

Rating Criteria and Rating and Ranking Process

Rating Criteria

The SFY26 application rating criteria and points are listed in Table 3.

Table 3: SFY26 Application Rating Criteria

Application Rating Criteria and Guidance
Funding Request
0-15 points: Applicant has identified adequate matching funds. (Full points if no match is required.)
Scope of Work - Additional Tasks WQC
0-75 points: The scope of work represents a complete and concise description of the project tasks and outcomes, including deliverables. To receive full points, scope of work must align with the schedule and detailed budget.
Task Costs and Budget
0-50 points: The application demonstrates how the applicant arrived at the cost estimate for each task. The process used by the applicant to develop this estimate is based on real-world data.
0-85 points: The cost to complete the scope of work is reasonable when compared to similar projects in the region.
Project Team
0-50 points: Team members' roles and responsibilities are well defined and adequate for the scope of work. Team members' past experience is relevant to the proposed project. Applicant has a plan in place to maintain sufficient staffing levels to complete the project.
0-15 points: The applicant documents successful performance on other funded water quality projects, including Ecology funded projects. Previously constructed projects provided the water quality benefits described in the project application on time and within budget.
Project Planning and Schedule
0-40 points: Applicant used a complete and well-defined set of criteria to determine the value and feasibility of the proposed project and included the useful life and long-term maintenance costs in their evaluation of the project and project alternatives.
0-20 points: Applicant has provided documentation showing that key partners have been identified and how they will support the project.
0-25 points: The project schedule includes all tasks including pre-project administrative elements such as permitting, MOUs, landowner agreements, etc., and provides sufficient time to complete all elements.
0-75 points: The applicant is ready to start on the proposed scope of work within 10 months of publication of the Final Offer List.

Application Rating Criteria and Guidance
Water Quality and Public Health Improvements
0-135 points: Project proposes to reduce or prevent pollution in a waterbody that has been identified as a priority by a local, state or federal agency through the development of a federal, state or local water quality plan.
0-150 points: The proposed project area is directly connected to the water body identified for improvement and applicant has provided sufficient technical justification to show the proposed project will reduce the pollutants of concern in the water body identified for improvement.
0-50 points: Applicant has identified how the project will be evaluated in order to determine success, noted if the measure is quantitative or qualitative, and defined a goal.
0-100 points: The water quality and public health improvements that will be achieved represent a good value.
0-50 points: Applicant has a plan and commitments in place to fund long-term maintenance and sustain the water quality benefits of this project.
0-15 points: How well does the applicant and the project address greenhouse gas emission reductions in accordance with RCW 70.235.070?
Financial Hardship
0 points: If the applicant does not meet the criteria for financial hardship.
50 points: If the applicant meets the criteria for financial hardship.

Rating and Ranking Process

Before rating and ranking projects, Ecology headquarters staff screened and verified the general eligibility of each application. Then two Ecology regional staff with water quality technical expertise independently rated each eligible proposal. One evaluator was from the region where the proposal originated, and the other was from a different region. Ecology then averaged the two scores to obtain the final score. In cases where the two scores deviated by more than 100 points, an evaluator from Ecology headquarters conducted a third independent evaluation, and staff averaged the two closest scores to obtain the final score.

To be eligible for funding, a proposal must have received an overall score of at least 600 points and scored at least 250 points on the Water Quality and Public Health Improvements portion of the application.

Tiebreakers

If two projects had the same total score, Ecology first used scores on the Water Quality and Public Health Improvements form to break the tie. If a tie remained, Ecology used scores on the Project Schedule form. If a tie still remained, Ecology then used scores on the Task Costs/Budget form to break the tie. If a tie still remained, and both projects were eligible for FP loans, but there was insufficient FP loan available for both projects, Ecology offered the FP loan to the applicant with the highest unemployment rate.

After completing the rating process, Ecology staff generated the ranked list of project proposals based on the final average scores. The full ranked list is presented in Appendix 1.

Unrated Proposals

Competitive Applications

Staff determined that 9 proposals were ineligible for funding. These were not rated or ranked.

Small Community Project Priority List for Wastewater

Ecology established the Small Community Project Priority List (SCPPL) in 2022. The goal of SCPPL is to create a simplified funding process to reduce barriers small financially disadvantaged communities face in accessing funds from Ecology's Water Quality Combined Funding Program for wastewater facilities. This also includes the Onsite Sewage Regional Loan Program (see below), which supports low-income homeowners.

SCPPL-eligible projects can amend awarded funds into an existing funding agreement instead of applying for each project step. Additional information, including eligibility criteria, is described in the SFY26 Funding Guidelines, Section 2.1.6.

Table 12 includes a list of projects Ecology has already rated, ranked in the competitive process, and estimated costs for the next phases (step) that have not yet been funded. These projects represent priority need for funding subsidy in the form of Centennial grant, CWSRF FP loan, and CWSRF standard loan in the next biennium. By eliminating the need to reapply for each project step, current recipients and Ecology staff can focus on improving program and project outcomes while maintaining current project momentum.

For SFY26, Ecology requested recipients on Table 12 respond to a call for funding concurrent with the annual cycle application period by completing the Fall Call for Funding Form. This form requested recipients identify funding needs for the next 12-18 months for projects on Table 12, as well as future funding needs to fully fund the projects. Recipients were also asked to provide updated project schedules.

