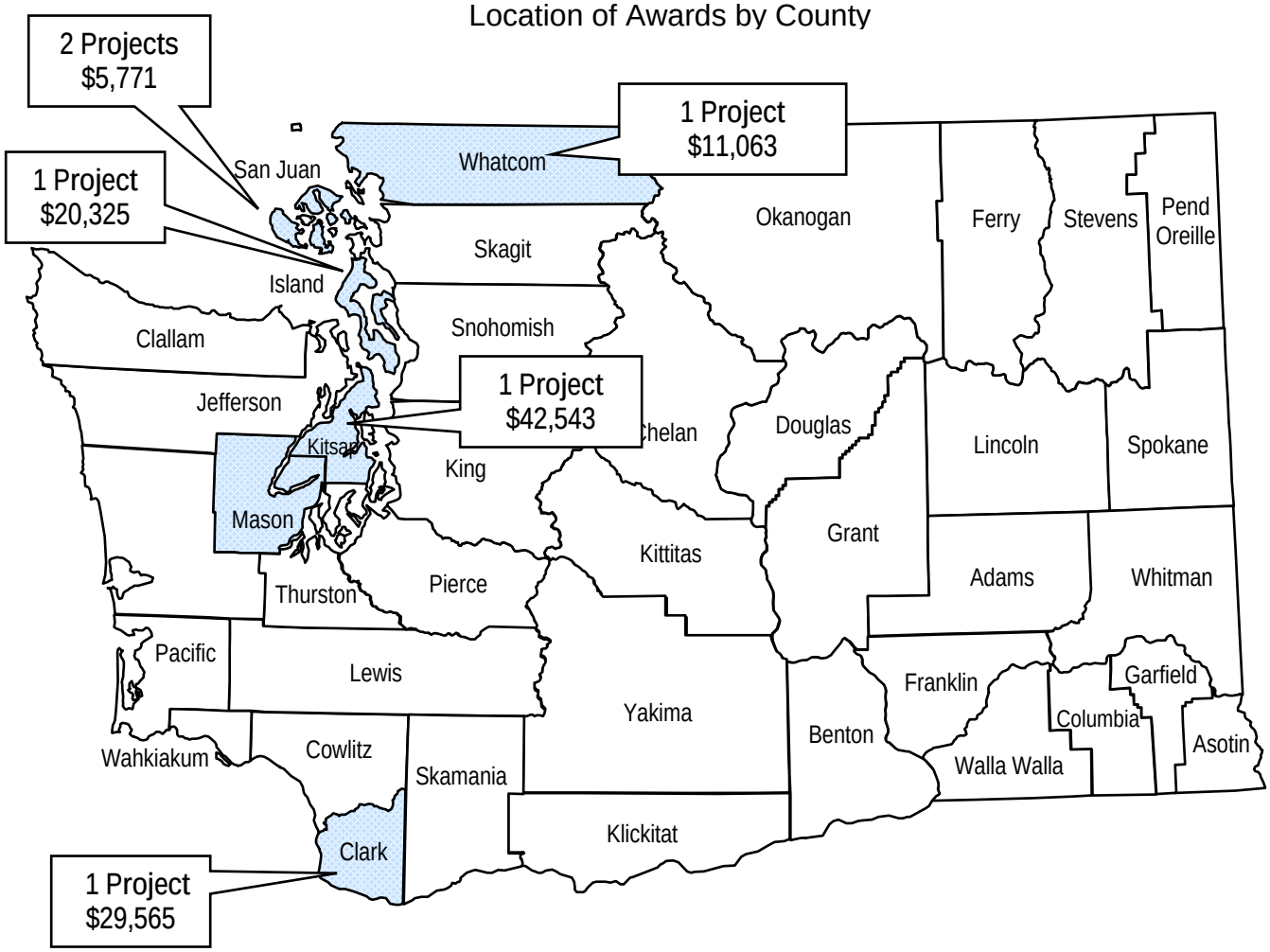
Website

For Additional Information:

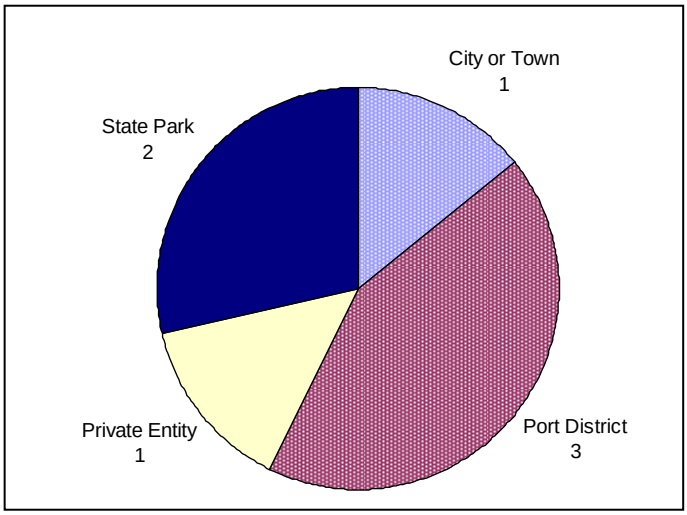
Washington State Parks website
http://www.parks.wa.gov/moorage/pumpout
(Note: This is information about pump-outs and their location rather than the grant program.)

Statewide Boat Pump-Out Program Grant Awards, 2005

Location of Awards by County



Grant Recipients



Types of Projects Funded

The majority of funds are for boat pump-out equipment renovation or replacement.

Hood Canal Aquatic Rehabilitation Grants

Administered By:
Interagency Committee for Outdoor Recreation, with project selection by the Hood Canal Coordinating Council and the Puget Sound Action Team

General Information

Program Purpose: The purpose of this Capital Budget proviso is to fund projects, studies, and activities relating to the recovery of Hood Canal and resolution of Hood Canal's low dissolved oxygen concentrations. Projects were selected in a joint effort by the Hood Canal Coordinating Council (HCCC) and the Puget Sound Action Team (Action Team), who also collaborated on a Preliminary Assessment and Corrective Action Plan for Hood Canal Low Dissolved Oxygen and a Hood Canal Rehabilitation Program. The plan itself notes its linkage to a larger and more comprehensive Hood Canal Dissolved Oxygen Program, a group of some 20 federal, tribal, state, and local government agencies and non-profit organizations researching causes of and potential corrective actions for low dissolved oxygen in the Hood Canal.

Mission Statement: The Interagency Committee for Outdoor Recreation (IAC), the Hood Canal Coordinating Council, and the Puget Sound Action Team each have missions.

Year Established: 2006

Enabling State Statutes: ESSB 6384, Section 155 (2006 Capital Budget – substantially vetoed)

Administrative Rules: None.

Legislative Intent: From ESSB 6384, Section 155

The Puget Sound Action Team and the local management board (HCCC) shall develop a list of projects, studies, and activities relating to the recovery of Hood Canal in accordance with RCW 90.88.030. The list developed shall be based upon the project's likely value in addressing and resolving Hood Canal's low dissolved oxygen concentrations (language was vetoed by the Governor).

Is there a separate governing board? Yes, the Hood Canal Coordinating Council and the Puget Sound Action Team. A third board, the IAC, is the contracting entity.

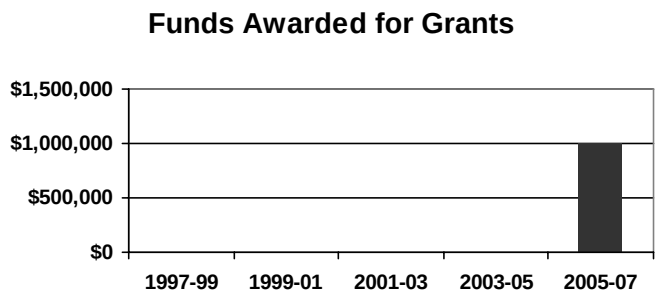
Budget Information

Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration					
New Appropriation for Grants					1,000,000
Expenditure for Administration					
Funds Awarded for Grants					(estimated) 1,000,000

FTEs for the Program in 2005-07: 0 for IAC; did not request information for HCCC and the Puget Sound Action Team

Fund Account(s): Hood Canal Aquatic Rehabilitation Bond Account

Fund Sources: Hood Canal Aquatic Rehabilitation Bond Account



Recent Changes to Funding Pattern: The Legislature included this proviso in the 2006 Capital Budget, with a process that would have involved legislative review of a prioritized project list during the 2007 legislative session. The Governor vetoed all but the money part of the proviso. In her veto message, the Governor directed the IAC to proceed with a process so that projects could move forward as quickly as possible, based on prioritized recommendations of the HCCC and the Action Team.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Funds for these particular grants were provided in the 2006 Capital Budget; it will be at the discretion of the Legislature to provide future funding cycles.

Does the Legislature Approve Project Selection? Per the veto, no, but consultation with legislators is accomplished by the HCCC and the Action Team.

Number of Projects Selected in 2005: 0 (first projects in 2006)

Total Amount Awarded in 2005: $0

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Legislative appropriation in the state Capital Budget.

Maximum Amount That Can Be Awarded to a Project: None specified.

Matching Requirements: None specified.

Interest Rate Charged:	**Repayment Statistics:**
Not applicable (grants only).	Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?	**What Categories of Projects Are Eligible?**	**Award Type:**
☐ Cities and Towns (See below)	☐ Drinking Water	☑ Grants
☐ Counties	☑ Wastewater	☐ Loans
☐ Water and/or Sewer Districts	☑ Stormwater	
☐ Port Districts	☐ Solid/Hazardous Waste	
☐ Public Utility Districts	☐ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☐ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☐ Tribes	☐ Transportation Infrastructure	
☐ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: Per the proviso, projects are based on the project's likely value in addressing and resolving Hood Canal's low dissolved oxygen concentrations. Projects on the first list include community and other sewage treatment systems and improved treatment of stormwater runoff.

Special Qualifications Regarding Who Can Apply: Unlike most of the other grant or loan programs in this inventory, there are not sets of statutes or rules that define who is eligible to apply for these grants. Instead, the HCCC worked with county staff and environmental health staff to identify potential projects that were viable to launch in the near future and that addressed the low dissolved oxygen program to the extent possible.

Special Qualifications Regarding Project Eligibility: Projects need to assist in addressing and resolving Hood Canal's low dissolved oxygen concentrations.

Recent Changes in Eligible Applicants or Categories of Projects: None (first project list developed in 2006).

Application and Award Process

Timing and Steps in the Process:

March 2006	The Legislature completes work on the Capital Budget, including the appropriation for these grants. The Governor vetoes the language other than the funding part, on March 31.
April	The Hood Canal Coordinating Council staff begin discussions with county staff and staff from the county environmental health offices about problem areas already identified from previous work and potential solutions/projects that would be ready to proceed in the near future. Based on these discussions and the criteria in place from the Hood Canal Rehabilitation Program, HCCC pulls together an unprioritized list of projects. Briefings are provided to the five governments represented on the Council (the Port Gamble S'Klallam Tribe, the Skokomish Tribal Nation, and Kitsap, Mason, and Jefferson Counties). The HCCC submits the proposed project list as its recommendation to the Puget Sound Action Team.
May - July	The Puget Sound Action Team reviews the list and gathers more detailed information about some of the proposed projects. After additional review, the Action Team revises the list into a prioritized project list. The Action Team and HCCC work to implement the direction from the Governor's veto message such as reviewing the list with the Governor's Office and appropriate legislators.
July-August	IAC staff discuss with the HCCC and the Action Team the process and actions taken in development of the project list. IAC staff work on the contracts for the selected grant projects.

What Drives the Timing of the Application and Award Process? The Capital Budget appropriation and the direction from the Governor to have projects move forward as quickly as possible, and no later than June 30, 2007.

Evaluation Criteria:

The evaluation criteria are the adopted criteria from the Hood Canal Rehabilitation Program:

Technical Basis

- Preliminary Assessment and Corrective Actions Report (PSAT and HCCC, 2004);
- "Analysis of Nutrient Loading to Hood Canal" (USGS, August 11, 2004);
- Findings from the Hood Canal Dissolved Oxygen Program Integrated Assessment and Modeling Study as they become available;
- Findings from demonstration projects and studies funded through the Action Team and the federal Environmental Protection Agency; and
- HCCC and Action Team staff will seek input from the Hood Canal Dissolved Oxygen Program Integrated Assessment and Modeling Study project leaders. The goal would be to obtain a consensus statement on what current scientific understanding suggests the focus for rehabilitation projects should be.

Other Specific Criteria To Be Addressed

- Projects must promote realistic solutions;
- Projects must provide cost-effective solutions that will have measurable results toward ameliorating low dissolved oxygen conditions and improving overall water quality;
- Projects must not conflict with other statutes;
- Projects should leverage other funding sources and address multiple problems;
- Projects should address human-related sources of nitrogen;
- Projects should demonstrate positive improvement and show that they could be replicated on a larger scale; and
- Projects must not duplicate other activities, but rather fill gaps in our knowledge.

Recent Changes to the Process or Evaluation Criteria: None (first selection in 2006).

Program Goals, Objectives, Performance Measures, and Challenges

Due to the late inclusion of this grant budget proviso in the inventory, JLARC has not interviewed the three agencies about these topics. The Legislature will decide whether to provide future grant funding cycles; if it chooses to do so, the Legislature will also decide whether to put additional direction in a budget proviso or by some other means (e.g., a policy bill) on factors such as the application process, who is eligible to apply, eligible projects, etc.

Website

For Additional Information:

Hood Canal Coordinating Council website
www.hccc.wa.gov

Puget Sound Action Team website
http://psat.wa.gov

Hood Canal Dissolved Oxygen Program
http://www.hoodcanal.washington.edu

Safe Drinking Water Action Grant Program

Administered By:
Department of Ecology
Solid Waste and Financial Assistance Program
Also a role by Department of Health

General Information

Program Purpose: Safe Drinking Water Action Grants supplement local government efforts to provide safe drinking water to residents living in an area where a hazardous waste site has contaminated a public water system.

Mission Statement: The mission of the Solid Waste and Financial Assistance Program is to reduce waste and to safely manage the remainder.

Year Established: 1993

Enabling State Statutes: RCW 70.105D.070

Administrative Rules: WAC 173-322-100

Legislative Intent: RCW 70.105D.070(3)(a)

Monies deposited in the Local Toxics Control Account shall be used by the Department of Ecology for grants or loans to local governments for the following purposes in descending order of priority:
(i) Remedial actions; (ii) hazardous waste plans and programs;
(iii) solid waste plans and programs [and additional specified uses].

Is there a separate governing board? No.

Budget Information

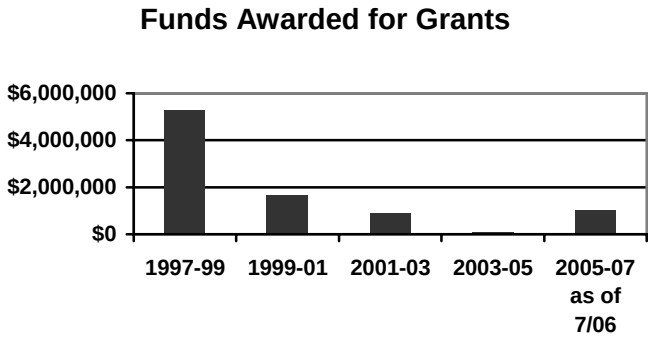
Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration	Note: Ecology receives appropriations for the Remedial Action Grant Programs as a whole rather than for individual programs such as the Safe Drinking Water Action Grants Program				
New Appropriation for Grants					
Expenditure for Administration					
Funds Awarded for Grants*	5,254,933	1,639,500	896,484	75,750	Not yet available

*Note: As of June 2006, Ecology has issued one grant in the 2005-07 Biennium, totaling $1 million. Given the emergency nature of these grants, there could be more during the biennium.

