

Clean Water Funding

NW Community Forest Forum

Jeff Nejedly

Water Quality Program

Financial Management Section Manager



DEPARTMENT OF
ECOLOGY
State of Washington

Ecology Funding Programs

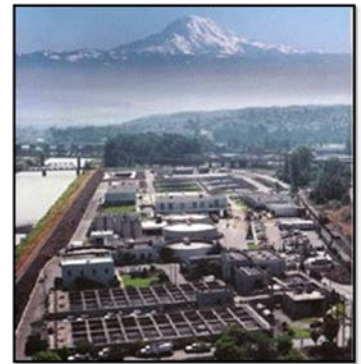
- Water Quality Program
 - Clean water infrastructure
- Other Programs
 - Air – Clean air retrofits
 - Shorelands – Flood Plains
 - Toxics Cleanup – Brownfields
 - Waste 2 Resources – Solid waste/landfills
 - Water Resources – Water Supply, Irrigation
 - The Office of Columbia River (OCR)
 - funding and coordinating storage, conservation, and transmission projects.

**Mission:
Protect and
restore
Washington's
waters to sustain
healthy
watersheds and
communities.**



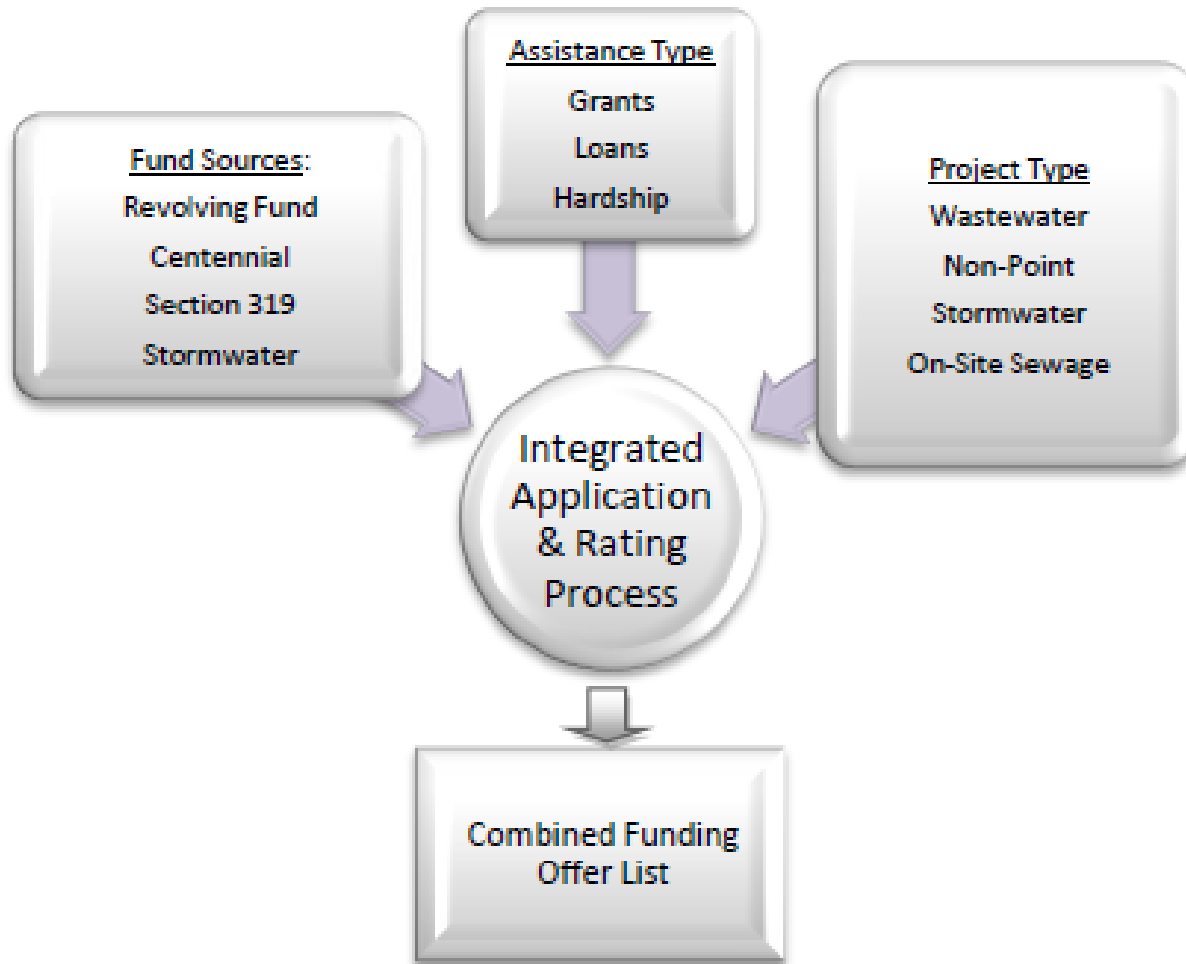
Clean Water Funding

- Wastewater Facilities
- Stormwater Facilities
- Decentralized Sewage Systems
- Nonpoint Source
 - Surface and groundwater protection
 - Watershed restoration and protection
 - Agricultural BMPs
 - Property Acquisition
 - Water quality and source water protection
 - Education and Outreach



Integrated Funding Program

Investment in high priority water quality infrastructure



Integrated Funding Program

~\$150 million in awards per year

- Competitive process
- Eligible recipients
