Agreement Negotiation & Development for Wastewater Facilities Projects

Sean Mellon – Water Quality Program

June 27, 2022
Am I in the right session?

• Do you have a wastewater project on the Ecology FY23 Draft or Final Offer list?

• Are you a Project Manager, Billing Contact, Authorized Official, or representative of an applicant on the FY23 Draft or Final Offer list?

• All applications that are eligible and score over 600 points will be offered funding this year!

• Next session (10am – 12pm) with Tammie McClure will discuss agreement management in EAGL (submitting Payment Requests/Progress Reports, amendment requests etc.)

• Afternoon session (1pm – 3pm) with Kim Prisock, P.E. will discuss project design and engineering.
Welcome and Introductions

Please tell us about your project.
Agenda

• Basic components of an Ecology Agreement.
• Negotiation process step by step.
• Ecology Administration of Grants and Loans (EAGL) and Secure Access Washington (SAW) registration.
• **NEW:** process for electronic signature using DocuSign.
Basic Components of an Ecology Agreement
Basic Components of an Ecology Agreement

• General Information
• Project Short Description (500 characters)
• Project Long Description (4000 characters)
• Recipient and Ecology Contact Information
• Recipient and Ecology Signature Blocks
• Scope of Work (By Task)
• Funding Distributions and Budget
• Terms and Conditions
General Information & Important Dates

• **Effective Date:** First date that eligible project costs can be reimbursed.

• **Expiration Date:** Last date that eligible project costs can be reimbursed.

• **Initiation of Operation Date:** (Construction projects only) The date that the facility is operational for intended purpose.

• Loan repayment begins either one year from the Expiration Date or one year from the Initiation of Operation Date, whichever is soonest.
Scope of Work

• Describes what will be accomplished in the project by task (ex. project design, construction management, construction).

• Ecology uses boilerplate language for the scope of work.

• Each task has corresponding deliverables. A project/task is not considered complete until all deliverables have been received by Ecology.

• No need for due dates on deliverables. Ecology tracks to the Effective Date and Expiration Date for eligibility.
Funding Distributions and Budget

• A project may have a variety of funding sources (ex. State Revolving Fund Standard Loan, Forgivable Principal, Centennial Grant). Each funding source is established as a separate Funding Distribution in EAGL. Please review your Ecology offer for specifics on how funding is allocated.

• Reach out to your Ecology Financial Manager if you anticipate changes to the project budget.

• Additional funds may be available if you encounter bid overruns or change orders. Contact your Ecology Financial Manager for details.
## Funding Distribution Summary

### Instructions:

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

#### By Task Funding Distribution

<table>
<thead>
<tr>
<th>Task Title</th>
<th>State Revolving Fund Standard Loan</th>
<th>State Revolving Fund Forgivable Principal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Administration/Management</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Facility Planning</td>
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<td>$65,000.00</td>
<td>$130,000.00</td>
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<tr>
<td>Total</td>
<td>$65,500.00</td>
<td>$65,500.00</td>
<td>$131,000.00</td>
</tr>
</tbody>
</table>

#### Recipient/Ecology Share

<table>
<thead>
<tr>
<th>Funding Distribution</th>
<th>Recipient Match %</th>
<th>Recipient Share</th>
<th>Ecology Share</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Revolving Fund Standard Loan</td>
<td>0.00%</td>
<td>$0</td>
<td>$65,500.00</td>
<td>$65,500.00</td>
</tr>
<tr>
<td>State Revolving Fund Forgivable Principal</td>
<td>0.00%</td>
<td>$0</td>
<td>$65,500.00</td>
<td>$65,500.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$0</td>
<td>$131,000.00</td>
<td>$131,000.00</td>
</tr>
</tbody>
</table>

#### Total Eligible Costs

<table>
<thead>
<tr>
<th>Total Eligible Costs</th>
<th>Ecology Share</th>
<th>Recipient Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>$131,000.00</td>
<td>$131,000.00</td>
<td>$0</td>
</tr>
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</table>
Terms and Conditions

• 24 Pages of Terms and Conditions. Not all of which apply to your project.