FTEs for the Program in 2005-07:
1.75 FTE for all of the Remedial Action Grant programs combined.

Fund Account(s):
174-1 – Local Toxics Control Account

Fund Sources:
RCW 82.21.030 – Hazardous Substances Tax



Recent Changes to Funding Pattern: Ecology reports that the funding provided to the Remedial Action Grant Programs as a whole has fluctuated significantly from biennium to biennium. However, the Safe Drinking Water Action Grants make up only a small part of all Remedial Action Grants awarded.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Application cycle is open year-round.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 1

Total Amount Awarded in 2005: $1 million

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? The Legislature appropriates funds in the state Capital Budget for the Remedial Action Grant Programs, based in part on projected revenues in the Local Toxics Control Account from the hazardous substances tax. Safe Drinking Water Action Grants have the highest priority for funds within this total amount.

Maximum Amount That Can Be Awarded to a Project: No maximum.

Matching Requirements: Per rule, the grant may pay up to 50% of eligible costs; the applicant must find the other 50% from other sources. However, if the applicant is in a county that is economically disadvantaged, the grant may pay up to 75% of eligible costs.

Interest Rate Charged:	Repayment Statistics:
Not applicable (grants only).	Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☑ Drinking Water	☑ Grants
☑ Counties	☐ Wastewater	☐ Loans
☑ Water and/or Sewer Districts	☐ Stormwater	
☑ Port Districts	☑ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☐ Tribes	☐ Transportation Infrastructure	
☐ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: Eligible projects include water supply source development and replacement, transmission lines, treatment equipment and facilities, distribution lines, bottled water (as an interim action), individual service connections, and well abandonment for wells identified by Ecology as an environmental safety or health hazard. Ecology's guidelines for the program indicate that the solutions to a water contamination problem generally fall into three categories: (1) treatment; (2) extension of an existing water system; or (3) providing a new water source. Ecology's preferred solution is treating the water and eliminating the source of the contamination.

Special Qualifications Regarding Who Can Apply: Per rule, an applicant must meet the following qualifications:

- The applicant must be a local government that owns or operates a public drinking water system or a local government applying on behalf of an entity that owns or operates a public drinking water system;
- The Department of Health has certified that a contaminant threatens the safety and reliability of the public water system and that the threat cannot be remedied by operational solutions, and the contaminants must include at least one hazardous substance;
- The Department of Health has determined that the applicant is in substantial compliance with applicable rules pertaining to public water supplies, water works operator certification, the Water System Coordination Act, and drinking water operating permits;

- The Department of Ecology has determined that the subject water system is in an area that is a hazardous waste site or threatened by contamination from a hazardous waste site; and
- The water system shows maximum contaminant levels exceeding either the standards for public water supplies, EPA standards as determined by the Department of Health, or Ecology standards set pursuant to the Model Toxics Control Act.

Special Qualifications Regarding Project Eligibility: Ecology's rules describe some costs that are not eligible for grant funding under this program.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

Note: Due to the emergency nature of this grant program, there is no regular application cycle. Applicants may apply year-round if faced with a qualifying situation.

Any time during the year	The Department of Health certifies that a contaminant threatens the safety and reliability of a public water system and that the threat cannot be remedied solely by operational solutions. The contaminants must include at least one hazardous substance.
	The local government submits an application to Ecology. Ecology staff review whether the local government meets the eligibility requirements and evaluates the application for completeness and accuracy. Assuming those conditions are met, Ecology staff and the applicant negotiate a scope of work and budget for the grant. The process may take two to three months from application to receipt of funds.

What Drives the Timing of the Application and Award Process? The emergence of a qualifying emergency situation.

Evaluation Criteria:

- Compliance with the applicant and project eligibility requirements; and
- Completeness and accuracy of the information in the grant application.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The goal of the program is to provide safe drinking water to communities coping with a hazardous materials threat.

Ecology reports that, in support of the investment model in JLARC's 2001 Investing in the Environment study, the agency collects information from applicants to the Remedial Action Grant Programs on the following three categories:

- Designated beneficial uses will be restored or protected;
- A public health emergency will be eliminated; and
- Regulatory compliance will be achieved to address an order or decree.

Performance Measures and Program Performance:

Ecology reports that "baseline measurements will be relied on to compile output and outcome measures that directly relate to the program's investments."

Agency-Identified Challenges\Issues	**Program Challenges or Issues Identified by the Agency:**
	The agency notes that: • For the Remedial Action Grant Programs in general, there is always the concern about not having enough funding to clean up all the sites. When these programs began many years ago, the theory was that these programs would work themselves out of a job. Unfortunately, this has not turned out to be the case. • A second concern is the one raised with the Coordinated Prevention Grants Program: that of the ongoing competition between funding for cleaning up sites and funding actions that prevent the creation of more sites.

Website	**For Additional Information:**
	Website for Ecology's Remedial Action Grants http://www.ecy.wa.gov/programs/swfa/grants/rag.html

Safe Drinking Water Action Grant Program
One Grant Awarded in 2005

Grant Recipient: One Town	Type of Project Funded: Drinking Water

Coordinated Prevention Grant Program

Administered By:
Department of Ecology
Solid Waste and Financial Assistance Program

General Information

Program Purpose: The Coordinated Prevention Grant Program helps local governments to develop and implement their hazardous and solid waste management plans. Two types of grants are available: (1) solid and hazardous waste planning and implementation grants, and (2) solid waste enforcement grants. This profile focuses on the planning and implementation grants.

Mission Statement: The mission of the Solid Waste and Financial Assistance Program is to reduce waste and to safely manage the remainder.

Year Established: 1988

Enabling State Statutes: RCW 70.105D.070

Administrative Rules: Chapter 173-312 WAC

Legislative Intent: From RCW 70.105D.070(3)(a)

Monies deposited in the Local Toxics Control Account shall be used by the Department of Ecology for grants or loans to local governments for the following purposes in descending order of priority:
(i) Remedial actions; (ii) hazardous waste plans and programs;
(iii) solid waste plans and programs [and additional specified uses].

Is there a separate governing board? No.

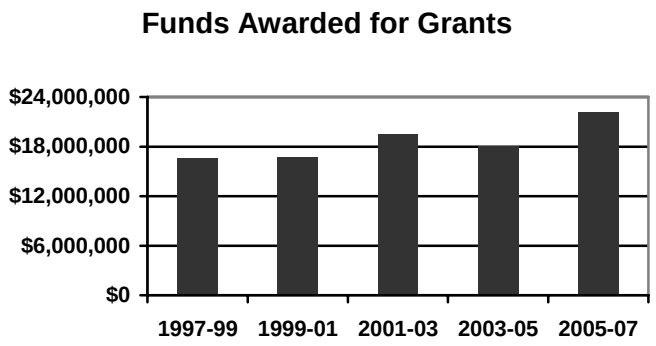
Budget Information

Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration	1,470,400	1,230,000	1,251,200	1,153,200	1,122,000
New Appropriation for Grants	16,500,000	16,821,684	19,500,000	18,070,000	22,200,000
Expenditure for Administration	1,418,000	1,193,100	1,213,664	1,037,880	(estimated) 1,009,800
Funds Awarded for Grants	16,500,000	16,704,259	19,468,502	18,045,001	(estimated) 22,200,000

FTEs for the Program in 2005-07: 5

Fund Account(s):
174 – Local Toxics Control Account

Fund Sources:
RCW 82.21.030 Hazardous Substance Tax



Recent Changes to Funding Pattern: In the 2005 Capital Budget, the Legislature included $4 million for the program for grants to local governments for local projects that implement the state's "Beyond Waste" plan. Grant funds were to emphasize additional organics composting and conversion, green building, and moderate risk waste projects described in the plan.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: There are two grant cycles per biennium. The "regular" cycle results in grant awards in the first January of each biennium. In addition to these primary grant offerings, the program has created a second round of grant funding (called "off-set" cycle grants) to award unrequested and unspent funds on a competitive basis beginning the second January of the biennium.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 83 grants, excluding the enforcement grants.

Total Amount Awarded in 2005: $11,309,856, excluding the enforcement grants.

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Legislative appropriation in the state Capital Budget, based in part on projected revenues in the Local Toxics Control Account from the hazardous substances tax. Then 80% of the total grant funding goes to these planning/implementation grants (the remaining 20% is for enforcement grants).

Maximum Amount That Can Be Awarded to a Project: Per rule, a maximum amount for each county is calculated for each regular grant cycle based on available funds. Each county receives a fixed base amount and a per capita amount.

Matching Requirements: Per rule, the grant funding may cover 75% of eligible project costs; the local jurisdiction must provide a 25% local cash match.

Interest Rate Charged:	Repayment Statistics:
Not applicable (grants only).	Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☐ Drinking Water	☑ Grants
☑ Counties	☐ Wastewater	☐ Loans
☐ Water and/or Sewer Districts	☐ Stormwater	
☐ Port Districts	☑ Solid/Hazardous Waste	
☐ Public Utility Districts	☐ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☐ Tribes	☐ Transportation Infrastructure	
☐ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: The program funds required local solid waste and hazardous waste planning, and implementation of some projects and programs contained in those plans. Implementation projects might include backyard composting and other organics management projects, recycling programs, household hazardous waste collection, technical assistance to small businesses to reduce their hazardous and solid wastes, collection events for specific materials like electronics, and supporting green building programs around the state.

Special Qualifications Regarding Who Can Apply: For *solid waste* planning grants, eligible counties are those that are required to adopt or update local solid waste plans. Eligibility extends to cities that have submitted an independent city plan, a joint city plan, or a joint city-county plan. For solid waste implementation grants, counties and cities are eligible if their solid waste plans are adopted and approved by Ecology.

For *hazardous waste* planning grants, eligible counties and cities are those that are required to adopt or update local hazardous waste plans. For hazardous waste implementation grants, those counties and cities with Ecology-approved hazardous waste plans are eligible to apply for grants to help pay for implementation of projects in those plans.

(Jurisdictional health departments/districts are eligible to apply for coordinated prevention grants to pay for enforcement of rules adopted under Chapter 70.95 RCW.)

Special Qualifications Regarding Project Eligibility: The following projects are not eligible for grant funding under this program: solid waste incinerator projects, new landfill construction or expansion, landfill closure, garbage collection and disposal, and solid and hazardous waste expenses not directly related to compliance with state solid and hazardous waste laws and rules.

Recent Changes in Eligible Applicants or Categories of Projects: The scope of this program is expanding. In the 2005 Capital Budget, the Legislature included $4 million for the program for grants to local governments for local projects that implement the state's "Beyond Waste" plan. Grant funds were to emphasize additional organics composting and conversion, green building, and moderate risk waste projects described in the plan.

Application and Award Process

Timing and Steps in the Process:

Note: The steps and timing below are for the program's biennial "regular" cycle.

Spring of Odd-Numbered Years	The Legislature and the Governor finalize a capital budget including the appropriation for this program. The Ecology program can then determine the overall amount available for grants for planning and implementation, and the formula to use to establish base level funding availability per county. Ecology develops guidelines for the cycle. The guidelines include identification of a minimum threshold score required on an evaluation of an application in order to receive funding.
July 1	Ecology sends program guidelines and application forms to counties and cities, via hard copy and electronically. Materials are also posted on the agency website.
July – August	Counties and cities develop their applications. Assistance with this is available from Ecology staff at headquarters and in the regions.
Early September	Completed applications are due to Ecology. Using the criteria below, Ecology staff evaluate and score the applications.
Mid-September	Applicants are notified of their score. For those applications that did not meet the minimum threshold score, applicants have the opportunity to rewrite their applications. Ecology grant officers can assist with this.
End of September	Rewritten applications are due to Ecology. Ecology staff evaluate and score the revised applications.
Mid-October	Applicants that submitted rewrites are informed of their scores. Applicants that met the minimum threshold score on either the first or second iteration receive grant funding, with the grant beginning in January of the even-numbered year.

In the regular cycle, applicants are not competing against one another for funding; rather they are designing an application that meets at least the minimum threshold score. For the "off-set" cycle, applicants are competing with one another. Typically there are not very many funds available for the off-set cycle; however, there are additional funds this biennium due in part to the special $4 million appropriation for "Beyond Waste" projects. Using the criteria below, an award committee made up of Ecology staff, counties and cities, and local health jurisdictions will evaluate applications and group them into high-, medium-, and low-priority projects, creating a list of recommended projects. The Ecology program management team will make the final selections of projects to receive this "off-set" cycle funding.

What Drives the Timing of the Application and Award Process? Ecology begins the regular cycle process after finalization of the Capital Budget appropriation.

Evaluation Criteria:

For the regular cycle, applicants provide the following information about each proposed project:

- Project title;
- Goal statement;
- Outcome statement;
- Target audience;
- Work plan and activities;
- Method of evaluation;
- Identification of the program's statewide goal that the project works toward;
- Any other compelling need for funding the project; and
- Reference of the section of their solid or hazardous waste plans where the activities are outlined.

For the 2006 off-set cycle, the award committee will consider the following additional factors:

- Defined outcome;
- Potential for lessons learned;
- Return on investment;
- Partnership/coordination;
- Need; and
- Work toward one or more of the program's statewide goals.

Recent Changes to the Process or Evaluation Criteria: Ecology reports that, following the 2001 JLARC Investing in the Environment study, the agency made changes to the program related to: the minimum threshold score for grant applications, the application forms, the period of the off-set cycle, the criteria for the off-set cycle, the process for awarding funds in the off-set cycle, and report forms and information sharing. Ecology indicates that the minimum threshold scoring of grant applications was instituted to make sure grant projects have defined outcomes and are ready to proceed. The program will not fund projects that do not have a specific goal, expected outcome, or mechanism to demonstrate project results. Ecology also notes that, in order to encourage adaptive learning, Ecology's Solid Waste and Financial Assistance Program is developing Washington State's Solid Waste Information Clearinghouse, which will provide access to program-funded projects and their results.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The goals of this grant program are to implement Chapter 70.95 RCW: promoting good solid and hazardous waste management, with a focus on waste reduction and recycling.

Specific objectives include reducing human exposure to toxins through moderate risk waste programs; promoting waste reduction and resource conservation through recycling and composting programs; and ensuring solid waste facilities do not pose a threat to human health and the environment through solid waste enforcement projects. Ecology indicates the agency will incorporate new objectives as the new Beyond Waste plan is implemented.

The Coordinated Prevention Grant guidelines list more detailed goals and objectives on pages 38 and 39.

Performance Measures and Program Performance:

At the state level, Ecology reports that there are broad measures in terms of tracking waste and waste management. Ecology's Solid Waste and Financial Assistance Program has statewide measures that the Coordinated Prevention Grant Program contributes to. These include the statewide recycling rate, the amount of solid waste diverted, and the amount of moderate risk waste collected, recycled, or properly disposed. Every grant project has its own specific outcome measures.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The agency notes that:

- In the field of dealing with solid and hazardous wastes, there is an ongoing competition for funds between (a) management actions to clean up the wastes, and (b) management actions to prevent wastes from occurring, thereby reducing the need for future actions to clean up wastes;
- With the new state solid waste management plan, Ecology is expanding the objectives of the Coordinated Prevention Grant Program, which can be difficult for the agency's local government partners. It is asking them to go beyond traditional solid waste management and work toward prevention, which may change their roles.
- The grant program funds diverse projects and in turn collects diverse project output and outcome information that is difficult to summarize on a statewide basis. The grant program is developing a data system to help collect project information, output, and outcomes so that others can view and adaptively learn from the experience of recipients.