 - public entities
 - non-profits for nonpoint projects (319 only)
- Linking grant and loan funds
 - Total project cost
 - Meet match
 - Address hardship
 - Incentivize outcomes
- E.g. a loan for acquisition can be linked with grant for restoration; loan covers grant match



Integrated Funding Program

- Grants - \$50 million +/-
 - 25% Local match usually required
 - \$500K cap for nonpoint projects
- CWSRF Loans - \$100 million per year
 - 20% set aside for nonpoint projects
 - Maximum loan of ~\$10 million
 - Forgivable principal – ~\$1- 2 million annually available – available to priority “green” projects
 - Rates

20 year term	5 year term
60% of average tax exempt municipal bond rate	30% of average tax exempt municipal bond rate
Current-2%	Current-1%



Rating Criteria & Points

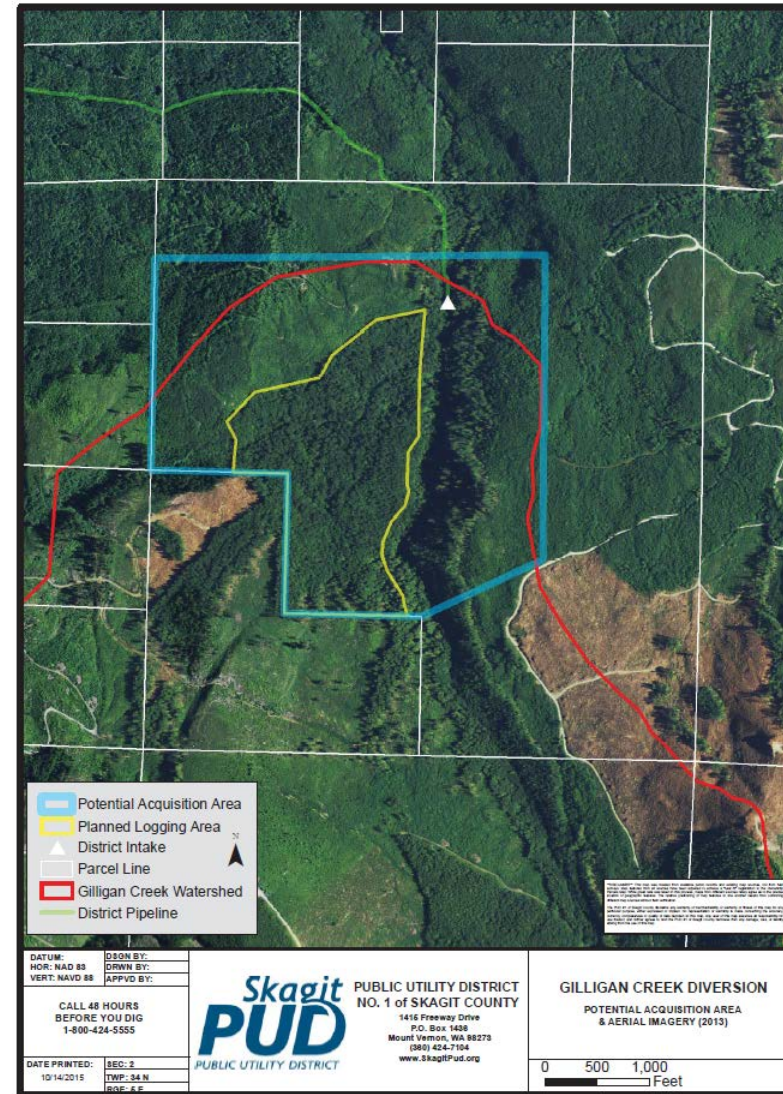
Scored Form	Points Available	Points Required
Scope of Work - Additional Tasks Form	0 – 75	---
Project Schedule Form	0 – 100	---
Task Costs/Budget Form	0 – 135	---
Additional Funding Information Form	0 – 15	---
Project Team Form	0 – 65	---
Project Planning and Development Form	0 – 60	---
Water Quality and Public Health Improvements Form	0 – 500	250
Financial Hardship Form	0 or 50	---
Total	0 – 1,000	600



