



Remedial Action Grants & Loans

Program Guidelines

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Remedial Action Grants & Loans

Program Guidelines

Waste 2 Resources Program
Washington State Department of Ecology
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Abstract/Executive Summary

The Remedial Action Grant & Loan Program helps local governments with the costs to clean up publically owned lands contaminated with hazardous substances.

These Program Guidelines provide information about the Remedial Action Grants and Loan Program, its requirements and processes. They are applicable to all remedial action grant and loan agreements. All grant applicants and recipients are responsible for reading and understanding these guidelines before entering into a grant or loan agreement with the Washington State Department of Ecology.

Changes from the last version of the guidelines include:

- Updated the section on [*Integrated Planning Grants*](#), starting on page 31.
- Updated the [*Grants to Economically Disadvantaged Areas*](#) tables, starting on page 64. Based on the new data from the OFM website, some local governments are no longer eligible for reduced match grants and some other local governments are now eligible.
- Provided more detailed information on [*financial and grant management issues*](#), starting on page 47.
- Revised Remedial Action Grant Program Application, found in [*Appendix A*](#).
- Created a separate application for SHA and Meth Lab grants, found in [*Appendix A*](#).
- Added Puget Sound Partnership application evaluation criteria, found under [*Prioritization and Evaluation of Grant Applications*](#), starting on page 47.
- Moved “reporting” and “application evaluation criteria” applicable to all grant programs to the section on [*financial and grant management issues*](#), starting on page 47. Applicable program-specific application evaluation criteria remain in the program’s section.

Introduction

Purpose and Applicability

When local governments have to investigate or clean up hazardous sites, the state of Washington provides assistance through the Remedial Action Grant & Loan Program. These grants and loans are only available to local governments. “Local government” means any political subdivision, regional government unit, district, or municipal or public corporation, including cities, towns and counties.

These program guidelines will help you understand the administrative and fiscal policies and procedures of the Remedial Action Grant & Loan Program. They are applicable to all remedial action grants and loans.

The remedial action grant and loan program’s governing rule, Chapter 173-322 WAC, Remedial Action Grants, is also applicable to these agreements and is in [Appendix D](#) or on the internet at <http://www.ecy.wa.gov/programs/swfa/grants/rag.html>.

All grant applicants and recipients should read and understand these program guidelines, the Remedial Action Grant rules, and the *Administrative Requirements for Recipients of Ecology Grants and Loans, the Yellow Book*, publication number 91-18, revised September 2005. You can download a copy of *the Yellow Book* from: <http://www.ecy.wa.gov/biblio/9118.html>.

Grant applicants and recipients are responsible for understanding the program requirements, terms and conditions, and any general and special terms of their agreements.

Categories of Grants

There are several categories of grants under the Remedial Action Grant program. They are:

- [Oversight Remedial Action Grants](#) - These grants help local governments study and clean up hazardous waste sites. See page 14 for a detailed explanation of oversight remedial action grants.
- [Independent Remedial Action Grants](#) - These grants help to offset some of the expense involved in an independent cleanup when a local government enters into the agency’s Voluntary Cleanup Program (VCP). See page 20 for a detailed explanation of independent remedial action grants.
- [Safe Drinking Water Grants](#) - These grants help local governments to provide safe drinking water to areas where a hazardous substance has contaminated drinking water. For this type of grant, a local government can apply on behalf of a purveyor. See page 24 for a detailed explanation of safe drinking water grants.
- [Areawide Groundwater Grants](#) – These grants enable local governments to assist with cleanup and redevelopment of property within their jurisdictions where groundwater has been contaminated by hazardous substances from multiple sources. See page 28 for a detailed explanation of areawide groundwater contamination grants.

- [Integrated Planning Grants](#) – These grants are provided on a pilot study basis. They provide opportunities for local governments to develop integrated project plans for cleanup and reuse of a contaminated site by coordinating the planning for future site use with the needed remedial actions at the site. See page 31 for a detailed information about Integrated Planning Grants.
- [Site Hazard Assessment \(SHA\) Grants](#) - These grants help local health departments or districts assess the degree of contamination at suspected hazardous waste sites within their jurisdictions. See page 34 for a detailed explanation of SHA grants.
- [Methamphetamine Lab Assessment and Cleanup Action Grants](#) – These grants aid local governments in the initial investigation and assessment of suspected methamphetamine (meth) labs and oversight of meth lab cleanup activities within their jurisdiction. See page 38 for a detailed explanation of meth labs assessment and cleanup grants.
- [Derelict Vessel Grants](#) - These grants assist local governments with the costs to remove and dispose of hazardous substances from derelict and abandoned vessels. See page 42 for a detailed explanation of derelict ship grants.

Loans

The loan program provides loans to local governments to supplement funding to meet the match requirements for oversight remedial action grants. See page 45 for more information about the loan program.

Program History

In 1988, Washington voters passed Initiative 97, known as the Model Toxics Control Act (MTCA), Chapter 70.105D RCW. The Model Toxics Control Act authorized a remedial action grant/loan program and designated it as the top priority among Ecology’s waste grant programs. Earlier, Ecology also issued remedial action grants under the authority of the 1987 Hazardous Waste Cleanup Act, Chapter 70.105B RCW, which the 1988 law superseded.

Funds for grants and loans come from a tax on the first possession of certain hazardous substances in Washington. The Act directs 53 percent of the revenue from the tax be deposited in the Local Toxics Control Account for these grants. The act also directs Ecology to “adopt rules for grant issuance and performance.”

In May 1990, the state adopted Chapter 173-322 WAC, Remedial Action Grants. This rule created the program described in these guidelines. Ecology amended the rule in 1993 to provide safe drinking water action grants. Another rule amendment was adopted in April 2005 to carry out new grant and loan programs and improve the operation of existing grant programs. The purpose of the latest rule amendment in 2007 was to improve the clarity and usability of the loan program. You will find more information about the loan program on page 45.

Environmental Equity

Environmental equity is important to Ecology and the state of Washington. Ecology defines environmental equity as:

"The proportionate and equitable distribution of environmental benefits and risks among diverse economic and cultural communities. It ensures that the policies, activities, and the responses of government do not differently impact diverse social and economic groups. Environmental equity promotes a safe and healthy environment for all people."

Applicants are encouraged to include eligible projects that address environmental equity issues or have a positive environmental impact on diverse communities.

Investments in Environmental Benefits

Ecology modified the grant/loan application in accordance with the investment model developed by the Joint Legislative Audit and Review Committee. The application requires a recipient's project to meet the following three eligibility criteria:

1. It will restore or protect designated beneficial uses.
2. It will eliminate a public health emergency.
3. It will achieve regulatory compliance to address a cleanup order or decree from the state or federal government.

See [Appendix E](#) for an illustration of grant/loan categories and corresponding environmental benefits.

Grant Roles and Responsibilities

The Grant Recipient

The recipient is responsible for conducting the remedial action activity according to guidelines set forth by Ecology's Toxics Cleanup Program. The recipient is also responsible for:

- Managing the contractor procurement for any of the grant eligible work and making a conscientious effort to control costs while meeting project objectives.
- Notifying the grant manager when:
 - Project scope of work or work schedule changes.
 - Budget is exceeded or needs to be redistributed among grant tasks.
- Submitting progress reports and payment requests to the grant and site managers at least quarterly.
- Implementing the scope of work and complying with the all other terms and conditions of the grant agreement, program and administrative requirements, and standard accounting practices.

The Ecology Grant Manager

The grant manager from the Waste 2 Resources Program will serve as the contact person for all grant related issues from application to grant closeout, including but not limited to:

- Reviewing grant applications, including proposed scopes of work and budgets.
- Preparing the draft and final grant scope of work.
- Preparing the formal grant offer.
- Reviewing changes in the grant scope of work or budget and preparing amendments.
- Providing technical assistance to the recipient on grant management and billing issues.
- Making eligibility determinations.
- Processing and approving payment requests.
- Arranging for audits and grant closeout.
- Working closely with the state Department of Health on safe drinking water action grants to ensure compliance with regulations.

The Ecology Site Manager

The site manager is the person from Ecology's Toxics Cleanup Program responsible for:

- Providing technical assistance to the recipient on site cleanup issues.
- Reviewing and commenting on the draft grant.
- Reviewing payment requests and advising the grant manager on technical adherence to the scope of work (and any deliverables) and if the payment request should be paid.

The Department of Health

State Department of Health staff identifies sites and provides technical oversight to ensure state regulations on drinking water are met.

Site Cleanup Process Overview

A key goal of the Model Toxics Control Act (MTCA) is to encourage interested parties to cooperate in identifying and cleaning up contaminated sites.

Phases of the Cleanup Process

Site Discovery

Those who discover contaminated sites must report them to Ecology's Toxics Cleanup Program within 90 days. At this point, persons potentially liable for the cleanup may choose to conduct an independent cleanup without Ecology's help. However, they must report cleanup results to Ecology. Potentially liable persons do independent cleanups at their own risk. Ecology may require additional cleanup actions at any time to bring these sites into compliance with state standards.

Initial Investigation

Ecology or a jurisdictional health department conducts an initial investigation of the site within 90 days of receiving a site discovery report. Based on information obtained about this site, a decision must be made within 30 days to determine if the site requires additional investigation, emergency cleanup or no further action. If further action is needed, a local health department might conduct a more in-depth site hazard assessment (SHA).

Site Hazard Assessment (SHA)

If a site needs additional investigation after the initial investigation, Ecology or a jurisdictional health department conducts a SHA. The SHA will confirm the presence of hazardous substances and determine the relative risk the site poses to human health and the environment. Only local health departments or districts may do this work for Ecology and receive SHA grants. The purpose of the SHA is to rank the site's risk relative to other sites Ecology has investigated. See page 34 for details on [SHA grants](#).

Hazard Ranking

The MTCA requires that Ecology rank the sites according to the relative health and environmental risk of the site. Ecology worked with the Science Advisory Board to create the Washington Ranking Method, which categorizes sites using data from the site hazard assessments. Sites are ranked on a scale of one to five. A score of one represents the highest level of risk relative to the other sites on the list; a score of five represents the lowest relative risk. Ranked sites are placed on the state Hazardous Sites List.

Remedial Investigation/Feasibility Study

A remedial investigation and feasibility study is needed to define the extent and magnitude of contamination at a site. The study also evaluates all potential impacts on human health and the environment and considers alternative cleanup technologies. The reports completed in this phase are subject to a public review and comment period.

Selection of Cleanup Action

Using information gathered during the remedial investigation and feasibility study, the responsible party selects a preferred cleanup plan from the alternatives developed. The plan identifies the selected cleanup methods, and specifies cleanup standards and other requirements the site must meet. Before the parties involved can carry out the selected remedy, it is subject to a public review and comment period.

Site Cleanup

Once the cleanup action plan is developed, the engineering designs are drawn up and the cleanup construction and required monitoring is completed. After Ecology determines cleanup standards have been met, it may take a site off the Hazardous Sites List. Some sites require long-term monitoring to determine the effectiveness of the cleanup. It may take as little as six months or any number of years to establish that a site is “clean.”

Cleanups Conducted Under Federal Law

For more information on cleanup requirements conducted under the U.S. Environmental Protection Agency/Comprehensive Environmental Response, Compensation, and Liability Act, please refer to 40 C.F.R. Part 300. Cleanups conducted under federal cleanup orders are eligible for grant funding.

Oversight Remedial Action Grants

Who Can Receive an Oversight Remedial Action Grant?

To receive an oversight remedial action grant, the applicant must be a local government that is a potentially liable person (PLP) under state law or a potentially responsible party (PRP) under federal law at a site that has been contaminated with hazardous substances, or is the owner of a site but has not been named a PLP or PRP. One of the following criteria must also be met:

1. Ecology requires the applicant to conduct remedial action under an order or decree issued under Chapter 70.105D RCW.
2. The U.S. Environmental Protection Agency (EPA) requires the applicant (i.e. PRP) to conduct remedial action under an order or decree issued under the federal cleanup law. In such a case, Ecology must also sign the order or decree, or acknowledge in writing that it is a sufficient basis for remedial action grant funding.
3. The applicant has signed an order or decree issued under Chapter 70.105D RCW requiring a PLP other than the applicant to conduct remedial action at a landfill site. In this case, the applicant must also have entered into an agreement with the PLP to reimburse the PLP for a portion of the remedial action costs incurred under the order or decree. The reimbursement is for the sole purpose of providing relief to ratepayers and/or taxpayers from remedial action costs.

"Local government" means any political subdivision, regional governmental unit, district, or municipal or public corporation, including cities, towns, and counties. The term encompasses but does not refer specifically to the departments within a city, town, or county. WAC 173-340-020.

What Activities Can Oversight Remedial Action Grants Fund?

Oversight remedial action grants provide funds to help local government conduct remedial investigations and cleanup actions. To be eligible for reimbursement, all costs must be properly documented and approved by the Ecology grant and site managers, see [Cost Eligibility](#) on page 49.

Eligible Costs for Oversight Remedial Action Grants

To be eligible, a cost must be reasonable and necessary to complete a grant activity. Recipients will only be reimbursed for eligible expenditures that are properly documented as described in [Documentation Requirements](#) starting on page 61. Typical oversight remedial action activities eligible for grant funding are those reasonable and necessary to plan and implement the following investigation and cleanup activities identified in the scope of work in a cleanup agreement:

- Remedial investigations.

- Feasibility studies.
- Remedial designs.
- Pilot studies.
- Interim actions.
- Cleanup actions.
- Cleanup action plans.
- Landfill closures required under Chapters 173-304, 173-350, and 173-351 WAC, if also required as a remedial action under the order or decree.
- Capital costs of long-term monitoring systems.
- Operating costs and maintenance costs incurred during the first year of cleanup after the facilities and equipment have been installed or constructed.
- Certain retroactive costs as allowed under WAC 173-322-070(7).
- The use of outside contracts to conduct necessary studies.

Some costs related to these activities may not be reimbursable under the grant, or may only be eligible under certain conditions. Conditionally allowable costs must be approved in advance by the Ecology grant manager. Costs not allowed are the responsibility of the grant recipient.

Ineligible Costs for Oversight Remedial Action Grants

Ineligible costs include, but are not limited to:

- The cost of developing the grant application.
- Retroactive costs except as provided in WAC 173-322-070(7).
- Ecology or EPA oversight costs (cost recovery).
- Operating and maintenance costs incurred after the first year of accomplishing the cleanup action.
- Operating and maintenance costs of long-term monitoring.
- Natural resource damage assessments costs and natural resource damages.
- Legal costs including, but not limited to:
 - The cost of pursuing private right of action or insurance claims.
 - The cost of administrative hearings.
 - The cost of pursuing penalties or civil or criminal actions against persons.
 - The cost of penalties incurred by the applicant.
 - The cost of defending actions taken against the applicant.
 - The cost of negotiating initial stakeholder agreements.

- Legal fees associated with due diligence.
- Attorney fees.
- In-kind services.
- Recreational costs such as, but not limited to trash and recycle bins, sidewalks, benches, lighting, turf, picnic tables and drinking fountains.
- Undocumented costs.

How to Apply for an Oversight Remedial Action Grant

There is no set application period for oversight remedial action grants. Once an order or decree is issued to a local government, it has 60 days to apply for a grant. The application form and instructions can be found in [Appendix A](#). The application is also available on the internet at <http://www.ecy.wa.gov/biblio/ecy070104.html>. A Ten year cost forecast may also be required.

Address all inquiries about oversight remedial action grants for projects in Adams, Asotin, Clallam, Clark, Cowlitz, Columbia, Ferry, Franklin, Garfield, Grant, Grays Harbor, Jefferson, Lewis, Lincoln, Mason, Pacific, Pend Oreille, Pierce, Skamania, Spokane, Stevens, Thurston, Wahkiakum Walla Walla and Whitman counties to:

Diane Singer, 360-407-6062 or Diane.Singer@ecy.wa.gov
 Remedial Action Grants and Loans
 Department of Ecology
 P.O. Box 47600
 Olympia, WA 98504-7600

Address all inquiries about oversight remedial action grants for projects in Benton, Chelan, Douglas, Island, King, Kitsap, Kittitas, Klickitat, Okanogan, Yakima, San Juan, Skagit, Snohomish and Whatcom counties to:

Lydia Lindwall, 360-407-6067 or Lydia.Lindwall@ecy.wa.gov
 Remedial Action Grants and Loans
 Department of Ecology
 P.O. Box 47600
 Olympia, WA 98504-7600

Oversight Remedial Action Grant Application Evaluation Criteria

Grant applications are evaluated for completeness. Recently, the Puget Sound Partnership (PSP) received authority to review all state agencies' grant and loan programs. Agencies are now required to give preference to grants in the Puget Sound Basin that support the PSP Action Agenda. This preference is applicable to projects located within the Puget Sound Basin and does not affect the overall priority of projects throughout the state.

The specific criteria used to evaluate applications and prioritize projects for funding are found under the [prioritization and evaluation of grant applications](#) starting on page 47.

Financial Match Requirements for Oversight Remedial Action Grants

Typical oversight remedial action grants require a 50 percent match. A local government in a county that is defined as *economically disadvantaged* may receive up to 25 percent additional funding. There are economically disadvantaged cities or towns that reside in counties that are not considered economically disadvantaged. To assist these cities and towns, Ecology will also consider providing them up to 25 percent additional funding. See [Grants to Economically Disadvantaged Areas](#) starting on page 64.

Local governments using an innovative cleanup technology as part or all of the cleanup action may be eligible for an additional 15 percent funding. This additional funding is a match reduction (e.g., the PLP may qualify to pay 35 percent of the cleanup costs rather than 50 percent) and only applies to situations where oversight remedial actions have eligible costs of over \$400,000. This does not apply to independent remedial actions or grants where a match reduction has been approved for economic reasons. To receive an innovative technology match reduction, the applicant must include justification for the innovative technology claim in the grant application. Previously proven cleanup methods are not eligible for innovative technology match reductions.

“Innovative technology” is defined in the Remedial Action Grant rule, WAC 173-322-020 as “. . . *new technologies that have been demonstrated to be technically feasible under certain site conditions, but have not been widely used under different site conditions. Innovative technology also means the innovative use of existing technologies that have been established for use under certain site conditions, but not the conditions that exist at the hazardous waste site for which a remedial action grant is sought. Innovative technology has limited performance and cost data available.*”

Additional Match Reduction Under Special Circumstances

Under certain conditions, the Director of the Department of Ecology or his/her designee may alter grant-matching requirements to create incentives for local governments to expedite cleanups. Match requirements for those conditions may differ from requirements for typical oversight remedial actions. Economically disadvantaged local governments may be eligible for an incremental match increase of up to 90 percent if their cleanup includes additional strategies to integrate new substantial economic development, habitat restoration or public recreation with cleanup activities. Typically these match reductions are granted to recipients who have not previously received a remedial action grant and can document financial need. Eligibility and match awards are considered on a case-by-case basis.

Loans

Ecology will consider offering loans to local governments to encourage and expedite oversight remedial action projects. Loans will be considered on a case-by-case basis depending on the financial need of the local government and its ability to pay over a period of time. See page 45 for further information on [loans](#).

Settlements With Other Responsible Parties (PLPs/PRPs) or Insurance Companies

Ecology encourages interested parties to cooperate with each other to expedite the cleanup of contaminated properties.

During budget and application development, the local government must identify all potential sources of public and private cleanup financing. These sources include:

- Grants.
- Matching funds.
- Other types of public financing.
- Current and future anticipated settlements with other Potentially Liable Parties (PLPs) or Potentially Responsible Parties (PRPs).
- Insurance policies.

Grant applications require the name and phone number of a contact person in the applicant organization that Ecology can coordinate with for reimbursement of settlement payments. Additionally, quarterly progress reports shall include a section addressing the status of local government activities to obtain settlement contributions.

Settlements PLPs or PRPs

PLPs and PRPs bear financial responsibility for remedial action costs. If an order or decree requires a PLP or PRP other than the local government to conduct remedial action, the financial contribution of that PLP or PRP will be deducted from the amount eligible for grant funding. The grant-eligible project cost will be the remaining cost of the remedial action project after deducting contributions of any other PLP or PRPs. Ecology will adjust the grant or negotiate repayment terms if settlements with other PLP or PRPs are reached while cleanup activities are in progress.

A local government might successfully pursue a private right of action against a PLP or PRP after the cleanup is completed. In such a case, the local government shall reimburse Ecology for a proportionate share of the moneys received after deducting the local government's legal fees for pursuing the action.

Grant recipients are also required to notify Ecology of any proceeds the local government receives from PLP/PRP settlements within 90 days of receipt of those proceeds. See WAC 173-322-050(8)(b)(ii).

Settlements with Insurance Companies

A local government may receive proceeds from an insurance claim for a cleanup. If the insurance proceeds cover the costs eligible for grant funding and are within the grant scope of work, the local government may use the proceeds as local match up to the amount of the total match requirement. If the proceeds are more than the required match, Ecology will provide grant funding only for the difference between the insurance proceeds and the total remedial action costs.

To be able to use insurance proceeds as match, the local government must have been the entity that paid the insurance premium and owned the policy. If a PLP/PRP and not the local government grant recipient owned the insurance policy or paid the premiums, the settlement may not be used as grant match and must be deducted from the amount eligible for grant funding as a PLP/PRP contribution.

These requirements are applicable even if the insurance settlement comes after the grant has been issued. A local government might receive a grant and then subsequently receive the proceeds from an insurance claim. If these proceeds are less than the difference between the total remedial action cost and Ecology's grant, then the local government may retain all of the proceeds. However, the insurance proceeds could be greater than the difference between the total remedial action cost and Ecology's grant. In this case, the local government may have to reimburse Ecology for any project expenditures already funded by the grant that were also covered by the insurance proceeds.

For example, if you have a grant with 50 percent match and you billed the grant for \$200, then your match would be \$100 and Ecology would pay \$100. If you received \$100 in an insurance settlement, then that \$100 would be considered your match and nothing would be repaid to Ecology. However, if you received \$200 in an insurance settlement, then all of those costs were covered by insurance and you would need to reimburse Ecology \$100 (after subtracting legal fees the recipient incurred pursuing the insurance claim).

Grant recipients are required to notify Ecology of any proceeds the local government receives from insurance settlements within 90 days of receipt. See WAC 173-322-050(8)(b)(ii).

Establishing a Cleanup Budget

After the remedial investigation and feasibility study are completed and a final cleanup action plan is developed, Ecology and the applicant will establish a final cleanup budget. They will also negotiate a grant agreement that will allow the recipient to implement the scope of work for the project. Depending on availability of funding and the number of grant requests, a project may have to be funded over multiple biennia. This will require amending the grant over time as new monies become available.

Independent Remedial Action Grants

An independent remedial action is a cleanup action completed voluntarily without Ecology's oversight or approval. Such an action may gain Ecology's informal advice and assistance through the Voluntary Cleanup Program. Independent remedial action grants are available to help local governments defray costs of cleaning up sites independently.

Who Can Receive an Independent Remedial Action Grant?

Local governments that own contaminated property can receive an independent remedial action grant. They can also receive a grant if they are potentially liable for contamination at a site they do not own. To be eligible, the applicant must have entered into the Voluntary Cleanup Program (VCP) and received a written determination of no further action (NFA) issued by Ecology under WAC 173-340-515(5)(b).

When To Apply For an Independent Remedial Action Grant

A local government must apply within 60 days after the receipt of an (NFA) determination to be eligible for a grant. Applying for a grant is separate from applying to enter the VCP. You may apply for a grant at the same time you enter the VCP, but the application process is separate and the applications are different.

If you apply for a grant before you have received an NFA determination, your application will be held until you have submitted the NFA letter to the grant manager.

How To Apply for an Independent Remedial Action Grant

In addition to the information required on the application form, the applicant must submit the following information to the grant manager to apply for an independent remedial action grant:

- No further action determination letter received through the VCP.
- Final independent remedial action report (provided to the recipient by the cleanup consultant).
- Complete set of payment request forms: A-19, B2 and C2. (The grant manager can help you with these forms.)
- Invoices and backup documentation supporting the grant amount requested.

See [Appendix A](#) for the application form and instructions. You can find the required financial forms, A-19, B2 and C2 in [Appendix B](#) and on the internet at <http://www.ecy.wa.gov/programs/swfa/grants/rag.html>.

How is Funding allocated to Independent Remedial Action Grants?

Funding for independent cleanups is allocated on a readiness basis. This readiness is established once **all** required application materials are submitted. If funding is not available when the required application materials are submitted, applications will be held until funding becomes available. Once available, funding is generally allocated in the order completed applications were received.

What Activities Can Independent Remedial Action Grants Fund?

Most costs associated with the activities needed to investigate and clean up a site are eligible for reimbursement under these grants. The lists that follow identify eligible and ineligible grant activities and costs. If you are not certain an activity or cost is eligible, please contact your grant manager before you incur any costs. Eligible project costs for independent remedial action grants cannot exceed \$400,000. Therefore, funds provided do not exceed \$300,000.

Eligible Costs for Independent Remedial Action Grants

To be eligible, a cost must be reasonable and necessary to complete a grant activity. Recipients will only be reimbursed for [eligible](#) expenditures that are properly documented as described in [Documentation Requirements](#) starting on page 61. Typical activities eligible for grant funding are:

- Remedial investigations.
- Feasibility studies.
- Remedial designs.
- Pilot studies.
- Interim actions.
- Cleanup actions.
- Capital costs of long-term monitoring systems.
- Operating and maintenance costs incurred during the first year of accomplishing the cleanup action after facilities and equipment have been installed.

Some costs related to these activities may not be reimbursable under the grant, or may only be eligible under certain conditions. Conditionally allowable costs must be approved in advance by the Ecology grant manager. Costs not allowed are the responsibility of the grant recipient.

Ineligible Costs for Independent Remedial Action Grants

- The cost of developing the grant application.
- Retroactive costs except as provided in WAC 173-322-080(6).
- Technical consultations Ecology provided under the Voluntary Cleanup Program, WAC 173-340-515(5), including any deposit for such consultations.
- Operating and maintenance costs of long-term monitoring systems.
- Operating and maintenance costs incurred after the first year of accomplishing the cleanup action.
- Natural resource damage assessment costs and natural resource damages.
- Legal costs.
- In-kind services.
- Undocumented Costs.

Financial Match Requirements for Independent Remedial Action Grants

Funding for Independent Remedial Action Grants is provided for project costs up to \$400,000. With a 50 percent grant, this equates to a \$200,000 grant. If the local government resides in an area of the state designated as economically disadvantaged the state share may be increased to 75 percent. This equates to a \$300,000 grant. This is the maximum grant allowed under an Independent Remedial Action Grant. See [Grants to Economically Disadvantaged Areas](#) starting on page 64.

Note: The additional 15 percent funding for innovative treatment technology does not apply to independent remedial action grants.

Retroactive Costs for Independent Remedial Action Grants

Retroactive costs are eligible for reimbursement if the costs were incurred within five years of the date of the grant application. Retroactive costs incurred more than five years before the date of the grant application are not eligible for reimbursement.