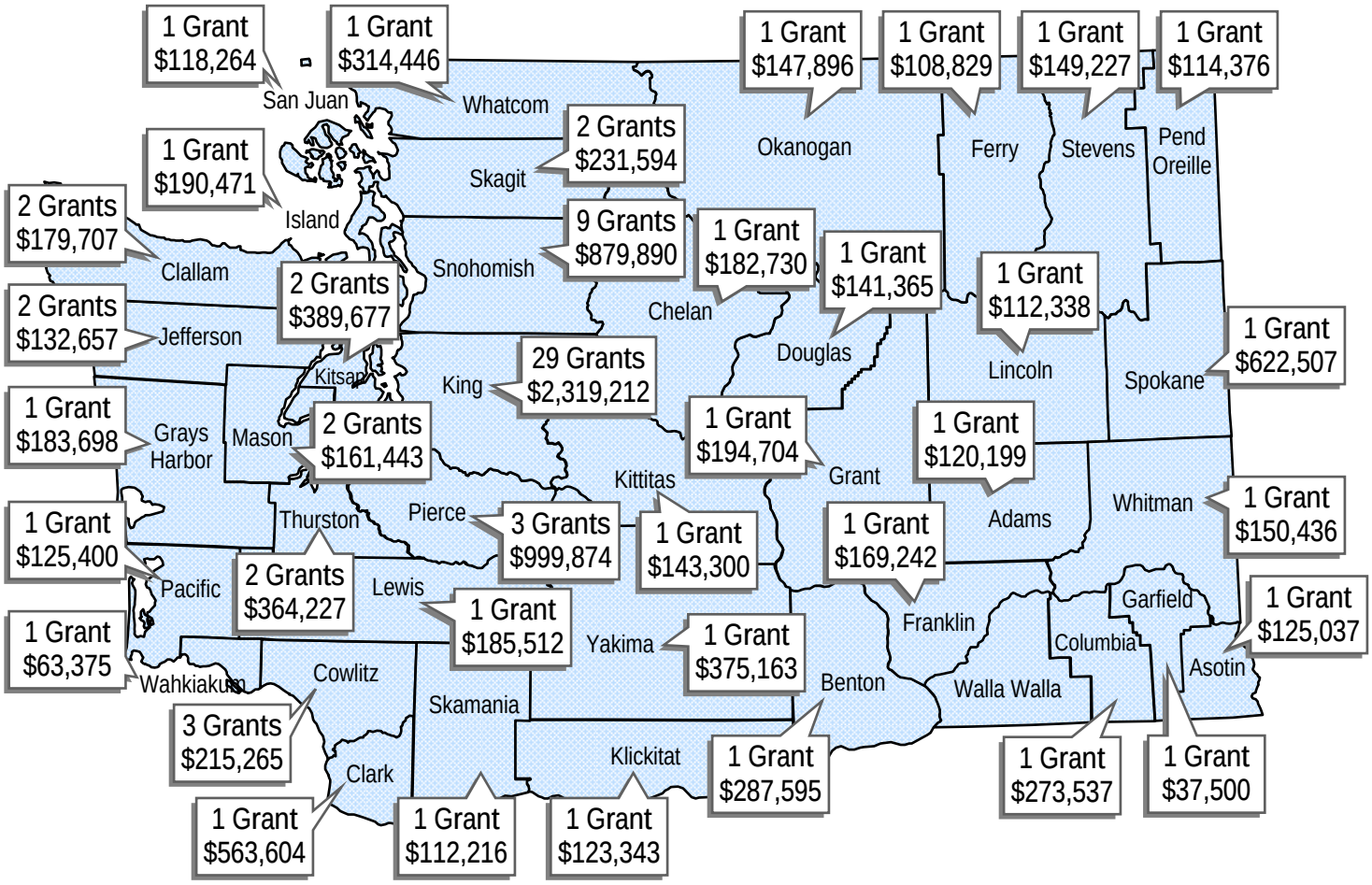
Website

For Additional Information:

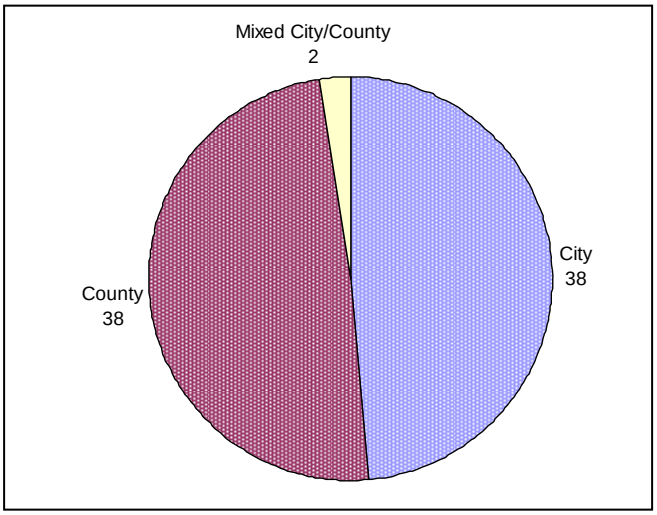
Ecology Solid Waste and Financial Assistance Program website
http://ww.ecy.wa.gov/programs/swfa/grants/cpg.html

Coordinated Prevention Grant Program Awards

Selections Made in the Fall of 2005 for the "Regular Cycle"
Location of Awards by County



Grant Recipients



Types of Grants Funded

Grants are for solid or hazardous waste planning, and implementation of projects contained in those plans. This page does not include the grants provided to local health jurisdictions for enforcement.

Safe Soils Remediation and Awareness Projects

Administered By:
Department of Ecology
Toxics Cleanup Program

General Information

Program Purpose: Safe Soils projects help schools, park districts, and owners/operators of child care facilities implement cleanup actions and other measures that prevent child exposure to hazardous substances in the soils, such as arsenic and lead.

The Department of Ecology provides funding for soil cleanup and remediation through the State Toxics Control Account. During the 2005 Legislative Session, the Legislature also enacted a new law (Area-Wide Soil Contamination) to assist state and local agencies with implementing actions to reduce children's exposure to soil with area-wide arsenic and lead contamination.

The Safe Soils Projects profile is included in the Basic Infrastructure collection because of its role in hazardous waste cleanup. JLARC is also cross-listing this program with the Other Infrastructure collection of programs to give it more proximity to other programs dealing with schools and day care facilities.

Mission Statement: The mission of the Toxics Cleanup Program is to get and keep contaminants out of the environment.

Year Established:
2005 as a Capital Budget program

Enabling State Statutes:
RCW 70.105D.070 and Chapter 70.140 RCW

Administrative Rules:
None.

Legislative Intent: RCW 70.140.010

The Legislature finds that state and local agencies are currently implementing actions to reduce children's exposure to soils that contain hazardous substances. The Legislature further finds that it is in the public interest to enhance those efforts in western Washington in areas located within the central Puget Sound smelter plume.

Additionally, RCW 70.105D.070 describes the uses of funds in the State Toxics Control Account.

Is there a separate governing board? No.

Budget Information

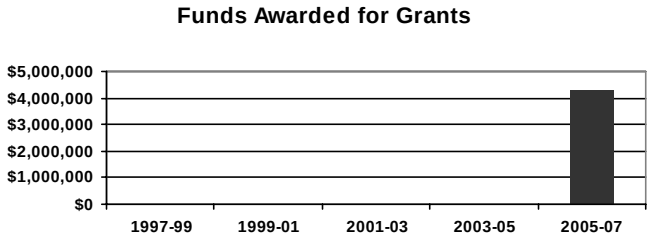
Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration					
New Appropriation for Grants					4,300,000
Expenditure for Administration					(estimated) 100,000
Funds Awarded for Grants*					(estimated) 4,300,000

*Note: The Legislature appropriated $2 million in the 2005 Capital Budget and an additional $3 million in the 2006 Supplemental Capital Budget. Of this latter appropriation, $700,000 was specified for cleanup actions at the Everett smelter project.

FTEs for the Program in 2005-07:
Approximately 3.0 FTEs facilitate and oversee cleanup actions funded by the State Toxics Control Capital Account.

Fund Account(s):
EA-H01: 173 – State Toxics Control Account (Capital Budget appropriation)

Fund Sources:
Hazardous Substances Tax



Recent Changes to Funding Pattern: In the 2005 budget process, Ecology requested – and the Legislature approved – appropriation of some funds in the State Toxics Control Account through the Capital Budget rather than the Operating Budget. Ecology notes that projects funded through the Operating Budget had been spanning biennia, creating funding challenges (unspent Operating Budget appropriations revert, while Capital Budget appropriations can be re-appropriated). Ecology reports that this change better accommodates the funding needs for these projects.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: As explained in the process section, there is not really a "cycle" for these projects as there is for most other programs that fund infrastructure projects; instead, Ecology works to identify the sites and projects for program funds.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 0 (first projects in 2006)

Total Amount Awarded in 2005: 0

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Legislative appropriation, now in the state Capital Budget.

Maximum Amount That Can Be Awarded to a Project: No maximum established.

Matching Requirements: None established.

Interest Rate Charged:	**Repayment Statistics:**
Not applicable (grants only).	Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?	**What Categories of Projects Are Eligible?**	**Award Type:**
☑ Cities and Towns	☐ Drinking Water	☑ Grants
☑ Counties	☐ Wastewater	☐ Loans
☐ Water and/or Sewer Districts	☐ Stormwater	
☐ Port Districts	☑ Solid/Hazardous Waste	
☐ Public Utility Districts	☐ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☐ Tribes	☐ Transportation Infrastructure	
☐ State Agencies	☑ Other Infrastructure (Buildings, Facilities, Recreation)	
☑ Non-Profit Organizations	☐ Other	
☑ Private Businesses		
☐ Other		

Eligible Projects: Projects may include actions that remove contaminated soils from the property and/or measures to treat or contain hazardous substances on the affected property (e.g., capping contaminated soils with dirt, pavement, or other materials).

Special Qualifications Regarding Who Can Apply: As discussed below, Ecology has not established a formal application process for project proponents. Ecology's Toxic's Cleanup Program identifies areas of potential contamination and performs outreach to schools, parks, and child care facilities, whether public or private, to instigate testing. Where contamination is found, Ecology works with the organization to develop a remediation plan, often timed to coincide with other work at the site.

Special Qualifications Regarding Project Eligibility: Ecology places a special emphasis on cleanup of child use areas (e.g., schools, parks, and child care facilities). Ecology has also assigned a high priority for projects in certain areas of the state where there is a greater probability that soils will have elevated levels of arsenic caused by past industrial emissions and/or historic agricultural practices. These areas include (1) areas affected by historic emissions from Asarco smelter in Tacoma; and (2) areas in Chelan, Douglas, Yakima, Okanogan, and Spokane counties where apples were grown between 1900 to 1947.

Recent Changes in Eligible Applicants or Categories of Projects: None (new in 2005).

Application and Award Process

Timing and Steps in the Process:

Unlike many other programs in this inventory, Ecology does not solicit applications for Safe Soils Projects. As described in part above, Ecology works with local school officials and child care providers to develop a list of potential projects for the subsequent budget period. The budget request is informed by this list, but funds are not earmarked for specific projects. When the funds become available, Ecology works with the identified local agencies on incorporating cleanup into their summer construction projects. Projects that can move forward in a given construction season are selected by Ecology for funding.

What Drives the Timing of the Application and Award Process? The availability of funds through completion of the Capital Budget process, then the ability of projects to move forward in a given construction season.

Evaluation Criteria:

- Level of hazardous substances in soils;
- Number of children who attend the school, child care facility, etc.;
- Level of participation/interest by the organization; and
- Planned construction renovation schedule, for example, whether a school is scheduled for significant renovations.

Recent Changes to the Process or Evaluation Criteria: None (new in 2005).

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The goal the Safe Soils Remediation and Awareness Program is to prevent child exposure to contaminated soils at schools, parks, and child care facilities.

Performance Measures and Program Performance:

- Number of cleanup actions conducted at schools, parks, and child care facilities;
- Number of best management practices implemented at schools, parks, and child care facilities; and
- Number of children attending schools and child care facilities that have completed cleanup actions.

Agency-Identified Challenges\Issues	**Program Challenges or Issues Identified by the Agency:**
	Ecology notes that Capital Budget appropriations from the State Toxics Control Account are relatively new, and most of the early challenges are related to normal startup issues experienced with new programs. However, implementation issues and challenges include: • Integrating soil cleanup planning and implementation with state and local decision-making processes for school construction, renovation, and maintenance; • Integrating soil cleanup planning and implementation with DSHS child care licensing and inspection programs; and • Integrating soil cleanup investigation and cleanup with local land use planning/decisions that impact site selection and construction of new schools, child care facilities, parks, and residential developments.

Website	**For Additional Information:**
	Website for Ecology's Toxics Cleanup Program http://www.ecy.wa.gov/programs/tcp/cleanup.html

Drought Preparedness Grant and Loan Program

Administered By:
Department of Ecology, Water Resources Program
(in conjunction with numerous other agencies)

General Information

Program Purpose: The Drought Preparedness Program funds drought relief capital projects and activities. The program can also fund projects to prepare the state to respond to future droughts. Projects funded through this program fall into four categories: municipal, agriculture, habitat, and water acquisition and mitigation.

Mission Statement: The mission of the Water Resources Program is to support sustainable water resources management to meet the present and future water needs of people and the natural environment, in partnership with Washington communities.

Year Established: 1989

Enabling State Statutes:
Chapter 43.83B RCW

Administrative Rules:
Chapter 173-166 WAC

Legislative Intent: RCW 43.83B.400

It is the intent of the Legislature to provide emergency powers to the Department of Ecology to enable it to take actions, in a timely and expeditious manner, that are designed to alleviate hardships and reduce burdens on various water users and uses arising from drought conditions.

Is there a separate governing board? No, but two committees play a role in an official drought declaration.

Budget Information

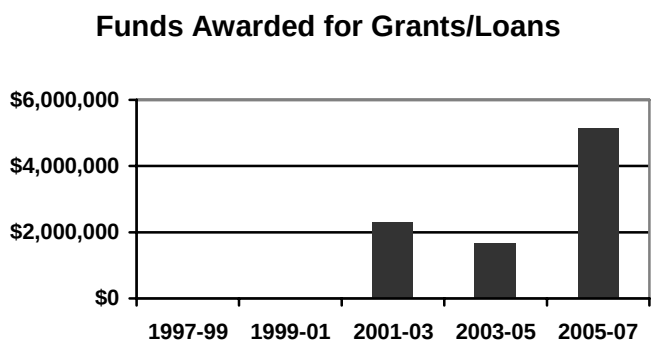
Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration	0	26,000	52,000	26,000	52,000
New Appropriation for Grants/Loans*	0	6,125,000	(reapprop)	8,200,000	(reapprop)
Expenditure for Administration	0	26,000	52,000	26,000	(estimated) 52,000
Funds Awarded for Grants/Loans*	0	0	2,305,000	1,676,000	(estimated) 5,154,000

*Note: In response to an emergency drought declaration, the Legislature often provides capital funding in a supplemental budget. What is illustrated above is that the subsequent awarding of funds to specific capital projects often crosses over into the next fiscal year.

FTEs for the Program in 2005-07:
1 FTE to support grant/loan administration for the drought period April–Dec 2005

Fund Account(s):
05W-1 – State Drought Preparedness Account (for capital projects)
032-1 – State Emergency Water Project Revolving Account (for operating expenses)

Fund Sources:
- Previous bond sales
- Loan repayments and interest
- Transfers from various other funds



Recent Changes to Funding Pattern: The proceeds from the earlier bond sales are now largely depleted, which has led to the need for the transfers into the fund account from other sources.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Only when drought conditions are present.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 27

Total Amount Awarded in 2005: $6,988,007

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Legislative appropriation in the state Capital Budget, based in part on any balances available in the accounts from previous fiscal years or drought events, and estimates of loan repayments and interest.

Maximum Amount That Can Be Awarded to a Project: Per rule, no individual public entity is eligible for funding for a grant of more than 10% of funds dedicated for the general category of activity. An additional 10% of the funds dedicated for the general category of activity is available as a loan.