Ecology sent Fall Call for Funding forms to 39 recipients in October 2024. Responses were received from 37 recipients. Thirty project-specific responses indicated which recipients would like to be considered for additional funding in SFY26, totaling \$127,355,158. Seven recipients confirmed no additional funding was needed in this cycle but requested to stay on the SCPPL list for future funding.

In addition to the Fall Call for Funding Forms, which were sent to recipients with projects currently in the planning and design stages, Ecology also received requests for additional funding from four SCPPL projects that received SFY25 funding for construction. As the SCPPL process has been developed, funding needs are often estimated a year or more before each project step is completed. The amounts set aside for each project, especially for construction, may not be sufficient to meet the project funding needs. In some cases, other funding may be secured from other (non-Ecology) sources that also impacts the amount of funds needed. For the four SFY25 SCPPL construction projects, bids received during the last quarter of 2024 were higher than the amounts awarded in SFY25, which was based on estimates provided in the Fall of 2023.

Information from the Fall Call for Funding Form, project progress documented in EAGL, and recent bids for SFY25 SCPPL construction projects were used to establish criteria for prioritizing available funds for SFY26 SCPPL projects. The list below reflects the criteria developed and applied, in prioritized order:

1. Existing active agreement with Ecology
2. Existing construction projects requiring additional funding for completion
3. Funding spent to date for open wastewater agreement(s)
4. Construction hardship eligibility
5. Estimated date(s) funds were needed
6. Status of PRPR reporting, including information related to project progress

Based on the prioritized criteria above and available funding, 13 wastewater projects and one OSS project were prioritized for funding on the SFY26 Final Offer List. Of the wastewater projects prioritized for SFY26 funding, seven are preconstruction, one is construction, and the remaining four represent construction projects that are already out to bid and have previously received SFY25 SCPPL funds for construction.

Any project funding needs not met by SFY26 were updated in Table 12. Please contact your Ecology Project Manager, Financial Manager, or FMS Engineering Team with questions about SCPPL.

Onsite Sewage Regional Loan Program

The Onsite Sewage Regional Loan Program (RLP) is a state-wide, ongoing program that provides flexible financing to help individual homeowners address failing onsite sewage systems. The RLP has successfully competed for Water Quality Combined Funding with past applications and is now established as an ongoing program and eligible for additional funding through the SCPPL process.

Not only are failing septic systems posing threats to public health and water quality, but repair/replacement costs in 2024 are now exceeding \$30,000 on average. With nearly 44% of the program's borrowers falling into hardship status, having sustainable and predictable funding available to meet the growing need ensures equal access to resources necessary to proactively protect water quality, public health, and to help ensure financial security and equity.

The RLP is a significant partnership, established in 2016, with county health departments, Department of Health, and Craft3, the private community development financial institution, who are all signatories to an MOU and contributing to program guidelines. Since the program's launch, more than 2,200 projects have been completed, and low-income homeowners comprise nearly 44% of that total.

Off-Cycle Planning

New to the SFY25 funding cycle, Ecology created a process where small communities may be invited to apply for wastewater planning project CWSRF funding outside of the annual funding

cycle. This new Off-Cycle Planning funding opportunity would be made available to communities or utilities that have a special need or case for initiating planning as soon as possible, rather than waiting for the next available annual funding cycle. Off-Cycle applications will be evaluated, however are not ranked above projects submitted through the annual cycle. Examples of where Off-Cycle Planning might be warranted include post-emergency recovery efforts from natural disasters or other emergency situations, or in support of projects that communities have received partial funding from other state or federal agencies but have not met Ecology's prerequisite requirements of having an approved planning document to be eligible for WQC funding. Small communities (population served of 10,000 or less) or other state and federal partners supporting small communities can contact the Small Community Wastewater Technical Assistance Engineers for more information.

Available Funding, Set asides, and Limits

Funding levels vary from year to year, depending on state and federal appropriations. Administrative rules, program policies, legislative directives, federal grant conditions, and funding levels result in requirements that Ecology set aside portions of the available funding for particular purposes and impose limits on uses and amounts. The set-asides and limitations vary from year to year. The SFY26 Final Offer List represents the first year of the 2025-27 Biennium (7/1/26 through 6/30/27), and fund levels are based on the 2025-2027 biennial budget and EPA's federal budget for federal fiscal year 2025.

The following are some specific funding levels, set asides, and limitations for the programs.

CWSRF

There is \$132.2 million available for CWSRF loans based on Ecology's cash flow model calculations, accounting for income, disbursements, and projected future repayments and interest. Income includes combined capitalization grants from CW Base, CW BIL and CW EC. See Appendix 1a for a list of projects offered CWSRF funding.

The following are set-asides and limits on CWSRF.

- 10% of the base and BIL Capitalization Grant amounts are set-aside for GPR projects or project components.
 - GPR-eligible projects or project elements may receive up to 25% FP loan. With the additional BIL funds focused on assistance to disadvantaged communities, Ecology may exceed this cap to ensure affordability on a case-by-case basis.
- 10% - 40% of the base Capitalization Grant amount is set aside for FP loans.
- 49% of the BIL Supplemental Grant amount is set aside for FP loans.
- An additional \$3,698,000 FP is available for projects that address Emerging Contaminants (CW EC). This funding is a separate capitalization grant providing 100% principal forgiveness for projects that address emerging contaminants, including