Address all inquiries about independent remedial action grants for projects in Adams, Asotin, Clallam, Clark, Cowlitz, Columbia, Ferry, Franklin, Garfield, Grant, Grays Harbor, Jefferson, Lewis, Lincoln, Mason, Pacific, Pend Oreille, Pierce, Skamania, Spokane, Stevens, Thurston, Wahkiakum Walla Walla and Whitman counties to:

Diane Singer, 360-407-6062 or Diane.Singer@ecy.wa.gov
Remedial Action Grants and Loans
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Address all inquiries about independent remedial action grants for projects in Benton, Chelan, Douglas, Island, King, Kitsap, Kittitas, Klickitat, Okanogan, Yakima, San Juan, Skagit, Snohomish and Whatcom counties to:

Lydia Lindwall, 360-407-6067 or Lydia.Lindwall@ecy.wa.gov
Remedial Action Grants and Loans
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Voluntary Cleanup Program (VCP) Contacts

The following is a list of VCP coordinators at the Ecology regional offices. It's best to contact the coordinator in the regional office where your site is located.

For counties in the **Central Region** (Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan and Yakima) the coordinator is Valerie Bound at 509-454-7886 or Valerie.Bound@ecy.wa.gov.

For counties in the **Eastern Region** (Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, and Whitman) the coordinator is Mike Hibbler at 509-329-3568 or Mike.Hibbler@ecy.wa.gov.

For counties in the **Northwest Region** (Island, King, Kitsap, San Juan, Skagit, Snohomish, and Whatcom) the coordinator is Russ Olsen at 425-649-7038 or Russ.Olsen@ecy.wa.gov.

For counties in the **Southwest Region** (Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Lewis, Mason, Pacific, Pierce, Skamania, Thurston, and Wahkiakum) the coordinator is Scott Rose at 360-407-6347 or Scott.Rose@ecy.wa.gov.

Safe Drinking Water Grants

The Washington State departments of Health and Ecology both have roles regarding safe drinking water grants. Ecology provides funding through the Remedial Action Grant and Loan Program and administers the grant so that remedial action goals are met. The Washington State Department of Health (DOH) identifies sites and provides technical oversight to ensure state drinking water regulations are met.

Who Can Receive a Safe Drinking Water Grant?

To receive a safe drinking water grant, 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 applicant must also meet the following standards:

- Ecology has determined the subject water system is in an area that is a hazardous waste site or that a hazardous waste site threatens to contaminate.
- The DOH has determined the applicant is in substantial compliance with applicable rules of the Washington State Board of Health or the DOH, as contained in the following:
 - Public water supplies (Chapter 246-290 WAC)
 - Water works operator certification (Chapter 246-292 WAC)
 - Water System Coordination Act (Chapter 246-293 WAC)
 - Drinking water operating permits (Chapter 246-294 WAC)
- The water system must show maximum contaminant levels (MCL's) exceeding one of the following:
 - The standards for public water supplies (WAC 246-290-310)
 - EPA standards as determined by the Department of Health
 - Ecology's standards set by the Model Toxics Control Act cleanup regulation (WAC 173-340-700 through 173-340-760)
- The DOH must certify that a contaminant threatens the safety and reliability of a public water system and the threat cannot be remedied solely by operational solutions. The contaminants must include at least one hazardous substance. If the contaminant is a nitrate or a trihalomethane, it must be determined to have originated from a hazardous waste site.
- An order or decree must be issued to any identified potentially liable persons (PLPs). The order or decree must require that safe drinking water be provided to the contaminated area as a remedial action. To protect public health, Ecology may waive this requirement for an order or decree to be in place prior to providing funding for safe drinking water.

What Activities Can Safe Drinking Water Grants Fund?

Safe drinking water 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.

Eligible Costs for Safe Drinking Water Grants

Eligible costs for safe drinking water grants include reasonable and documented costs, including sales tax, for the following:

- Treatment equipment and facilities, including air stripping towers, package treatment plants, point-of-use treatment systems and similar approaches.
- Costs identified by Ecology as necessary to protect a public water system from contamination from a hazardous waste site or determine the source of such contamination.
- Water supply source development and replacement, including pumping and storage facilities, source meters and reasonable accessories.
- Transmission lines between major systems components, including interconnections with other water systems.
- Distribution lines from major system components to system customers or service connections.
- Fire hydrants.
- Service meters.
- Project inspection, engineering and administration.
- Other costs identified by the Department of Health as necessary to provide a system that operates in compliance with federal and state standards, or by the coordinated water system plan as necessary to meet required standards.
- Individual service connections including any fees and charges, provided that property owners substantially participate in financing the cost of such connections.
- Development of any remediation well, resource protection well or monitoring well under WAC 173-160-420, General Construction Requirements for Resource Protection Wells.
- Development of any direct push resource protection well under WAC 173-160-451, minimum standards for direct push resource protection wells.
- Interim financing where necessary as a prerequisite to local government issuance of revenue bonds.

Some costs related to these activities may not be reimbursable under the grant, or may only be eligible under certain conditions. Conditionally allowable costs must be approved in advance by the Ecology grant manager. Costs not allowed are the responsibility of the grant recipient.

Ineligible Costs for Safe Drinking Water Grants

Ineligible costs for safe drinking water grants include:

- The cost of developing the grant application.
- Legal fees and penalties.
- Ecology oversight costs (Cost Recovery).
- Operating and maintenance costs.
- Retroactive costs, except for those specified in WAC 173-322-100 (6).
- Natural resource damage assessment costs and natural resource damages.
- In-kind services.
- Undocumented costs.

Alternative Solutions for Water Contamination

The purpose of safe drinking water grants is to remedy water contamination problems caused by hazardous substances. Generally, the solutions fall into three categories: treatment, extension of an existing water system or providing a new water source. Unless it is clearly demonstrated to the contrary, the solution preferred for funding is treating the water and eliminating the source of contamination. There are four reasons for this preference:

1. The authority for the grant program is the Model Toxics Control Act. The purpose of this act is to clean up hazardous waste sites rather than provide water supply infrastructures.
2. Increasing pressure on the state's water resources means that conservation of clean, unused water supplies is important. Cleansing or treating an otherwise adequate water supply is preferable to abandoning it and tapping into a new aquifer. However, in some cases technologically and economically sound treatment approaches do not exist for the particular contaminants.
3. Treatment systems can be faster, cheaper solutions to health concerns than extending water lines or providing new water sources.
4. Treatment systems can be solutions to identified water contamination problems without triggering water system charges, growth management issues or annexation concerns.

How to Apply for a Safe Drinking Water Grant

Local governments may submit applications for safe drinking water grants at any time. If an order or decree has been issued to a local government, application for the grant must be made within 60 days after the effective date of the order or decree. See [Appendix A](#) for the application form and instructions.

Address all inquiries about safe drinking water grants for projects in Adams, Asotin, Clallam, Clark, Cowlitz, Columbia, Ferry, Franklin, Garfield, Grant, Grays Harbor, Jefferson, Lewis, Lincoln, Mason, Pacific, Pend Oreille, Pierce, Skamania, Spokane, Stevens, Thurston, Wahkiakum Walla Walla and Whitman counties to:

Diane Singer, 360-407-6062 or Diane.Singer@ecy.wa.gov
Remedial Action Grants and Loans
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Address all inquiries about safe drinking water grants for projects in Benton, Chelan, Douglas, Island, King, Kitsap, Kittitas, Klickitat, Okanogan, Yakima, San Juan, Skagit, Snohomish and Whatcom counties to:

Lydia Lindwall, 360-407-6067 or Lydia.Lindwall@ecy.wa.gov
Remedial Action Grants and Loans
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Financial Match Requirements for Safe Drinking Water Grants

Ecology will consider safe drinking water projects for funding at up to **50 percent** of eligible project costs. A local government in a community considered economically disadvantaged may receive up to **25 percent** of total eligible project costs as additional funding. The local government must also provide satisfactory demonstration of extraordinary financial need. See [Grants to Economically Disadvantaged Areas](#) starting on page 64.

Ecology may make grant offers below the maximum eligible state share and fund all or part of eligible grant activities.

Safe Drinking Water Grant Application Evaluation Criteria

In addition to the applicable grant application evaluation criteria identified under the [prioritization and evaluation of grant applications](#) starting on page 47, the following criteria are considered for Safe Drinking Water grants:

- Ownership of the water system to be extended or improved. (Systems owned by local governments will receive higher funding priority than other systems.)
- Number of people the water system serves and per capita cost of remediation.

Areawide Groundwater Grants

The purpose of the areawide groundwater remediation grants is to address groundwater contamination from multiple sources. The grants enable local governments to assist the cleanup and redevelopment of property involved in such contamination within their jurisdictions. The goal is to develop areawide solutions, including investigation work plans, model remedies or areawide determinations on whether groundwater is drinkable.

Who Can Receive an Areawide Groundwater Grant?

Only a local government may apply for areawide groundwater remediation grants. The local government may be a potentially liable person at a site, or may own or have ownership interest in a site without being liable for contamination. It is also possible the local government may not own a site, but applies for a grant to help with cleanup of contaminated groundwater at a site in its jurisdiction. In this case, the local government must agree to administer or manage the grant and act as the project lead or sponsor.

The areawide groundwater action must be required under an order or decree, or approved by Ecology. If the action is required under an order or decree issued under the federal cleanup law, then Ecology must have signed or acknowledged in writing the order or decree is a sufficient basis for remedial action grant funding.

What is the Definition of Areawide Groundwater Contamination?

WAC 173-322-020 defines areawide groundwater contamination as “*multiple adjacent properties with different ownerships affected by hazardous substances from multiple sources that have resulted in commingled plumes of contaminated ground water that are not practicable to address separately.*”

What Activities are Funded Under Areawide Groundwater Grants?

Eligible remedial activities are those that identify, eliminate, or minimize a threat or potential threat posed by hazardous substances to human health or the environment. Ecology will negotiate with local government on the scope of work in the grant agreement.

Eligible Costs for Areawide Groundwater Grants

Eligible expenses include, but are not limited, to reasonable and documented costs incurred in performing the following activities:

- Remedial investigations.
- Feasibility studies.
- Remedial designs.
- Pilot studies.
- Interim actions.
- Cleanup actions.
- Capital costs of long-term monitoring systems.
- Operation and maintenance costs incurred during the first year of accomplishing the cleanup action after facilities and equipment have been installed or constructed.

Some costs related to these activities may not be reimbursable under the grant, or may only be eligible under certain conditions. Conditionally allowable costs must be approved in advance by the Ecology grant manager. Costs not allowed are the responsibility of the grant recipient.

Ineligible Costs for Areawide Groundwater Grants

Ineligible costs include:

- The cost of developing the grant application.
- Legal fees and penalties.
- Ecology oversight costs (Cost Recovery).
- Operation and maintenance costs after the first year of accomplishing the remedial action.
- Costs of long-term monitoring.
- Natural resource damage assessment and natural resource damages.
- Retroactive costs, except as limited by WAC 173-322-090 (6).
- In-kind donations and services.
- Undocumented costs.

How to Apply for an Areawide Groundwater Grant

Local governments may submit an application for an areawide groundwater remediation grant at any time. See [Appendix A](#) for application forms and instructions. In addition to the information required on the application form, the local government must also submit the following:

- A copy of the reimbursement agreement with affected property owners.
- A commitment by the applicant to partially reimburse Ecology from funds obtained from affected property owners.
- A ten year cost forecast may be required.

Address all inquiries about areawide drinking water action grants for projects in Adams, Asotin, Clallam, Clark, Cowlitz, Columbia, Ferry, Franklin, Garfield, Grant, Grays Harbor, Jefferson,

Lewis, Lincoln, Mason, Pacific, Pend Oreille, Pierce, Skamania, Spokane, Stevens, Thurston, Wahkiakum Walla Walla and Whitman counties to:

Diane Singer, 360-407-6062 or Diane.Singer@ecy.wa.gov
Remedial Action Grants and Loans
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Address all inquiries about area-wide drinking water action grants for projects in Benton, Chelan, Douglas, Island, King, Kitsap, Kittitas, Klickitat, Okanogan, Yakima, San Juan, Skagit, Snohomish and Whatcom counties to:

Lydia Lindwall, 360-407-6067 or Lydia.Lindwall@ecy.wa.gov
Remedial Action Grants and Loans
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Financial Match Requirements for Areawide Groundwater Grants

Ecology will consider areawide groundwater projects for funding up to 100 percent of eligible project costs. Requirements for a local government to financially match grant amounts can range between 0 and 50 percent. Disadvantaged counties may be eligible for 25 percent additional funding. See [Grants to Economically Disadvantaged Areas](#) starting on page 64.

Repayment of Grant Funds

If Ecology provides grant funds to a local government for an areawide groundwater contamination project on privately owned property, the grant amount shall be partially repaid to Ecology. Local governments will have to obtain partial reimbursement from the property owners or other potentially liable parties. The grant agreement between the local government and Ecology will include terms and amount of repayment.

Integrated Planning Grants

Ecology is implementing a pilot project that provides limited funding to local governments that are developing an integrated project plan for cleanup and reuse of a contaminated site. Local governments considering acquisition of vacant, abandoned or orphaned property may be eligible for grants to develop integrated project plans and conduct studies necessary for such plans.

An integrated project plan is an early planning process that incorporates cleanup activities with the reuse of the property. This plan should outline a strategy to solve multiple problems where reuse is hindered by contamination. The plan may address due diligence, economic impact forecasting, habitat restoration, site work for recreational use and infrastructure development as part of the overall cleanup process. The plan must also include funding strategies that leverage multiple grant and loan opportunities to complete a project. The plan must describe significant project development milestones as a means of evaluating progress.

The proposal for an integrated project must be reviewed and approved by Ecology's appropriate Toxics Cleanup Regional Manager or their designee.

Who Can Receive an Integrated Planning Grant?

The grant applicant must be a local government. Priority and preference will be given to local governments that have not previously received a remedial action grant or meet the disadvantaged communities' criteria. See [Grants to Economically Disadvantaged Areas](#) starting on page 64.

The application (proposal) and scope of work has to be reviewed and approved by the Toxics Cleanup Program Regional Manager or their designee and the grant manager before the work begins. The Recipient is responsible for any costs incurred prior to this approval.

Available Funding

Integrated Planning Grants may be provided at 100 percent funding for up to \$200,000 depending on the availability of funds.

What Activities Are Funded Under Integrated Planning Grants?

Grants for integrated project planning provide funds to local governments for development of integrated plans that may include: overall project scope, budget and financial planning, conceptual design, initial stakeholder agreements, boundary survey, title reports, cultural review, habitat assessment and surveys, and Phase I and Phase II Environmental Assessments.

Eligible Costs for Integrated Planning Grants

Eligible costs for Integrated Planning Grants include reasonable and documented costs for the following activities:

- Administration and project management fees.
- Scope development.
- Planning document development.
- Budget and financial planning.
- Economic impact forecasting.
- Conceptual site design.
- Initial stakeholder agreements (other than legal fees).
- Boundary survey.
- Title reports.
- Cultural review (Executive Order #05-05).
- American Society of Testing and Materials (ASTM E 1527-00) Phase I Environmental Assessment.
- American Society of Testing and Materials (ASTM E 1527-00) Phase II Environmental Assessment.
- Contractor fees.
- Habitat assessment and survey.
- Sampling and analysis.

Some costs related to these activities may not be reimbursable under the grant, or may only be eligible under certain conditions. Conditionally allowable costs must be approved in advance by the Ecology grant manager. Costs not allowed are the responsibility of the grant recipient.

Ineligible Costs for Integrated Planning Grants

Ineligible costs for environmental assessment activities include:

- The cost of developing the grant application.
- Legal fees and penalties, including those associated with due diligence.
- Ecology oversight costs (Cost Recovery).
- In-kind services.
- Undocumented costs.

How to Develop an Integrated Project Plan

For questions about how to develop an Integrated Planning Project or an Integrated Project Plan contact:

John Means, 360-407-7188 or John.Means@ecy.wa.gov
Toxics Cleanup Program
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

How to Apply for an Integrated Planning Grant

There is no set application period for Integrated Planning Grants. You may apply at any time. Please direct all inquiries about Integrated Planning Grants to John Means.

See [Appendix A](#) for application forms and instructions.

Integrated Planning Grant Application Evaluation Criteria

In addition to the applicable grant application evaluation criteria identified under the [prioritization and evaluation of grant applications](#), the following criteria are considered for Integrated Planning grants:

- Strategic investments through the coordination and acquisition of multiple funding sources.
- Coordination within the community during the planning and design for a site before, during and after cleanup activities.
- Local governments that have not previously received a Remedial Action Grant or are economically disadvantaged will receive a higher priority for additional strategies.
- Projects that clearly show progression from remedial actions to restoration, recreation and new substantial economic development. Projects with a clear vision are often more successful and cleaned up more quickly than site cleanups without pre-planning of future use.

Site Hazard Assessment Grants

Ecology maintains a list of all sites in the state that are presumed contaminated based on a short review called an “initial investigation.” The next step, called the “site hazard assessment” (SHA), is a more intensive confirmation of the type and level of contaminants present. Ecology uses the results of the SHA to rank the sites in order of hazard or risk compared to other sites Ecology knows about. This ranking helps Ecology set program priorities.

Who Can Receive an SHA Grant?

To receive an SHA grant, the applicant must be a local health department or district. It must not be suspected of contributing to the release of a hazardous substance at the sites being assessed. Also, no other conflict of interest can exist.

What Activities are Funded Under SHA Grants?

SHA grants supplement Ecology’s effort to:

- Rank hazardous waste sites.
- Set program work priorities.
- Encourage local government initiative in cleaning up hazardous waste sites.
- Expedite cleanup actions.

SHA grants may be used to investigate public or private sites, with priority given to public sites. For economy and efficiency, most grants should be written to cover several local sites. Neither Ecology nor the U.S. Environmental Protection Agency can have previously assessed the sites. Ecology and the local health department or district will negotiate an agreed list of sites to assess, with Ecology having final approval.

Eligible activities for SHA grants include the costs of any tasks that enable the local health department or district to take part in Ecology’s site-ranking and priority-setting process. The activities must be pursuant to the SHA section of the Model Toxics Control Act Cleanup Regulation (WAC 173-340-320). Examples of these activities include:

- Identifying the hazardous substances, including what was released or is threatened to be released. Also, identifying (if known) what products of decomposition, recombination or chemical reaction are currently present onsite and estimating their quantities and concentrations.
- Gathering evidence confirming a release or threatened release of hazardous substances.
- Describing the facilities containing the releases and their condition.
- Identifying the location of all areas where a hazardous substance is known or suspected.
- Considering surface water run-on and runoff, and the leaching potential of the hazardous substance.

- Making preliminary characterizations of the subsurface and groundwater the release affects or potentially affects.
- Identifying the preliminary evaluation of receptors at the site, including distances to these receptors.
- Acknowledging any other physical factors that may be significant in estimating potential or current exposure to sensitive plant or animal life in the area.

Eligible Costs for SHA Grants

Eligible costs for SHA grants include reasonable and documented costs, including sales tax for the following:

- Salaries and benefits.
- Equipment (with prior written approval from Ecology's Grant Manager).
- Training (with prior written approval from Ecology's Grant Manager).
- Notification process.
- Administration consistent with [*Administrative Requirements for Recipients of Ecology Grants and Loans - "The Yellow Book"*](#) , Publication Number 91-18.
- Sampling and analysis.
- Laboratory costs.
- Scoring costs (ranking).

Some costs related to these activities may not be reimbursable under the grant, or may only be eligible under certain conditions. Conditionally allowable costs must be approved in advance by the Ecology grant manager. Costs not allowed are the responsibility of the grant recipient.

Ineligible Costs for SHA Grants

Ineligible costs under SHA grants include:

- The cost of developing the grant application.
- Retroactive costs.
- Legal fees and penalties.
- Court costs.
- Administration proceedings.
- Capital purchases not directly related or approved in advance.
- In-kind services.
- Undocumented costs.

SHA Work Plans

Ecology must approve all grant costs to be eligible for reimbursement. Ecology will negotiate with the local health department or district on a scope of work (including specific sites needing assessments) and budget to include in the SHA grant agreement. Ecology retains the authority to review and verify the results of SHAs. A grant for an SHA does not obligate Ecology to provide further funding for study or cleanup at the site, or initiate enforcement action.

Work plans for SHAs must conform to the SHA section of the Model Toxics Control Act Cleanup Regulation. Ecology's publication, *Site Hazard Assessment and Guidance Procedures for Washington Ranking Method* (Ecology Publication #91-73), can assist you in preparing a work plan. Call Ted Benson at 360-407-6683 for copies. Please refer any SHA questions or issues that are not related to the grant to Mr. Benson or your regional contact.

Regional SHA Contacts:

For counties in the Northwest Region (Island, Snohomish, King, Skagit, Whatcom, Kitsap and San Juan counties), contact Donna Musa at 425-649-7136 or Donna.Musa@ecy.wa.gov.

For counties in the Southwest Region (Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Lewis, Mason, Pacific, Pierce, Skamania, Thurston and Wahkiakum counties), contact Cris Matthews at 360-407-6388 or Cris.Matthews@ecy.wa.gov.

For counties in the Eastern Region (Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla and Whitman counties), contact Patti Carter at 509-329-3522 or Patti.Carter@ecy.wa.gov.

For counties in the Central Region (Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan and Yakima counties), contact Valerie Bound at 509-454-7886 or Valerie.Bound@ecy.wa.gov.

Headquarters Site Hazard Assessment Coordinator: Contact Ted Benson at 360-407-6683 or Ted.Benson@ecy.wa.gov.

How to Apply for an SHA Grant

Local health departments or districts can submit applications for SHA grants at any time. The application form can be found in [Appendix A](#) or online at <http://www.ecy.wa.gov/biblio/ecy070360.html>.

Address all inquiries about SHA grants to:

Randy Martin, Grant Manager
Site Hazard Assessment Grants
Department of Ecology
P.O Box 47600
Olympia, WA 98504-7600
360-407-6136 or Randy.Martin@ecy.wa.gov

Financial Match Requirements for SHA Grants

Ecology will consider eligible costs for SHAs for grant funding of up to **100 percent**.

Ecology will negotiate with the local health department or district on the amount of grant funds to award based on the scope of work.

SHA Grant Application Evaluation Criteria

In addition to the applicable grant application evaluation criteria identified under the [*prioritization and evaluation of grant applications*](#), the following criterion is considered for Site Hazard Assessment grants:

- Ownership of the site, with publicly owned sites receiving funding priority over privately owned sites.

Methamphetamine Lab Site Assessment and Cleanup Grants

RCW 70.105D.070 provides funds to state and local governments to clean up hazardous substances. A number of activities are listed as eligible for grant funds. One activity listed is “*to assist local government in the assessment and cleanup of sites of methamphetamine [meth] production activities, but not to be used for the initial containment of such sites.*”

Meth Lab Site Assessment and Cleanup Grant Program Definitions

The following definitions apply to this grant program only:

Assessment: “Actions that are taken by a local health department or district to determine if a site is contaminated, identification and levels of the contaminants present, actions taken to post the site, and notification to the site owner.”

Cleanup action: “Any remedial action, except interim actions (see definition in Chapter 173-322), taken at a site to eliminate, render less toxic, stabilize, contain, immobilize, isolate, treat, destroy, or remove a hazardous substance that complies with cleanup standards, utilizes permanent solutions to the maximum extent practicable, and includes adequate monitoring to ensure the effectiveness of the cleanup action.”

Site: “Any building, structure, installation, equipment, pipe or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, vessel, or aircraft; or any site or area where a hazardous substance, other than a legal consumer product in consumer use, has been deposited, stored, disposed of, or placed, or otherwise come to be located.” (Also refer to definition of facility in WAC 173-340-200.)

Initial site containment: “The first location where hazardous substances are confined by a container, vessel, barrier, or structure, whether natural or constructed, with a defined boundary, and that prevents or minimizes its release into the environment.”

Who Can Receive a Meth Lab Site Assessment and Cleanup Grant?

To receive a methamphetamine lab site assessment and cleanup grant, the applicant must be a local health department or district that is not a potentially liable person (PLP) at the site(s) being assessed.

The local health department or district must demonstrate substantial effort has been made to provide for handling and disposal of drug lab waste at local moderate risk waste facilities. This is especially

true if the moderate risk waste facility has received state funding for construction, maintenance, or operation.

What Meth Lab Site Assessment and Cleanup Activity Costs Are Eligible?

Methamphetamine lab grants may be used to investigate meth production sites, with a priority given to sites found on publicly owned lands.

Eligible costs for a meth lab grant include any task that enables local health departments or districts to assess and, if necessary, oversee cleanup of illegal meth production sites. The activities must be consistent with the site hazard assessment section of the Model Local Toxics Control regulation (WAC173-340-320).

Eligible Costs for Meth Lab Site Assessment and Cleanup Grants

Eligible costs for the meth lab grant include reasonable and documented costs for the following:

- Inspection of the property.
- Determination (assessment) of contamination, sampling and analysis costs.
- Contractor fees for public sites only.
- Assessor fees (specific circumstances with prior approval).
- Disposal fees (specific circumstances with prior approval).
- Equipment (need approval prior to purchase or approval of equipment list).
- Training (need approval of training plan).
- Posting site.
- Notification of property owners and those with a legal interest in the property.
- Notification of contamination on property title.
- Site-specific public notification activities to immediate surrounding property owners, when appropriate.
- Overseeing property cleanup with limitations prescribed in the Department of Health guidance.
- Reviewing and approving site cleanup plan.
- Inspections during cleanup.
- Approving completion of cleanup plan.
- Releasing property to allow reoccupation.
- Administration consistent with [*Administrative Requirements for Recipients of Ecology Grants and Loans - "The Yellow Book"*](#) , Publication Number 91-18.

Some costs related to these activities may not be reimbursable under the grant, or may only be eligible under certain conditions. Conditionally allowable costs must be approved in advance by the Ecology grant manager. Costs not allowed are the responsibility of the grant recipient.

Ineligible Costs for Meth Lab Site Assessment and Cleanup Grants

Ineligible costs include:

- The cost of developing the grant application.
- Initial site containment.
- Retroactive costs.
- Legal fees.
- Any activity that provides a gain to a private party.
- Boarding up or otherwise restricting access to privately owned sites other than posting the site and notifying the property owner.
- Destruction or landfill materials.
- Non site-specific education and information costs.
- Costs associated with assessing fines and penalties.
- Administrative proceedings.
- Other activities not consistent with the Model Toxics Control Act, rules, or guidelines.
- In-kind services.
- Undocumented costs.

Financial Match Requirements for Meth Lab Site Assessment and Cleanup Grants

Ecology will consider funding up to 100 percent of eligible costs for meth lab *assessment* activities.

Ecology will consider meth production *cleanup action* activities on public sites for funding at up to 50 percent of eligible project costs. A local health department or district in a county that is considered economically disadvantaged may receive up to 25 percent additional funding. The local health department or district must also provide satisfactory demonstration of financial need. See [Grants to Economically Disadvantaged Areas](#) starting on page 64.

Meth production sites located on private property are ineligible for cleanup funding under this grant program.

Ecology will prioritize grant funding by level of the existing problem within the health department or district jurisdiction.