• Pay attention to the heading to determine if the conditions apply to your project. If you are unsure, ask your Ecology Financial Manager or Project Manager.

• Construction projects must adhere to prevailing wage requirements, American Iron and Steel (Buy American), and Disadvantaged Business Enterprise (see six good faith efforts in the Terms and Conditions).

• Additional requirements may apply if project is designated as an “equivalency” project.
Negotiation Process
Step by Step
Steps and Stages of Agreement Negotiation

1. **Ecology Internal Meeting:** Ecology staff meet to discuss the application/agreement.

2. **Initial Contact with Ecology:** Ecology Project Manager contacts recipient to gather project information.

3. **Kickoff Meeting:** Ecology Project Manager sets up meeting with recipient contacts.

4. **Ecology Review:** Ecology Financial Manager updates agreement and routes the draft document.

5. **Recipient Review:** Recipient reviews agreement and makes sure that prerequisite requirements are met.

6. **Signatures:** Recipient and Ecology sign agreement electronically. Executed agreement sent to recipient.
Pre-requisites (Documents and forms required prior to Ecology signature)

- Financial Capability Assessment (Ecology will initiate)
- Opinion of Legal Counsel (Ecology will provide template)
- Ordinance or Resolution authorizing loan (Ecology can provide sample)
- Fiscal Sustainability Plan Certification (Form in EAGL)
- Cost and Effectiveness Analysis Certification (Form in EAGL)
- CWSRF Initial Data Reporting Form (Ecology will complete)
- EQUIVALENCY PROJECTS - Federal Accountability and Transparency Act Form (Does not apply to most recipients)
Pre-requisites (continued)

• Recipient must be in compliance with the Growth Management Act (GMA) prior to agreement execution.
• Recipients of Step 3 Construction Funding must complete the State Environmental Review Process (SERP) prior to agreement execution.
• SERP and Cultural Resources Review must be timely, updated, and complete prior to any ground disturbing activities.
• Additional requirements will be discussed in the afternoon session with Kim Prisock.
• Agreement **must** be signed within one year of publication of the Ecology Final Offer list.
Negotiation Timeline

Things that can slow down the negotiation/signature process: GMA compliance, staffing changes, plans and specifications approval, SERP, EAGL/SAW registration, required forms not filled out in EAGL, Opinion of Legal Counsel & resolution.

July: Final Offer List Published
Ecology Project Manager contacts recipient.

Aug – Oct: Kickoff Meetings
Project details negotiated and agreement reviewed by Ecology and recipient.

Sept – Nov: Signature Process Initiated
Agreement sent out for signature using DocuSign.

Nov – Jan: Executed agreements distributed
Agreement sent to recipient and activated in EAGL system.
EAGL & SAW Registration
https://ecology.wa.gov/About-us/Payments-contracts-grants/Grants-loans
Applying for or managing a grant or loan

You can apply for and manage most grants and loans in EAGL, Ecology's Administration of Grants and Loans system. To use EAGL, you must:

1. Have a Secure Access Washington (SAW) account
2. Register as an EAGL user

See the options below to set up a SAW account and register in EAGL.

If you manage a grant or loan that is not in EAGL, please visit our page for guidance and links to information not in EAGL.

Log in to your Secure Access Washington (SAW) account here, and you will be directed to EAGL.
Signature Process
Using DocuSign
Signature Process

• Ecology Financial Manager will change status of agreement in EAGL to “Agreement Requires Signature”.
• Ecology Financial Manager will e-mail recipient to let them know that the agreement will be sent to the Authorized Signatory for signature using DocuSign.
• Authorized Signatory will receive email from DocuSign with instructions on how to electronically sign the agreement.
• Upon signature by Authorized Signatory, agreement will automatically be returned to Ecology for signature.
• Additional signatories can be added if needed.
• Payment Requests/Progress Reports may be submitted once status changed to “Active” by Ecology.
Questions?

Ecology’s vision and mission

**Our Mission**
To protect, preserve, and enhance Washington’s environment for current and future generations.

**Our Vision**
Our innovative partnerships protect and sustain healthy land, air, and water in harmony with a strong economy.
Thank you!

Sean Mellon

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