Matching Requirements: Per rule, the maximum amount of the loan is 50% of the eligible project cost.

Interest Rate Charged: Per rule, the rate is equal to the final discount rate for one-year U.S. Treasury bills at the first auction following the beginning of the state fiscal year.

Repayment Statistics: No loan defaults.

Eligible Applicants and Projects

Who Is Eligible To Apply?	What Categories of Projects Are Eligible?	Award Type:
☑ Cities and Towns	☑ Drinking Water	☑ Grants
☑ Counties	☐ Wastewater	☑ Loans
☑ Water and/or Sewer Districts	☐ Stormwater	
☐ Port Districts	☐ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☑ Conservation Districts	☑ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☑ Tribes	☐ Transportation Infrastructure	
☑ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☑ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: Projects funded through this program fall into four categories: municipal, agriculture, habitat, and water acquisition and mitigation. A number of drought-related projects are eligible, including acquiring water rights, deepening wells, developing alternative or emergency water sources, making emergency connections to other public water supplies, installing new water pipelines and pumps, and repairing leaky delivery systems.

Special Qualifications Regarding Who Can Apply: The applicant must be receiving, or be projected to receive, less than 75% of normal water supply as the result of natural drought conditions, and must be experiencing, or be expected to experience, undue hardship as a result.

Special Qualifications Regarding Project Eligibility: Per rule, funding assistance is available only for projects or measures undertaken in response to drought conditions which are beyond the normal scope of operations of the applicant.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

Note: There is a funding cycle only when there is an official declaration of a drought, as described below.

Tracking especially during the rainy season	The Water Supply Availability Committee conducts ongoing water supply monitoring and forecasting. This committee is chaired by Ecology; other members represent the U.S. Geological Survey, the National Weather Service, the Natural Resources Conservation Service, the Bureau of Reclamation, the Army Corps of Engineers, and the Bonneville Power Administration. If this committee determines that water supplies across the state or in a given area are, or are projected to be, below 75% of normal, this committee notifies the Executive Water Emergency Committee.
	The Executive Water Emergency Committee is chaired by the Governor's Office; other members represent the state departments of Agriculture, Ecology, Fish & Wildlife, Health, Military, CTED, Natural Resources, State Patrol, and the Conservation Commission. This committee assesses the information from the Water Supply Availability Committee and may recommend that the Governor officially declare a drought emergency.
Usually by February	Upon the advice and concurrence of these two committees and the written approval of the Governor, Ecology issues an order declaring drought conditions for the state or for a particular geographic area. Ecology adopts an emergency rule. This puts in motion a whole series of events, one of which is the availability of grants or loans for drought relief capital projects.
Early in the Legislative Session	Ecology and other agencies brief legislators on events through a legislative drought committee. The Legislature may be asked to provide emergency drought funding as part of work on a supplemental budget.
Usually Spring	Ecology posts on its website information about the availability of funds; information is also available at headquarters, the regional offices, and through various outreach efforts. Applicants submit an application for funding to Ecology. Ecology evaluates these requests; Ecology is aided in this effort by other state agencies, particularly the Department of Health for municipal project proposals.

Approved projects receive funding. Ecology staff indicate that the majority of funds are committed by August. Ecology does reserve some funds for use later in the season, particularly for some municipal needs that may not materialize right at the beginning of the drought.

What Drives the Timing of the Application and Award Process? The tracking of water conditions and the formal drought declaration.

Evaluation Criteria:

Evaluation criteria designated in rule differ among the four categories of municipal, agriculture, habitat, and water acquisition and mitigation projects. As an example, the evaluation criteria (which also include several eligibility criteria) for agricultural uses include:

- The project must be for a beneficial use involving a previously-established activity or purpose;
- The proposed project or measure must assist in alleviating a water shortage;
- The public body receiving the loan must satisfy Ecology of its ability to repay a loan and to complete the project or measure;
- The water derived from the project or measure must be put to beneficial use as a substitute for water not available because of a drought;
- The water derived from the project or measure must not be used to irrigate new lands;
- The proposed project or measure must not adversely affect existing water rights; and
- All required permits and approvals must be obtained by the applicant prior to a loan or grant agreement being signed.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The goal of the program is to provide funding to public bodies in connection with projects and measures designed to alleviate drought conditions that may affect public health and safety, drinking water supplies, agricultural activities, or fish and wildlife survival.

Objectives for the program include:

- A balanced and equitable distribution of the funds among the different sectors affected by the drought;
- A funding process that ensures funds are available for drought impacts that arise both early and later during the course of the drought; and
- Preference for projects that leverage other federal and local funds.

Performance Measures and Program Performance:

Ecology reports that it does not have specific performance measures for drought activities.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

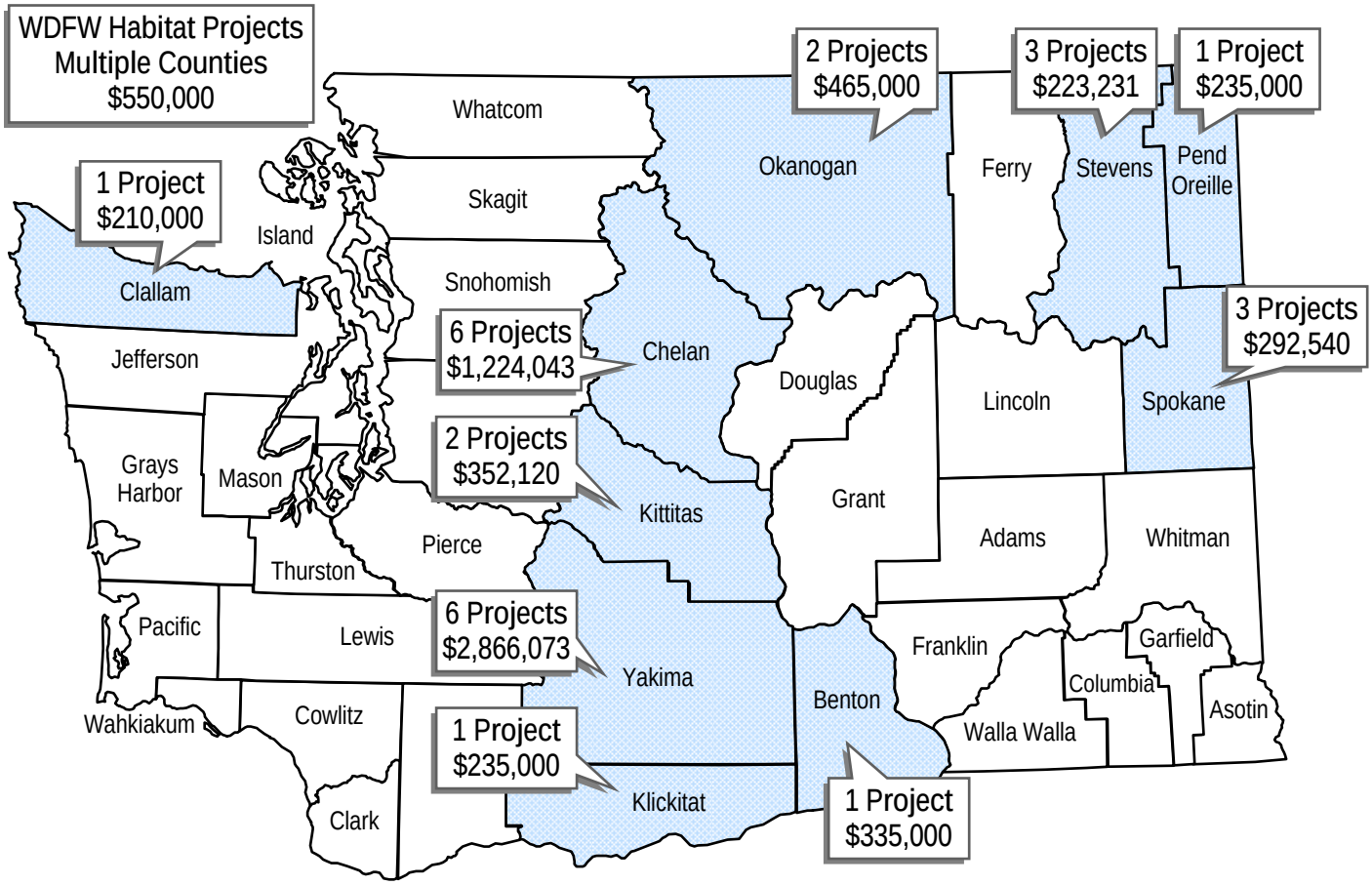
As a positive issue, the agency notes that the program benefits from being able to keep legislators apprised of unfolding events through the vehicle of a legislative drought committee.

For Additional Information:

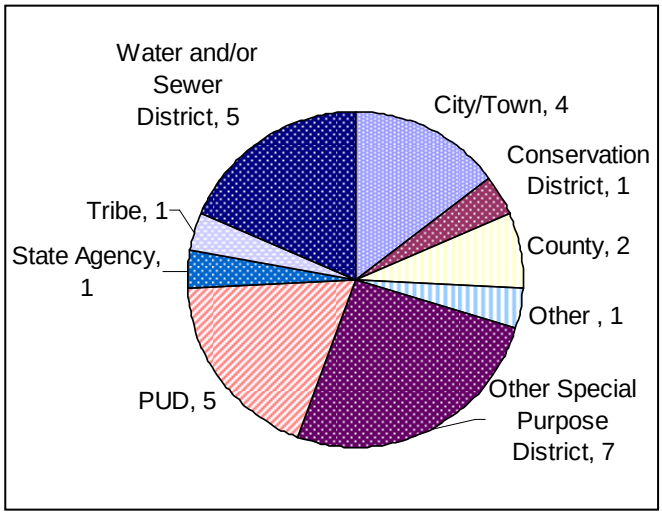
At Ecology, contact Ray Newkirk (360) 407-6630 email: rnew461@ecy.wa.gov

Drought Preparedness Grant and Loan Program Awards, 2005

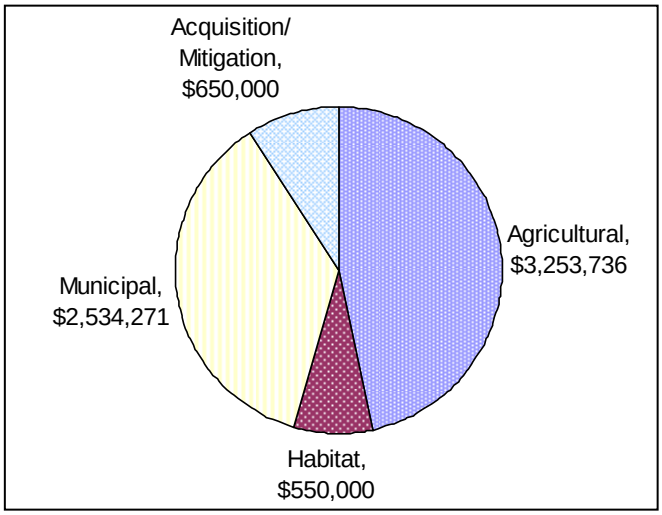
Location of Awards by County



Grant/Loan Recipients



Types of Projects Funded



Watershed Plan Implementation and Flow Achievement Program

Administered By:
Department of Ecology
Water Resources Program

General Information

Program Purpose: The 2005 Capital Budget includes an appropriation to be used in part for infrastructure improvement projects and other water management actions that benefit stream flows and enhance water supply. Unlike other grant or loan programs where the end goal is to fund an infrastructure project, here the funding of a water infrastructure project is a means to an end goal of increasing instream flows.

This program is a component of implementation of watershed plans. In addition to funding infrastructure projects, the funding is also to be used for water storage projects, metering, completion of some effort for agricultural water supply initiated under Referendum 38, water or water right acquisition, and small grants to watershed councils so that they can monitor watershed plan implementation.

Mission Statement: The mission of the Water Resources Program is to support sustainable water resources management to meet the present and future water needs of people and the natural environment, in partnership with Washington communities.

Year Established: Some earmarked projects were included in the Capital Budget in 2004.

Enabling State Statutes: Capital Budget proviso only

Administrative Rules: None.

Legislative Intent: From ESSB 6094, Section 330 (2005 Capital Budget)

The appropriation is to support infrastructure improvement projects and other water management actions that benefit stream flows and enhance water supply to resolve conflicts among water needs for municipal water supply, agriculture water supply, and fish restoration. The stream flow improvements and other public benefits secured from these projects should be commensurate with the investment of state funds.

Is there a separate governing board? No.

Budget Information

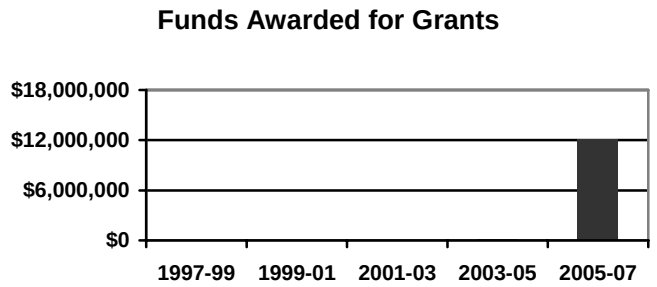
Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration				25,000	50,000
New Appropriation for Grants				5,800,000	11,500,000
Expenditure for Administration				25,000	(estimated) 50,000
Funds Awarded for Grants*				131,000	(estimated) 12,080,000

*Note: Funds not yet expended in 2004 were reappropriated in 2005 and are part of the 2005-07 grant awards. The appropriations shown here are for all categories of projects funded under the program, not just the infrastructure portion. The appropriation also covers five projects specified by the Legislature, for up to $3.2 million.

FTEs for the Program in 2005-07: 2.0 for administering all of the categories under the proviso, not just infrastructure

Fund Account(s): In 2005,
057-1 – State Building Construction Account

Fund Sources: In 2005,
057-1 – State Building Construction Account



Recent Changes to Funding Pattern: In the 2004 Supplemental Capital Budget, additional fund sources were the State and Local Improvements Revolving Account (Water Supply Facilities – Referendum 38) and the Water Quality Account.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: To be determined by the Legislature.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 10

Total Amount Awarded in 2005: $1,786,495

What Determines the Total Amount Available for Grants or Loans in a Given Time Period?
Legislative appropriation in the state Capital Budget, and then an allocation by Ecology of that total among the categories of projects covered by the proviso (infrastructure, storage, metering, etc.).

Maximum Amount That Can Be Awarded to a Project:
Per Ecology policy, $250,000 for infrastructure projects.

Matching Requirements: None.

Interest Rate Charged:	**Repayment Statistics:**
Not applicable (grants only).	Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?	**What Categories of Projects Are Eligible?**	**Award Type:**
☑ Cities and Towns	☑ Drinking Water	☑ Grants
☑ Counties	☑ Wastewater	☐ Loans
☑ Water and/or Sewer Districts	☐ Stormwater	
☐ Port Districts	☐ Solid/Hazardous Waste	
☑ Public Utility Districts	☐ Flood Management	
☑ Conservation Districts	☑ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☐ Emergency Preparedness/Response	
☑ Tribes	☐ Transportation Infrastructure	
☑ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☑ Private Businesses		
☐ Other		

Eligible Projects: While other categories of projects are likely eligible, the projects in 2005 are primarily related to water conveyance or to public water systems. Examples of eligible projects are the conversion of open ditches or channels to piped systems, use of wells to replace surface water withdrawals, and development of systems to distribute reclaimed water to use for irrigation.

Special Qualifications Regarding Who Can Apply: Ecology notes that this program is designed for local governments, districts, tribes, or private entities implementing approved watershed plans.

Special Qualifications Regarding Project Eligibility: Projects are to be selected such that the stream flow improvements and other public benefits secured from these infrastructure projects are commensurate with the investment of state funds.