How to Apply for a Meth Lab Site Assessment and Cleanup Grant

The local health department or district may submit applications for meth lab site assessment and cleanup grants at any time. The application can be found in [Appendix A](#), or online at <http://www.ecy.wa.gov/biblio/ecy070360.html>.

Address all inquiries about Meth Lab Site Assessment and Cleanup Grants to:

Randy Martin, Grant manager
Waste 2 Resources Program
Meth Lab Grants
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600
360-407-6136 or Randy.Martin@ecy.wa.gov

For ease of administration and application, meth lab site assessment and cleanup grant applications can be combined with site hazard assessment applications. Please provide separate budget sheets for each program. Meth lab site assessment and cleanup grant programs and site hazard assessment grant programs are considered separate, distinct programs. The meth lab site assessment and cleanup reporting form can be found in [Appendix C](#) or online at <http://www.ecy.wa.gov/biblio/ecy070106.html>.

Note: Grant agreements can also be written combining the two separate grant programs into one grant agreement. However, grants funds will be awarded separately according to the scope of work and budget for each individual program. The grant agreement will have two separate budget groups, and funds cannot be transferred from one to the other. In other words, site hazard assessment funding cannot be transferred to meth lab site assessment and cleanup funding, and vice versa.

Each grant program's administrative costs will be kept separate and not combined into one task for both programs.

Derelict Vessel Grants

Derelict Vessel grants assist local governments with costs to remove and dispose of hazardous substances from abandoned or derelict vessels that pose a threat or potential threat to human health or the environment.

Other Funding Programs for Derelict Vessels

The Department of Natural Resources has a derelict vessel removal and disposal grant program. This program can provide funding for derelict vessel(s) beyond the costs of hazardous substance removal and disposal.

For more information on the Department of Natural Resource Derelict Vessel Removal Program, visit http://www.dnr.wa.gov/RecreationEducation/Topics/DerelictVessels/Pages/aqr_derelict_vessel_removal_program.aspx, or call 360-902-1574.

What is the Definition of an Abandoned or Derelict Vessel?

According to law, “abandoned or derelict vessels” means vessels that have little or no value. They either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel. For the purpose of this grant program, eligible vessels can be either recreational or commercial.

Who Can Receive a Derelict Vessel Grant?

Local governments that can establish ownership of a vessel may apply for these grants. *Local government* is defined as any political subdivision, regional governmental unit, district, or municipal or public corporation, including cities, towns and counties.

Funding Limits for Derelict Vessel Grants

There is a limit of \$25,000 per vessel. The grant recipient must provide a local match of cash expenditures, from 25 to 50 percent of the total eligible costs depending on economic status. In-kind contributions will not count as part of the required match.

Financial Match Requirements for Derelict Vessel Grants

Derelict vessel grants are typically funded at 50 percent of the eligible project costs. A local government in a county or community defined as economically disadvantaged may receive up to 25 percent additional funding. See [Grants to Economically Disadvantaged Areas](#) starting on page 64.

Eligible Costs for Derelict Vessel Grants

Eligible costs for a derelict vessel grant include reasonable and documented costs for removing and disposing of hazardous substances, including:

- Remedial investigation of the vessel, including sampling and analysis.
- Removal and disposal of hazardous substances and materials designated as dangerous wastes under Chapter 173-303 WAC.

Some costs related to these activities may not be reimbursable under the grant, or may only be eligible under certain conditions. Conditionally allowable costs must be approved in advance by the Ecology grant manager. Costs not allowed are the responsibility of the grant recipient.

Ineligible Costs for Derelict Vessel Grants

Ineligible costs for a derelict vessel grant include costs related to removing and disposing of solid waste, including:

- The cost of developing the grant application.
- Retroactive costs, except as provided in WAC 173-322-120(6).
- Administrative cost of taking ownership of the vessel.
- Removal and disposal of materials that are not hazardous substances or designated as dangerous wastes under Chapter 173-303 WAC.
- Disposal of the vessel at a landfill, including transport of the vessel.
- Disposal of the vessel at sea.
- Natural resource damage assessment costs and natural resource damages.
- Legal costs including, but not limited to:
 - Pursuing private right of action or insurance claims.
 - Administrative hearings.
 - Pursuing penalties, or civil or criminal actions against persons.
 - Penalties incurred by the applicant.
 - Defending actions taken against the applicant.
 - Attorney's fees.
- In-kind services.
- Undocumented costs.

How to Apply for a Derelict Vessel Grant

Local governments may submit applications for derelict vessel grants at any time. See [Appendix A](#) for the remedial action grant application form and instructions. In the narrative statement section of the grant application, applicants must provide the following additional information:

- Description of the environmental problem (potential threat to human and environmental health) and indicate how the proposed action will improve the environment in the area.
- Description of the vessel(s) and how the cleanup will be conducted.
- Description of the types and quantities of any hazardous substances (known or suspected) to be removed from the vessel(s).
- Describe how you have determined that the vessel(s) has little or no value.
- Indicate if there was an identified original owner and if that owner lacked the financial resources to care for the vessel.
- Provide proof of ownership of the vessel(s) and/or describe how you have established that you have legal possession of the vessel. Describe what authority allows you to conduct the cleanup (such as municipal code, statute, etc.). Please attach a copy of the authority to your application.

Address all inquiries or applications for Derelict Vessel grants to:

Lydia Lindwall, 360-407-6067 or Lydia.Lindwall@ecy.wa.gov
Remedial Action Grants & Loans
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Loans

The Model Toxic Control Act (MTCA), RCW 70.05D.070, authorizes Ecology to offer loans to local governments for oversight remedial action projects. The intent of the loan program is to encourage and expedite cleanup of hazardous waste sites and lessen the impact of the cleanup cost on ratepayers and taxpayers.

Types of Loans

The loan program includes two different types of loans:

1. *A standard loan.* A standard loan includes the terms and conditions for repaying the loan.
2. *Extraordinary financial hardship loan.* An extraordinary financial hardship loan includes deferred terms and conditions for repayment. The deferred terms and conditions may not be indefinite and the loan must be approved by the Director of the Department of Ecology.

Who Can Receive A Loan?

Eligibility requirements for a loan consist of the following:

- The loan applicant must be a local government and meet the eligibility requirements listed under the chapter on *oversight remedial action grants* and as defined in WAC 173-322-020.
- The loan applicant must also meet the eligibility requirements for an oversight remedial action grant and as set forth in WAC 173-322-070(2).
- In order to establish eligibility for a loan, local governments must undergo a thorough third-party financial review to establish their financial need for the loan, as well as their ability to repay the loan and their inability to obtain funds from any other source.
- The site being studied or remediated must present an immediate danger to human health and the environment.

Based on the financial review, the local government must demonstrate financial need for a standard loan, ability to repay the loan and inability to obtain funds from any other source.

For an extraordinary financial hardship loan, the local government must demonstrate its financial need, inability to repay the loan under present circumstances, inability to obtain funds from any other source, and inability to bond or raise its tax base.

What Are Loans Used For?

The loan program provides loans to supplement other funding sources to meet the match requirements for oversight remedial action grants. In addition, loans are intended to aid local governments where an inability to obtain funding would significantly delay cleanup and subsequent use, sale or redevelopment of the properties affected by a hazardous waste site.

Repayment of Loan

The terms and conditions for repayment of the loan shall be based on the local government's ability to repay the loan, as determined by the independent third-party financial review outcome.

For the extraordinary financial hardship loans, the repayment terms and conditions may be deferred; however, they cannot be indefinite. Deferred terms are dependent on periodic review of the local government's ability to pay.

How Much Money Is Available?

There is no specific amount of funding set aside for loans. Any loan amount must come from the same allocation used to fund the oversight remedial action grants and is subject to the same prioritization process.

Eligible and Ineligible Costs

Eligible and ineligible costs are the same as listed for oversight remedial action grants.

Financial Information

Since local governments can use loans to provide match for oversight remedial action grants, the local government may be considered for up to 50 percent of eligible project costs in match.

A local government in a county defined as economically disadvantaged and that meets the eligibility requirements under the independent financial review may be considered for a loan for the match up to 25 percent of eligible project costs. See [Grants to Economically Disadvantaged Areas](#) starting on page 64.

How to Apply for a Loan

There is no set application period for loans, but applications must be made within 60 days of finalizing the order or consent decree.

Address all inquiries about loans for projects in Adams, Asotin, Clallam, Clark, Cowlitz, Columbia, Ferry, Franklin, Garfield, Grant, Grays Harbor, Jefferson, Lewis, Lincoln, Mason, Pacific, Pend Oreille, Pierce, Skamania, Spokane, Stevens, Thurston, Wahkiakum Walla Walla and Whitman counties to:

Diane Singer, 360-407-6062 or Diane.Singer@ecy.wa.gov
Remedial Action Grants and Loans
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Address all inquiries about loans for projects in Benton, Chelan, Douglas, Island, King, Kitsap, Kittitas, Klickitat, Okanogan, Yakima, San Juan, Skagit, Snohomish and Whatcom counties to:

Lydia Lindwall, 360-407-6067 or Lydia.Lindwall@ecy.wa.gov
Remedial Action Grants and Loans
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Financial and Grant Management Issues

The Administrative Requirements for Ecology Grants and Loans (Ecology Publication #91-18, Revised September 2005), the “Yellow Book,” establishes the administrative requirements for all grants and loans administered by Ecology. The document describes requirements for financial management, reporting expenditures and income, contracting, procurement, and records retention. The “*Yellow Book*,” in conjunction with these program guidelines, the terms and conditions of the grant agreement, scope of work and any special and general terms of the agreement govern remedial action grant and loan program agreements. The information that follows provides more in-depth information about financial and grant management issues to address some common questions that arise during implementation of these agreements. To request a copy of the “*Yellow Book*” contact your grant manager or download it from the Ecology website at <http://www.ecy.wa.gov/biblio/9118.html>

Prioritization and Evaluation of Grant Applications

Grant applications are evaluated for completeness. Recently, the Puget Sound Partnership (PSP) received authority to review all state agencies’ grant and loan programs. Agencies are now required to give preference to grants and loans in the Puget Sound Basin that support the PSP Action Agenda.

This preference is applicable to projects within the Puget Sound Basin and does not affect the overall priority of projects throughout the state.

The PSP has recommended that Ecology consider a points-based system and Ecology has committed to have it in place by the end of 2010. When completed, it will be available on the Remedial Action Grant Program website.

Proposed projects or actions within the Puget Sound area that are in conflict with the PSP Action Agenda will not be eligible for funding.

Ecology is currently considering the following priorities and principles when making funding decisions. These are also being considered for the points-based system:

Regulatory Priorities:

- Relative hazard ranking. Ecology determines rankings in accordance with the Model Toxics Control Act Cleanup Regulation (WAC 173-340-330) or the U.S. EPA National Priorities List ranking. Higher ranking sites will receive higher funding priority.
- Evidence the grant is necessary to expedite cleanup.
- Relative readiness of the applicant to proceed promptly with the project.
- Puget Sound projects that are proposed by designated Puget Sound Partnership (PSP) Partners. (The term “Partner” is to be defined by the PSP).
- Puget Sound projects that are identified in the PSP Action Agenda.

Guiding Principles:

- Focus on worst first – To determine what is worst, Ecology considers relative hazard ranking, threat to groundwater and drinking water, threat to human health and the environment, and need for emergency actions.
- Closing and continuing projects – These are ongoing projects that are currently under grant agreement and continue to need some level of funding to complete the cleanup. To the extent possible, priority may be given to fund projects in this category.
- Cover as many sites as possible – Sometimes demand exceeds the funds available. Ecology will strive to provide funding amounts to as many sites as possible without impeding the cleanups. Cleanup projects may get funding in phases over time, rather than one initial award for the entire cleanup.
- Ability to pay – Ecology evaluates applications in two ways. One is the ability of the local government to fund the cleanup site without grant funding. The other is the impact a lack of grant funding would have on the cleanup site.
- Strategic investments through coordination and acquisition of multiple funding sources.

Limits on Funding

Availability of Funding

Grants are contingent on availability of appropriated funding. The fact that a local government is eligible or has received funding for initial phases of remedial action is no guarantee of continued funding. Separate grant agreements will be written for each major phase of remedial action, and discrete tasks and near-future timeframes.

The obligation of Ecology to make payments is contingent on availability of funds through legislative appropriation and state allotment. When an agreement crosses over state fiscal years, the obligation of Ecology is contingent upon appropriation of funds during the next fiscal year. The failure to appropriate or allot such funds shall be good cause to terminate an agreement. Each time a fiscal or biennial funding line is crossed, there is a risk that funds will not be reappropriated for an agreement. If this occurs, it is possible your agreement will be closed and any unspent funds lost.

Reasonable Costs

Ecology reserves the right to reject costs as excessive, even when work is fully approved from a technical or contractual standpoint. As a result, some expenses may be reimbursed at less than the allowable percentages or not allowed at all. Examples: a shovel is purchased for \$50 when an equivalent shovel is available for \$25; a \$3,000 GPS unit is purchased and one is available for \$500 that will perform the duties required at the site; 6 cameras are purchased when 1 or 2 will do the job.

Rising Costs, Cleanup and Contractual Agreements

Do not assume that grant amendments will automatically follow cost increases or change orders, or meet the terms of the contracts you have negotiated with your labor force or contractors. Ecology reserves the right to deny certain expenses based on the discretion of the grant manager and his/her determination about the appropriateness of an expense.

Example: The recipient has a labor contract that requires providing a break space to employees working on grant tasks. The recipient purchases a coffee pot, refrigerator and tables for the break area. The grant manager may determine these expenses are not appropriate to bill to the grant agreement.

Do not assume that just because an item or work task is required under a cleanup agreement, (agreed order or consent decree), and allowed or required in a contract with your labor force or contractors that it will be deemed grant eligible. The grant manager must allow a cost for it to be eligible for reimbursement under a remedial action grant.

Cost Eligibility

The Grant Manager Determines Cost Eligibility

If you have any questions about whether you can bill a specific cost to the grant, you must ask the grant manager. Grant recipients are responsible for understanding the terms of their agreement, and the grant rules or guidelines related to the eligibility of a cost prior to making purchases and billing them to the grant.

Grant recipients are also fully responsible to pay any costs the grant manager will not allow, even if the recipient did not understand the cost was not eligible, or a contractor or other representative approved or purchased the item without the recipient's knowledge or approval.

Example: The recipient asks the site manager or visiting dignitary permission to buy an item and bill it to the grant, and the recipient purchases the item without asking the grant manager. The recipient may bear the entire cost of the item if the grant manager does not approve the expense.

Only the grant manager can determine if a cost is eligible under the grant.

Only eligible cash expenditures are reimbursable. In general, an eligible cost is:

- Reasonable and necessary to perform the scope of work established in the agreement (determined by the Grant Manager and Ecology Site Manager).
- Allowed under the RA program rules, guidelines, the Ecology Yellow Book and the agreement.
- Properly documented.
- Incurred after the effective date of the agreement and before the expiration date. Costs incurred prior to the effective date of the agreement are at the sole expense of the recipient.
- Consistent with the standard business practices of the recipient. A cost is not eligible if it is computed differently than costs incurred in any other recipient activity.
- Approved by the Ecology grant manager and verified by the Ecology site manager.

Fully Documented Costs

The grant recipient must submit all supporting documentation to the grant manager for all expenses, including recipient salary and benefits. This includes contractor and subcontractor invoices and receipts, accounting records or any other form of record that establishes the appropriateness of an expense. Receipts for supplies or meals must be itemized. A charge card receipt with only a total payment amount is not acceptable documentation.

At a minimum, supporting documentation must include:

- Name of vendor.
- Date of cost incurred.
- Invoice number.
- Invoice date.
- Line items that show items or services purchased.
- Description of the items.
- Serial, VIN, or other identifying number (for equipment or vehicles costing \$5,000 or more).
- Cost amounts for each line item.
- Tax.
- Total cost.
- Note associating the cost(s) to the grant site (can be hand written on by recipient).
- Task number costs are being billed to.

For salary and benefit costs, documentation must include the employee name, hours worked on grant activities per day, date worked, pay rate and total cost. The Yellow Book Form E may be used or a printout from the recipient's accounting system that shows equivalent information found on [Form E](#). The hours must be presented for each day worked, not in a summary fashion rolled up into pay periods.

Adjustment of Eligible Costs

A local government might receive settlement proceeds from a contribution claim before the effective date of the grant agreement. If this is the case, then Ecology shall deduct the amount of the settlement proceeds from the amount eligible for grant funding. Before deducting the proceeds from the eligible costs, Ecology will deduct the legal costs incurred by the applicant in pursuing the claim for contribution.

Ecology Oversight Costs

Costs Ecology bills to recipients for site management oversight (cost recovery) under the terms of orders or consent decrees are not eligible for grant reimbursement. See WAC 173-322-070(6) (b) (ii).

Operating and Maintenance Costs

Operating and maintenance costs incurred after the first year of accomplishing the cleanup action are not eligible for grant funding.

Natural Resource Damage Assessment Costs and Natural Resource Damages

Costs related to development of Natural Resource Damage Assessments (NRDA) and fees for damages to the environment or work required in lieu of fees under NRDA settlements are not eligible for grant funding. Cleanup or habitat restoration work required under a state or federal NRDA settlement are not eligible for remedial action grant funding.

Ecology Voluntary Cleanup Program (VCP) Fees

Fees Ecology charges for VCP reviews or technical consultations are not eligible for grant reimbursement. These are the equivalent of Ecology Oversight Costs. See WAC 173-322-080 (5) (b) (ii).

Penalties and Late Fees

Penalties or late fees assigned to the recipient are not eligible for grant reimbursement. For example, the recipient pays an invoice late and a contractor charges a late fee. This cost is not eligible for grant reimbursement.

A penalty issued by Ecology for failure to comply with an order or decree is not eligible for grant reimbursement.

Retroactive Costs and Costs Incurred During Negotiations

Retroactive Costs

Retroactive costs are eligible for reimbursement under certain circumstances if:

- Ecology unreasonably delays processing a grant application.
- Ecology provided only partial funding under a prior grant agreement.
- Costs were incurred under an independent cleanup and the actions are incorporated as part of the order or consent decree (i.e., written into the order/decree) for the site.

There may be limitations in the amount of funding available for retroactive costs and how far into the past the program will go to approve these expenses.

A common problem with retroactive costs incurred while the recipient conducts independent cleanup actions is late communication of the recipient's desire to have these costs reimbursed under the grant. As a result, the opportunity is missed to incorporate them into the order or consent decree. If the work is not incorporated into the order/decree, they cannot be reimbursed under the grant. Orders and consent decrees can be amended to include these costs so they can be reimbursed under the grant; however, there will be a delay in funding while this process is undertaken.

Costs Incurred During Negotiation of the Agreed Order or Consent Decree

Recipient staff costs (except legal costs) incurred during development of the agreed order or consent decree may be eligible for grant reimbursement. Sampling or work planning activities that occur prior to signing of the order or decree may also be eligible for grant reimbursement. The Ecology site manager must agree the costs incurred were appropriate and necessary to development of the agreement or scope of work and special language may be required to incorporate this work into the order or decree to establish grant eligibility.

Legal Expenses/Attorney Fees

Legal expenses or attorney fees of any kind are not grant eligible.

Lobbying Costs

Lobbying is not an acceptable activity under remedial action grants. Costs for entertaining or attempting to influence dignitaries or elected officials are not grant reimbursable.

Per Diem, Working Lunches and Light Refreshments

Per Diem

When on travel status, per diem is allowable for the recipient at the recipient's standard rate or the state rate if the recipient does not have a standard per diem rate. Reasonable consultant expenses for meals are an allowable grant expense. Consultants may also bill for per diem if they are on travel status.

The grant manager may deny any consultant expenses that are deemed excessive or inappropriate (e.g. alcohol, room service, high-end restaurants, etc.). Itemized receipts are required for meals. A charge card receipt with only a total payment amount is not acceptable documentation.

Working Lunches

Working lunches are conditionally allowable but subject to grant manager approval/discretion. The recipient must submit a written request for permission to bill for working lunches prior to incurring expenses.

Costs incurred prior to or without grant manager prior approval may be denied and therefore at the sole expense of the recipient.

The grant manager may approve expenses consistent with how Ecology approves working lunches. These requirements are listed below and will be applied to consultant and recipient working lunches to determine eligibility of the expense.

State Requirements for Working Lunches

- Payments/reimbursements are limited to those situations where it would be an advantage to the state to pay for employees meals regardless of travel status.
- Reimbursement is allowed when the agency requires an employee to attend a meeting or formal training session where meals are served, and where:

- The purpose of the meeting is to conduct official state business or to provide formal training to employees; and
- The meals are an integral part of the meeting or training session (that is, activities are conducted during the meal period); and
- The meeting or training session takes place away from the employee's or official's regular workplace; and
- The agency head or authorized designee provides written approval in advance for the expenditure of funds for meals; and
- Itemized receipts for meals are provided. Meals are reimbursed up to the applicable maximum per meal entitlement in effect at the time. (State Administrative and Accounting Manual Section 10.40.20.a)

Example 1: A recipient official from Olympia meets with a consulting firm representative in Seattle to discuss site issues over dinner. This might be eligible. Ask in advance. Did the recipient request approval from the grant manager prior to incurring the cost? Was the recipient on travel status? Was the meal taken at a location other than the recipient's official workstation? Was an itemized receipt provided?

Example 2: A consultant team stationed out of Spokane meets at a local restaurant for a lunch meeting. This is not grant eligible because the meeting takes place within the regular work area.

Example 3: A consultant team stationed out of Yakima attends a recipient's project meeting in Bellevue and lunch is provided so the team can continue to work through lunch. As long as the recipient has received prior written approval from the grant manager and proper documentation is provided, this could be an allowable expense at the discretion of the grant manager.

If you aren't certain, check with your grant manager in advance of incurring a cost.

Documentation Requirements for Working Lunches (may be sent by email)

Pre-Meeting:

1. Written request that contains a justification for the meeting
2. Meeting agenda
3. Draft budget (expense itemization)

Post-Meeting

1. Sign-in sheet / attendance list
2. Final vendor receipt or invoice

Light Refreshments

Light refreshments for public meetings required in the scope of work are conditionally allowable as a discretionary item subject to grant manager approval. The grant recipient must request approval to provide light refreshments prior to incurring any expense.

Costs incurred prior to or without grant manager prior approval may be denied and therefore at the sole expense of the recipient. The Grant manager is allowed to approve expenses consistent with how Ecology approves light refreshments.

Documentation requirements for Light Refreshments (may be sent by email)

Pre-Meeting

1. Written request that contains an explanation for the purpose of the meeting
2. Meeting agenda or description of purpose
3. Draft budget (expense itemization)

Post-Meeting

1. Sign-in sheet / attendance list
2. Final vendor receipt or invoice

Training

Your Remedial Action Grant/Loan can fund Recipient staff training with prior approval of the grant manager. Recipient training must be directly related to the project and necessary to carry out the scope of work, such as Hazardous Waste Safety training.

Travel associated with approved training for the recipient is allowable, but negotiated with the Grant Manager in advance. Communicate with your grant manager to discuss your training and any associated travel needs prior to incurring any expense. Failure to do so could result in the expenses being denied.

The grant will not reimburse any form of consultant training. Consultants should be prepared to perform the duties for which they are being hired. Grant money cannot be used to provide consultants the training they need to fulfill the terms of their agreement with the recipient. If the recipient agrees to fund consultant training, as a point of cost negotiation or for any other reason, the recipient is responsible for these costs and will not receive reimbursement under the grant.

Tools and Supplies

Tools

Tools are tangible personal property having a useful life of more than one year and an acquisition cost of less than \$5,000 per functional unit. Tools are a conditionally allowable cost. They require written approval from the grant manager. Considerations typically include the following:

- Is the tool required to perform the scope of work in the agreement?
- Is the price of the tool the most economical means of accomplishing the task or work?
- Will the recipient maintain ownership/possession of the tool?

If tools are purchased without approval by the grant manager prior to the purchase, the purchaser may be responsible for all costs.

Once the tool is no longer needed for the original purpose, it may be retained, sold, or otherwise disposed of with no further obligation to Ecology.

Examples of common tools: Cameras, GPS devices, sampling or monitoring devices, modeling software, printers, plotters and occasionally computers.

Supplies

Supplies are tangible personal property other than tools or equipment. Supplies are either direct billed or are considered an overhead expense. Supplies or materials needed to perform the scope of work in the agreement are a grant eligible cost. Under most grant agreements, these costs are part of overhead expenses but they can be directly billed if they are only used for grant related activities.

Equipment

Equipment means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of at least \$5,000 per functional unit or system. Some tools can fall into the equipment category because of their cost. Once an item exceeds the \$5,000 threshold, additional requirements govern its acquisition, use and disposition.

Equipment purchases require prior written approval from the grant manager prior to purchase and billing to the grant. Costs not approved by the grant manager are the responsibility of the recipient.

Equipment Acquisition

The grant recipient must submit a written request to the grant manager prior to billing any equipment purchase to the grant agreement. Written requests should be made prior to purchasing the equipment. The written request must include:

1. Description of the equipment.
2. Justification for the purchase, including an evaluation of rent vs. purchase.
3. Total cost.
4. Useful life expectancy of the equipment.

If equipment is purchased prior to requesting grant manager approval, the recipient is responsible for the entire cost.

Equipment Use

During the effective dates of the agreement, equipment purchased with grant funds must be used to accomplish activities funded by the agreement. It may be used for activities not funded by the agreement as long as that use does not interfere with work on the originally authorized project.

The recipient may not use the equipment to provide services for a fee to compete unfairly with private companies providing equivalent services, unless specifically permitted by statute.

Equipment Management

The recipient must maintain and manage the equipment properly to optimize its life span. The recipient must maintain an inventory control system that includes a physical inventory to document where the equipment is being used, and a maintenance record that ensures the equipment is kept in good working condition.

At least once every two years, the recipient must take physical inventory of the equipment and reconcile the results with their property records. This continues until final disposition of the equipment. The recipient maintains inventory records for audit purposes consistent with other grant records. (Yellow Book, Ecology Publication #91-18, Revised September 2005)

Equipment records must include:

1. Description of the equipment.
2. A serial or other identifying number; (VIN, manufacturer's, recipient inventory tracking, or other identifying number).
3. The source of the equipment (vendor name).
4. The name of the title holder.
5. Purchase date and price.
6. The percentage of the purchase price paid by Ecology.
7. The location and use of the equipment.
8. Condition and maintenance records.
9. Final disposition data, including date of disposition and sale price obtained if applicable.

Equipment Disposition

The grant recipient must notify the Department's grant manager prior to disposing of any equipment. Following this notification, and once the agreement expires or the equipment is no longer needed for the originally authorized purpose (whichever comes first), the recipient may dispose of purchased equipment as follows.

1. The recipient may retain the equipment with no further compensation to Ecology if:
 - a. The equipment is needed for continued operation, maintenance or monitoring of the project or other projects administered through Ecology.
 - b. The equipment is needed for a project that is compatible with the originally intended use.
2. If the recipient has no further use for the equipment for the original or comparable projects, they may retain or sell the equipment and pay Ecology an amount equal to Ecology's share of the current fair market value, sale proceeds or other price agreed upon by the grant manager. If the recipient elects to sell the equipment, the recipient is to use sales procedures ensuring the highest possible return.
3. The grant manager may instruct the recipient to transfer title to Ecology or to a third party named by Ecology who is eligible under existing statutes. In this case, the recipient will be compensated in the amount equal to its share of the current fair market value of the equipment, or other price agreed upon by the recipient.