Example - Acquisition

Skagit PUD Source Water Protection Project

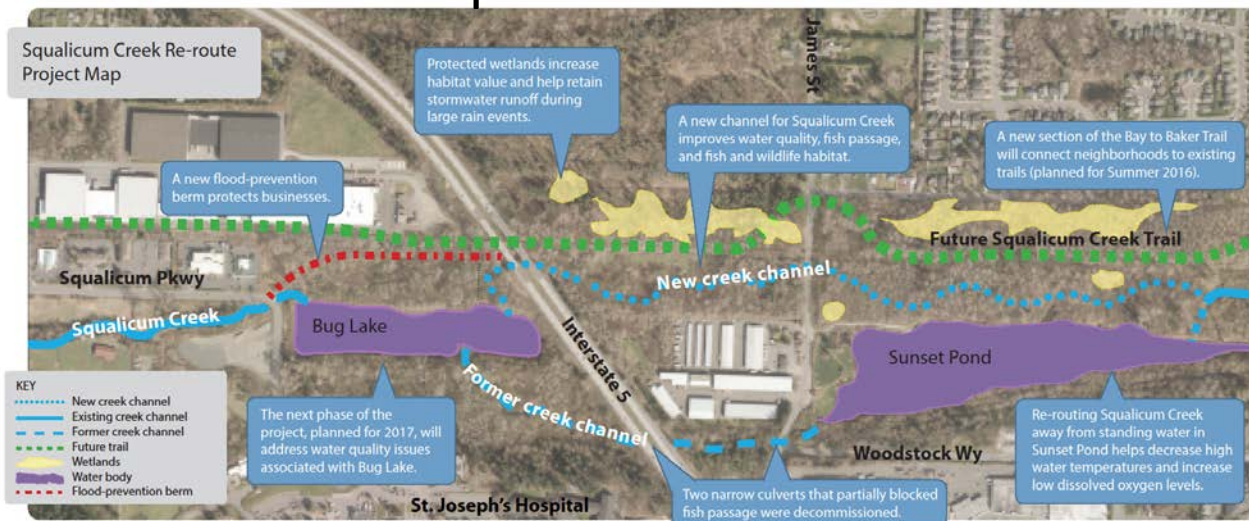
- Acquisition of 549 acres
 - CWSRF loan - \$1.6M
 - \$400K forgivable
- Multiple benefits
 - Protects a critical drinking water source serving 65,000 customers
 - Protects water quality and watershed function
 - Protects habitat and fish



Example - Restoration

Bellingham Squalicum Creek Restoration Project

- Restoration of a water quality impaired urban creek
 - CWSRF loan, forgivable & grant – **total of \$3.8M**
- Multiple benefits
 - Restores & protects water quality and watershed function
 - Prevents flooding via floodplain reconnection
 - climate resiliency and sustainability
 - Protects habitat and endangered salmon species
 - Provides public access for education and recreation



Challenges/Opportunities

- Applicant needs to be a public entity
 - Partnerships are highly encouraged
- Project needs to have clear water quality ties
- State and Federal Funding Levels
 - Often Unpredictable
- Federal conditions and requirements
 - Pose some challenges but manageable

Bottom Line:

A community forest project with a public partner applicant and clear water quality outcomes has a good chance to be funded



Questions?

Jeff Nejedly

Dept of Ecology – Water Quality Program

360-407-6572

Jeffrey.Nejedly@ecy.wa.gov

Program web link:

<http://www.ecy.wa.gov/programs/wq/funding/funding.html>