Recent Changes in Eligible Applicants or Categories of Projects: None (program new in 2005).

Application and Award Process

Timing and Steps in the Process:

Note: Ecology has only implemented one round of competitive applications for infrastructure funding of this program, in 2005.

September 2005	Ecology solicits applications for the infrastructure grants.
September – October	Interested parties complete applications and submit them to Ecology.
November - December	Ecology reviews the submitted applications and determines which projects receive funding.

Evaluation Criteria:

Not identified by Ecology.

Recent Changes to the Process or Evaluation Criteria: None (program new in 2005).

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

Per the Capital Budget proviso, the goal of the infrastructure component of this program is to benefit stream flows and enhance water supply to resolve conflicts among water needs for municipal water supply, agriculture water supply, and fish restoration.

Performance Measures and Program Performance:

Ecology's performance measures for the program are the number of acre-feet of water protected for instream flow purposes, and the additional habitat available for fish.

→ Ecology reports that one project has been completed, which opened up an additional six miles of tributary habitat for fish.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The agency notes that:

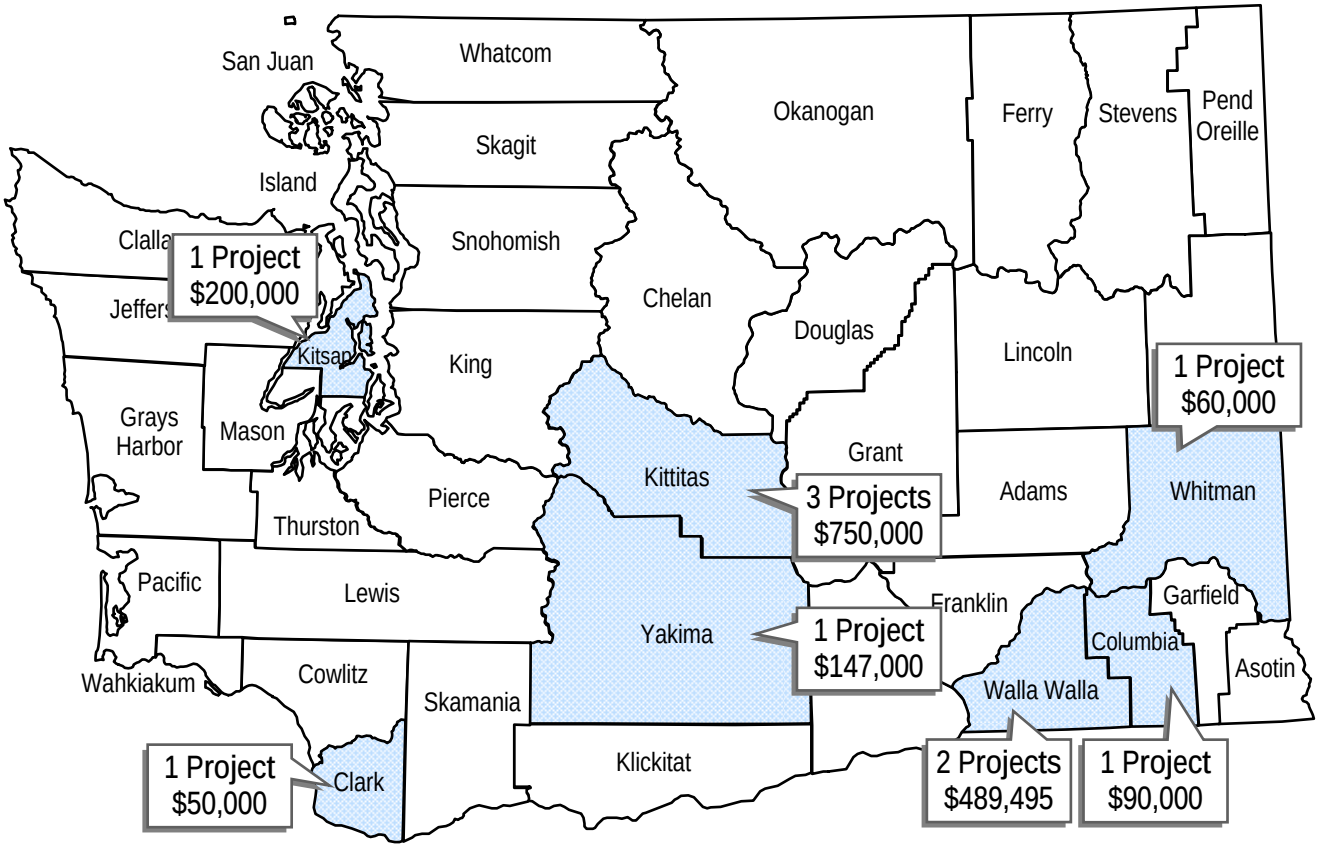
- One challenge of this new program is how to make the necessary determination that the value of stream flow improvements and other public benefits secured from these infrastructure projects are commensurate with the investment of state funds;
- A second challenge is being able to protect any saved water for instream flows.

For Additional Information:

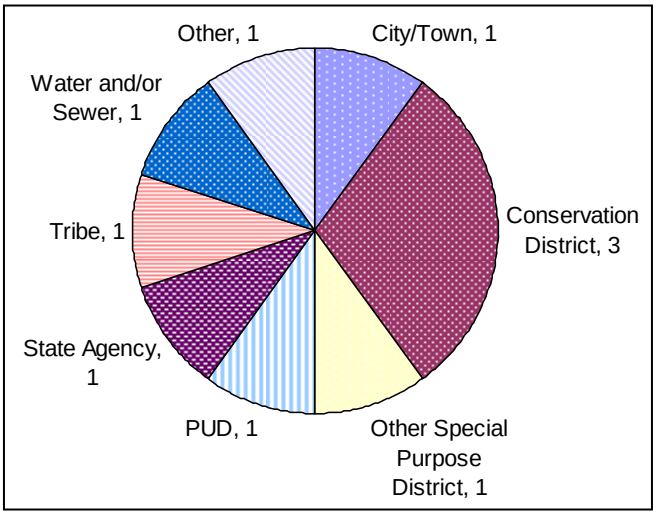
Contact Ecology's Dave Burdick (360) 407-6094 email: dbur461@ecy.wa.gov

Watershed Plan Implementation and Flow Achievement Grant Program
Water Infrastructure Project Category, 2005

Location of Awards by County



Grant Recipients



Types of Projects Funded:

A variety of infrastructure projects to increase instream flows and improve fish habitat or passage

Flood Control Assistance Account Program

Administered By:
Department of Ecology
Shorelands and Environmental Assistance Program

General Information

Program Purpose: The Flood Control Assistance Account Program (FCAAP) assists local governments in reducing flood hazards and damages by providing technical and financial assistance in the development and implementation of comprehensive flood hazard management plans, engineering feasibility studies, physical flood damage reduction projects, acquisition of flood-prone properties, public awareness programs, flood warning systems, and other emergency projects.

Mission Statement: The mission of the program is to reduce the adverse impacts of flooding on the people, property, environment, and economy of the state.

Year Established: 1984

Enabling State Statutes: Chapter 86.26 RCW

Administrative Rules: Chapter 173-145 WAC

Legislative Intent: Adapted from RCW 86.26.050(1)

State participation shall be in preparation of comprehensive flood hazard management plans, cost sharing feasibility studies for new flood control projects, other flood control projects, and flood control maintenance projects as are affected with a general public and state interest, as differentiated from a private interest, and as are likely to bring about public benefits commensurate with the amount of state funds allocated thereto.

Is there a separate governing board? No.

Budget Information

Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration	1,000,000	907,388	1,081,049	962,424	1,224,000
New Appropriation for Grants	3,850,000	3,041,012	3,016,951	1,204,000	2,198,000
Expenditure for Administration*	1,571,429	1,270,308	1,347,522	844,928	(estimated) 1,224,000
Funds Awarded for Grants*	3,278,571	2,553,083	2,728,722	1,183,340	(estimated) 2,198,000

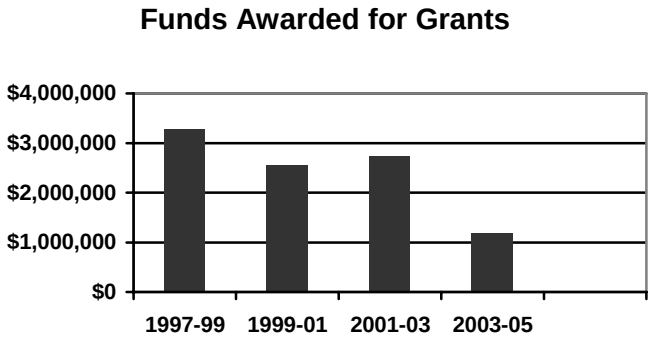
*Note: Per statute, this program reserves some funds for emergency projects, which are mainly from events in the rainier winter months. The estimates above for 2005-07 are preliminary and assume expenditures equal to the appropriations.

FTEs for the Program in 2005-07: 4

Fund Account(s):
02P-1 – Flood Control Assistance Account

Fund Sources:
001-1 – General Fund - State – 100%

Note: This program is funded through the state Operating Budget rather than through the Capital Budget.



Recent Changes to Funding Pattern: The statute establishing the Flood Control Assistance Account has historically called for a transfer resulting in a $4 million starting balance in the account (RCW 86.26.007). Ecology notes that funding was cut substantially in 2003-05. Ecology reports that the 2005-07 budget partially restored the funding, but it remains at less than the statutorily-prescribed level.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Biennial, based on the state biennium.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 24 selected through the competitive process (project list is for the biennium), plus one emergency project.

Total Amount Awarded in 2005: $1,863,000 for the projects selected through the competitive process; $20,000 for the emergency project.

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Legislative appropriation in the state Operating Budget.

Maximum Amount That Can Be Awarded to a Project: Per rule,

- For projects funded through the competitive process, no more than $500,000 can go to projects in any one county;
- For emergency projects, no more than $150,000 is initially available for projects in any one county. Some adjustments are possible in a severe flooding situation.

Matching Requirements: Per statute, for most projects selected through the competitive process, FCAAP funding may not exceed 75% of total project costs; the applicant must fund at least 25% of project cost from other sources. One exception to the 75% is for assisting local jurisdictions with Army Corps of Engineers feasibility studies. In this situation, FCAAP funding may not exceed 25% of the total cost of the feasibility study.

For emergency projects, per rule FCAAP funding may not exceed 80% of eligible project cost; the applicant funds at least 20% from other sources.

Interest Rate Charged:	**Repayment Statistics:**
Not applicable (grants only).	Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?	**What Categories of Projects Are Eligible?**	**Award Type:**
☑ Cities and Towns	☐ Drinking Water	☑ Grants
☑ Counties	☐ Wastewater	☐ Loans
☐ Water and/or Sewer Districts	☐ Stormwater	
☑ Port Districts	☐ Solid/Hazardous Waste	
☐ Public Utility Districts	☑ Flood Management	
☑ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☑ Emergency Preparedness/Response	
☑ Tribes	☐ Transportation Infrastructure	
☐ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: Eligible projects include projects to respond to a flood situation, and projects that lead to the reduction of flood damages and towards more effective floodplain management. Examples of eligible projects include flood control projects, preparation of comprehensive flood hazard management plans, feasibility studies, levee repairs, bank stabilization, acquisition of flood-prone properties, floodplain restoration, flood hazard mapping, and flood warning systems.

Special Qualifications Regarding Who Can Apply: Per rule, local jurisdictions must participate in the National Flood Insurance Program and meet that program's requirements.

Special Qualifications Regarding Project Eligibility: Per statute, projects are to have a general public and state interest, as differentiated from a private interest, and should be likely to yield public benefits commensurate with the amount of state funds allocated to them.

Recent Changes in Eligible Applicants or Categories of Projects: Ecology reports that sometimes the program will emphasize a particular theme for a biennium, for example, making a special effort to fund flood hazard mapping projects to complement a FEMA mapping effort.

Application and Award Process

Timing and Steps in the Process:	
December of even-numbered years	Ecology gives notice that applications for the next biennial funding cycle are available. Ecology mails notice to interested parties via postcards and posts information about the new application cycle on its website.
December through mid-February	Applicants complete their applications. Assistance with the applications is available through Ecology headquarters and the regional offices.
Mid-February	Applicants send their completed applications to the county engineer of their respective counties. County engineers are to prioritize the project proposals within their counties.
End of February	Applications arrive at Ecology for evaluation. Ecology assembles a multi-agency review team with representatives from the Federal Emergency Management Agency, the state departments of Natural Resources, Fish & Wildlife, and Community, Trade and Economic Development, the Army Corps of Engineers, the Military Department's Emergency Management Division, cities, counties, and Ecology's Water Quality and Water Resources programs. The Northwest Indian Fisheries Commission is invited to participate.
March, into April	Using the evaluation criteria listed below, review team members assess each application and assign it a rating of High, Medium, or Low. The team then meets as a group to review the rankings and share additional information. With the additional information, initial rankings may be revised.
Spring	The Legislature and Governor finish work on the state Operating Budget, including the appropriation for this program.
May	Ecology produces a draft list of projects with the H/M/L rankings and holds a public hearing. After the hearing, Ecology has 10 days to summarize and respond to public comments from the hearing. Ecology may adjust the list based on input from the public hearing.
June	Ecology finalizes the project list.
Biennium beginning July 1 of odd-numbered years	Selected projects move forward. Toward the end of the biennium, the program may still have funds that were being reserved for emergency projects; these can be redirected to projects on the earlier list that were not funded initially.

What Drives the Timing of the Application and Award Process? The timing of the process is such that the project selection process is completed as the new biennium begins and the new funding becomes available.

Evaluation Criteria:

- The relationship of public benefits to total project costs;
- The priority that has been established by each county;
- Intensity of local flood control management problems including, but not limited to, population affected; property and related development affected; land management and zoning; and existing flood control management practices;
- Where a comprehensive flood hazard management plan is in place, consistency with the plan and its recommendations; priority of the project in the plan; implementation of the plan or plan recommendations; and potential impacts of instream uses and resources;
- Where a comprehensive flood hazard management plan is being developed or has not been initiated, evidence of multijurisdictional cooperation; availability of qualified personnel or resources for both planning and project construction purposes; other planning efforts undertaken or proposed; ability to make rapid progress toward development of a comprehensive flood hazard management plan; and existing and proposed participation within the community toward development and implementation of a comprehensive plan.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The program's goal is to reduce flood hazards and enhance environmental considerations in the state's floodplains by providing funding and technical assistance to local governments.

Program objectives:

- Minimize flood damages to people and property (including infrastructure);
- Provide improved tools to address local floodplain management objectives;
- Provide current and consistent information on flooding and flood hazard areas, including improved maps and mapping tools; and
- Provide added resources to effectively comply with state and federal regulations.

Performance Measures and Program Performance:

- Assure that the project is completed in an efficient manner and according to the specifications noted in the grant agreement;
- Assure that all grant tasks are completed in a timely manner as noted in the grant agreement;
- Assure that all requirements in Chapter 86.26 RCW and Chapter 173-145 WAC are addressed;
- Evaluate the grant project to assure that its implementation is consistent with the maintenance or enhancement of the community's floodplain management program.

Ecology reports that its staff monitors grant activities on an ongoing basis and participates in technical advisory committees. Quarterly progress reports and billings are required and are reviewed by Ecology staff for accuracy and consistency with the grant agreement.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The agency notes that:

- The program has not been receiving the full $4 million per biennium in funding that was identified in its 1984 enabling statutes; and
- The $4 million itself has not been revisited or adjusted for inflation since 1984 when the enabling statutes were enacted.