Computer Purchases

Computer purchases (and associated software) are a conditionally allowable cost, although they are typically a part of overhead expenses and rarely funded as a direct expense with remedial action grants. In some cases, typically long-term cleanups, computers are an allowed expense. Recipients must obtain written permission from the grant manager to purchase computers that will be directly billed to the grant. Any costs incurred for computers or software purchased without the grant manager's written approval are the recipient's responsibility.

To request written approval from the grant manager, the recipient must submit a written justification for the purchase that includes:

- The work tasks to be performed on the computer.
- A detailed price quote for the system that itemizes the components being requested for the purchase and any requested software or peripherals.
- The amount of time the user or users are assigned to grant tasks.
- The share of the total purchase price requested for grant funding.

Retainage

Retainage is not an eligible cost until it has been paid to the consultant/contractor. Costs must have been incurred to be reimbursable; retainage has been withheld for payment at a later time.

Even though funds may be paid into an escrow or other account for payment once the contract terms are satisfied, it is possible the grant recipient may not pass those funds on to the consultant. Because of this, retainage is only billable to the grant once the funds have been paid to the consultant/contractor.

Backup documentation often includes copies of emails or memos from the recipient to the bank approving the release of the funds, and copies of financial transactions or a letter from the bank showing release of funds to the contractor. An invoice from the consultant billing for the retainage and a warrant from the recipient showing payment of the retainage is also acceptable.

Groundbreaking and Cleanup Completion Ceremonies

Remedial action grants typically do not fund costs of hosting groundbreaking ceremonies or those to commemorate the completion of a cleanup. Funding investigation and cleanup work is the priority use of these grant funds. It is possible that some light refreshments may be purchased with grant funds for these events with prior written approval by the grant manager. If allowed by the grant manager, the requirements surrounding [light refreshments](#) apply. If a recipient incurs costs prior to the grant manager's approval, the recipient is responsible for any costs the grant manager does not allow.

Overtime and Overtime Differential

Overtime is a conditionally allowable expense; this means it requires prior written approval from Ecology. The recipient must send the grant manager a written request for approval before incurring the obligation, e.g. working the overtime. The grant manager must approve or deny this request in writing. If overtime is not requested in advance, the recipient may not request payment for overtime.

Overtime Differential is also a conditionally allowable expense. It may be allowable only when 100 percent of an employee's time is spent on grant activities. Because it is conditionally allowable, the recipient must send the grant manager a written request for approval before incurring the obligation, and the grant manager must approve this request in writing.

Grant Application Development

Remedial action grants do not fund the costs of preparing the grant application.

Overhead and Direct Expenses

Allowable costs include overhead and direct costs. Ecology recognizes that some recipients have a federally approved indirect rate that may differ from the overhead rate established in this section. In some cases, the amount of overhead costs that may be eligible may be less than the amount of the federally approved indirect costs.

To distribute available resources to as many projects as possible and to ensure equitable treatment of grant/loan recipients, we have adopted a uniform overhead rate for all Ecology grants and loans. A uniform rate will permit us to simplify reporting requirements and ensure more consistent treatment of recipients across Ecology programs. It is also intended to ensure that a project conducted by a recipient who does not have a federal indirect rate is supported in the same proportion as a project conducted by a recipient who may have a federal rate.

Direct Expenses

Direct costs are costs that can be identified specifically with a particular objective of the project, such as:

- Compensation for employees time devoted to the project.
- Cost of materials and approved capital expenditures used specifically for the project.
- Cost of services furnished for the project by other entities.

Overhead

Overhead costs are those incurred for a common purpose and not readily identifiable with a particular objective. These include costs incurred by the recipient, as well as costs incurred by others who supply goods, services or facilities to the recipient, such as:

- Cost of utilities for a facility shared by a project and other recipient activities.
- Cost of maintaining a department that provides services to a project as well as other recipient activities (e.g. a warehouse or mailroom).
- Cost of supervisory personnel who oversee project activities as well as other recipient activities.

The recipient may charge as overhead an amount equal to 25 percent of salaries and benefits of recipient employees for time devoted specifically to the project. This is intended to cover all costs that are not typically direct billed.

Computing Overhead Charges

There is no universal rule for classifying certain costs as either direct or overhead. A cost may be direct with respect to some of the recipient's functions, but be overhead with respect to the project.

It is essential only to treat each item consistently throughout the project either as a direct or an overhead cost as follows:

- The recipient may direct bill all allowable costs that can be specifically identified with the project.

- The recipient must compute the direct charges in the same way as the charges would be computed if the costs were related to any other recipient activity.
- Overhead charges must be reported on the same billing as the salaries and benefits on which they are based. They must be reported as a separate line item on the Form C2, Invoice Voucher.
- Some projects are subject to state or federal laws that limit the amount of eligible overhead costs. In such cases, the ineligible amount may not be charged to another Ecology project.

Example 1: If the recipient's motor pool normally bills vehicle mileage back to individual jobs, mileage applied to the project may be direct billed. Otherwise, it must be included in the overhead charge.

Example 2: "Communication" is typically included in the overhead rate, and is intended to cover the basic telephone charges associated with maintaining a line to the recipient's project administrator. Long distance calls directly associated with the project may be direct billed.

Example 3: Insurance, such as the project portion of the recipient's regular fire and liability insurance is included in the overhead, while the cost of an insurance policy taken out specifically for the project may still be direct billed.

Costs Included in the Overhead Rate

The following costs are generally included in the overhead rate.

- Office furnishings and operating supplies.
- Office stationery supplies.
- Cleaning supplies.
- Utilities.
- Small tools and minor equipment for administrative use (calculators, fax machines, telephones, etc.).
- Professional Services (auditors, management consultants, legal, custodial, janitorial, messenger services shared by the project and other recipient activities).
- Communication (basic telephone, cell phone, pagers, internet connections, facsimile (fax) and postage charges).
- Operating rentals and leases.
- Insurance (fire, casualty, theft, bonds, liability, etc.).
- Repairs and maintenance (labor and supplies to repair or maintain real or personal property).
- Miscellaneous (court costs, dues, subscriptions, memberships, laundry, information and credit services, printing and binding, judgments, damages, registration, tuition, etc.).
- Intergovernmental professional services (costs charged by other governmental entities for functions normally provided by governments and not by private businesses, such as police or fire protection).
- Capital outlays (costs of shared real property, equipment, easements, etc.).

- Intergovernmental interfund services (costs to other recipient departments for services rendered jointly to the project as well as to other recipient activities).

Billing Issues, Payment Requests and Documentation Requirements

Remedial action grants and loans are provided on a cost reimbursement basis. This means a cost or obligation must be incurred before it is eligible for reimbursement under the Remedial Action Grant/Loan Program.

[The Administrative Requirements for Ecology Grants and Loans](#) (Ecology Publication #91-18, Revised September, 2005) establishes the administrative requirements for all grants and loans administered through Ecology. The document describes requirements for financial management, reporting expenditures and income, contracting, procurement and records retention.

The General Terms and Conditions for Ecology grants and loans is an addendum to each grant issued by Ecology. You can find the General Terms and Conditions in *[Appendix F](#)*. If this document is amended during the biennium, the version in effect on the date your agreement is signed will apply. **The General Terms and Conditions are not negotiable.**

Billing Forms

All payment requests must be submitted on agency approved forms: A-19, B2 and C2. These forms can be found in *[Appendix B](#)* of these guidelines and on our website at <http://www.ecy.wa.gov/programs/swfa/grants/rag.html> under “Fiscal & Project Report Forms.” We also offer a step-by-step process outlining how to properly complete your payment request forms that is available at <http://www.ecy.wa.gov/biblio/ecy070365.html>.

Each payment request must include a project progress report. If it is your last payment request, you must also submit a final project report. The required template for your Progress Report is found in *[Appendix C](#)* of these guidelines or online at <http://www.ecy.wa.gov/biblio/ecy070107.html>.

Section IV of the *[Administrative Requirements for Ecology Grants and Loans](#)* (Ecology Publication #91-18, Revised September, 2005) provides some additional information about financial requirements for payment requests.

Billing Period

Enter the earliest date and last date of costs incurred. All your backup documentation must have a date that falls within this period. Costs incurred before the grant effective date or after the expiration date are not grant eligible.

Signature and Date

Be sure to sign Form A-19 on line 5 in blue ink and ensure the signature date is on or after the last day of the billing period. If you sign your payment request in black ink, you will have to submit a new A-19 signed in blue ink. Ecology’s Fiscal Office needs to be able to verify that it is an original

signature on the A-19. If you date the signature on your payment request before the end of the billing period, the payment voucher cannot be processed and will need to be updated.

Totals

When entering information on the B2 form, please provide totals for each column on the last line of the form.

Spending Plans

To track spending and efficiently monitor projected needs, Ecology requests all grant recipients to provide a spending plan showing expected needs (requests for reimbursement) by quarter for the period of the grant agreement. The recipient should update the spending plan quarterly if major changes become evident. The spending plan form is available in [Appendix B](#), or on Ecology's website at <http://www.ecy.wa.gov/biblio/ecy070108.html>.

Documentation Requirements

- All costs must be properly documented to be considered eligible for reimbursement. In addition to the information provided in this guidance, please refer to page 39 of the *Administrative Requirements for Ecology Grants and Loans* (Ecology Publication #91-18, Revised September 2005. <http://www.ecy.wa.gov/biblio/9118.html>).
- All costs must be supported with appropriate backup documentation and submitted with each payment request. Documentation includes receipts, invoices, mileage logs, printing and mailing logs, phone bills, timesheets, etc.
- Fixed Price or Lump Sum contracts often used in public works contracting also require backup documentation to support charges. This includes trip tickets for contaminated soil disposal, subcontractor invoices, sampling and analysis bills, and receipts for supplies and expenses.
- Backup documentation must be organized and labeled in such a manner that the grant manager can determine which expenses are being claimed. Backup documentation should organizationally follow the receipt or invoice to which it relates. If the backup documentation is disorganized to the extent that the grant manager cannot locate the appropriate information in a timely manner, the payment request will be returned to the recipient for reorganization.
- Backup documentation includes backup on subcontractor billings. For example: Your prime contractor subcontracts out a portion of the work, and the subcontractor rents a piece of equipment to excavate a pit. If you wish to receive reimbursement for the rental, you must submit the rental invoice. If the subcontractor purchases supplies, you must have an itemized receipt for the supplies. Please refer to page 39 of the *Administrative Requirements for Ecology Grants and Loans* (Ecology Publication #91-18, part IV – Financial Requirements). It states that you must “*Maintain appropriate supporting documentation. This includes canceled checks, invoices, purchase receipts, payrolls, time and attendance records, contract award documents, and vouchers sent to Ecology.*”
- You must indicate the grant element or task an expense relates to.
- The C2 form is where line item expenses are listed. Organize these by grant element/task.
- The B2 form is where you roll up expenses by the grant element.

- To make it easier for the grant manager to approve the charges to the grant, you should organize the invoices by grant task or write the grant element number on the backup documentation. If an invoice contains charges for multiple grant elements, make sure it is easy to identify which task the cost is associated with even if you have to handwrite the related grant element number next to the associated cost.
- Please refer to the General Terms and Conditions, and any Special Terms and Conditions of your grant and the *Requirements for Ecology Grants and Loans* (Ecology Publication #91-18) for more information about reporting requirements. <http://www.ecy.wa.gov/biblio/9118.html>.

Removing Ineligible Costs

If your grant manager tells you a cost is not grant eligible, please do not include the item on any future payment requests. Recipients are responsible for submitting payment requests for eligible expenses. While some grant recipients think it is a good idea to include everything on their payment request even when they believe an item is not grant eligible, grant managers prefer that recipients ask about questionable items before billing for them, and to remove all expenses the grant manager has previously identified as ineligible.

Prior Approvals

Some costs require prior approval from the Ecology grant manager. Refer to the [Requirements for Ecology Grants and Loans](#) (Ecology Publication #91-18) for more information on prior approval requirements. Some items that generally require approval in advance of requesting reimbursement under a remedial action grant are:

- Working lunches and refreshments.
- Training and education.
- Tools and supplies.
- Equipment (including computers).
- Overtime and overtime differential.

Payroll and Personnel Information

Identification of Personnel working on grant activities

Personnel working on grant activities must be identified by the time you submit your first payment request. You must provide your grant manager a list of personnel who will charge time to the grant. Please provide staff names, their job classification and a brief explanation of their duties and responsibilities performed on grant activities, the percentage of time they will work on grant activities, and the salary and benefits rate for each of the employees.

Documenting Staff Time

If you want to be reimbursed for staff time, you need to submit a monthly timesheet for each person working on grant funded activities. The timesheet must identify the daily hours worked by grant task, the hourly wage rate and total cost charged for each individual. You may use a printout from your

time accounting system or use [Form E](#), Ecology Publication Number, ECY 060-12 provided in [Appendix B](#) or online at <http://www.ecy.wa.gov/biblio/ecy06012.html>

Automobile

Fleet Costs and Mileage

The method of billing for automobile/fleet costs needs to be clearly established for the grant manager and remain consistent throughout the grant. This method also needs to be consistent with how the recipient typically manages their automobile/fleet expenses. It cannot be created specifically for purposes of the grant.

For example, if the recipient's motor pool normally bills vehicle mileage back to individual jobs, mileage associated with the grant project may be direct billed at the state mileage rate. Included in the mileage reimbursement is the cost of vehicle maintenance and repairs, gasoline, and insurance. Mileage logs must be provided as backup documentation. If documentation is not provided, the costs will be considered part of the overhead rate.

The state mileage rate is also applicable to any mileage billed by consultants. For example, if a consultant bills the recipient .65 per mile and the state rate is less, the recipient will be reimbursed at the state rate. Any cost above the amount allowed is the recipient's responsibility. The consultant must also provide mileage logs to document costs.

Rental Cars

If the recipient or a recipient's consultant leases a rental car, the invoice should include the miles driven and time period for the rental. The recipient may be asked to provide the hours worked on the project by the individual using the rental car during the period it was leased. If the employee/consultant did not work fulltime on grant activities during the rental period, the grant manager will only approve a prorated share of the rental/lease cost. Original gasoline receipts must be provided unless otherwise approved by the grant manager.

Grants to Economically Disadvantaged Areas

While most identified contaminated sites are in large urbanized counties, some are located in counties or communities that face economic circumstances that make them less able to pay for costly projects. For that reason, they are often given special consideration in state financial assistance programs. A similar approach has been adopted for the Remedial Action Grants/Loan Program. Local governments in economically disadvantaged counties may be eligible for grants that require up to 25 percent less matching funds.

WAC 173-322-020 defines “Economically Disadvantaged County” as one that meets the following criteria:

1. The per capita income of the county, as measured by the latest official estimate of the Washington State Office of Financial Management (OFM), is in the lower 20 counties in the state (income data obtained from <http://www.ofm.wa.gov/databook/default.asp>); and
2. The county is economically distressed, as defined by Chapter 43.168 RCW (RCW means Revised Code of Washington). This RCW defines a distressed area as meeting one of five specific criteria:
 - (a) A rural county; (defined under RCW 82.14.370(5). See the list of counties the Office of Financial Management (OFM) has determined to meet the rural classification at this website: <http://www.ofm.wa.gov/pop/popden/rural.asp>.
 - (b) A county which has an unemployment rate that is twenty percent above the state average for the immediately previous three years;
 - (c) A county that has a median household income that is less than seventy-five percent of the state median household income for the previous three years;
 - (d) A metropolitan statistical area, as defined by the office of federal statistical policy and standards, United States department of commerce, in which the average level of unemployment for the calendar year immediately preceding the year in which an application is filed under this chapter exceeds the average state unemployment for such calendar year by twenty percent; or
 - (e) An area within a county, which area: (i) Is composed of contiguous census tracts; (ii) has a minimum population of five thousand persons; (iii) has at least seventy percent of its families and unrelated individuals with incomes below eighty percent of the county's median income for families and unrelated individuals; and (iv) has an unemployment rate which is at least forty percent higher than the county's unemployment rate. For purposes of this definition, "families and unrelated individuals" has the same meaning that is ascribed to that term by the federal department of housing and urban development in its regulations authorizing action grants for economic development and neighborhood revitalization projects.

As of the date of this guidance, the following counties have been determined disadvantaged based on the most recent data available on the OFM website, meeting both criteria 1 and 2(a) listed above.

Economically Disadvantaged Counties in Washington State			
Adams	Garfield	Lewis	Stevens
Columbia	Grant	Lincoln	Wahkiakum
Douglas	Grays Harbor	Pacific	Walla Walla
Ferry	Kittitas	Pend Oreille	Whitman
Franklin	Klickitat	Skamania	Yakima

If your county is not on this list and you think it should be at the time of your application, please provide the supporting information to the grant manager listed for your county.

Some cities and towns also have difficulty affording cleanups even when they are not located in counties considered economically distressed. To assist these local governments, we will also consider eligible parties located within cities and towns for reduced match grants outside the above list of counties based on the following criteria:

1. The per capita income of the city/town as measured by OFM’s latest official estimate is in the lower 50 percent of the cities/towns in the state; and
2. The city/town meets one of the criteria defining “economically distressed” in Chapter 43.168.020 RCW, (criteria 2(a) – (e) listed above).

The following cities/towns have been determined to meet these criteria. If you think your city or town also meets the criteria required for a reduced match grant, please provide supporting information to the department for consideration.

Economically Disadvantaged Cities or Towns in Washington State			
Acme	Deming	Medical Lake	Quilcene
Asotin	Edison	Mount Vernon	River Road
Bay View	Elmer City	Neah Bay	Riverside
Benton City	Entiat	Nespelem Community	Sedro-Woolley
Brewster	Everson	Nooksack	Shelton
Burlington	Ferndale	North Omak	Skokomish
Carlsborg	Finley	Oak Harbor	South Wenatchee
Cashmere	Forks	Okanogan	Sumas
Castle Rock	Glacier	Omak	Tonasket
Chelan	Hamilton	Oroville	Twisp
Clarkston	Kelso	Pateros	West Clarkston-Highland
Conconully	Kendall	Peaceful Valley	West Longview
Concrete	Longview	Port Angeles	Winthrop
Conway	Lyman	Port Hadlock-Irondale	Woodland
Custer	Marblemount	Prosser	

Cash Management

To better manage cash flow and provide the most grant funds possible to recipients who are ready to proceed with cleanups, Ecology funds remedial action grants for each major phase of remedial action within a biennial timeframe. Instead of a grant for the entire cost of a project that may go on for years, the grant will be negotiated to provide enough funds to cover expected expenses for a specific period of time. This time period is likely to be one year or one biennium. At the end of that time, Ecology will review actual spending.

If all monies have been expended as planned, the grant may be amended to add funding, or a new grant agreement may be negotiated for the next biennium.

This phased approach to funding cleanups makes more money available for awards each biennium by not committing funds to projects that are not making progress or are more than two years away from needing the funding.

Annual Financial Statement

The Ecology grant manager may request a copy of the recipient's annual financial statement. The grant manager may review this statement to provide Ecology with information to track potentially liable party contributions and insurance settlements that could affect grant funding.

Audits

All grants are subject to audit. Ecology has the right to audit the grant project for three years after the project is officially finished. Ecology may also audit the grant project, invoices and backup documentation at any time during the project. Once problems are identified, they must be corrected. If Ecology identifies any problems on invoices, all previous invoices must be reviewed and corrected. This could include repayment of grant funds or adjustments to subsequent billings to reimburse Ecology for overpayments.

Amendments

After the grant manager establishes the grant budget, amendments to change the length of the agreement or increase or decrease the budget may be considered. However, Ecology does not promise or guarantee such amendments.

If a change is needed, the recipient must request the change in writing to the grant manager. Once approved, the amendment process can begin.

Your grant manager can redistribute funds among the grant tasks without performing an amendment. However, it is the responsibility of the recipient to request a change in the budget distribution from the grant manager in writing (email is fine) prior to the change.

Performance Monitoring

As a government agency, Ecology is accountable for proper use of all grant funds. Performance monitoring is Ecology's ongoing review process of your performance to ensure accountability.

The objectives of performance monitoring are to determine if you are:

- Carrying out the scope of work described in the executed agreement.
- Administering the program in an effective, timely manner in accordance with the schedule and budget in the executed agreement.
- Complying with the scope of work and the Special and General Terms & Conditions of the grant agreement, as well as *Administrative Requirements for Ecology Grants and Loans*, the remedial action grants regulation, Chapter 173-322 WAC, the agency Yellow Book, and these guidelines.

The grant manager monitors performance through your progress reports and final performance evaluation documents. The grant manager may conduct onsite inspections or request deliverables during the course of your agreement.

Reporting

Progress Reports

The grant recipient must complete progress reports and submit one with each payment request or at least quarterly, if payment requests are not submitted. Progress reports describe actions and accomplishments in meeting project milestones and include a certification that sampling results have been submitted to Ecology as required. Recipients also provide updated spending plans with each payment request as needed or requested by the grant manager.

The grant manager and site manager review progress reports to learn how the activities are proceeding, reasons for any delays or cost overruns, and any other pertinent information.

Your grant officer cannot process a payment request without a progress report for the billing period.

Submit progress reports on the approved report forms as shown in [Appendix C](#) of this document. The approved formats are also on the Remedial Action Grant Program website at <http://www.ecy.wa.gov/programs/swfa/grants/rag.html>.

Final Project Reports

A final project report must accompany the final payment request. All final payment requests must be submitted within 45 days of the end of the agreement to ensure payment. The final project report is completed by the grant recipient.

Final project reports summarize the entire project and its outcomes, and include the following:

- A description of the problem addressed by the grant;
- The purpose of the project; and
- The project results and/or outcomes achieved.

Ecology can close out the grant once it determines all applicable grant requirements have been met or the project has been terminated. To close the grant, the grant manager uses the final project report to complete a final performance evaluation (FPE) for the project. The grant manager typically prepares the FPE within 30 days after receipt of the final project report.

The FPE contains the information provided in the final project report, additional information certifying satisfactory completion of the project and information about the disposition of equipment.

Templates for the final project report can be found in [Appendix C](#) of these guidelines and at <http://www.ecy.wa.gov/biblio/ecy070293.html>.

In addition to these scheduled progress and project reports, you should notify the grant manager when any significant successes or problems occur or any changes take place in the project, project staff, or contractors.

Spending Plans

To track spending and efficiently monitor projected needs, Ecology requests that all grant recipients complete and submit a spending plan projecting monthly/quarterly expenditures for the project time period. The recipient should update the spending plan as needed throughout the term of the agreement. The spending plan identifies when the recipient will bill Ecology for its costs, not when the recipient plans to perform the work.

You should submit a spending plan with your first payment request and should submit revised copies as changes occur. The Spending Plan can be found in [Appendix B](#) and on Ecology's website at <http://www.ecy.wa.gov/biblio/ecy070108.html>.

Ten-Year Cost Forecast

The purpose of the ten-year cost forecast is to provide information about the total project needs over a ten-year period. This helps with budget planning and funding allocation decisions. It also informs decision makers about the full extent of cleanup needed statewide. During the grant application process, applicants are requested to complete a ten-year cost forecast. Grant recipients are also requested to provide ongoing updates to the forecast as the cleanup progresses and they determine more accurate costs.

Ecology is required to report this information to the Legislature in even numbered years. The ten-year forecast form can be found in [Appendix A](#) of these guidelines and on Ecology's website at <http://www.ecy.wa.gov/biblio/ecy070352.html>.

If your project will be completed within the period of one biennium, a ten-year forecast is not required.

Securing and Managing Contracted Services

Using In-House Staff

Ecology strongly suggests using in-house staff to perform some remedial action grant project work, particularly site hazard assessments. Many health departments or districts have sampling and research expertise already on staff. Grant moneys from this program can be used to hire such staff.

Site hazard assessment grants provide funding for local staff to allow them to address the most significant suspected local hazardous waste sites. If local governments do the work in-house, they do not need an outside consultant to perform the grant scope of work. This way, local governments also save the cost of going through the procurement process.

Contracting Out

Many remedial actions require contracting out for services because of the complex, large-scale, specialized nature of the work. If you decide to contract out for services, you can help ensure you get the right consultant by asking questions and checking references about both the company and its staff. Also, ask about any subcontractors the consultant may propose to hire and how they will use them on the project. The firm you select must demonstrate not only that it is capable, but that it has qualified staff available.

Start by compiling any readily available information about the site. Include potential sources of contamination and company records on hazardous substances used or stored at the site. Prepare a brief written description of the historical use of the site, the current use and work you think needs to be done.

Questions to Ask a Contractor

These sample questions can help you choose a contractor:

- What is your firm's experience in this specific work and the subsequent work it might lead to? Request a list of similar completed projects, with references.
- Which portions of the work will the company subcontract? Are subcontractor activities competitively bid? Ask for names of subcontractors and check their experience.
- What is your firm's experience working with regulatory agency requirements? Request a list of completed projects, with references.
- Do the firm's estimates of the time the work requires include time for agency review and approval?
- Which staff will be assigned to my project? Ask for current résumés. Ask the firm to specify staff roles. Request references, at least for the project manager.
- Will the assigned staff be available over the life of the project? Ask if the firm will provide additional staff if needed to get the job done.
- Is the firm's field staff trained in safety procedures required by the Washington Industrial Safety and Health Administration (WISHA)?
- How will you plan cost-effectively so that all short-term work will complement any potential long-term work? Ask the firm to prepare a proposal for the work to be conducted, a detailed cost estimate for the work proposed and a "ballpark" estimate for subsequent work required.

- Do the firm and its subcontractors have environmental liability insurance for this project? Should they?
- How will the investigation work affect activities at the site (e.g. employees work schedules or customer and neighbor relations)? Ask the firm to briefly describe its recommended approach to the work.

Engineering Services

It is not legal in Washington to select engineering or architectural services on the basis of price or low bid. When procuring these services, government agencies must first choose the best qualified firm and then negotiate the price (Contracts for Architectural and Engineering Services, Chapter 39.80 RCW).

To choose the best qualified firm, use a Request for Qualifications (RFQ) solicitation. After selecting the best qualified firm or firms, negotiate a price for the services in the scope of work contained in the consent decree or enforcement order.

If you cannot come to terms with the first choice contractor, you are then free to negotiate with the second choice or second most qualified firm, then the third, and so on until you can reach an agreement.

It is a good idea to use a “hands-on” approach, such as a staff member assigned as a project manager to oversee the consultant’s work. Ask to have reports and contracts explained in everyday language. Make sure all work follows a detailed work plan subject to your review and approval.

Managing Costs

The project manager must seek to keep costs within bounds. Escalating costs do not obligate Ecology to increase grant amounts. Ecology reserves the right to reject costs as excessive. Consultants generally use two methods to charge for work performed: cost plus fixed fee and fixed price. The method you choose depends on the type and scope of your project.