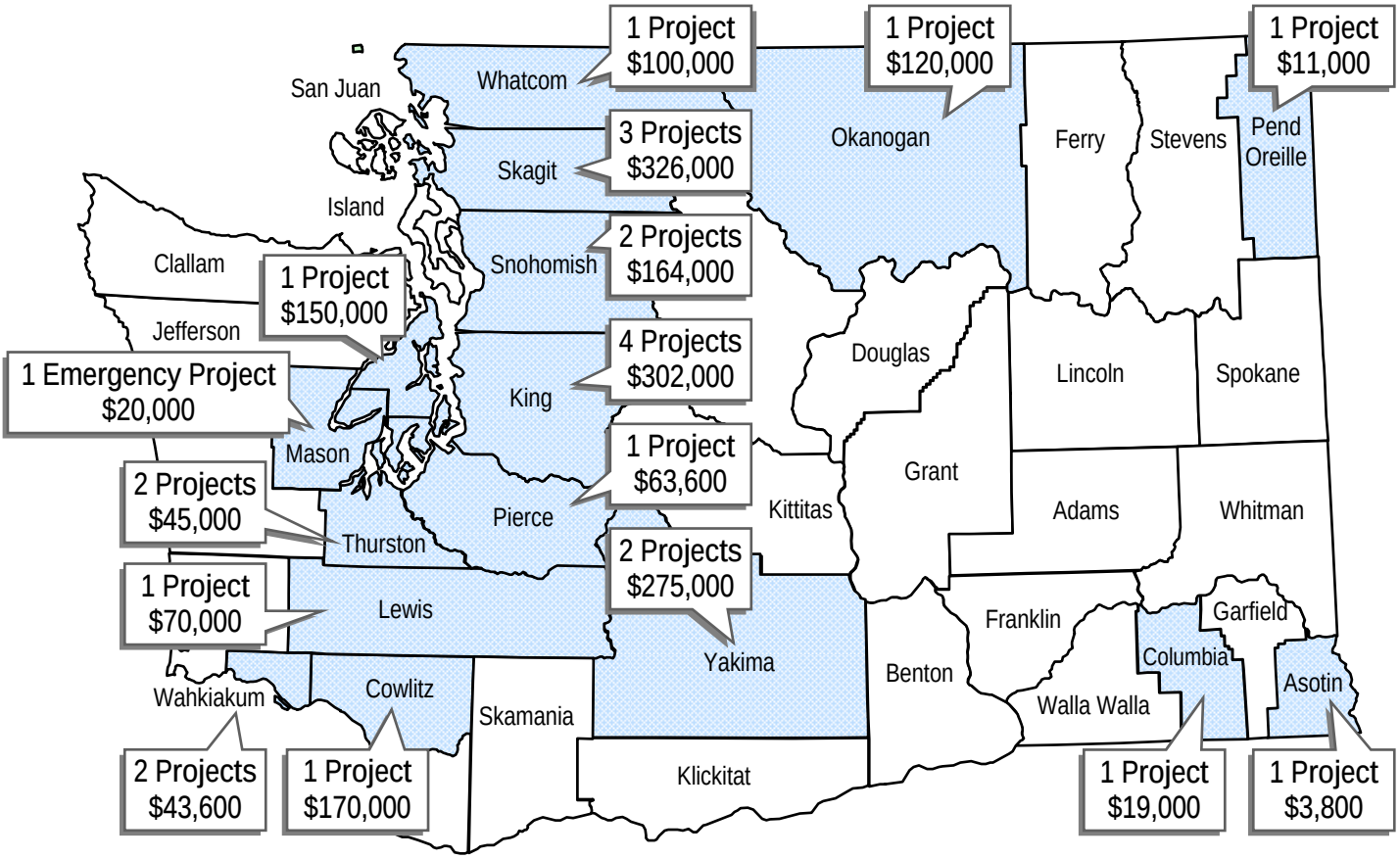
Web-site

For Additional Information:

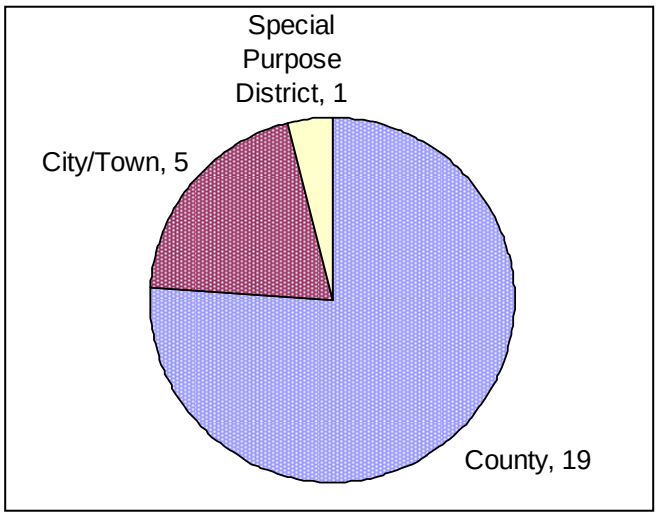
Ecology's Shorelands and Environmental Assistance Program, FCAAP Grants Page
http://www.ecy.wa.gov/programs/sea/grants/fcaap

Flood Control Assistance Account Program Grant Awards, 2005

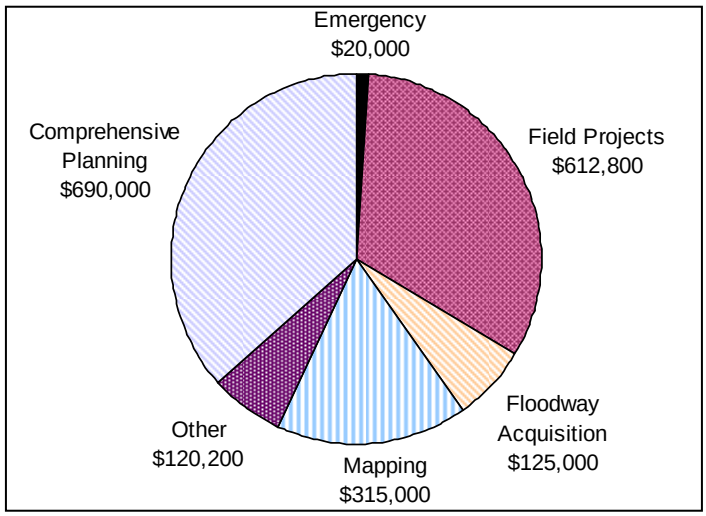
Location of Awards by County



Grant Recipients



Types of Projects Funded



Hazard Mitigation Grant Program

Administered By:
Washington Military Department
Emergency Management Division

General Information

Program Purpose: The Hazard Mitigation Grant Program is a program to fund projects that will reduce or eliminate the effects (costs) of hazards and/or vulnerability to future damage from natural disasters. The process for receiving grants from this program is contingent upon a Presidential declaration of a major disaster, which triggers the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act.

The Emergency Management Division also administers the federal Pre-Disaster Mitigation Competitive Program, which also funds hazard mitigation planning and projects. However, the Disaster Mitigation Competitive Program is a competitive program at the national level that is not contingent upon a disaster declaration.

Mission Statement: The mission of the Emergency Management Division is to minimize the impacts of emergencies and disasters on the people, property, environment, and the economy of Washington State.

Year Established: 1988

Enabling State Statutes:
Not applicable (federal law)
General state emergency mgt statutes Chapter 38.52 RCW

Administrative Rules:
Not applicable (federal law).

Legislative Intent: (Congressional) 42 USC 5121(b)

It is the intent of the Congress, by this Act, to provide an orderly and continuing means of assistance by the Federal Government to State and local governments in carrying out their responsibilities to alleviate the suffering and damage which results from such disasters by

1. revising and broadening the scope of existing disaster relief programs . . .and
6. providing Federal assistance programs for both public and private losses sustained in disasters.

Is there a separate governing board? No.

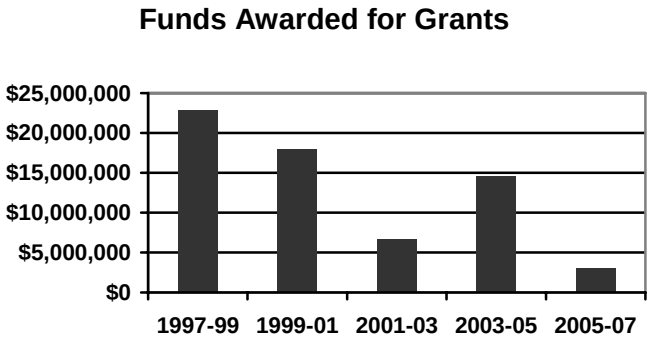
Budget Information

Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration	185,000	218,000	155,000	337,000	54,600
New Appropriation for Grants	22,940,000	17,974,000	6,738,000	14,602,000	3,094,000
Expenditure for Administration	183,895	217,915	154,566	336,184	(estimated) 54,557
Funds Awarded for Grants	22,939,155	17,973,489	6,737,085	14,601,712	(estimated) 3,093,349

FTEs for the Program in 2005-07:
1.0 for the set of mitigation programs

Fund Account(s):
05H – Disaster/Emergency Fund
309 – Nisqually Fund

Fund Sources: 75% of funds are federal dollars. The 25% non-federal match is typically split 50/50 between the state and local applicant. State dollars are appropriated by the Legislature.



Recent Changes to Funding Pattern: None.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Funding does not occur on a cycle basis or a calendar year. Frequency is based upon the indeterminate timing of disaster events.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 0

Total Amount Awarded in 2005: $0

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Funding levels are determined by the Department of Homeland Security and the Federal Emergency Management Agency (FEMA) and are established as a percentage of the total eligible federal expenditures in a declared disaster event.

Maximum Amount That Can Be Awarded to a Project: This is dependent upon the amount of funding in a given disaster event. Funding per application or jurisdiction is unique to each event.

Matching Requirements: 75% federal, 25% non-federal. The non-federal share is split as determined by the Legislature by disaster event.

Interest Rate Charged:
Not applicable (grants only).

Repayment Statistics:
Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?

- ☑ Cities and Towns
- ☑ Counties
- ☑ Water and/or Sewer Districts
- ☑ Port Districts
- ☑ Public Utility Districts
- ☐ Conservation Districts
- ☑ Other Special Purpose Districts
- ☑ Tribes
- ☑ State Agencies
- ☑ Non-Profit Organizations
- ☐ Private Businesses
- ☐ Other

What Categories of Projects Are Eligible?

- ☐ Drinking Water
- ☐ Wastewater
- ☐ Stormwater
- ☐ Solid/Hazardous Waste
- ☑ Flood Management
- ☐ Irrigation/Agriculture
- ☑ Emergency Preparedness/Response
- ☐ Transportation Infrastructure
- ☐ Other Infrastructure (Buildings, Facilities, Recreation)
- ☐ Other

Other project categories may be eligible – see detail below.

Award Type:

- ☑ Grants
- ☐ Loans

Eligible Projects: Projects may be of any nature that will result in protection to public or private property. Eligible projects include, but are not limited to:

- Structural hazard control or protection projects;
- Construction activities that will result in protection from hazards;
- Retrofitting of facilities;
- Property acquisition or relocation;
- Development of state or local mitigation standards; and
- Development of comprehensive mitigation programs with implementation as an essential component.

Special Qualifications Regarding Who Can Apply: For all disasters declared on or after November 1, 2004, local and tribal government applicants for subgrants must have an approved local mitigation plan in accordance with 44 CFR 201.6 prior to receipt of subgrant funding. Non-profit organizations are eligible if they provide government-like services or facilities, for example, some utility co-operatives.

Special Qualifications Regarding Project Eligibility:
To be eligible for the Hazard Mitigation Grant Program, a project must:

- Be in conformance with the State Mitigation Plan and local mitigation plans that have been approved by FEMA;
- Have a beneficial impact upon the designated disaster area, whether or not located in the designated area;
- Be in conformance with federal regulations 44 CFR part 9, Floodplain Management and Protection of Wetlands, and 44 CFR part 10, Environmental Considerations;
- Solve a problem independently or constitute a functional portion of a solution where there is assurance that the project as a whole will be completed. Projects that merely identify or analyze hazards or problems are not eligible;
- Be cost-effective and substantially reduce the risk of future damage, hardship, loss or suffering resulting from a major disaster.
- For planning, up to 7% of the state's grant may be used to develop state, tribal, and/or local mitigation plans to meet the planning criteria outlined in federal regulation 44 CFR part 201.

Projects That Are Not Eligible

- Project applicant fails to meet requirements under the National Environmental Policy Act for adequate public involvement in the development of alternatives;
- Project is for operation and maintenance versus disaster-related mitigation;
- Project is the responsibility of another federal agency such as the U.S. Army Corps of Engineers, the Natural Resources Conservation Service, or FEMA's Public Assistance Program;
- Project is the result of deferred maintenance versus natural hazard-related;
- Project has an inadequate cost/benefit ratio;
- No assurance is made that an entire project will be completed if the proposal is part of a larger effort; and
- Project merely identifies or analyzes a hazard.

Note: This program cannot fund repair and rebuilding after a disaster as the Disaster Public Assistance Program can.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process

Timing and Steps in the Process:

This grant program is triggered by an official Presidential declaration of a major disaster. See the profile for the Disaster Public Assistance Program for the early steps leading to this declaration.

Varies by disaster	The Military Department's Emergency Management Division publicizes information about the Hazard Mitigation Grant Program and informs potential applicants of the availability of this mitigation grant funding. The Division may also provide information about this program at the Disaster Public Assistance Program applicant briefings and through contacts with local emergency management offices, with associations of cities and counties, state and tribal liaisons, and other interested parties.
Varies by disaster	The Military Department and FEMA may issue a joint press release describing this grant program, and including information about program requirements, a "Letter of Intent," application deadlines, and a point of contact for further information.
Within a specified time period	Applicants complete a Letter of Intent and mail it to the Emergency Management Division within a specified time period. This is a requirement for any applicant in order to receive a grant application. The Division may reduce the Letter of Intent development period from a timeframe of 30 to 60 days, to a period of 15 to 30 days, depending on the nature of the disaster event.

Within about 90 days from the disaster declaration	The Division receives a first estimate from FEMA on the amount of federal funds that will likely be available. The Division reviews the magnitude of likely requests as expressed in the letters of intent, compares this to the FEMA estimate, and determines whether or not to establish caps on the amount of funds that applicants can receive.
Within a set time period	The Division mails application forms to parties who provided letters of intent. Applicants fill out these forms and mail them to the Division within a specified time period. The Division has some flexibility in setting the time period in order to be sensitive to the situation in the communities that have experienced a disaster.
Varies by disaster	The Division initially reviews the submitted applications for eligibility and completeness.
Varies by disaster	The Division convenes a committee to score the applications according to the state and federal criteria. Committee membership may vary by type of disaster but typically includes representation from the Division, Ecology's Flood Control Assistance Account Program, cities and counties outside of the declared disaster area (for example, a public works director), and sometimes the U.S. Geological Survey (for earthquakes). Individual committee members' application scores are averaged, and the Division resolves any major discrepancies in scoring, should they occur.
The Division reports that this process is usually completed within 12 months	Within approximately six months, the Division should have clarity from FEMA on the amount of funds available for these grants. Using the results from the committee scoring, the Division awards the grants.

What Drives the Timing of the Application and Award Process? The overall driver is the emergency event and the official Presidential disaster declaration.

Evaluation Criteria:

Federal Criteria (in addition to eligibility/compliance with the federal regulations referenced earlier)

A project must:

- Solve the problem it is intended to address;
- Be located in a community participating in good standing in the National Flood Insurance Program;
- Meet all applicable federal, state, and local permit requirements, "not contribute to or encourage development in the floodplain, wetlands, or other hazardous areas," and support environmental justice; and
- Be cost effective in that it:
    - Addresses a problem that has been repetitive or a specific problem that poses a significant risk if left unsolved;
    - Will not cost more than the anticipated value of the reduction in both damages and subsequent negative impacts to the area, if future impacts were to occur;
    - Has been determined to be the most practical, effective, and environmentally sound alternative after consideration of a range of options.
    - Contributes, to the extent practicable, to a permanent or long-term solution of the problem it is intended to address; and
    - Considers long-term changes to the areas and entities it protects, and has manageable future maintenance and modification requirements.

(continued on next page)

State Criteria

In addition to the above criteria, projects should

- Support the goals and objectives of the community's adopted/approved local hazard mitigation plan;
- Protect lives and reduce public risk;
- Reduce the level of disaster vulnerability in existing structures;
- Reduce the number of vulnerable structures through acquisition, relocation, flood proofing, or seismic retrofitting;
- Avoid inappropriate future development in areas known to be vulnerable to future disasters;
- Solve a problem independently or function as a beneficial part of an overall solution with assurance that the whole project will be completed;
- Provide a cooperative, inter-jurisdictional solution to reduce future disaster damage;
- Provide a long-term mitigation solution;
- Address emerging hazard damage issues such as urban storm water, trees in power right of ways, new earthquake faults, etc.;
- Restore or protect natural resources, recreation, open spaces, and other environmental values;
- Develop and implement comprehensive programs, standards, and regulations that reduce disaster damage;
- Increase public awareness of natural hazards, preventive measures, and emergency responses to disasters;
- Upon completion, have affordable operation and maintenance costs; and
- Illustrate how the project improves the applicant's ability to protect is critical areas according to the Growth Management Act and generally supports the goals of that act.

Recent Changes to the Process or Evaluation Criteria: None.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The goal of this mitigation grant program is to reduce the risk of future damage, hardship, loss, or suffering as a result of major disasters by providing financial support to implement cost-effective hazard mitigation measures to eligible applicants around the state.

Performance Measures and Program Performance:

The Emergency Management Division notes that each project application undergoes a Benefit-Cost Analysis prior to award of funds. Only those projects that meet the federal cost effectiveness measures are funded.

Without a significant natural disaster in the same location as that which funded the original project, the Division notes that it is difficult to determine actual mitigation performance, other than the initial Benefit-Cost Analysis.

Agency-Identified Challenges\Issues	**Program Challenges or Issues Identified by the Agency:**
	The agency notes that the requirement for a FEMA-approved local hazard mitigation plan is a major challenge. The program has done very well utilizing funds that have been available from the disaster programs such as the Nisqually Earthquake, but has not received any specific planning assistance from the State Legislature to help local communities develop and maintain the local mitigation plans. Without these plans, local jurisdictions are ineligible for funds distributed through this program in the future.

Website	**For Additional Information:**
	Website for the Military Department, Emergency Management Division http://emd.wa.gov/6-mrr/mit-rec/mit/mit-pubs-forms/hazmit-plan/hazmit-plan-idx.htm

Disaster Public Assistance Program

Administered By:
Washington Military Department
Emergency Management Division

General Information

Program Purpose: The purpose of the Disaster Public Assistance Program is to provide financial assistance through grants to local units of government, state agencies, certain private non-profit organizations, and Indian tribes to repair or replace disaster-damaged public facilities. Categories of eligible facilities are debris removal, emergency protective measures, roads and bridges, water control facilities, buildings and equipment, utilities, and parks, recreational and other.

Mission Statement: The mission of the Emergency Management Division is to minimize the impacts of emergencies and disasters on the people, property, environment, and the economy of Washington State.

Year Established: 1988

Enabling State Statutes:
Not applicable (federal law)
General state emergency mgt statutes Chapter 38.52 RCW

Administrative Rules:
Not applicable (federal law)

Legislative Intent: (Congressional) 42 USC 5121(b)

It is the intent of the Congress, by this Act, to provide an orderly and continuing means of assistance by the Federal Government to State and local governments in carrying out their responsibilities to alleviate the suffering and damage which results from such disasters by

1. revising and broadening the scope of existing disaster relief programs . . . and

6. providing Federal assistance programs for both public and private losses sustained in disasters.

Is there a separate governing board? No.

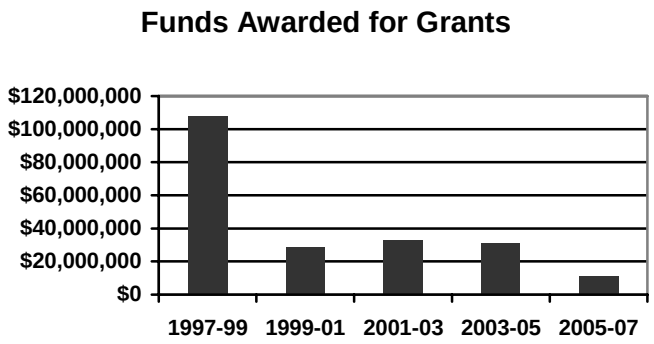
Budget Information

Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration	1,559,000	1,155,000	3,510,000	2,763,000	993,000
New Appropriation for Grants	108,100,000	28,824,000	33,215,000	31,090,000	10,960,000
Expenditure for Administration	1,558,944	1,154,414	3,500,535	2,762,937	(estimated) 993,000
Funds Awarded for Grants	108,034,411	28,823,777	33,214,609	31,089,943	(estimated) 10,960,000

FTEs for the Program in 2005-07:
1.0 permanent FTE; the number of project FTEs varies based upon workload (number of open disasters and open disaster grants to sub-recipients).

Fund Account(s):
05H – Disaster/Emergency Fund
309 – Nisqually Fund

Fund Sources: 75% of funds are federal dollars. The 25% non-federal match is typically split 50/50 between the state and local applicant. State dollars are appropriated by the Legislature.



Recent Changes to Funding Pattern: Funding is based upon the number of open disasters and the specific disaster damages remaining to be repaired. As disaster grants and the events are closed, funding needs are reduced.

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Funding does not occur on a cycle basis or a calendar year. Frequency is based upon the indeterminate timing of disaster events.

Does the Legislature Approve Project Selection? No.

Number of Grants Awarded in 2005: 5

Total Amount Awarded in 2005: $4,049,598

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? When a disaster occurs, any eligible applicant with damages may apply. The total funding amount is related to the total eligible damage. Eligible damage is reimbursed at 75% federal funds. The state share of the remaining 25% is determined by the Legislature. Budget projections are adjusted on a quarterly basis, with reporting to legislative and OFM staff. Funding and adjustments are made by the Legislature through budget provisos.

Maximum Amount That Can Be Awarded to a Project: None set.

Matching Requirements: 75% federal, 25% non-federal. The non-federal share is split as determined by the Legislature by disaster event.

Interest Rate Charged:	**Repayment Statistics:**
Not applicable (grants only).	Not applicable (grants only).

Eligible Applicants and Projects

Who Is Eligible To Apply?	**What Categories of Projects Are Eligible?**	**Award Type:**
☑ Cities and Towns	☑ Drinking Water	☑ Grants
☑ Counties	☑ Wastewater	☐ Loans
☑ Water and/or Sewer Districts	☑ Stormwater	
☑ Port Districts	☑ Solid/Hazardous Waste	
☑ Public Utility Districts	☑ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☑ Emergency Preparedness/Response	
☑ Tribes	☑ Transportation Infrastructure	
☑ State Agencies	☑ Other Infrastructure (Buildings, Facilities, Recreation)	
☑ Non-Profit Organizations	☑ Other	
☐ Private Businesses		
☐ Other		

Eligible Projects: Public facilities and infrastructure. The types of facilities are organized into seven categories: debris removal; emergency protective measures; roads and bridges; water control facilities; buildings and equipment; utilities; and parks, recreational and other. Emergency work is debris removal and emergency protective measures. Permanent work addresses damages to: water control facilities such as revetments, dikes, and dams; streets and bridges; buildings and equipment; public utilities such as water, sewer, storm drainage, and electrical; and parks and other unique structures such as fish hatcheries and fences.

Special Qualifications Regarding Who Can Apply: An eligible non-profit organization must provide an essential government-type service. In addition, the organization must have an effective ruling letter from the U.S. Internal Revenue Service granting tax exemption or certification from the State that the organization is a non-revenue producing, non-profit entity organized and doing business under state law.

Special Qualifications Regarding Project Eligibility: The project must be the legal responsibility of an eligible applicant and be located in a disaster-declared county. Damages must be caused by the declared disaster event; not fall under the jurisdiction of another federal agency; be in active use at the time of the declared event; and not be caused by the negligence of others.

Recent Changes in Eligible Applicants or Categories of Projects: None.

Application and Award Process		
	Timing and Steps in the Process:	
	Varies depending on disaster-specific circumstances	First, the state has to experience a major disaster. The Emergency Management Division collects preliminary damage assessment information through the county emergency management offices, which act as the point of coordination for eligible applicants in their county.
	Within 30 days from the end of the incident, unless a 30-day extension is requested and received from FEMA	The State requests a Joint Preliminary Damage Assessment with the Federal Emergency Management Agency (FEMA) to quickly review and verify that disaster damage exists and that the estimated costs are reasonable. If the state and counties meet the required per capita thresholds and/or can substantiate the severe impact the event has had on their communities, then a disaster declaration request is prepared. The decision to forward the request to the President rests with the Governor. The request must be submitted within 30 days from the end of the incident unless a 30-day time extension is requested and received from FEMA.
	Varies depending on disaster-specific circumstances	The President makes a decision about the disaster request. If the President does declare a disaster, eligible applicants have 30 days from the date of declaration to complete and submit a one-page request for assistance under the Disaster Public Assistance Program. Applicant briefings are held in the counties declared. The briefings enable applicants to complete the request form, turn it in, and receive initial information on the process and updates on the program.
	Varies depending on disaster-specific circumstances	After receipt of the request form, a team of federal and state representatives meet with each applicant to identify damages and prepare detailed damage assessments and cost estimates upon which the grant funding will be based. Technical assistance is provided to the applicants from the beginning through the closure of their disaster grants.
	What Drives the Timing of the Application and Award Process? Timing of applications is driven by receiving a disaster declaration and submitting the request for disaster public assistance within 30 days of the declaration. Actual funding of projects depends on the responsiveness of applicants in identifying their damage sites, identifying actual costs incurred, projecting repair costs, and then the impact on the award process of federal environmental and historical regulations. Depending on location, facility, and repair, the federal environmental review process may take a few days or a few years.	
	Evaluation Criteria:	
	Funding eligibility is determined by FEMA based on their regulations, federal Office of Management and Budget circulars, executive orders, and federal environmental and historical regulations. These are not competitive grants. The projects are not ranked. Evaluation is limited to ensuring that the applicant, the facility, the damage, the proposed repair, and the costs are eligible.	
	Recent Changes to the Process or Evaluation Criteria: None.	

Program Goals, Objectives, and Performance Measures	
Program Goals and Objectives:	
Program goals are to maximize the amount of reimbursement that applicants are eligible for, work to see the projects are funded, work with the applicants to ensure that program and funding conditions are met, and then close their disaster grant as quickly as possible after all work has been completed.	
Performance Measures and Program Performance:	
The internal program performance measure is ensuring that documents with time frames for completion and/or review are processed within identified time periods. Examples are time extensions processed within seven working days, review of plans and specifications within 10 working days, and processing payment requests within seven working days. Actions are tracked on a spreadsheet with weekly reviews to ensure work is being completed on a timely basis. (continued on next page)	

When documents are not completed within the specified time period, the Division notes that this can be for a variety of reasons, including the need to go back to the applicant for further information. The Division reports that because of this variable in determining why the performance measures were not reached, the Division does not specifically rate how it is performing against this measure.

Agency-Identified Challenges\Issues

Program Challenges or Issues Identified by the Agency:

The agency notes an issue is the lack of a state disaster assistance fund to assist with repairs following disasters/events that do not meet the federal requirements for amount of damage.

Website

For Additional Information:

Website for the Military Department, Emergency Management Division
http://emd.wa.gov/1-dir/divfacshts/43-pub-disast-assist-fs-06-ds.pdf

Program Grants Awarded in 2005

- The Department of Community, Trade, and Economic Development received four grants for a total of $1,867,014 associated with the Hurricane Katrina disaster declaration;
- A non-profit organization in King County received a grant of $2,182,584 for the completion of repairs under the Nisqually Earthquake disaster declaration.

Pre-Disaster Mitigation Competitive Program

Administered By:
Washington Military Department
Emergency Management Division

General Information

Program Purpose: The federal Pre-Disaster Mitigation Program provides funds to states, territories, Indian tribal governments, and communities for hazard mitigation planning and the implementation of mitigation projects *prior to* a disaster event. Funding these plans and projects is intended to reduce overall risks to the population and structures, while also reducing reliance on funding from actual disaster declarations. This is a competitive program at the national level.

The Emergency Management Division also administers the Hazard Mitigation Grant Program, which also funds projects to reduce vulnerability to future damage from disasters. However, the availability of grants under the Hazard Mitigation Grant Program is triggered only by a Presidential declaration of a disaster.

Mission Statement: The mission of the Emergency Management Division is to minimize the impacts of emergencies and disasters on the people, property, environment, and the economy of Washington State.

Year Established: 2000
First funding cycle in 2003

Enabling State Statutes:
Not applicable (federal law); General state emergency mgt statutes Chapter 38.52 RCW

Administrative Rules:
Not applicable (federal law)

Legislative Intent: (Congressional) Disaster Mitigation Act of 2000, Section 101, amending the Stafford Disaster Relief and Emergency Assistance Act

The purpose of this title is to establish a national disaster hazard mitigation program – (1) to reduce the loss of life and property, human suffering, economic disruption, and disaster assistance costs resulting from natural disasters; and (2) to provide a source of predisaster hazard mitigation funding that will assist states and local governments (including Indian tribes) in implementing effective hazard mitigation measures that are designed to ensure the continued functionality of critical services and facilities after a natural disaster.

Is there a separate governing board? No.

Budget Information

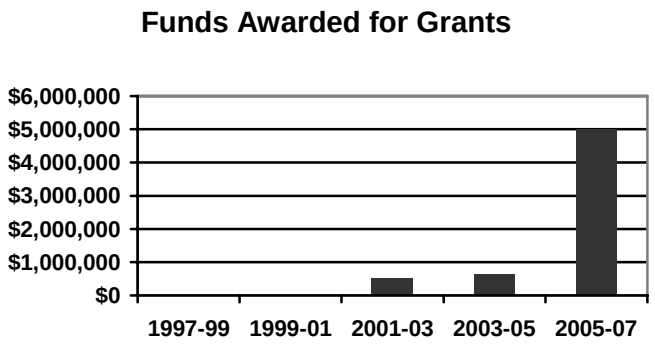
Recent Biennial Budgets	1997-99	1999-01	2001-03	2003-05	2005-07
New Appropriation for Administration			14,500	19,100	31,600
New Appropriation for Grants			532,800	650,000	5,008,200
Expenditure for Administration			14,407	19,078	(estimated) 31,594
Funds Awarded for Grants			532,707	649,958	(estimated) 5,008,108

FTEs for the Program in 2005-07:
1.0 for the set of mitigation programs

Fund Account(s):

Fund Sources:

Federal funds



Recent Changes to Funding Pattern:
Total federal dollars available nationally:
FFY 2005: $225 million
FFY 2006: $50 million
FFY 2007: Unknown (projected to be $150 million, but this could change in the budgeting process)

Additional Program/Project Funding Information

Frequency of the Grant/Loan Cycle: Annual, based on federal fiscal year.

Does the Legislature Approve Project Selection? No.

Number of Projects Selected in 2005: 9 (5 planning grants and 4 project grants)

Total Amount Awarded in 2005: $6,582,171

What Determines the Total Amount Available for Grants or Loans in a Given Time Period? Congressional appropriation level.

Maximum Amount That Can Be Awarded to a Project: Determined by the Department of Homeland Security and Federal Emergency Management Agency (FEMA) policy (see Special Qualifications Regarding Project Eligibility below).