Cost Reimbursement

The most common type of contract consultants use is the *cost plus fixed fee* contract. In a cost plus fixed fee contract, you are charged salaries and expenses plus a fixed fee you and the consultant determine. This method works well for projects where the scope of work is unclear, extensive investigation is needed or experimental processes are used.

Fixed Price

You will be charged a firm sum for the entire project. This method is generally used for small projects or when the scope of work can be clearly defined. Whichever method is used, be sure to establish specific criteria by which to evaluate and compare estimates.

Some strategies that project managers may consider are:

- Checking with other clients of the consultant to evaluate actual performance relative to actual cost.

- Minimizing layers of management staff involved in consultant work. Make sure contracts focus on technical work your staff cannot do, rather than on administrative, coordinating and public participation work that they can do more cheaply.
- Splitting remedial action work into design phases and drilling or construction phases. Because local governments must put construction projects out to bid, by splitting work you can avoid paying the design consultant to oversee and subcontract for the construction phase, which adds overhead costs.
- Proceeding to negotiate the cleanup settlement, rather than pursuing further costly investigations, when sufficient technical information has been gathered.

Minority and Women's Business Participation

Upon receiving grant funding, the recipient agrees to use Ecology's goals for minority- and women-owned business participation in all bid packages. Achieving the goals is encouraged; however, no contract award or rejection shall be made based on achieving or not achieving the goals.

Contracting for Goods and Services

Complete details about contracting for goods and services under an Ecology grant can be found in *Administrative Requirements for Ecology Grants and Loans*, Publication No. 91-18, revised September 2005. To request a copy contact your grant manager or download it from the Ecology website at <http://www.ecy.wa.gov/biblio/9118.html>.

Basic Contract Provisions

All contracts or purchase orders shall be written. Oral contracts are not permitted. The contract or purchase order must contain provisions to define a sound and complete agreement. Additional requirements include but are not limited to:

- Name and address of the contractor or vendor, effective and expiration dates (for contracts), scope of work, and maximum cost.
- Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, as well as such sanctions and penalties as may be appropriate.
- Suitable provisions for termination by the State of Washington or the recipient, including the manner by which it will be terminated and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default.
- Retention of all required records for three years after Ecology makes final payments and all other pending matters are closed. Providing the state access to such records.
- Equal opportunity employment and nondiscrimination.
- Notice of Ecology reporting requirements.
- Notice of Ecology patent rights and copyrights with respect to any discovery, invention, or rights in data that arises or is developed in the course of or under the contract.
- Mandatory standards and policies relating to energy efficiency that are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163).
- Designation of Ecology as an express third-party beneficiary.

- Compliance with the provisions of 40 U.S.C. 276a-276a-5 (Davis-Bacon) and state Prevailing Wage Laws (RCW 39.12), as appropriate.

Note: These requirements include a summary of statutory requirements. This summary is intended to provide grant recipients with an overview of contracting requirements only. Where these requirements do not conform to statute or regulation, the statute or regulation will apply. Recipients are referred to their procurement departments for further information.

General Practices

A recipient may contract to buy goods or services related to the project. In such cases, the recipient must follow procedures that ensure fair and open competition. Recipients must also provide written certification that they have followed their standard procurement procedures and/or applicable state law in awarding contracts. Recipients with no formal procurement procedures will have to certify that they have complied with the standards outlined below, as well as applicable state law. Recipients receiving funds from federal sources must also observe applicable federal laws and regulations.

The grant manager may disallow any costs incurred as a result of procurement practices not in compliance with these or the recipient's normal procedures.

In awarding and administering contracts, recipients are to:

- **Use sound business judgment.** A recipient is to use sound business judgment and fair administrative procedures in procuring goods and services. This applies to invitations to bid, requests for proposals, solicitation of contractors or vendors, and awards of contracts or purchase agreements.
- **Select responsible contractors.** Recipients are to make awards only to responsible contractors with the ability to perform successfully under the terms of the agreement. Recipients are to consider such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- **Ensure contractor compliance.** Contractors are to adhere to the same terms and conditions as the recipient and they must perform in accordance with the terms and conditions of their agreement. The recipient is to ensure that contractors comply with all applicable federal, state, and local laws and regulations related to discrimination, labor and job safety, and environmental protection. Where the recipient permits deviation from those terms, the recipient bears responsibility for any extra costs and these costs will not qualify as match.
- **Provide a written contract document.** Contracts must be written, enforceable, and legally sound, and include appropriate general terms and conditions.
- **Maintain standards of ethical conduct.** Recipients are to maintain a code of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the recipient shall take part in the award or administration of a contract under a grant or loan if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, or his or her partner, has a financial or other interest in the firm selected. A conflict would also arise if an organization that employs, or is about to employ, any of the above has a financial or other interest in the firm selected.

The recipient's officers, employees, or agents must not solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or other parties to contracts. Recipients may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by state or local law or regulations, the recipient's code of conduct will provide for penalties, sanctions, or other disciplinary actions. These actions would be for violations by the recipient's employees or agents, or by its contractor's employees or agents.

- **Analyze purchases for cost effectiveness.** Recipients are to avoid purchase of unnecessary or duplicate items, and are to consolidate or break out purchases as appropriate to obtain a more economical price. Where applicable, the recipient is to analyze lease versus purchase alternatives in determining the most economical approach.

To foster greater economy and efficiency, recipients are encouraged to enter into local intergovernmental agreements for procurement or use of common goods and services.

Recipients are encouraged to use federal or state excess and surplus property whenever such use is feasible and reduces project costs.

- **Resolve disputes promptly and fairly.** Recipients are responsible for the fair and just settlement of all contractual and administrative issues related to contracts for goods and services. Such issues include, but are not limited to, source evaluation, protests, disputes, and claims. This does not imply that the recipient is to be relieved of any contractual responsibilities under its contracts.

Ecology will not substitute its judgment for that of the recipient unless the matter is primarily an Ecology concern. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

Recipients must have protest procedures for handling disputes relating to contracts and will disclose all information regarding protests to Ecology. A protestor must exhaust all administrative remedies with the recipient before pursuing a protest with Ecology. Ecology will limit its review of protests to violations of state law, regulations, or the standards set forth in this document, and to violations of the recipient's protest procedures in its failure to review a complaint. Ecology will refer all other protests to the recipient.

Minority and Women-Owned Business Enterprises

The Office of Minority and Women's Business Enterprises (OMWBE) has established goals for the inclusion of minority and women-owned businesses in procurements made with Ecology funds. In accordance with law, meeting these goals is voluntary. No contract award or rejection shall be made based on meeting or not meeting the goals. Ecology encourages the recipient to meet the goals. The recipient and all prospective bidders or persons submitting qualifications must take the affirmative steps set forth in the grant agreement in any procurement.

A recipient may use its OMWBE goals when they are greater than the goals specified in the grant agreement.

Any Ecology funds passed through grant or loan recipients to reimburse private entities are subject to OMWBE goals. The grant or loan agreement will specify the OMWBE goals relevant to the project. As a condition of the award, the recipient is to certify by execution of the grant agreement that it will ensure compliance with the affirmative steps set forth in the grant agreement. In addition,

any contract awarded under a grant or loan must specify the percentage of total dollars, if any, awarded to a qualified minority or women-owned businesses.

Soliciting Contractors for Public Works

Public works include all construction, other than ordinary maintenance, funded, in whole or in part, by state funds. Recipients must follow state statutes in procuring and administering contracts for public works. This section, together with the Standards for Competitive Solicitation below, sets out only a general overview of requirements for public works contracts. Recipients are referred to their own procurement procedures and to applicable state law for full and current requirements.

Applicable statutes include:

Chapter 35.01 RCW	<u>City Classifications</u>
Chapter 35.22 RCW	<u>First Class Cities, Public Works Procurement</u>
Chapter 35.23 RCW	<u>Second and Third Class Cities, Public Works Procurement</u>
Chapter 39.04 RCW	<u>Public Works</u>
Chapter 39.08 RCW	<u>Contractor's Bond</u>
Chapter 70.150 RCW	<u>Water Pollution Control Facilities</u>
Chapter 35.21 RCW	<u>Solid Waste Handling Facilities: Contracts for Vendors (Cities)</u>
Chapter 36.59 RCW	<u>Solid Waste Handling Facilities: Contracts for Vendors (Counties)</u>

Total Cost

The total cost of a public works contract is defined as the cost (including applicable sales tax) of materials, supplies, equipment and labor on all phases of the project. Recipients are referred to Chapter 84.04 RCW for specific exemptions to the application of sales tax.

Soliciting Bids from Advertisements

Most public works contracts must be procured after advertising for sealed bids. The requirement for soliciting bids depends on the total cost of the project and class of the municipality. Recipients are referred to Chapter 35.01 RCW for current definitions of classes of municipalities, and to RCW 35.22.620 and 35.23.352 for restrictions on the use of force account work.

Soliciting Bids from Bidder's Lists

For public works with a total cost of less than \$100,000, bids may be solicited from contractors on a pre-established small works roster. The number and kind of contractors from whom a bid must be solicited is established in RCW 35.22.620 and 35.23.352 according to the class of municipality. The award must be made to the contractor submitting the lowest responsive and responsible bid.

Bid Bond

Generally, a bid bond of not less than 5 percent must accompany the proposal. After award, bonds must be returned to all bidders, except that of the successful bidder. That deposit must be retained until a contract is entered into and a bond to perform the work furnished. The bidder must enter into the contract in accordance with his or her bid and furnish a performance bond within ten days of notification of the successful bid. If the bidder fails to meet this deadline, the amount of the bid bond is forfeited to the buyer.

Bid Contents

At a minimum, the bid must include:

- The name and license number of the contractor.
- The name and description of the project.
- A project budget and performance schedule.
- Any applicable specifications required by the program.
- The bidder's acknowledgement that she or he is familiar with the project and has received any and all information relevant to the project.

Selecting the Successful Bidder

Bids must be opened and read (usually publicly) as prescribed by local ordinance. Generally no negotiation with bidders can take place after the bids are opened. All bids must be rejected or the bid awarded to the lowest responsive and responsible bidder. The recipient, at her or his discretion, determines the lowest responsible bidder. However, the recipient must document and support any decision to award the contract to any but the lowest bidder. The award or rejection of any bid may need Ecology's approval.

Awarding Contracts

The recipient is to notify the successful bidder promptly by mail and inform the bidder of the time period required to execute the contract and obtain the performance bond.

Performance or Contract Bond

RCW 39.08.010 requires that a public works contractor post a performance bond (generally 100 percent of the contract price). The bond ensures that the contractor faithfully performs all provisions of the contract and pays all suppliers, laborers and subcontractors for goods and services provided.

Administering Contracts

Contractors are generally reimbursed for actual costs incurred on a monthly basis, less any retainage stated in contract documents. Recipients can consult RCW 60.28.010 for regulations governing the retainage account. When the project is completed, the recipient must notify the Department of Revenue and include affidavits of wages paid submitted by all contractors and subcontractors. No payment may be made from retained funds until the Department of Revenue certifies all taxes have been paid and no claims from suppliers of goods or services exist. Also, payment cannot be made until a period of 30 days has elapsed following unconditional acceptance of the project.

Change Orders

Make change orders with caution, since excessive change orders without new bids may be challenged as evasions of the bid law. Change orders are permitted without invalidating the contract if the changes increase or decrease the amount due the contractor or alter the performance schedule. Any change order requires Ecology's approval.

Maintenance Bond

Contractors may have to post a maintenance bond for a specified period to guarantee the material, workmanship, quality and durability of the project.

Soliciting Contractors for Personal Services Contracts

Recipients will award contracts for personal services in a way that provides fair and open competition. They will have to certify that they have followed their standard procurement procedures and applicable state law in awarding any personal services contracts.

Recipients with no formal procurement procedures will have to certify that they have complied with the Standards for Competitive Solicitation Procedures outlined below for any personal services contracts over \$5000 (see also Chapter 39.29 RCW). In addition, such recipients must obtain any personal services contracts over \$20,000 by means of a formal bid process.

Soliciting Contractors for Architectural and Engineering Services

Recipients will award contracts for architectural and engineering services in a way that provides fair and open competition. They will have to certify that they have followed their standard procurement procedures and applicable state law in making such awards.

Recipients with no formal procurement procedures will have to certify that they have complied with the Standards for Competitive Solicitation Procedures outlined below. Recipients shall also comply with the provisions of Chapter 39.80 RCW, which provides that, except in an emergency, all architectural and engineering services shall be procured by a competitive solicitation. The competitive solicitation must select the most qualified applicant without consideration of price.

Soliciting Vendors for Purchased Goods and Services

Recipients will obtain purchased goods and services in a way that provides fair and open competition. Purchased goods and services include any materials, equipment, supplies, or services a supplier offers for sale that are not personal services or architectural and engineering services.

Recipients will have to certify that they have followed their standard procurement procedures in procuring purchased goods and services. Recipients with no formal procurement procedures will have to certify that they have complied with the Standards for Competitive Solicitation outlined below and have solicited procurements over \$7500 by means of a formal sealed bid (see Chapter 236-48 WAC).

Standards for Competitive Solicitations

In the conduct of a competitive solicitation, whether for supplies and materials or personal services, recipients shall conform to the following general standards:

- Publicize all requests for bids or proposals, identifying all evaluation factors and their relative importance. Recipients will ensure that any solicitation includes a clear and accurate description of the technical requirements for the goods or services. The description may include a statement on the quality of goods or services sought. The description may also include any minimum essential standards to which the goods or services must conform in order to achieve the project purpose. Descriptions should avoid detailed product description. When necessary, however, a "brand name or equal" description may help define the performance or other salient requirements. In such cases, you must clearly state the specific desired features of the named brand.

Any solicitation must also identify all requirements the potential contractors must fulfill and all other factors you will use in evaluating responses.

- Provide adequate time for contractors to prepare a response.
- Solicit at least three responses from qualified sources.
- Document the procedure used in evaluating the responses and in making the final selection.
- Select the contractor whose response is most advantageous to the project, considering price and other relevant evaluation criteria. Such criteria include, but are not limited to:
 - The price and the effect of any applicable discounts, rebates, or tax returns. (NOTE: For architectural and engineering services the consideration of price is prohibited.)
 - The quality of the articles proposed to be supplied, their conformity with the specifications, and the purposes for which they are required.
 - The ability, capacity, or skill of the respondent to perform the contract or provide the goods or services required.
 - The character, integrity, reputation, judgment, experience, and efficiency of the respondent.
 - The quality of performance on previous contracts.
 - Servicing resources, capability, and capacity.
 - Lack of uniformity or interchangeability, if such factors are important.
 - Energy efficiency of the product as projected throughout its anticipated useful life.
 - Effect of reciprocity assessments, OMWBE, or other preferences defined by statute.
 - Other information having a bearing on the decision to award the contract.

Recipients may reject any or all responses when it is in their interest to do so, provided such rejections are in accordance with applicable law and regulations. Rejection of responses may require Ecology approval.

- Publicize any amendment of the solicitation, any change in response periods, and any other information relevant to potential respondents.
- Maintain bidders lists that are current and open to competition. Recipients are to ensure that all lists of prequalified persons, firms, or products used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, recipients will not keep potential bidders from qualifying during the solicitation period.

Recipients will not:

- Place unreasonable requirements on firms in order for them to qualify to do business.
- Require unnecessary experience or excessive bonding.
- Use noncompetitive pricing practices between firms or between affiliated companies;
- Make awards to consultants placed on retainer without competition either at the time of award or at the time they were retained.
- Establish organizational conflicts of interest.
- Take any arbitrary action in the procurement process.

Ecology Approval of Solicitations, Bids, Proposals, Awards, and Amendments

The recipient may have to submit all bid documents or proposals to the grant manager for written approval before soliciting responses, awarding any contracts, or rejecting bids.

The recipient may also have to get written approval from the grant manager before making any amendment that changes the scope of a contract or increases the contract amount.

Cost Basis of Contract

You cannot write contracts for "cost plus a percentage of cost" or "percentage of construction cost." The cost basis for any contract must be cost reimbursement, unit price, fixed price, time and materials, or any combination of these four methods.

Recipients are to negotiate profit as a separate element of the price for any cost reimbursement contract. To establish a fair and reasonable profit, you may consider:

- The complexity of the work to be performed.
- The risk borne by the contractor.
- The contractor's investment.
- The amount of subcontracting.
- The quality of the contractor's past performance.
- Industry profit rates in the surrounding geographical area for similar work.

Documentation

The recipient must keep supporting documentation relevant to all procurements and make it available for review by Ecology on request.

For all contracts and purchase orders, the recipient will establish a file to contain all of the following:

- Complete copy of the purchase order or contract (and any amendments).
- Copy of the grant manager's approval, if any, of the award and any amendments.
- Invoices and records of payments by recipient.
- If the goods or services were not competitively procured, the justification and written approval from the grant manager, if applicable.
- For any procurement made through a competitive solicitation:
 - Names, addresses, telephone numbers, and business names of all candidates contacted.
 - Method of contact (copy of advertisement or bidder's list).
 - What the bidders were told (specifications of the invitation to bid or request for proposals).
 - Bidder's responses.
 - Name of successful contractor or vendor and written justification for selection.

Appendix A: Application Forms and Instructions

- [Remedial Action Grant Application Form and Instructions](#)
(Use this application for: Oversight Remedial Action Grants, Independent Remedial Action Grants, Safe Drinking Water Action Grants, Areawide Groundwater Remedial Action Grants, Derelict Vessel, and Integrated Planning Grants)
- [10 Year Cost Forecast](#) — required for all sites with funding needs extending beyond the biennium in which the grant application is submitted.
(Not applicable to Independent Remedial Action Grants, Site Hazard Assessment, or Meth Lab grants)
- [Site Hazard Assessment/Methamphetamine Lab Grant Application](#)



Department of Ecology
WASTE 2 RESOURCES PROGRAM

Application for Remedial Action Grant

PART I - GENERAL INFORMATION

1. APPLICANT INFORMATION

Name _____ Address _____

(Street or PO Box No.)

Dept/Div _____

(Town/City, State and ZIP+4)

Tax ID Number _____

Applicant Type (Check appropriate box)

- City County Port (or Special Purpose District) Other (Specify)

2. PROJECT INFORMATION

SITE NAME _____

SITE RANK _____

FACILITY SITE ID _____

3. PROJECT COST

A. Total Project Costs \$ _____

B. Total Grant Eligible Costs \$ _____

C. Total Grant or Loan Requested (State Share) \$ _____

4. PROJECT PERIOD

From _____ (Date of earliest costs incurred)

To _____ (Projected completion date)

State Match Percent Requested (Typical is 50%) _____

5. AGREEMENT REQUESTED

- Independent Remedial Action Grant- VCP # _____ Oversight Remedial Action Grant
- Safe Drinking Water Action Grant Areawide Groundwater Contamination Grant Derelict Vessel Grant
- Standard or Extraordinary Financial Hardship Loan
- Integrated Planning Grant Other _____

5A. For Oversight Remedial Action Grants: Project objectives will include:

- New substantial economic development Habitat restoration Public recreation

6. INVESTMENT IN ENVIRONMENT (Environmental benefits resulting from the proposed project)

- Regulatory compliance with MTCA or CERCLA Restore or Protect Designated Beneficial Uses
- Eliminate a Public Health Emergency
- Other _____ ** Note: See Appendix E of RA Grant Guidelines for assistance.*

7. PROJECT LOCATION

County _____

Street Address _____

Does the project address contamination that does or could affect the Puget Sound? Yes or No

LAT/LONG _____

Legislative District(s) _____

Congressional District (s) _____

8. CLEANUP AGREEMENT ASSOCIATED WITH THE PROJECT AND ITS ESTIMATED COMPLETION DATE

- Consent Decree, Ecology/EPA Agreed Order, Ecology Administrative Order, EPA
- Prospective Purchaser Agreement Enforcement Order, Ecology/EPA Other

Please Note: If your agreement is final, provide the Official Document Number and include a signed copy of the document with your application. Official Document No. _____

9. APPLICANT PROJECT MANAGER (For technical questions about the site or project. Ecology Site Manager's primary contact. **This is a local government contact.**)

Name _____

Title _____

Address _____

Telephone (Include Area Code) _____

Email Address _____

10. ADMINISTRATION CONTACT (For questions about payment requests. Ecology Grant Manager's primary contact. **This is a local government contact.**)

Name _____

Title _____

Address _____

Telephone (Include Area Code) _____

Email Address _____

11. Authorized signatory for grant – Who is authorized by your organization to sign grant agreements?

Signatory Name: _____

Signatory Title: _____

Please Note: Some recipients require a special signatory page for their agreements that allows signature approval by multiple members of a city or county council, or port district. **I require a special signature page**

12. OTHER REQUIRED INFORMATION. The following information is needed prior to drafting your grant agreement. For Oversight grants, it is not necessary to submit all of this at the time of application. (Attach separately or email to the grant manager.)

- **10 Year Grant Forecast (oversight grants)-** Forecast template: <http://www.ecy.wa.gov/biblio/ecy070352.html>
- **Spending Plan (oversight, integrated planning)-** Spending plan template: <http://www.ecy.wa.gov/biblio/ecy070108.html>
- **Copy of cleanup agreement, e.g. agreed order, consent decree, AOC (oversight grants)**
- **Copy of the No Further Action letter (independent remedial action grants)**
- **Copy of final cleanup report (independent remedial action grants)**
- **Copies of all invoices (independent remedial action grants)**
- **Copy of any special signatory pages required for your agreement (all agreements/recipient dependent)**

Ecology Publication # ECY 070-104

If you need this publication in another format, please call the Waste 2 Resources Program at (360) 407-6900. Persons with hearing loss can call 711 for Washington Relay Service. Persons with a speech disability can call 877-833-6341.

PART II – PROJECT AND BUDGET INFORMATION

SECTION A – Narrative Statement

Attach detailed site information on separate page. This should include:

- Short history/background of the site (site location, past and current site uses, ownership, contaminants of concern)
- Historic or current cleanup agreements relevant to the site (state or federal, consent decrees, agreed orders)
- Site's current status
- Overview / summary of the remedial activities performed in the past and those planned for the future.
- Outcomes expected, including planned land use
- Any existing agreements with consultants that will be grant funded
- Any existing scope of work approved by Ecology

SECTION B – Proposed Scope Of Work

Please Note: Provide specific details for each activity you want considered for grant funding.

~The grant manager approves costs during the payment process~

TASK NAME AND ACTIVITIES DESCRIPTION <i>Your Grant Manager may request more detail Attach additional pages and add tasks as needed</i>	TOTAL PROJECT COST	AMOUNT REQUESTED FROM ECOLOGY	AMOUNT/ SOURCE OF OTHER FUNDING	ESTIMATED START DATE	ESTIMATED COMPLETION DATE
1. Grant and Project Administration (Recipient staff costs required to manage the grant and project.)					
2. Assessment & Investigations (Costs incurred planning and implementing site investigations, including Remedial Investigations (RI).)					
3. Feasibility Study (FS) (Costs required to plan and implement the FS and analysis of cleanup alternatives.)					
4. Cleanup Actions (Costs required to plan and implement the cleanup actions for the site; this includes the Cleanup Action Plan (CAP).)					
5. Source Control (Costs required to investigate and control the causes of contamination at the site.)					
6. Monitoring (Costs of planning and installing systems, and up to one year of long-term monitoring.)					
7. Independent Remedial Actions Actions performed subject to the department's review under the VCP or incorporated as part of the order or decree.					
8. Integrated Planning Grant Activities (Includes planning and public outreach)					
9. Past Costs Costs incurred prior to the signature date on the order/decree. Work that will be approved by Ecology to be incorporated into the order/decree.					
10. Other (describe)					
TOTALS					

SECTION C – BUDGET FUNDING SOURCE

CONTRIBUTIONS, MATCH, AND OTHER GRANTS

Amount and source of any other grants that fund the same activities	\$	Source of funds
	_____	_____
	\$	Source of funds
	_____	_____
Amount of any contribution from another potentially liable party (PLP)	\$	Source of funds
	_____	_____
	\$	Source of funds
	_____	_____
Amount of anticipated future contributions from other PLPs	\$	Source of funds
	_____	_____

Financial / Legal Contact regarding PLP Contributions and Insurance Company Settlements

Name _____

Title _____

Address _____

Telephone _____

Fax _____

Email _____

MATCHING FUNDS BY SOURCE	Amount	Description
Cash	_____	_____
General Obligation Bonds	_____	_____
Insurance Settlements	_____	_____
Local Improvement District (LID)	_____	_____
Revenue Bonds	_____	_____
Non-Ecology Grants (Identify)	_____	_____
Other (Describe)	_____	_____
TOTAL MATCHING FUNDS	_____	_____

PART III – CERTIFICATION AND AGREEMENT

The undersigned representative certifies that the information submitted herewith is true and correct to the best of his/her knowledge and belief, and is authorized to sign and submit this application on behalf of their organization. (Consultants cannot sign or apply on behalf of a local government.)

The applicant agrees that if a grant is awarded on the basis of this application or any revision or amendment thereof, it will comply with all applicable statutory provisions and with the applicable terms, conditions, and procedures of the Department of Ecology grant regulation Ch. 173-322 WAC, and of the grant agreement.

The applicant certifies that they understand that the most recent version of the Remedial Action Grant Program Guidelines are applicable to any agreement resulting from this application.

Signature of Authorized Representative

Typed Name and Title

Date

Telephone No. (include area code)

Instructions for Filling out the Remedial Action Grant Application

Part I -- General Instructions

1. Applicant Information

- A. Name: Enter your agency's name.
- B. Department/Division: Enter the name of your department or division within the agency.
- C. Address: Enter your agency's mailing address.
- D. Tax ID Number: Enter your tax ID number. (We must have a tax ID number to write an agreement.)
- E. Type of Applicant: Identify your agency's classification, e.g. city, county, port, housing authority.

2. Project Information

- A. Enter the official site or project name. (E.g., Cascade Pole, Terminal 91, Focus Fidalgo, Duwamish).
- B. Enter the site Rank (1-5), if known.
- C. Enter the facility site ID number.

3. Cost of Project

- A. Enter the total cost of the project. This would include costs that aren't grant eligible, such as legal fees, contributions from other responsible parties, and costs of long-term monitoring after the first year.
- B. Enter the total of the costs eligible for grant funding. The non eligible costs have been deducted from the total cost of the project (to the best of your ability).
- C. Enter the amount that would be the state's share after deducting your match amount, and identify the state match percent you used to calculate this, for example 50% or 75%.

4. Project Period

Enter the estimated start and end date of the project. It is very important to identify the start date as the date of the earliest invoice you will want reimbursed under the grant agreement.

5. Type of Grant or Loan

Enter the type of grant or loan you are applying for. If you need help deciding, contact a grant manager for assistance. If you select independent remedial action grant, please include the VCP number for the site.

- A. Please identify if your project includes redevelopment that will result in new substantial economic development, or the project will include habitat restoration or public recreation development.

6. Investment in the Environment

Enter the environmental benefits that will result from the project. All should include regulatory compliance with MTCA or CERCLA.

7. Project Location

Enter the county the site is located in, the street address (if available) or nearest cross streets, latitude and longitude, and the legislative and congressional districts where the site is located.

8. Cleanup Agreement Associated With the Project and its Estimated Completion Date

Check the box for the type of settlement agreement that applies or will apply to your site. If your agreement has not yet been signed by all parties, please identify its expected completion date.

You must have signed a cleanup agreement before your grant can be finalized, but you may apply while it is under negotiation. Please submit a signed copy of your agreement with the application package if available,

or submit a copy once the agreement is finalized. If you have a draft agreement, submit that with your application.

9. Applicant Project Manager

Enter contact information for the person who is the main point of contact for the Ecology site manager. This is the person who should be contacted if there are any technical questions about the project or site cleanup issues.

10. Administration Contact

Enter contact information for the person who is the main point of contact for the Ecology grant manager. This is the person who should receive questions about payment requests or financial accounting issues. Unless directed otherwise, this is the person the grant manager will mail all grant related correspondence to.

11. Authorized Signatory for the Grant

This is the name of the person who is authorized by your organization to enter into grant agreements. This information is needed to prepare the signatory page for the grant agreement. Some organizations require multiple signatures to enter into a grant agreement. Please indicate if you need a special signatory page in your agreement.

12. Other Required Information

This section includes information about other information that is needed by the grant manager to draft an agreement. It is for your information to help prepare you to expedite the grant writing and/or funding allocation process. For oversight remedial action grants, this information does not have to be submitted with the grant application, but needs to be submitted prior to grant writing. For independent remedial actions, the additional information is required to complete your application package.

Part II – Project and Budget Information

• Section A - Narrative Statement

Address the items listed on additional sheets as necessary and attach to the grant or loan application. You may be asked to provide this to the grant manager in a Microsoft Word version to help facilitate the grant writing process.

• Section B – Proposed Scope of Work

Enter the appropriate information for all project tasks for which you want grant funding and the estimated completion date for the activity or phase of work.

• Section C - Budget Funding Source

Enter the information that shows where you will get the funds for the project.

Enter name of financial/legal contact information for tracking possible future contributions/settlements.

Part III – Certification and Agreement

The application needs to be signed by an authorized representative of the applicant's organization. Consultants cannot sign grant requests for local governments. Only local governmental organizations can apply for remedial action grants. By signing the grant application, the applicant is acknowledging they understand the remedial action grant program rules and guidelines apply to any resulting grant agreements. The reader should note that Ecology also has requirements that are applicable to all agreements Ecology enters into. These are found in the "Yellow Book," Administrative Requirements for Recipients of Ecology Grants and Loans, Ecology publication number 91-18, revised September 2005.

Ten Year Cost Forecast

For information on this financial model or to request changes to the model: please contact Lydia Lindwall (ECY) [llin461@ECY.WA.GOV] or 360-407-6067

[Site Name]

Grant Number

[ECY only Field]

Submitted By:

[Applicant Name]

Forecast		State Fiscal Year											Additional costs by Bienium (Calculated)							
													09-11							
Element No.	Grant Element / Work Phase/ Or Site	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	Requested Grant Amount (Current Biennium)	Additional costs by Bienium (Calculated)				
		(7/1/09- 6/30/10)	(7/1/10- 6/30/11)	(7/1/11- 6/30/12)	(7/1/12- 6/30/13)	(7/1/13- 6/30/14)	(7/1/14- 6/30/15)	(7/1/15- 6/30/16)	(7/1/16- 6/30/17)	(7/1/17- 6/30/18)	(7/1/18- 6/30/19)	(7/1/2019 - 6/30/2020)	(7/1/2020- 6/30/2021)			11-13	13-15	15-17	17-19	19-21
1														\$ -	-					
2														\$ -	-					
3														\$ -	-					
4														\$ -	-					
5														\$ -	-					
6														\$ -	-					
7														\$ -	-					
8														\$ -	-					
9														\$ -	-					
Total Project Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total State Share		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Directions:

- Cost Values Entered by State Fiscal Year Should Represent Total Project Costs
- State Share is being calculated at 50%, this may vary by location and will be adjusted by the grant manager
- Use one worksheet per site if you have cost breakouts for each phase of cleanup, otherwise you may use one worksheet for all sites.



Application for Site Hazard Assessment and/or Methamphetamine Lab Grants

PART I - GENERAL INFORMATION

1. APPLICANT INFORMATION

Name _____	Address _____ <i>(Street or PO Box No.)</i>
Dept/Div _____	_____ <i>(Town/City, State and ZIP+4)</i>
County _____	Tax ID Number _____
Applicant Type <i>(Check appropriate box or boxes)</i>	
<input type="checkbox"/> Health Department/District	<input type="checkbox"/> Other (Specify)

2. PROJECT COST

3. PROJECT PERIOD

Total Project Costs	\$ _____	From _____	(Date of earliest costs incurred)
Total Grant Eligible Costs	\$ _____	To _____	(Projected completion date)

4. AGREEMENT REQUESTED (Check all that apply)

Site Hazard Assessment Grant
 Initial Investigations
 Meth Lab Grant

5. INVESTMENT IN ENVIRONMENT (Environmental benefits resulting from the proposed project)

Regulatory compliance with MTCA or CERCLA
 Eliminate a Public Health Emergency
 Other _____

** Note: See Appendix 5 of RA Grant Guidelines for assistance.*

6. APPLICANT PROJECT MANAGER (For technical questions about the site or project.)

7. ADMINISTRATION CONTACT (For questions about payment requests. Ecology Grant Manager's main contact.)

Name _____	Name _____
Title _____	Title _____
Address _____	Address _____
Telephone (Include Area Code) _____	Telephone (Include Area Code) _____
Email Address _____	Email Address _____

8. Authorized signatory for grant – Who is authorized by your organization to sign grant agreements?

Signatory Name: _____ **Signatory Title:** _____

Please Note: Some recipients require a special signatory page for their agreements that allows signature approval by multiple members of a city or county council, or port district. Please let the grant manager know if this is needed for your agreement.

PART II – BUDGET AND SCOPE OF WORK

TASK NAME AND ACTIVITIES DESCRIPTION	TOTAL PROJECT COST	AMOUNT REQUESTED FROM ECOLOGY	ESTIMATED START DATE
1. Initial Investigations (Costs incurred to conduct initial investigations.) Number of Initial Investigations to be performed: _____			
2. Site Hazard Assessments (Costs incurred to conduct site hazard assessments.) Number of Site Hazard Assessments to be performed: _____			
3. Methamphetamine Lab Activities (Costs incurred to methamphetamine investigation and cleanup oversight.)			
4. Grant and Project Administration (Recipient staff costs required to manage the grant and project.)			
5. Other (describe)			
TOTALS			

PART III – CERTIFICATION AND AGREEMENT

The undersigned representative certifies that the information submitted herewith is true and correct to the best of his/her knowledge and belief, and is authorized to sign and submit this application on behalf of their organization.

The applicant agrees that if a grant is awarded on the basis of this application or any revision or amendment thereof, it will comply with all applicable statutory provisions and with the applicable terms, conditions, and procedures of the Department of Ecology grant regulation Ch. 173-322 WAC, and of the grant agreement.

The applicant certifies that they understand that the most recent version of the Remedial Action Grant Program Guidelines are applicable to any agreement resulting from this application.

Signature of Authorized Representative

Typed Name and Title

Date

Telephone No. (include area code)

ECY 070-360

If you require this publication in an alternate format, please contact the Waste2Resources Program at 360-407-6900 or TTY 711 or 1-800-833-6388.

Appendix B: Payment Request Forms

- [Form A19](#) Invoice Voucher Form
- [Form B2](#) Running Budget Summary for Projects with Cash Expenditures Only
- [Form C2](#) Voucher Support for Projects with Cash Expenditures Only

Online Excel version of the voucher forms:

<http://www.ecy.wa.gov/programs/swfa/grants/rag.html>

Online PDFs of the A-19, B2, and C2:

Form A-19 [State of Washington Invoice Voucher for Solid Waste Programs](#)

Form B2 [Form B2: Running Budget Summary for Projects with Cash Expenditures Only](#)

Form C2 [Form C2: Voucher Support for Projects with Cash Expenditures Only](#)

- [Form E](#) Monthly Timesheet

Online: <http://www.ecy.wa.gov/biblio/ecy06012.html>

- **Spending Plans**
 - [2009-2011 Biennium: July 1, 2009 – June 30, 2011](#)
 - [2011-2013 Biennium: July 1, 2011 – June 30, 2013](#)
 - [2013-2015 Biennium: July 1, 2013 – June 30, 2015](#)

Online: [Spending Plan for Ecology Remedial Action Grants](#)

Form A19-1A Invoice Voucher



State of Washington

(Rev. 10/00)
ECY 060-02

AGENCY USE ONLY

AGENCY NO.	LOCATION CODE	P.R. OR AUTH. NO.

AGENCY NAME

1. Project Officer: _____
Program: _____

Washington State Department of Ecology
P.O. Box 47600, Olympia, WA 98504-7600

2. Grant/Loan Recipient (Warrant is to be payable to)

3. Payment Request No.:

4. Agreement No:

Vendor's Certificate. I hereby certify under penalty of perjury that the items and totals listed herein are proper charges for materials, merchandise or services furnished to the State of Washington, and that all goods furnished and/or services rendered have been provided without discrimination because of age, sex, marital status, race, creed, color, national origin, handicap, religion, or Vietnam era or disabled veterans status.

5. By: (sign in blue ink)

Title Date

6. Contact Person Tel. No.

Received By Date Received

Fed ID No.

Project Officer Approval for Payment/Performance Certification

7 Effect. Date Expiration. Date

8 Billing Period from to

Date:

9 Fund Source Name

10 Amount of Grant/Loan from Fund

11 Cumulative Amount Requested

12 Previous Cumulative Amount Requested

13 Current Request/Payment Due

14 Grant/Loan Remaining in the Fund

All payments are made subject to federal and/or state audit

DOC DATE	PMT DUE DATE	CURRENT DOC. NO.	REF. DOC NO.	VENDOR NO.	VENDOR MESSAGE	USE TAX	UBI NO.

REF DC SUF	TRANS CODE	MO	FUND	MASTER INDEX		SUB OBJ	SUB SUB OBJECT	ORG INDEX	WORKCLASS	COUNTY	CITY/TOWN	PROJECT	SUB PROJ	PROJ PHAS	AMOUNT	INVOICE NUMBER
				APPN INDEX	PROGRAM INDEX				ALLOC	BUDGET UNIT	MOS					

ACCOUNTING APPROVAL FOR PAYMENT	DATE	WARRANT TOTAL	WARRANT NUMBER

Ecology is an Equal Opportunity and Affirmative Action Employer.

Instructions For Completing Form A-19

1. Enter the name and program of the Ecology project officer (this is the grant manager).
2. Enter the name and address of the recipient, along with the contact person for us to call with any questions about the billing. Enter the recipient's Federal ID No.
3. Enter the number of the payment request – they are numbered consecutively.
4. Enter the grant or loan number.
5. Have the authorized official sign and date the request.
6. Enter the name and telephone number of the person who completed the payment request.
7. Enter the effective date and expiration date of the agreement.
8. Enter the period covered by the current payment request. No costs are eligible if incurred before the effective date or after the expiration date.
9. FUND SOURCE Name: List the name of each fund source administered by Ecology that supports the project costs.
10. AMOUNT OF GRANT/LOAN from FUND: For each fund source, enter the amount of the grant or loan established in the agreement. If there have been any amendments to the agreement, enter the amount established in the last amendment.
11. CUMULATIVE AMOUNT REQUESTED from FUND: If there is only one Form B1 or B2 for this billing, enter the amounts computed for each fund on line 11 of Form B2 or line 6(B) of form B1 (page 2). If there is more than one Form B1 or B2, do the following: for each fund, add the fund amounts computed on line 11 of all Forms B2 or line 6(b) of all Forms B1 (page 2) submitted with this payment request, and enter the sum.
12. PREVIOUS CUMULATIVE AMOUNTS REQUESTED: Enter the amount on line 11 of the previous Form A19. For first billings, enter 0.
13. CURRENT REQUEST: Compare the amount of the grant or loan from each fund (line 10) to the cumulative amount requested from the fund (line 11). Subtract line 12 from the smaller of the two and enter the result. If less than zero, enter zero.
14. GRANT/LOAN REMAINING in the FUND: Subtract the cumulative amount requested (line 11) from the Grant/Loan Amount in the Fund (line 10). If the result is less than zero, enter zero.

Form B2: Running Budget Summary for Projects with Cash Expenditures Only

Use one form for each group of costs with the same eligibility requirements.

Agreement No.: _____ Recipient: _____ Payment Request No.: _____ Page: _____ of _____

FOR PROJECTS WITH MORE THAN ONE GROUP OF ELIGIBILITY REQUIREMENTS: Group No.: _____ Fund Source(s): _____

(1) Element No.	(2) Cash Expenditures This Request	(See instructions)		(5) Cumulative Cash Expenditures on Prev. Form B2	(6) New Cumulative Cash Expenditures	(7) Budget	(8) Eligible Cumulative Element Cost
		(3) Elig. %	(4) Elig. Am't				
							(9)

(10) For each fund administered by Ecology that supports this group of costs, enter the name of the fund and the fund share (%) at right.	Fund: _	Fund: _	Fund: _
	Share: %	Share: %	Share: %
(11) Compute fund amounts. In each column, multiply box 9 above by the fund share (%) in line 10 and enter the result.			

Instructions For Completing Form B2

1. (First line) Enter the agreement number, recipient name, payment request number, and page numbers.
2. (Second line) If the terms of the agreement establish groups of costs by different eligibility requirements, enter the group which is documented on this page. Otherwise, enter "1." Enter the name(s) of the fund source(s).
3. (Column 1) Enter the number of each budget element (task, subtask, or object) established in the agreement.
4. (Column 7) Enter the amount budgeted for each element in the agreement.
5. (Column 3) Enter as a decimal the eligibility percentage for each element as specified in the agreement. If none is specified, enter a "1."
6. (Column 2) On the line corresponding to each element, enter the cash expenditures reported for that element from box 8 of form C2.
7. (Column 4) Multiply column 2 by column 3 and enter the result.
8. (Column 5) If this is the first billing, leave this column blank. Otherwise, enter the cumulative costs computed in column 6 of the previous Form B2.
9. (Column 6) For each element, add the entries in columns 4 and 5 to obtain new cumulative cash expenditures.
10. (Column 8) For each element, compare the entry in column 6 (cumulative total element cost) with the entry in column 7 (budget amount). **IF THE CUMULATIVE TOTAL COSTS FOR ANY ELEMENT EXCEED THE BUDGET, THE EXCESS WILL NOT BE ELIGIBLE WITHOUT AN AMENDMENT.** For each element, enter the smaller of the entries in column 6 and 7 in column 8 (this is the eligible element amount to this point).
11. (Box 9) Add entries in column 8 and enter sum here. This is the Maximum Eligible Costs Based on the Budget.
12. (Line 10) Enter in a column at the right the name of each Ecology-administered fund that supports this group of costs. Below it, enter the percentage of eligible costs which will be supported by that fund as specified in the agreement (fund share).
13. (Line 11) For each fund, multiply the fund share (%) by box 9, and enter the result on line 11. This is the cumulative amount requested from the fund for this group of costs.
14. If there is only one group, transfer the amounts on line 11 to Form A19, line 11. If there is more than one group, add the fund amounts computed on line 10 of all Forms B2 for each fund, and enter on line 11 of Form A19.

Form C2: Voucher Support for Projects with Cash Expenditures Only

Use one form for each group of costs with the same eligibility requirements.

Agreement No.: _____ Recipient: _____ Payment Request No.: _____ Page: _____ of _____

(1) Element No.	(2) Payee	(3) Item	(4) Invoice Number	(5) Date Cost Incurred	(6) Warrant Number (if any)	(7) Amount of Cash Expenditure
TOTALS BY ELEMENT						\$ (8)

Instructions For Completing Form C2

1. Enter the agreement number, recipient name, payment request number, and page numbers at the top of the form.
2. (Column 1) Enter the element number (as specified in the agreement) to which the cost is to be attributed.
3. (Column 2) List the name of the payee.
4. (Column 3) List the item purchased.
5. (Column 4) Enter the vendor's invoice number.
6. (Column 5) Enter the date that the cost was incurred. NOTE: All costs must be incurred between the effective and expiration dates of the agreement.
7. (Column 6) Enter the number of the warrant used to pay the vendor (if payment has already been made).
8. (Column 7) Enter the amount of the cash expenditure.
9. (Box 8) If only one element is documented on this form, add the entries in column 7 and enter the result in box 8. If more than one element is documented on this form, add the entries in column 7 for each element and circle the total for each element.
10. Enter the total for each element in column 2, Form B2.

2013-2015 Spending Plan

Remedial Action Grant Biennial Spending Plan

Recipient:		Usual billing period:
Prepared by:		Monthly
Date Prepared:	2013 - 2015 Biennium	Quarterly

Directions: Enter the total project costs for the expenses you expect to request for reimbursement by quarter. Enter the amount under the quarter in which you will REQUEST REIMBURSEMENT (not the quarter in which the activity occurred or costs were incurred). For example, if you bill quarterly and you spent money between Jan-Mar, and you would request reimbursement for it in Apr-Jun, your request would be reported in Apr-Jun. Recipients with multiple grants may use one form for all grants if the state share match percentage is the same for all grants.

	Quarter	July-Sept	Oct-Dec	Jan-Mar	Apr-Jun	July-Sept	Oct-Dec	Jan-Mar	Apr-Jun	
	Year	2013	2013	2014	2014	2014	2014	2015	2015	
Project Name	Agreement No.	Total Project Cost	Biennial Total							
	Total Project Cost per quarter									
	Total State Share per quarter	-	-	-	-	-	-	-	-	-
		ECY Qtr 7	ECY Qtr 8	ECY Qtr 1	ECY Qtr 2	ECY Qtr 3	ECY Qtr 4	ECY Qtr 5	ECY Qtr 6	
		OFM Qtr 1	OFM Qtr 2	OFM Qtr 3	OFM Qtr 4	OFM Qtr 5	OFM Qtr 6	OFM Qtr 7	OFM Qtr 8	

To ask about the availability of this document in a version for the visually impaired call the Solid Waste and Financial Assistance Program at 360-407-6900. Persons with hearing loss, call 711 for Washington Relay Service. Persons with a speech disability, call 877-833-6341.

ECY 070-108 (Rev. 5/09)

Appendix C: Reporting Forms

- [Site Hazard Assessment Grants - Progress Report](#)
- [Meth Lab Grants – Progress Report](#)
- [Oversight Remedial Action Grants – Progress Report](#)
- [Oversight Remedial Action Grants - Final Project Report](#)

Grant Recipient's Name _____
Grant Number _____

Site Hazard Assessment Grants - Progress Report

For the period _____ through _____, 200__

PROJECT TITLE:

RECIPIENT MAILING ADDRESS:

TELEPHONE NUMBER:

CONTACT PERSON:

TASK 1: Initial Investigations

Overview – General Comments:

Site Specific Information

Date Received	ERTS#	Site or Address	Site Visit? (Y/N)	Date Report Was Sent to Ecology	Recommendations

Additional Comments:

Totals

Number initiated this period	
Number completed this period	
Number ongoing	
Number completed under award	

Grant Recipient's Name _____ Grant Number _____
--

TASK 2: Site Hazard Assessments

Overview – General Comments:

Site Specific Information

Date Received	ERTS#	Site or Address	Site Visit? (Y/N)	Date Report Was Sent to Ecology	Recommendations

Additional Comments:

Totals

Number initiated this period	
Number completed this period	
Number ongoing	
Number completed under award	

TASK 3: (if applicable)

TASK 4: (if applicable)

If more tasks are in a specific grant, continue numbering the tasks in sequential order.

If you require this publication in an alternate format, please contact Solid Waste and Financial Assistance at 360-407-6900 or TTY 711 or 1-800-833-6388.



Meth Lab Grants- Progress Report

Methamphetamine Lab Grant # _____

Name of Local Health Agency _____

PROJECT TITLE:

RECIPIENT MAILING ADDRESS:

TELEPHONE NUMBER:

CONTACT PERSON:

REPORTING PERIOD:

TASK 1:

NUMBER OF NEW SITES	
CONTINUED SITES	
NUMBER OF SITES COMPLETED THIS PERIOD	
TOTAL COMPLETED WITHIN GRANT	

SITE SPECIFIC INFORMATION

- Site name
- Site location
- Date
- Activities completed

Remaining activities (if applicable)

TASK 2: (If applicable)

If you require this publication in an alternate format, please contact Solid Waste and Financial Assistance at 360-407-6900 or TTY 711 or 1-800-833-6388.



ECY 070-107

Recipient: _____

Grant #: _____

Reporting Period: _____

Progress Report for Remedial Action Grants

Invoices and Progress Reports must match the Tasks in the Award

Project Task as listed in the Grant	Narrative Description of Activities Accomplished; Deliverables; Status

I certify that all sampling data collected has been submitted to the DEPARTMENT in both printed and electronic formats in accordance with WAC 173-340-840(5) and the DEPARTMENT'S Toxics Cleanup Program Policy 840: Data Submittal Requirements.

Signed: _____ Date: _____

Printed name: _____

Recipient: _____

Grant #: _____

Reporting Period: _____

Explain any variations from Tasks and Expenditures planned this reporting period. Indicate what affect variations may have on the remedial action schedule and grant budget.

Identify challenges and deviations from the Scope of Work that were encountered during the reporting period and resolutions that were or will be implemented.

Provide up-to-date information on points of contact should there be any changes since the last reporting period.

The following information is needed from the financial/legal contact.

Have there been any insurance settlements or contribution actions to date? Yes ___ or No ___

If yes, please explain in detail, including amounts received and party settlement was with.

Name of Fiscal Officer responsible for receiving payments: _____

Telephone number where Fiscal Officer can be reached: _____

*If you require this publication in an alternate format,
please contact the Waste 2 Resources Program
at 360-407-6900 or TTY 711 or 1-800-833-6388.*

Recipient: _____

Grant #: _____

Date of Report: _____

Oversight Remedial Action Grants - Final Project Report

Project or Site Name

Narrative Description of Problem Addressed by the Grant

Purpose of the Project

Project Results or Outcomes Achieved

ECY FORM #070-293

If you require this publication in an alternate format,
please contact the Waste 2 Resources Program at
360-407-6900 or 1-800-833-6388.

Appendix D: Remedial Action Grant Program Rule – Ch.173-322 WAC

Chapter 173-322 WAC: Remedial action grants and loans

WAC Sections

- 173-322-010 Purpose and authority.
- 173-322-020 Definitions.
- 173-322-030 Relation to other legislation and administrative rules.
- 173-322-040 Administration.
- 173-322-050 Fiscal controls.
- 173-322-060 Site hazard assessment grants.
- 173-322-070 Oversight remedial action grants.
- 173-322-080 Independent remedial action grants.
- 173-322-090 Area-wide ground water remedial action grants.
- 173-322-100 Safe drinking water action grants.
- 173-322-110 Methamphetamine lab site assessment and cleanup grants.
- 173-322-120 Derelict vessel remedial action grants.
- 173-322-130 Loans.

173-322-010

Purpose and authority.

This chapter recognizes that the state contains hundreds of hazardous waste sites which threaten the state's water resources, including those used for public drinking water; that many of our municipal landfills are current or potential hazardous waste sites and present serious threats to human health and the environment; and that the costs of eliminating these threats in many cases are beyond the financial means of local governments and ratepayers.

This chapter establishes requirements for a program of grants and loans to local governments for remedial action pursuant to RCW 70.105D.070 (3)(a) and (7). The intent of the remedial action grants and loans is to encourage and expedite the cleanup of hazardous waste sites and to lessen the impact of the cleanup on ratepayers and taxpayers. The remedial action grants and loans shall be used to supplement local government funding and funding from other sources to carry out remedial actions.

[Statutory Authority: RCW 70.105D.070. 05-07-104 (Order 04-06), § 173-322-010, filed 3/18/05, effective 4/18/05. Statutory Authority: RCW 43.21A.080. 93-24-047, § 173-322-010, filed 11/23/93, effective 12/24/93. Statutory Authority: Chapter 70.105D RCW. 90-10-057 (Order 89-45), § 173-322-010, filed 5/1/90, effective 6/1/90.]

173-322-020

Definitions

Unless otherwise defined in this chapter, words and phrases used in this chapter shall be defined according to WAC 173-340-200.

"Abandoned or derelict vessels" means vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel.

"Area-wide ground water contamination" means multiple adjacent properties with different ownership affected by hazardous substances from multiple sources that have resulted in commingled plumes of contaminated ground water that are not practicable to address separately.

"Cleanup action" means any remedial action, except interim actions, taken at a site to eliminate, render less toxic, stabilize, contain, immobilize, isolate, treat, destroy, or remove a hazardous substance that complies with WAC 173-340-350 through 173-340-390.

"Coordinated water system plan" means a plan for public water systems within a critical water supply service area which identifies the present and future water system concerns and sets forth a means for meeting those concerns in the most efficient manner possible pursuant to chapter 246-293 WAC.

"Decree" or "consent decree" means a consent decree issued under WAC 173-340-520 or the federal cleanup law.

"Department" means the department of ecology.

"Director" means the director of the department of ecology.

"Economically disadvantaged county" means a county that meets the following criteria:

- The per capita income of the county, as measured by the latest official estimate of the Washington state office of financial management, is in the lower twenty counties in the state; and
- The county is economically distressed, as defined by chapter 43.168 RCW. The department will include a list of counties which are economically disadvantaged in the following publication: Washington state department of ecology, "Remedial Action Program Guidelines," Publication No. 99-505.

"Federal cleanup law" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. 9601 et seq.

"Grant agreement" means a binding agreement between the local government and the department that authorizes the disbursement of funds to the local government to reimburse it for a portion of expenditures in support of a specified scope of services.

"Hazard ranking" means the ranking for hazardous waste sites used by the department pursuant to RCW 70.105D.030 (2)(b) and WAC 173-340-330.

"Hazardous substances" means any hazardous substance as defined in WAC 173-340-200.

"Hazardous waste site" means any facility where there has been confirmation of a release or threatened release of a hazardous substance that requires remedial action.

"Independent remedial actions" means remedial actions conducted without department oversight or approval and not under an order or consent decree.

"Initial containment of methamphetamine lab sites" means the first location where hazardous substances are confined by a container, vessel, barrier, or structure, whether natural or constructed, with a defined boundary, and that prevents or minimizes its release into the environment.

"Innovative technology" means new technologies that have been demonstrated to be technically feasible under certain site conditions, but have not been widely used under different site conditions. Innovative technology also means the innovative use of existing technologies that have been established for use under certain site conditions, but not the conditions that exist at the hazardous waste site for which a remedial action grant is sought. Innovative technology has limited performance and cost data available.

"Interim action" means a remedial action conducted under WAC 173-340-430.

"Loan agreement" means a binding agreement between the local government and the department that authorizes the disbursement of funds to the local government that must be repaid. The loan agreement includes terms such as interest rates and repayment schedule, scope of work, performance schedule, and project budget.

"Local government" means any political subdivision, regional governmental unit, district, municipal or public corporation, including cities, towns, and counties. The term encompasses but does not refer specifically to the departments within a city, town, or county.