Matching Requirements: 25% non-federal match share is required (provided by whatever Sub-applicant receives the award) and 100% of costs over the funding limits.

Interest Rate Charged:	**Repayment Statistics:**
Not applicable (grants only)	Not applicable (grants only)

Eligible Applicants and Projects

Who Is Eligible To Apply?	**What Categories of Projects Are Eligible?**	**Award Type:**
☑ Cities and Towns	☐ Drinking Water	☑ Grants
☑ Counties	☐ Wastewater	☐ Loans
☑ Water and/or Sewer Districts	☐ Stormwater	
☑ Port Districts	☐ Solid/Hazardous Waste	
☑ Public Utility Districts	☑ Flood Management	
☐ Conservation Districts	☐ Irrigation/Agriculture	
☑ Other Special Purpose Districts	☑ Emergency Preparedness/Response	
☑ Tribes	☐ Transportation Infrastructure	
☑ State Agencies	☐ Other Infrastructure (Buildings, Facilities, Recreation)	
☐ Non-Profit Organizations	☐ Other	
☐ Private Businesses		
☐ Other		

Other project categories may be eligible – see detail below.

Eligible Projects: Mitigation plans, and those projects that can demonstrate that they will significantly reduce or eliminate the impacts of the next major disaster event. Examples include:

- Seismic retrofits of critical facilities such as schools and fire stations; and
- Acquisition of repetitive flood damaged structures (multiple flood claims against the national insurance program). These structures are torn down and turned into open space. In addition to reducing claims against the national program, this also increases capacity in the flood plain.

Special Qualifications Regarding Who Can Apply: Only the state or tribes are allowed to apply directly for the federal grant. However other entities, including local governments, can then apply to the state as Sub-applicants.

The following entities are included as eligible to apply as Sub-applicants: state-level agencies including state institutions such as a state hospital; Federally-recognized Indian tribal governments; local governments; authorized Indian tribal organizations; public colleges and universities; and Indian tribal colleges and universities. Private non-profit organizations and private colleges and universities are not eligible Sub-applicants; however an eligible state or local government agency may apply as the Sub-applicant for assistance to benefit the private entity.

Special Qualifications Regarding Project Eligibility:

Eligible Project Activities

Mitigation plans, and those projects that can demonstrate that they will significantly reduce or eliminate the impacts of the next major disaster event. These grants are awarded on a competitive basis and without reference to state allocations, quotas, or other formula-based allocations of funds, though the final selection process can include consideration of geographic distribution and type of recipient.

- Mitigation planning: $1 million cap on federal share, not to exceed three years;
- Mitigation projects: $3 million cap on federal share, not to exceed three years;
- Information dissemination activities: not to exceed 10%, must directly relate to planning or project sub-application;
- Applicant management costs: not to exceed 10%; and
- Sub-applicant management costs: not to exceed 5%.

Ineligible Project Activities

- Major flood control projects;
- Water quality infrastructure projects;
- Projects that address ecological issues related to land and forest management;
- Warning and alert notification systems;
- Phased or partial projects;
- Studies that do not result in a project (e.g., engineering designs, feasibility studies, or drainage studies that are not integral to a proposed project);
- Flood studies or flood mapping;
- Dry floodproofing of residential structures;
- Generators of non-critical facilities;
- Demolition/rebuild projects;
- Projects that solely address a manmade hazard;
- Response and communication equipment;
- Projects that solely address maintenance or repairs of existing structures, facilities, or infrastructure (e.g., dredging and removal);
- Localized flood control projects that do not protect a critical facility;
- Any project for which another federal agency has primary authority.

Recent Changes in Eligible Applicants or Categories of Projects: Demolition/rebuild projects were recently added to the list of ineligible project types.

Timing and Steps in the Process:	
Varies	***e*Grant Application**: FEMA requires Applicants to use the electronic grant (*e*Grants) management system. Only grant applications submitted through the *e*Grants system will be accepted. If a Sub-applicant does not use the *e*Grants system, the Applicant must enter the Sub-applicant's information into the system on the Sub-applicant's behalf. Applicants must provide an original and two copies of any paper supporting documentation that cannot be electronically attached to the *e*Grants application (e.g., engineering drawings, photos, maps).

Application and Award Process	Varies	**Benefit-Cost Analysis**: A Benefit-Cost Analysis is required for all mitigation project sub-applications and must be completed by Applicants/Sub-applicants. A Benefit-Cost Analysis is required of all properties, including substantially damaged structures. The pilot alternate determination of cost-effectiveness may be used for certain insured National Flood Insurance Program repetitive flood loss properties.
	Varies	**Technical Assistance**: FEMA provides technical assistance by answering general questions about the program, as well as providing general technical assistance related to project engineering feasibility, Benefit-Cost Analysis, and Environmental/Historic Preservation compliance. However, in no case does technical assistance involve conducting a Benefit-Cost Analysis, or reviewing project-specific information for completeness or technical feasibility.
	Varies	**Eligibility Review**: FEMA reviews all applications for eligibility of the Applicant/Sub-applicant, eligibility of the proposed project, completeness, and consistency with the state/tribal hazard mitigation plan.
	Varies	**Technical Review**: FEMA conducts the following technical reviews of project sub-applications: • Engineering Feasibility; • Benefit-Cost Analysis; and • Environmental/Historic Preservation.
	Varies	**National Ranking**: FEMA scores all eligible planning and project sub-applications on the basis of predetermined, objective, quantitative factors to calculate a National Ranking Score. FEMA sorts sub-applications in descending order based on the National Ranking Scores, and eligible applications representing up to 150% of available funds progress to the next state of National Evaluation. The two highest scoring sub-applications from each state and the two highest scoring sub-applications from tribal applicants may be included in the National Evaluation, if not already included, to ensure geographic spread of the sub-applications.
	Varies	**National Evaluation**: National panels chaired by FEMA convene to evaluate sub-applications on the basis of additional pre-determined qualitative factors. The panels include representatives for FEMA headquarters and regions, other federal agencies, states, local governments, and tribal governments.
	Varies	**Selection/Award**: The approving federal official at FEMA Headquarters considers the National Evaluation Scores and any other pertinent information, and the official selects sub-applications for funding up to the amount of funds available. Sub-applications are awarded in order unless a sub-application is justified for selection out of rank order based on one or more of the following factors: • Availability of funding; • Balance/distribution of funds geographically or by type of recipient; • Duplication of sub-applications; • Program priorities and policy factors; and • Other pertinent information.
	What Drives the Timing of the Application and Award Process? Congressional appropriations and FEMA policy and process drive the overall timing of the process, which the Emergency Management Division reports has not been the same for any of the first three funding cycles.	

Evaluation Criteria:

Factors FEMA Uses in the National Ranking	Factors the National Panels Use in the National Evaluation
• The priority given to the sub-application by the Applicant in the grant application; • Assessment of frequency and severity of hazards (planning); • Benefit-Cost Ratio by hazard based on FEMA's Benefit-Cost technical review (project); • Feasibility Factor based on FEMA's engineering technical review (project); • Whether the Applicant has a FEMA-approved hazard mitigation plan; • Whether the Sub-applicant has a FEMA-approved local mitigation plan (project); • Whether the project protects critical facilities; • The percent of the community population benefiting from the project; • Community mitigation factors; • Cooperating Technical Partner, participation as a Firewise Community, and adoption and enforcement of other codes such as fire codes.	• Thoroughness of describing the methodology for completing the proposed mitigation plan; • Potential benefits of the proposed mitigation planning process to constituents; • Strategy for completing the proposed mitigation project; • Sufficient staff and resources for implementation of the proposed mitigation planning process or project; • Viability of the proposed mitigation project; • Durability of the financial and social benefits that will be achieved through the proposed mitigation project; • Identification of appropriate and useful performance measures; • Protection of critical facilities; • Leveraging of partnerships to enhance the outcome of the proposed activity; • Description of the unique or innovative outreach activities appropriate to the planning process; and • Inclusion of outreach activities appropriate to the proposed mitigation project.

Recent Changes to the Process or Evaluation Criteria: For the FFY 2006 application period, the National Evaluation came before FEMA's technical and feasibility reviews.

Program Goals, Objectives, and Performance Measures

Program Goals and Objectives:

The goal of this mitigation grant program is to reduce the risk of future damage, hardship, loss, or suffering as a result of major disasters by providing financial support to implement cost-effective hazard mitigation measures to eligible applicants around the state.

Performance Measures and Program Performance:

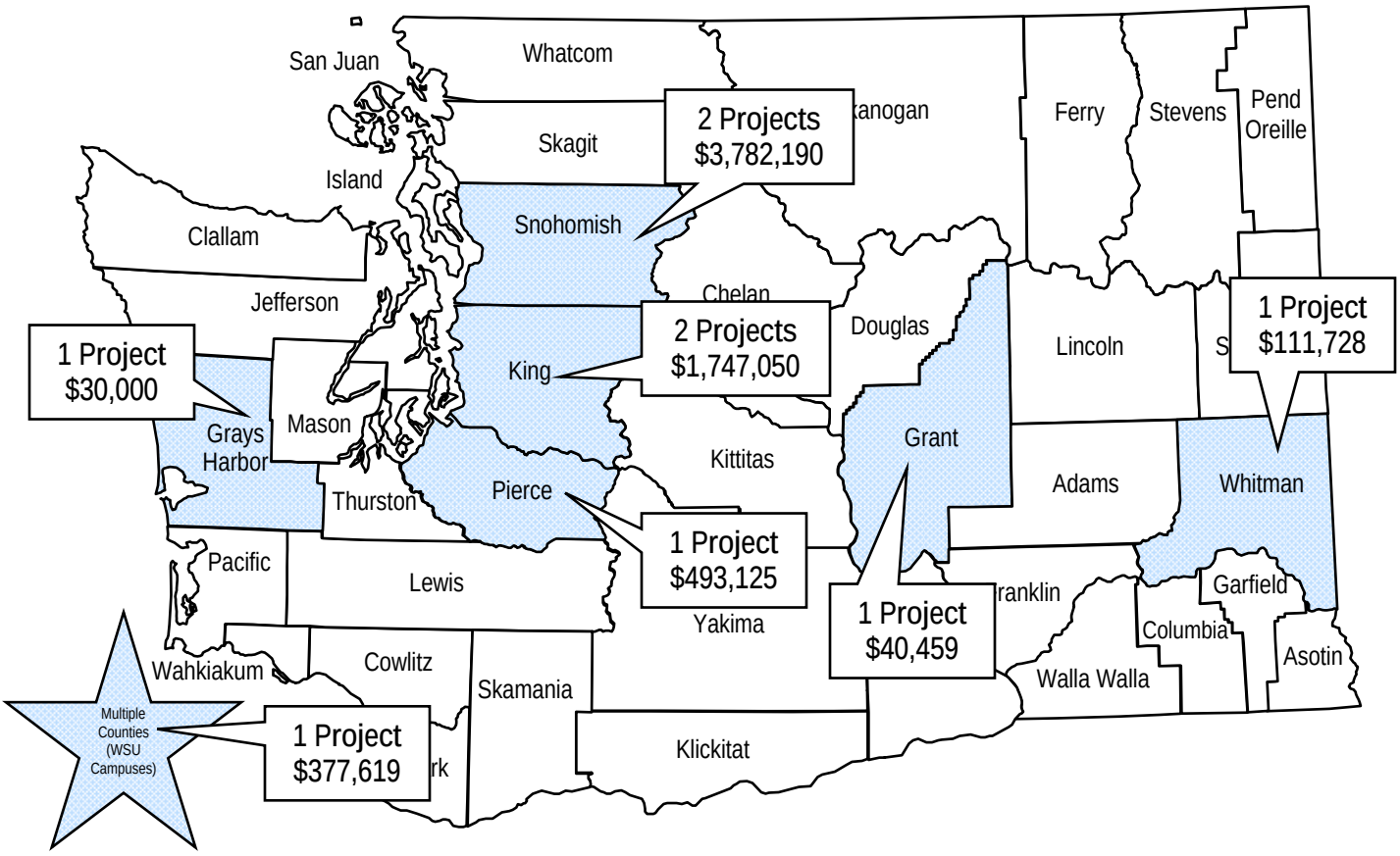
The Emergency Management Division notes that each project application undergoes a Benefit-Cost Analysis prior to award of funds. Only those projects that meet the federal cost effectiveness measures are funded.

Agency-Identified Challenges\Issues	**Program Challenges or Issues Identified by the Agency:**
	The agency notes that the requirement for a FEMA-approved local hazard mitigation plan is a major challenge. The program has done very well utilizing funds that have been available from the disaster programs such as the Nisqually Earthquake, but has not received any specific planning assistance from the State Legislature to help local communities develop and maintain the local mitigation plans. Without these plans, local jurisdictions are ineligible for funds distributed through this program in the future. Additionally, the agency notes that the federal focus on terrorism has had a detrimental impact on both the funding and the focus of this program.

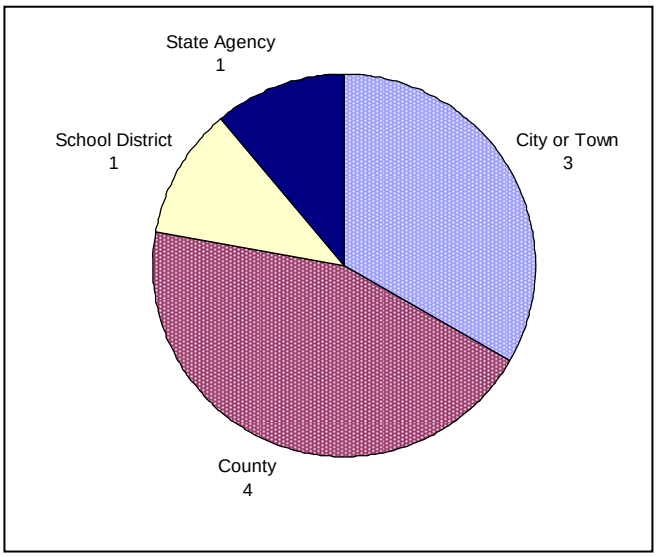
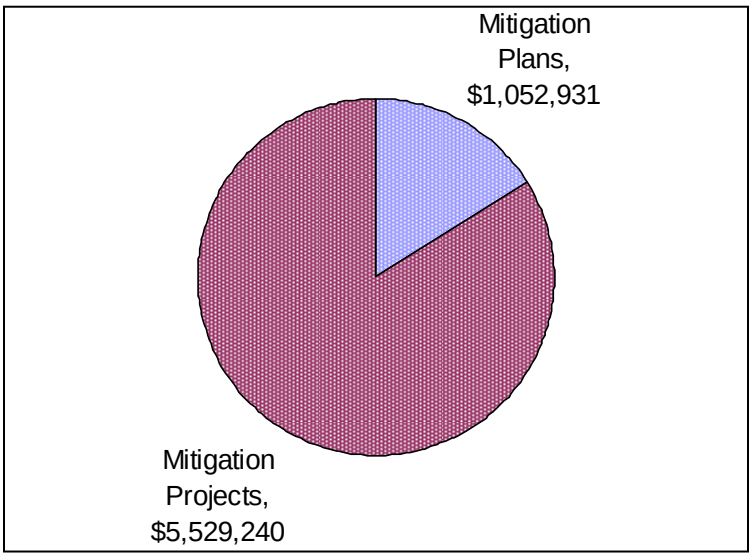
Website	**For Additional Information:**
	Website for the Military Department, Emergency Management Division http://emd.wa.gov/6-mrr/mit-rec/mit/mit-pubs-forms/pdmc/pdmc-idx.htm

Pre-Disaster Mitigation Competitive Program Awards, 2005

Location of Awards by County



Grant Recipients



Types of Projects Funded