"Methamphetamine lab site assessment" means the actions taken by a local health department or district under WAC 246-205-520 through 246-205-560, including posting the property, inspecting the property, determining whether the property is contaminated, posting contaminated property, and notifying occupants, property owners, and other persons with an interest in the contaminated property.

"Model Toxics Control Act" or "act" means chapter 70.105D RCW, first passed by the voters in the November 1988 general election as Initiative 97 and as since amended by the legislature.

"National Priorities List" or "NPL" means a list of hazardous waste sites at which the U.S. Environmental Protection Agency intends to proceed with enforcement or cleanup action.

"No further action (NFA) determination" means a written opinion issued by the department under WAC 173-340-515 (5)(b) that the independent remedial actions performed at a hazardous waste site meet the substantive requirements of chapter 173-340 WAC and that no further remedial action is required at the hazardous waste site. The opinion is advisory only and not binding on the department.

"Order" means an order issued under chapter 70.105D RCW, including enforcement orders issued under WAC 173-340-540 and agreed orders issued under WAC 173-340-530, or an order issued under the federal cleanup law, including unilateral administrative orders (UAO) and administrative orders on consent (AOC).

"Oversight costs" are remedial action costs of the department or the U.S. Environmental Protection Agency reasonably attributable to the administration of an order or decree for remedial action at a hazardous waste site.

"Oversight remedial actions" means remedial actions conducted under an order or decree.

"Partial funding" means funding less than the maximum percentage of eligible costs allowed under this chapter.

"Pilot study" means an experiment in remedial action method, with the purpose of testing the suitability of a particular cleanup technology or process for remedial action at a particular site.

"Potentially liable person" or "PLP" means any person whom the department finds, based on credible evidence, to be liable under RCW 70.105D.040.

"Potentially responsible party" or "PRP" means "covered persons" as defined under section 9607 (a)(1) through (4) of the federal cleanup law (42 U.S.C. Sec. 9607(a)).

"Public water system" means any system, excluding a system serving only one single-family residence and a system with four or fewer connections all of which serve residences on the same farm, providing piped water for human consumption, including any collection, treatment, storage, or distribution facilities under control of the purveyor and used primarily in connection with the system and collection or pretreatment storage facilities not under control of the purveyor but primarily used in connection with such system.

"Purveyor" means an agency or subdivision of the state or a municipal corporation, firm, company, mutual or cooperative association, institution, partnership, or person or any other entity that owns or operates a public water system, or the authorized agent of such entities.

"Recycling" means a remedial action which permanently removes hazardous substances from the site and successfully directs the material into a new product suitable for further industrial or consumer use.

"Remedial action" means any action or expenditure consistent with the purposes of chapter 70.105D RCW to identify, eliminate, or minimize any threat posed by hazardous substances to human health or the environment including any investigative and monitoring activities with respect to any release or threatened release of a hazardous substance and any health assessments or health effects studies conducted in order to determine the risk or potential risk to human health.

"Remedial design (RD)" means an engineering study during which technical plans and specifications are developed to guide subsequent cleanup action at a hazardous waste site.

"Remedial investigation/feasibility study" or "RI/FS" means a remedial action that consists of activities conducted under WAC 173-340-350 intended to collect, develop, and evaluate sufficient information regarding a site to enable the selection of a cleanup action under WAC 173-340-360 through 173-340-390 .

"Retroactive costs" means costs incurred before the date of the grant agreement.

"Safe drinking water" means water meeting drinking water quality standards set by chapter 246-290 WAC.

"Safe drinking water action" means an action by a local government purveyor or other purveyor to provide safe drinking water through public water systems to areas contaminated by or threatened by contamination from hazardous waste sites.

"Site" means any building, structure, installation, equipment, pipe or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, vessel, or aircraft; or any site or area where a hazardous substance, other than a legal consumer product in consumer use, has been deposited, stored, disposed of, or placed, or otherwise come to be located.

"Site hazard assessment" means a remedial action that consists of an investigation performed under WAC 173-340-320.

"Treatment" means a remedial action which permanently destroys, detoxifies, or recycles hazardous substances.

[Statutory Authority: RCW 70.105D.070. 07-08-010 (Order 06-13), § 173-322-020, filed 3/22/07, effective 4/22/07; 05-07-104 (Order 04-06), § 173-322-020, filed 3/18/05, effective 4/18/05. Statutory Authority: Chapter 70.105D RCW. 01-05-024 (Order 97-09A), § 173-322-020, filed 2/12/01, effective 3/15/01. Statutory Authority: RCW 43.21A.080. 93-24-047, § 173-322-020, filed 11/23/93, effective 12/24/93. Statutory Authority: Chapter 70.105D RCW. 90-10-057 (Order 89-45), § 173-322-020, filed 5/1/90, effective 6/1/90.]

173-322-030

Relation to other legislation and administrative rules.

(1) Nothing in this chapter shall influence, affect, or modify department programs, regulations, or enforcement of applicable laws relating to hazardous waste investigation and cleanup.

(2) Nothing in this chapter shall modify the order or decree the department has secured with potentially liable persons for remedial action. The execution of remedies pursuant to the order or decree shall in no way be contingent upon the availability of grant funding.

(3) All grants and loans shall be subject to existing accounting and auditing requirements of state laws and regulations applicable to the issuance of grants and loans.

[Statutory Authority: RCW 70.105D.070. 05-07-104 (Order 04-06), § 173-322-030, filed 3/18/05, effective 4/18/05. Statutory Authority: Chapter 70.105D RCW. 01-05-024 (Order 97-09A), § 173-322-030, filed 2/12/01, effective 3/15/01. Statutory Authority: RCW 43.21A.080. 93-24-047, § 173-322-030, filed 11/23/93, effective 12/24/93. Statutory Authority: Chapter 70.105D RCW. 90-10-057 (Order 89-45), § 173-322-030, filed 5/1/90, effective 6/1/90.]

173-322-040

Administration

(1) **Notice of availability.** Local governments will be periodically informed of the availability of remedial action grant and loan funding.

(2) **Application package.** An application package will be sent to all parties expressing interest in remedial action grants or loans and to all local governments that have been required by decree or order to perform remedial actions. Application packages will include guidelines and application forms.

(3) **Application guidance.** The department will prepare a guidance manual on a biennial basis to assist grant and loan applicants and to facilitate compliance with this regulation.

(4) **Application period.** The application for a remedial action grant or loan must be submitted to the department within the period specified in this chapter for the particular type of grant or loan.

(5) **Application form.** The application for a remedial action grant or loan must be completed on forms provided by the department.

(6) **Appropriation of funds.** Grants and loans will be awarded within the limits of available funds. The obligation of the department to make grant payments or provide loans is contingent upon the availability of funds through legislative appropriation and allotment, and such other conditions not reasonably foreseeable by the department rendering performance impossible. When the grant or loan crosses over bienniums, the obligation of the department is contingent upon the legislative appropriation of funds for the next biennium.

(7) **Allocation of funds.** In conjunction with the biennial program report and program plan required by WAC 173-340-340, the department will prepare an administrative allocation from the legislative appropriation of the local toxics control account for funding remedial action grants and loans. Within that administrative allocation, the department will allocate subamounts for each type of remedial action grant or loan. The allocations shall be based on estimated costs for work on eligible sites which are identified in the program plan for the biennium.

(8) **Funding.** Remedial action grants and loans shall be used to supplement local government funding and funding from other sources to carry out required remedial action.

(9) **Department discretion.** The department may fund all or portions of eligible grant or loan applications.

(10) **Indemnification.** To the extent that the Constitution and laws of the state of Washington permit, the grantee or loan recipient shall indemnify and hold the department harmless, from and against, any liability for any or all injuries to persons or property arising from the negligent act or omission of the grantee or loan recipient arising out of a grant or loan contract.

(11) **Administrative requirements.** All grants and loans administered by the department under this chapter shall comply with the requirements set forth in the following publication: Washington state department of ecology, "Administrative Requirements for Ecology Grants and Loans," Publication No. 91-18. [Statutory Authority: RCW 70.105D.070. 05-07-104 (Order 04-06), § 173-322-040, filed 3/18/05, effective 4/18/05. Statutory Authority: Chapter 70.105D RCW. 01-05-024 (Order 97-09A), § 173-322-040, filed 2/12/01, effective 3/15/01. Statutory Authority: RCW 43.21A.080. 93-24-047, § 173-322-040, filed 11/23/93, effective 12/24/93. Statutory Authority: Chapter 70.105D RCW. 90-10-057 (Order 89-45), § 173-322-040, filed 5/1/90, effective 6/1/90.]

173-322-050

Fiscal controls

(1) **General.** The department will establish reasonable costs for all grants and loans, require local governments to manage projects in a cost-effective manner, and ensure that all potentially liable persons assume responsibility for remedial action.

(2) **Partial funding.** The department retains the authority to issue grants or loans which reimburse the local government for less than the maximum percentage allowable under WAC 173-322-060 through 173-322-130.

(3) **Limit on funding for a hazardous waste site.**

(a) For hazardous waste sites where oversight remedial actions are being conducted, the department and the local government will establish a final cleanup budget and negotiate grant and loan agreements after the remedial investigation and feasibility study have been completed and a final remedial action plan has been developed by the local government. The funding provided under these agreements will be the final department remedial action fund commitment for cleanup at that hazardous waste site. Grant and loan agreements may be amended, but requests to increase the remedial action budget at that site will receive a lower priority than other applications.

(b) For hazardous waste sites where independent remedial actions have been conducted, the remedial action costs eligible for grant funding at a hazardous waste site shall not exceed four hundred thousand dollars.

(4) **Retroactive funding.** Retroactive costs are not eligible for funding, except as provided under this chapter for each type of grant or loan.

(5) **Consideration of contribution claims.** The local government may not use proceeds from contribution claims to meet the match requirement for the grant. If the local government receives proceeds from a contribution claim before the effective date of the grant agreement, then the department shall deduct those proceeds from the amount eligible for grant funding, after subtracting from those proceeds the legal costs incurred by the local government pursuing the contribution claim. If the local government receives proceeds from a contribution claim after the effective date of the grant agreement, then the local government shall reimburse the department for a proportional share of those proceeds, after subtracting from those proceeds the legal costs incurred by the local government pursuing the contribution claim.

(6) **Consideration of insurance claims.** The local government may use proceeds from insurance claims to meet the match requirement for the grant. If those proceeds exceed the match requirement for the grant, then the department may reduce grant funding or require a reimbursement of grant funding by up to the amount

that those proceeds exceed the match requirement, after subtracting from that amount the legal costs incurred by the local government pursuing the insurance claims.

(7) **Repayment of area-wide ground water remedial action grant funds.** If the department provides the local government with an area-wide ground water remedial action grant for conducting remedial action on property owned by private parties, then the grant amount shall be partially repaid to the department. The terms and amount of repayment shall be included in the grant agreement between the local government and the department.

(8) **Financial reporting.**

(a) **Grant application.** The local government shall specify in the grant application any proceeds it has received from contribution claims. The local government shall also specify in the grant application any current or potential sources of local funding to meet the match requirement for the grant including, but not limited to, other grants or loans and proceeds from insurance claims.

(b) **Grant agreement.** If the department provides the local government with a remedial action grant or loan, then the local government shall:

- (i) Submit a copy of the local government's "Comprehensive Annual Financial Report" following its publication, for the year in which the grant is issued and for each year the grant is in effect; and
- (ii) Notify the department of any proceeds the local government receives from a contribution or insurance claim within ninety days of receipt of those proceeds.

(9) **Financial responsibility.** As established by the Model Toxics Control Act, chapter 70.105D RCW, and implementing regulations, the potentially liable persons (PLPs) bear financial responsibility for remedial action costs. The remedial action grant and loan programs may not be used to circumvent the responsibility of a PLP.

[Statutory Authority: RCW 70.105D.070. 05-07-104 (Order 04-06), § 173-322-050, filed 3/18/05, effective 4/18/05. Statutory Authority: Chapter 70.105D RCW. 01-05-024 (Order 97-09A), § 173-322-050, filed 2/12/01, effective 3/15/01. Statutory Authority: RCW 43.21A.080. 93-24-047, § 173-322-050, filed 11/23/93, effective 12/24/93. Statutory Authority: Chapter 70.105D RCW. 90-10-057 (Order 89-45), § 173-322-050, filed 5/1/90, effective 6/1/90.]

173-322-060

Site hazard assessment grants.

(1) **Purpose.** The purpose of the site hazard assessment grant program is to involve local health districts and departments in assessing the degree of contamination at suspected hazardous waste sites according to WAC 173-340-320. While enabling local health districts or departments to participate in the scoring and ranking process, the department retains the authority to review and verify the results of a site hazard assessment and to establish the hazard ranking of the site.

(2) **Applicant eligibility.** To be eligible for a site hazard assessment grant, the applicant must meet the following requirements:

- (a) The applicant must be a local health district or department;
- (b) The site must be located within the jurisdiction of the applicant;
- (c) The department has agreed that the applicant may conduct the site hazard assessment; and
- (d) The scope of work for the site hazard assessment must conform to WAC 173-340-320 and applicable department guidelines.

(3) Application process.

(a) Submittal. The application for a site hazard assessment grant may be submitted to the department at any time.

(b) Content. The grant application must be completed on forms provided by the department and include the following:

(i) Sufficient evidence to demonstrate compliance with the applicant eligibility requirements in subsection (2) of this section;

(ii) A description of the environmental benefits of the project;

(iii) A copy of the scope of work which conforms to the requirements of WAC 173-340-320 and applicable department guidelines;

(iv) A budget for the scope of work; and

(v) A description of all current or potential sources of funding, including other grants or loans.

(4) Application evaluation and prioritization.

(a) The grant application will be evaluated by the department for completeness and adequacy. After the application has been completed, the department and the applicant will negotiate the scope of work and budget for the grant. The department will consider cost eligibility and other sources of funding when negotiating the scope of work and budget for the grant.

(b) When pending grant applications or anticipated demand for site hazard assessment grants exceed the amount of funds available, the department may prioritize applications or limit grant awards based on the following:

(i) Potential public health or environmental threat from the sites;

(ii) Ownership of the sites. Publicly owned sites will receive priority over privately owned sites; and

(iii) Relative readiness of the applicant to proceed promptly to accomplish the scope of work.

(5) Cost eligibility. Costs must be eligible under this section and must be approved by the department in order to be eligible for reimbursement. Eligible costs include costs for activities performed pursuant to WAC 173-340-320 and enabling local health districts or departments to participate in the department's site ranking and priority-setting process.

(6) Retroactive cost eligibility. Retroactive costs are not eligible for reimbursement unless:

(a) The department unreasonably delays the processing of the grant application; or

(b) The department provided only partial funding under a prior grant agreement because funds were not available.

(7) Funding. The applicant shall be eligible to receive funding for up to one hundred percent of eligible costs.

[Statutory Authority: RCW 70.105D.070. 05-07-104 (Order 04-06), § 173-322-060, filed 3/18/05, effective 4/18/05. Statutory Authority: Chapter 70.105D RCW. 01-05-024 (Order 97-09A), § 173-322-060, filed 2/12/01, effective 3/15/01.

Statutory Authority: RCW 43.21A.080. 93-24-047, § 173-322-060, filed 11/23/93, effective 12/24/93. Statutory Authority: Chapter 70.105D RCW. 90-10-057 (Order 89-45), § 173-322-060, filed 5/1/90, effective 6/1/90.]

173-322-070

Oversight remedial action grants.

(1) **Purpose.** The purpose of the oversight remedial action grant program is to provide funding to local governments that conduct remedial actions under an order or decree. The grants are intended to encourage and expedite remedial action and to lessen the impact of the cost of such action on ratepayers and taxpayers.

(2) **Applicant eligibility.** Except as provided under subsection (3) of this section, to be eligible for an oversight remedial action grant, the applicant must meet the following requirements:

(a) The applicant must be a local government, as defined in WAC 173-322-020;

(b) The applicant must be a potentially liable person or a potentially responsible party at the hazardous waste site; and

(c) The applicant must meet one of the following criteria:

(i) The applicant is required by the department to conduct remedial action under an order or decree issued under chapter 70.105D RCW;

(ii) The applicant is required by the U.S. Environmental Protection Agency to conduct remedial action under an order or decree issued under the federal cleanup law and the order or decree has been signed or acknowledged in writing by the department as a sufficient basis for remedial action grant funding; or

(iii) The applicant has signed an order or decree issued under chapter 70.105D RCW requiring a potentially liable person (PLP) other than the applicant to conduct remedial action at a landfill site and the applicant has entered into an agreement with the PLP to reimburse the PLP for a portion of the remedial action costs incurred under the order or decree for the sole purpose of providing relief to ratepayers and/or taxpayers from remedial action costs.

(3) **Retroactive applicant eligibility.** To be eligible to receive an oversight remedial action grant for an order issued under the federal cleanup law before the effective date of the 2005 amendments to this chapter, the applicant must meet the following requirements:

(a) The applicant must be a local government, as defined in WAC 173-322-020;

(b) The applicant was required by the U.S. Environmental Protection Agency to conduct remedial action under an order issued under the federal cleanup law;

(c) The order has been signed or acknowledged in writing by the department as a sufficient basis for remedial action grant funding; and

(d) The applicant must submit to the department a grant application within six months after the effective date of the 2005 amendments to this chapter.

(4) **Application process.**

(a) **Submittal.** Except as provided under subsection (3) of this section, the application for an oversight remedial action grant must be submitted to the department within sixty days of the effective date of the order or decree.

(b) **Content.** The grant application must be completed on forms provided by the department and include the following:

(i) Sufficient evidence to demonstrate compliance with the eligibility requirements in subsection (2) of this section;

(ii) A description of the history of the site, the current status of the site, and the remedial actions to be performed at the site under the order or decree;

- (iii) A description of the environmental benefits of the project;
- (iv) A copy of the order or decree;
- (v) A copy of the scope of work which accomplishes the requirements of the order or decree;
- (vi) A budget for the scope of work;
- (vii) A description of all current or potential sources of funding including, but not limited to, other grants or loans and proceeds from contribution or insurance claims;
- (viii) A commitment by the applicant to provide the required matching funds and a description of the sources of those funds; and
- (ix) If the applicant claims the use of innovative technology under subsection (7)(c)(i) of this section, a justification for the claim.

(5) Application evaluation and prioritization.

- (a) The grant application will be evaluated by the department for completeness and adequacy. After the application has been completed, the department and the applicant will negotiate the scope of work and budget for the grant. The department will consider cost eligibility and other sources of funding when negotiating the scope of work and budget for the grant.
- (b) When pending grant applications or anticipated demand for oversight remedial action grants exceed the amount of funds available, the department may prioritize applications or limit grant awards based on the following:
 - (i) Relative hazard ranking as determined by the department in accordance with WAC 173-340-330 or the U.S. Environmental Protection Agency's National Priorities List ranking. Higher ranking sites will receive a higher funding priority;
 - (ii) Evidence that the grant will expedite cleanup;
 - (iii) Relative readiness of the applicant to proceed promptly to accomplish the scope of work.

(6) Cost eligibility. Costs must be eligible under this section and be approved by the department in order to be eligible for reimbursement.

- (a) **Eligible costs.** Eligible costs for oversight remedial action grants include, but are not limited to, the reasonable costs for the following:
 - (i) Remedial investigations;
 - (ii) Feasibility studies;
 - (iii) Remedial designs;
 - (iv) Pilot studies;
 - (v) Interim actions;
 - (vi) Cleanup actions;
 - (vii) Landfill closures required under chapters 173-304, 173-350 and 173-351 WAC, if also required as a remedial action under the order or decree;
 - (viii) Capital costs of long-term monitoring systems; and
 - (ix) Operating and maintenance costs incurred during the first year of accomplishing the cleanup action after facilities and equipment have been installed or constructed.

(b) **Ineligible costs.** Ineligible costs for oversight remedial action grants include, but are not limited to, the following:

- (i) Retroactive costs, except as provided under subsection (7) of this section;
- (ii) Oversight costs;
- (iii) Operating and maintenance costs of long-term monitoring systems;
- (iv) Operating and maintenance costs incurred after the first year of accomplishing the cleanup action;
- (v) Natural resource damage assessment costs and natural resource damages;
- (vi) Legal costs including, but not limited to, the cost of pursuing contribution or insurance claims, the cost of administrative hearings, the cost of pursuing penalties or civil or criminal actions against persons, the cost of penalties incurred by the applicant, the cost of defending actions taken against the applicant, and attorney fees; and
- (vii) In-kind services.

(7) **Retroactive cost eligibility.** Retroactive costs are not eligible for reimbursement unless:

- (a) The department unreasonably delays the processing of the grant application;
- (b) The department provided only partial funding under a prior grant agreement because funds were not available;
- (c) The costs were incurred conducting independent remedial actions and those actions are incorporated as part of the order or decree; or
- (d) The applicant is eligible under subsection (3) of this section.

(8) **Funding and reimbursement.**

(a) Adjustment of eligible costs. If an order or decree requires a potentially liable person (PLP) or a potentially responsible party (PRP) other than a local government to conduct remedial action, then the department shall deduct the financial contribution of that PLP or PRP from the amount eligible for grant funding. If the applicant receives proceeds from a contribution claim before the effective date of the grant agreement, then the department shall deduct those proceeds from the amount eligible for grant funding, after subtracting from those proceeds the legal costs incurred by the applicant pursuing the contribution claim.

(b) Funding of eligible costs. Except as provided under (c) of this subsection, the applicant shall be eligible to receive funding for up to fifty percent of eligible costs.

(c) Additional funding. The applicant shall be eligible to receive funding in excess of the limit set forth in (b) of this subsection under the following circumstances:

- (i) The applicant used innovative technology. If the applicant utilizes innovative technology, as defined in WAC 173-322-020, as part of the cleanup action and the eligible costs exceed four hundred thousand dollars, then the applicant shall be eligible to receive additional funding up to fifteen percent of eligible costs. The applicant must include justification for the innovative technology claim in the grant application.
- (ii) The county is economically disadvantaged. If the applicant is a county, or is located within a county, that is economically disadvantaged, as defined in WAC 173-322-020, then the applicant shall be eligible to receive additional funding up to twenty-five percent of eligible costs.

(d) Match requirement. The applicant shall fund those eligible costs not funded by the department under the grant. The applicant may not use in-kind services or proceeds from contribution claims to meet the match requirement.

(e) Reimbursement of grant funds. If the applicant receives proceeds from a contribution claim after the effective date of the grant agreement, then the applicant shall reimburse the department for a proportional share of those proceeds, after subtracting from those proceeds the legal costs incurred by the applicant pursuing the contribution claim.

[Statutory Authority: RCW 70.105D.070. 05-07-104 (Order 04-06), § 173-322-070, filed 3/18/05, effective 4/18/05. Statutory Authority: Chapter 70.105D RCW. 01-05-024 (Order 97-09A), § 173-322-070, filed 2/12/01, effective 3/15/01. Statutory Authority: RCW 43.21A.080. 93-24-047, § 173-322-070, filed 11/23/93, effective 12/24/93. Statutory Authority: Chapter 70.105D RCW. 90-10-057 (Order 89-45), § 173-322-070, filed 5/1/90, effective 6/1/90.]

173-322-080

Independent remedial action grants.

(1) **Purpose.** The purpose of the independent remedial action grant program is to provide funding to local governments that have successfully cleaned up hazardous waste sites through independent remedial action. Independent remedial actions are remedial actions that are voluntarily initiated and conducted without department oversight or approval. The grants are intended to encourage and expedite independent remedial action and to lessen the impact of the cost of such action on ratepayers and taxpayers.

(2) **Applicant eligibility.** To be eligible for an independent remedial action grant, the applicant must meet the following requirements:

(a) The applicant must be a local government, as defined in WAC 173-322-020;

(b) The applicant must be a potentially liable person or potentially responsible party at the hazardous waste site or have an ownership interest in the hazardous waste site; and

(c) The applicant must have completed independent remedial actions at the hazardous waste site and received from the department a no further action (NFA) determination.

(3) Application process.

(a) Submittal. The application for an independent remedial action grant must be submitted to the department within sixty days of receipt of the no further action (NFA) determination.

(b) Content. The grant application must be completed on forms provided by the department and include the following:

(i) Sufficient evidence to demonstrate compliance with the eligibility requirements in subsection (2) of this section;

(ii) A description of the independent remedial action for which the department issued a no further action (NFA) determination;

(iii) A description of the environmental benefits of the project;

(iv) A copy of the independent remedial action report required under WAC 173-340-515(4);

(v) A copy of the document containing the no further action (NFA) determination;

(vi) A description of the costs incurred in performing the independent remedial actions;

(vii) A description of all current or potential sources of funding including, but not limited to, other grants or loans and proceeds from contribution or insurance claims; and

(viii) A commitment by the applicant to provide the required matching funds and a description of the sources of those funds.

(4) Application evaluation and prioritization.

(a) The grant application will be evaluated by the department for completeness and adequacy. After the application has been completed, the department and the applicant will negotiate the budget for the grant. The department will consider cost eligibility and other sources of funding when negotiating the budget for the grant.

(b) When pending grant applications or anticipated demand for independent remedial action grants exceed the amount of funds available, the department may prioritize applications or limit grant awards based on the date the department receives completed applications.

(5) Cost eligibility. Costs must be eligible under this section and be approved by the department in order to be eligible for reimbursement.

(a) Eligible costs. Eligible costs for independent remedial action grants include, but are not limited to, the reasonable costs for the following:

(i) Remedial investigations;

(ii) Feasibility studies;

(iii) Remedial designs;

(iv) Pilot studies;

(v) Interim actions;

(vi) Cleanup actions;

(vii) Capital costs of long-term monitoring systems;

(viii) Operating and maintenance costs incurred during the first year of accomplishing the cleanup action after facilities and equipment have been installed or constructed; and

(ix) Development of the independent remedial action report required under WAC 173-340-515(4).

(b) Ineligible costs. Ineligible costs for independent remedial action grants include, but are not limited to, the following:

(i) Retroactive costs, except as provided under subsection (6) of this section;

(ii) Cost of technical consultations provided by the department under WAC 173-340-515(5), including any deposit for such consultations;

(iii) Operating and maintenance costs of long-term monitoring systems;

(iv) Operating and maintenance costs incurred after the first year of accomplishing the cleanup action;

(v) Natural resource damage assessment costs and natural resource damages;

(vi) Legal costs including, but not limited to, the cost of pursuing contribution or insurance claims, the cost of administrative hearings, the cost of pursuing penalties or civil or criminal actions against persons, the cost of penalties incurred by the applicant, the cost of defending actions taken against the applicant, and attorney fees; and

(vii) In-kind services.

(6) **Retroactive cost eligibility.** Retroactive costs are eligible for reimbursement if the costs were incurred within five years of the date of the grant application. Retroactive costs incurred more than five years before the date of the grant application are not eligible for reimbursement unless:

- (a) The department unreasonably delayed the processing of the grant application; or
- (b) The department provided only partial funding under a prior grant agreement because funds were not available.

(7) **Funding and reimbursement.**

(a) **Adjustment of eligible costs.** If the applicant receives proceeds from a contribution claim before the effective date of the grant agreement, then the department shall deduct those proceeds from the amount eligible for grant funding, after subtracting from those proceeds the legal costs incurred by the applicant pursuing the contribution claim. If the eligible costs exceed four hundred thousand dollars after the department has deducted any contribution claim proceeds, then the department shall limit the eligible costs to four hundred thousand dollars.

(b) **Funding of eligible costs.** Except as provided under (c) of this subsection, the applicant shall be eligible to receive funding for up to fifty percent of eligible costs.

(c) **Additional funding.** If the applicant is a county, or is located within a county, that is economically disadvantaged, as defined in WAC 173-322-020, then the applicant shall be eligible to receive funding for up to seventy-five percent of eligible costs.

(d) **Match requirement.** The applicant shall fund those eligible costs not funded by the department under the grant. The applicant may not use in-kind services or proceeds from contribution claims to meet the match requirement.

(e) **Reimbursement of grant funds.** If the applicant receives proceeds from a contribution claim after the effective date of the grant agreement, then the applicant shall reimburse the department for a proportional share of those proceeds, after subtracting from those proceeds the legal costs incurred by the applicant pursuing the contribution claim.

[Statutory Authority: RCW 70.105D.070. 05-07-104 (Order 04-06), § 173-322-080, filed 3/18/05, effective 4/18/05. Statutory Authority: RCW 43.21A.080. 93-24-047, § 173-322-080, filed 11/23/93, effective 12/24/93. Statutory Authority: Chapter 70.105D RCW. 90-10-057 (Order 89-45), § 173-322-080, filed 5/1/90, effective 6/1/90.]

173-322-090

Area-wide ground water remedial action grants.

(1) **Purpose.** The purpose of the area-wide ground water remedial action grant program is to provide funding to local governments that facilitate the cleanup and redevelopment of property within their jurisdictions where the ground water has been contaminated by hazardous substances from multiple sources. The grants are intended to encourage and expedite the investigation and cleanup of area-wide ground water contamination.

(2) **Applicant eligibility.** To be eligible for an area-wide ground water remedial action grant, the applicant must meet the following requirements:

- (a) The applicant must be a local government, as defined in WAC 173-322-020;
- (b) The hazardous waste site must involve area-wide ground water contamination, as defined in WAC 173-322-020;

- (c) The applicant must be a potentially liable person or a potentially responsible party at the hazardous waste site, have an ownership interest in the hazardous waste site, or apply on behalf of property owners affected by the hazardous waste site to facilitate area-wide ground water action;
- (d) The area-wide ground water action must be required under an order or decree or be approved by the department. If the action is required under an order or decree issued under the federal cleanup law, then the order or decree must have been signed or acknowledged in writing by the department as a sufficient basis for remedial action grant funding; and
- (e) The applicant must agree to conduct or manage the area-wide ground water action specified in the grant agreement.

(3) Application process.

(a) Submittal. If the area-wide ground water remedial actions are required under an order or decree, then the grant application must be submitted to the department within sixty days of the effective date of the order or decree. If the area-wide ground water remedial actions are not required under an order or decree, then the grant application may be submitted to the department at any time.

(b) Content. The grant application must be completed on forms provided by the department and include the following:

- (i) Sufficient evidence to demonstrate compliance with the eligibility requirements in subsection (2) of this section;
- (ii) A description of the history of the site, the sources of the area-wide ground water contamination, the current status of the site, and the remedial actions to be performed at the site to address the area-wide ground water contamination;
- (iii) A description of the environmental benefits of the project;
- (iv) A copy of the order or decree, if applicable;
- (v) A copy of the scope of work that specifies the remedial actions to be performed at the site to address the area-wide ground water contamination;
- (vi) A budget for the scope of work;
- (vii) A description of all current or potential sources of funding including, but not limited to, other grants or loans and proceeds from contribution or insurance claims;
- (viii) A copy of any reimbursement agreement with affected property owners;
- (ix) A commitment by the applicant to partially reimburse the department from any current or future funds obtained from affected property owners; and
- (x) A commitment by the applicant to provide the required matching funds and a description of the sources of those funds.

(4) Application evaluation and prioritization.

(a) The grant application will be evaluated by the department for completeness and adequacy. After the application has been completed, the department and the applicant will negotiate the scope of work and budget for the grant. The department will consider cost eligibility and other sources of funding when negotiating the scope of work and budget for the grant. (b) When pending grant applications or anticipated demand for area-wide ground water remedial action grants exceed the amount of funds available, the department may prioritize applications or limit grant awards based on the following:

(i) Relative hazard ranking as determined by the department in accordance with WAC 173-340-330 or the U.S. Environmental Protection Agency's National Priorities List ranking. Higher ranking sites will receive a higher funding priority;

(ii) Evidence that the grant will expedite cleanup; and

(iii) Relative readiness of the applicant to proceed promptly to accomplish the scope of work.

(5) **Cost eligibility.** Costs must be eligible under this section and be approved by the department in order to be eligible for reimbursement.

(a) **Eligible costs.** Eligible costs for area-wide ground water remedial action grants include, but are not limited to, the reasonable costs for the following:

(i) Remedial investigations;

(ii) Feasibility studies;

(iii) Remedial designs;

(iv) Pilot studies;

(v) Interim actions;

(vi) Cleanup actions;

(vii) Capital costs of long-term monitoring systems; and

(viii) Operating and maintenance costs incurred during the first year of accomplishing the cleanup action after facilities and equipment have been installed or constructed.

(b) **Ineligible costs.** Ineligible costs for area-wide ground water remedial action grants include, but are not limited to, the following:

(i) Retroactive costs, except as provided under subsection (6) of this section;

(ii) Oversight costs;

(iii) Operating and maintenance costs of long-term monitoring systems;

(iv) Operating and maintenance costs incurred after the first year of accomplishing the cleanup action;

(v) Natural resource damage assessment costs and natural resource damages;

(vi) Legal costs including, but not limited to, the cost of pursuing contribution or insurance claims, the cost of administrative hearings, the cost of pursuing penalties or civil or criminal actions against persons, the cost of penalties incurred by the applicant, the cost of defending actions taken against the applicant, and attorney fees; and

(vii) In-kind services.

(6) **Retroactive cost eligibility.** Retroactive costs are not eligible for reimbursement unless:

(a) The department unreasonably delays the processing of the grant application;

(b) The department provided only partial funding under a prior grant agreement because funds were not available; or

(c) The costs were incurred conducting independent remedial actions and those actions are incorporated as part of the order or decree.

(7) Funding and reimbursement.

(a) Adjustment of eligible costs. If an order or decree requires a potentially liable person (PLP) or a potentially responsible party (PRP) other than a local government to conduct remedial action, then the department shall deduct the financial contribution of that PLP or PRP from the amount eligible for grant funding. If the applicant receives proceeds from a contribution claim before the effective date of the grant agreement, then the department shall deduct those proceeds from the amount eligible for grant funding, after subtracting from those proceeds the legal costs incurred by the applicant pursuing the contribution claim.

(b) Funding of eligible costs. The applicant shall be eligible to receive funding for up to one hundred percent of eligible costs.

(c) Match requirement. The applicant shall fund those eligible costs not funded by the department under the grant. The applicant may not use in-kind services or proceeds from contribution claims to meet the match requirement.

(d) Reimbursement of grant funds. If the applicant receives proceeds from a contribution claim after the effective date of the grant agreement, then the applicant shall reimburse the department for a proportional share of those proceeds, after subtracting from those proceeds the legal costs incurred by the applicant pursuing the contribution claim.

(e) Repayment of grant funds. If the property impacted by the area-wide ground water contamination is owned by private parties, then the grant amount shall be partially repaid to the department. The terms and amount of repayment shall be included in the grant agreement between the applicant and the department. The applicant shall obtain partial reimbursement from potentially liable persons and potentially responsible parties. Reasonable measures shall be taken by the applicant to maximize reimbursement.

[Statutory Authority: RCW 70.105D.070. 05-07-104 (Order 04-06), § 173-322-090, filed 3/18/05, effective 4/18/05. Statutory Authority: Chapter 70.105D RCW. 01-05-024 (Order 97-09A), § 173-322-090, filed 2/12/01, effective 3/15/01. Statutory Authority: RCW 43.21A.080. 93-24-047, § 173-322-090, filed 11/23/93, effective 12/24/93. Statutory Authority: Chapter 70.105D RCW. 90-10-057 (Order 89-45), § 173-322-090, filed 5/1/90, effective 6/1/90.]

173-322-100

Safe drinking water action grants.

(1) **Purpose.** The purpose of the safe drinking water action grant program is to assist local governments, or a local government applying on behalf of a purveyor, in providing safe drinking water to areas contaminated by, or threatened by contamination from, hazardous waste sites.

(2) **Applicant eligibility.** To be eligible for a safe drinking water action grant, the applicant must meet the following requirements:

(a) The applicant must be a local government, as defined in WAC 173-322-020;

(b) The applicant must be a purveyor, as defined in WAC 173-322-020, or the applicant must be applying on behalf of a purveyor;

(c) The applicant must be in substantial compliance, as determined by the department of health, with applicable rules of the state board of health or the department of health, as contained in chapter 246-290 WAC (Public water supplies), chapter 246-292 WAC (Water works operator certification), chapter 246-293 WAC (Water System Coordination Act), and chapter 246-294 WAC (Drinking water operating permits);

(d) The public water system must be located in an area determined by the department to be a hazardous waste site or threatened by contamination from a hazardous waste site;

(e) The public water system must exhibit levels of contamination which exceed the primary maximum contaminant levels (MCLs) established by the state board of health and set forth in WAC 246-290-310, exhibit levels of contamination which exceed the cleanup standards established by the department of ecology under WAC 173-340-700 through 173-340-760, or be certified by the state department of health that a contaminant threatens the safety and reliability of a public water system which cannot be remedied solely by operational solutions. Contaminants must include at least one hazardous substance. If the contaminant is a nitrate or trihalomethane, it must be determined to have originated from a hazardous waste site;

(f) An order or decree must require safe drinking water action. The department may waive this requirement if it has determined that no viable potentially liable person (PLP) exists or that public health would be threatened from unreasonable delays associated with the search for PLPs or the development of an order or decree. If the safe drinking water action is required under an order or decree issued under the federal cleanup law, then the order or decree must have been signed or acknowledged in writing by the department as a sufficient basis for remedial action grant funding; and

(g) If the safe drinking water action includes water line extensions, then the extensions must be consistent with the coordinated water system plan and growth management plan for the geographic area containing the affected water supplies.

(3) Application process.

(a) Submittal. If the safe drinking water actions are required under an order or decree, then the grant application must be submitted to the department within sixty days of the effective date of the order or decree. If the safe drinking water actions are not required under an order or decree, then the grant application may be submitted to the department at any time.

(b) Content. The grant application must be completed on forms provided by the department and include the following:

(i) Sufficient evidence to demonstrate compliance with the eligibility requirements in subsection (2) of this section;

(ii) A description of the history of the site, the current status of the site, the threat posed by the site to the public water system, and the remedial actions to be performed at the site to address that threat;

(iii) A description of the environmental benefits of the project;

(iv) A copy of the order or decree, if applicable;

(v) A copy of the scope of work that specifies the remedial actions to be performed at the site to address the threat to the public water system;

(vi) A budget for the scope of work;

(vii) A description of all current or potential sources of funding including, but not limited to, other grants or loans and proceeds from contribution or insurance claims; and

(viii) A commitment by the applicant to provide the required matching funds and a description of the sources of those funds.

(4) Application evaluation and prioritization.

(a) The grant application will be evaluated by the department for completeness and adequacy. After the application has been completed, the department and the applicant will negotiate the scope of work and budget for the grant. The department will consider cost eligibility and other sources of funding when negotiating the scope of work and budget for the grant.

(b) When pending grant applications or anticipated demand for safe drinking water action grants exceed the amount of funds available, the department may prioritize applications or limit grant awards based on the following:

- (i) Relative risk to human health as jointly determined by the department of ecology, in accordance with WAC 173-340-330, and the department of health, in accordance with WAC 246-290-310. Sites with greater risk will receive higher funding priority;
- (ii) Relative readiness of the applicant to proceed promptly to accomplish the scope of work;
- (iii) Ownership of the water system to be extended or improved. Local government-owned systems will receive higher funding priority than other systems; and
- (iv) Number of people served by the water system and per capita cost of remediation.

(5) **Cost eligibility.** Costs must be eligible under this section and be approved by the department in order to be eligible for reimbursement.

(a) **Eligible costs.** Eligible costs for safe drinking water action grants include, but are not limited to, the reasonable costs for the following:

- (i) Water supply source development and replacement, including pumping and storage facilities, source meters, and reasonable appurtenances;
- (ii) Transmission lines between major system components, including inter-ties with other water systems;
- (iii) Treatment equipment and facilities;
- (iv) Distribution lines from major system components to system customers or service connections;
- (v) Bottled water, as an interim action;
- (vi) Fire hydrants;
- (vii) Service meters;
- (viii) Project inspection, engineering, and administration;
- (ix) Individual service connections, including any fees and charges, provided that property owners substantially participate in financing the cost of such connections;
- (x) Drinking water well abandonment for wells identified by the department as an environmental safety or health hazard and decommissioned in accordance with WAC 173-160-381;
- (xi) Interim financing where necessary as a prerequisite to local government issuance of revenue bonds;
- (xii) Other costs identified by the department of health as necessary to provide a system that operates in compliance with federal and state standards, or by the coordinated water system plan as necessary to meet required standards; and
- (xiii) Other costs identified by the department as necessary to protect a public water system from contamination from a hazardous waste site or to determine the source of such contamination.

(b) **Ineligible costs.** Ineligible costs for safe drinking water action grants include, but are not limited to, the following:

- (i) Retroactive costs, except as provided under subsection (6) of this section;
- (ii) Oversight costs;

- (iii) Operating and maintenance costs;
- (iv) Natural resource damage assessment costs and natural resource damages;
- (v) Legal costs including, but not limited to, the cost of pursuing contribution or insurance claims, the cost of administrative hearings, the cost of pursuing penalties or civil or criminal actions against persons, the cost of penalties incurred by the applicant, the cost of defending actions taken against the applicant, and attorney fees; and
- (vi) In-kind services.

(6) **Retroactive cost eligibility.** Retroactive costs are not eligible for reimbursement unless:

- (a) The department unreasonably delays the processing of the grant application;
- (b) The department provided only partial funding under a prior grant agreement because funds were not available; or
- (c) The costs were incurred conducting independent remedial actions and those actions are incorporated as part of the order or decree.

(7) **Funding and reimbursement.**

(a) Adjustment of eligible costs. If an order or decree requires a potentially liable person (PLP) or a potentially responsible party (PRP) other than a local government to conduct remedial action, then the department shall deduct the financial contribution of that PLP or PRP from the amount eligible for grant funding. If the applicant receives proceeds from a contribution claim before the effective date of the grant agreement, then the department shall deduct those proceeds from the amount eligible for grant funding, after subtracting from those proceeds the legal costs incurred by the applicant pursuing the contribution claim.

(b) Funding of eligible costs. Except as provided under (c) of this subsection, the applicant shall be eligible to receive funding for up to fifty percent of eligible costs.

(c) Additional funding. If the applicant is a county, or is located within a county, that is economically disadvantaged, as defined in WAC 173-322-020, then the applicant shall be eligible to receive funding for up to seventy-five percent of eligible costs.

(d) Match requirement. The applicant shall fund those eligible costs not funded by the department under the grant. The applicant may not use in-kind services or proceeds from contribution claims to meet the match requirement.

(e) Reimbursement of grant funds. If the applicant receives proceeds from a contribution claim after the effective date of the grant agreement, then the applicant shall reimburse the department for a proportional share of those proceeds, after subtracting from those proceeds the legal costs incurred by the applicant pursuing the contribution claim.

[Statutory Authority: RCW 70.105D.070. 05-07-104 (Order 04-06), § 173-322-100, filed 3/18/05, effective 4/18/05. Statutory Authority: Chapter 70.105D RCW. 01-05-024 (Order 97-09A), § 173-322-100, filed 2/12/01, effective 3/15/01. Statutory Authority: RCW 43.21A.080. 93-24-047, § 173-322-100, filed 11/23/93, effective 12/24/93. Statutory Authority: Chapter 70.105D RCW. 90-10-057 (Order 89-45), § 173-322-100, filed 5/1/90, effective 6/1/90.]

173-322-110

Methamphetamine lab site assessment and cleanup grants.

(1) **Purpose.** The purpose of the methamphetamine lab site assessment and cleanup grant program is to provide funding to local health districts and departments that assess and cleanup sites of methamphetamine

production. The program is not intended to assist local health districts and departments in the initial containment of methamphetamine lab sites.

(2) **Applicant eligibility.** To be eligible for a methamphetamine lab site assessment and cleanup grant, the applicant must meet the following requirements:

- (a) The applicant must be a local health district or department;
- (b) The methamphetamine lab site must be located within the jurisdiction of the applicant; and
- (c) The scope of work for the assessment or cleanup of a methamphetamine lab site must conform to chapter 246-205 WAC and applicable board of health and department of health guidelines. The scope of work for the methamphetamine lab site assessment must also conform to WAC 173-340-320 and applicable department of ecology guidelines.

(3) **Application process.**

(a) **Submittal.** The application for a methamphetamine lab site assessment and cleanup grant may be submitted to the department at any time.

(b) **Content.** The grant application must be completed on forms provided by the department and include the following:

- (i) Sufficient evidence to demonstrate compliance with the applicant eligibility requirements in subsection (2) of this section;
- (ii) A description of the work completed under the prior grant agreement, if applicable;
- (iii) A description of the anticipated work to be completed under the grant;
- (iv) A budget for the anticipated work;
- (v) A description of the environmental benefits of the project;
- (vi) A description of all current or potential sources of funding including, but not limited to, other grants or loans and proceeds from contribution or insurance claims; and
- (vii) A commitment by the applicant to provide the required matching funds and a description of the sources of those funds.

(4) **Application evaluation and prioritization.**

(a) The grant application will be evaluated by the department for completeness and adequacy. After the application has been completed, the department and the applicant will negotiate the scope of work and budget for the grant. The department will consider cost eligibility and other sources of funding when negotiating the scope of work and budget for the grant.

(b) When pending grant applications or anticipated demand for methamphetamine lab site assessment and cleanup grants exceed the amount of funds available, the department may prioritize applications or limit grant awards based on the following:

- (i) Potential public health or environmental threat from the methamphetamine lab sites;
- (ii) Ownership of the methamphetamine lab sites. Publicly owned sites will receive priority over privately owned sites; and
- (iii) Relative readiness of the applicant to proceed promptly to accomplish the scope of work.

(5) **Cost eligibility.** Costs must be eligible under this section and be approved by the department in order to be eligible for reimbursement.

(a) **Eligible costs.** Eligible costs for methamphetamine lab site assessment and cleanup grants include, but are not limited to, the reasonable costs for the following:

- (i) Posting the property, as defined in WAC 246-205-010 and required under WAC 246-205-520;

- (ii) Inspecting the property and determining whether the property is contaminated, as required under WAC 246-205-530;
 - (iii) Posting contaminated property, as defined in WAC 246-205-010 and required under WAC 246-205-560;
 - (iv) Notifying occupants, property owners, and other persons with an interest in the contaminated property, as required under WAC 246-205-560;
 - (v) Cleaning up contaminated publicly owned property, as required under WAC 246-205-570, including performing a precleanup site assessment, developing and implementing the cleanup work plan, performing a post-cleanup site assessment, and developing a cleanup report. Eligible costs include the costs incurred by an authorized contractor and the cost of overseeing the work performed by the contractor;
 - (vi) Overseeing the cleanup of contaminated privately owned property, as required under WAC 246-205-570 and 246-205-580, including reviewing cleanup work plans and reports and inspecting the property during and subsequent to the cleanup;
 - (vii) Disposal of contaminated property, as defined in WAC 246-205-010, if the property is publicly owned;
 - (viii) Releasing the property for use, as required under WAC 246-205-580;
 - (ix) County fees related to deed notification; and
 - (x) Equipment and training, if approved by the department in advance.
- (b) **Ineligible costs.** Ineligible costs for methamphetamine lab site assessment and cleanup grants include, but are not limited to, the following:
- (i) Retroactive costs, except as provided under subsection (6) of this section;
 - (ii) Initial containment of methamphetamine lab sites, as defined in WAC 173-322-020;
 - (iii) Restricting access to privately owned property, except as required under chapter 246-205 WAC;
 - (iv) Cleaning up privately owned contaminated property;
 - (v) Disposal of contaminated property, as defined in WAC 246-205-010, if the property is privately owned;
 - (vi) Disposal of property that is not contaminated, as defined in WAC 246-205-010;
 - (vii) Natural resource damage assessment costs and natural resource damages;
 - (viii) Legal costs including, but not limited to, the cost of pursuing contribution or insurance claims, the cost of administrative hearings, the cost of pursuing penalties or civil or criminal actions against persons, the cost of penalties incurred by the applicant, the cost of defending actions taken against the applicant, and attorney fees;
 - (ix) Education and outreach activities; and
 - (x) In-kind services.
- (6) **Retroactive cost eligibility.** Retroactive costs are not eligible for reimbursement unless:
- (a) The department unreasonably delays the processing of the grant application; or
 - (b) The department provided only partial funding under a prior grant agreement because funds were not available.

(7) Funding and reimbursement.

(a) Adjustment of eligible costs. If the applicant receives proceeds from a contribution claim before the effective date of the grant agreement, then the department shall deduct those proceeds from the amount eligible for grant funding, after subtracting from those proceeds the legal costs incurred by the applicant pursuing the contribution claim.

(b) Funding of eligible costs. The applicant shall be eligible to receive funding for up to one hundred percent of eligible methamphetamine lab site assessment costs. Except as provided under (c) of this subsection, the applicant shall also be eligible to receive funding for up to fifty percent of eligible methamphetamine lab site cleanup costs.

(c) Additional funding. If the applicant is a county, or is located within a county, that is economically disadvantaged, as defined in WAC 173-322-020, then the applicant shall be eligible to receive funding for up to seventy-five percent of eligible methamphetamine lab site cleanup costs.

(d) Match requirement. The applicant shall fund those eligible costs not funded by the department under the grant. The applicant may not use in-kind services or proceeds from contribution claims to meet the match requirement.

(e) Reimbursement of grant funds. If the applicant receives proceeds from a contribution claim after the effective date of the grant agreement, then the applicant shall reimburse the department for a proportional share of those proceeds, after subtracting from those proceeds the legal costs incurred by the applicant pursuing the contribution claim.

[Statutory Authority: RCW 70.105D.070. 05-07-104 (Order 04-06), § 173-322-110, filed 3/18/05, effective 4/18/05. Statutory Authority: Chapter 70.105D RCW. 01-05-024 (Order 97-09A), § 173-322-110, filed 2/12/01, effective 3/15/01. Statutory Authority: RCW 43.21A.080. 93-24-047, § 173-322-110, filed 11/23/93, effective 12/24/93. Statutory Authority: Chapter 70.105D RCW. 90-10-057 (Order 89-45), § 173-322-110, filed 5/1/90, effective 6/1/90.]

173-322-120

Derelict vessel remedial action grants.

(1) **Purpose.** The purpose of the derelict vessel remedial action grant program is to provide funding to local governments that clean up and dispose of hazardous substances from abandoned or derelict vessels that pose a threat to human health or the environment.

(2) **Applicant eligibility.** To be eligible for a derelict vessel remedial action grant, the applicant must meet the following requirements:

(a) The applicant must be a local government, as defined in WAC 173-322-020;

(b) The vessel must be an abandoned or derelict vessel, as defined in WAC 173-322-020; and

(c) The applicant must be the owner of the abandoned or derelict vessel.

(3) Application process.

(a) Submittal. The application for a derelict vessel remedial action grant may be submitted to the department at any time.

(b) Content. The grant application must be completed on forms provided by the department and include the following:

- (i) Sufficient evidence to demonstrate compliance with the applicant eligibility requirements in subsection (2) of this section;
- (ii) A description of the vessel, the types and quantities of hazardous substances located within the vessel, the threat posed by the vessel to human health and the environment, the remedial actions to be performed to address that threat, and the authority under which the remedial action will be performed;
- (iii) A copy of the scope of work that specifies the remedial actions to be performed to address the threat;
- (iv) A description of the environmental benefits of the project;
- (v) A budget for the scope of work;
- (vi) A description of all current or potential sources of funding including, but not limited to, other grants or loans and proceeds from contribution or insurance claims; and
- (vii) A commitment by the applicant to provide the required matching funds and a description of the sources of those funds.

(4) Application evaluation and prioritization.

- (a) The grant application will be evaluated by the department for completeness and adequacy. After the application has been completed, the department and the applicant will negotiate the scope of work and budget for the grant. The department will consider cost eligibility and other sources of funding when negotiating the scope of work and budget for the grant.
- (b) When pending grant applications or anticipated demand for derelict vessel remedial action grants exceed the amount of funds available, the department may prioritize applications or limit grant awards based on the following:
 - (i) Relative risk to human health and the environment;
 - (ii) Evidence that the grant will expedite cleanup; and
 - (iii) Relative readiness of the applicant to proceed promptly to accomplish the scope of work.

(5) Cost eligibility. Costs must be eligible under this section and be approved by the department in order to be eligible for reimbursement.

(a) Eligible costs. Eligible costs for a derelict vessel remedial action grant include, but are not limited to, the reasonable costs for the following:

- (i) Remedial investigation of the vessel, including sampling and analysis; and
- (ii) Removal and disposal of hazardous substances and materials designated as dangerous wastes under chapter 173-303 WAC.

(b) Ineligible costs. Ineligible costs for a derelict vessel remedial action grant include, but are not limited to, the following:

- (i) Retroactive costs, except as provided in subsection (6) of this section;
- (ii) Administrative cost of taking ownership of the vessel;
- (iii) Removal and disposal of materials that are not hazardous substances or designated as dangerous wastes under chapter 173-303 WAC;
- (iv) Disposal of the vessel at a landfill, including transport of the vessel;
- (v) Disposal of the vessel at sea;

(vi) Natural resource damage assessment costs and natural resource damages;

(vii) Legal costs including, but not limited to, the cost of pursuing contribution or insurance claims, the cost of administrative hearings, the cost of pursuing penalties or civil or criminal actions against persons, the cost of penalties incurred by the applicant, the cost of defending actions taken against the applicant, and attorney fees; and

(viii) In-kind services.

(6) **Retroactive cost eligibility.** Retroactive costs are not eligible for reimbursement unless:

(a) The department unreasonably delays the processing of the grant application; or

(b) The department provided only partial funding under a prior grant agreement because funds were not available.

(7) **Funding and reimbursement.**

(a) Adjustment of eligible costs. If the applicant receives proceeds from a contribution claim before the effective date of the grant agreement, then the department shall deduct those proceeds from the amount eligible for grant funding, after subtracting from those proceeds the legal costs incurred by the applicant pursuing the contribution claim.

(b) Funding of eligible costs. Except as provided under (c) of this subsection, the applicant shall be eligible to receive funding for up to fifty percent of eligible costs, not to exceed twenty-five thousand dollars.

(c) Additional funding. If the applicant is a county, or is located within a county, that is economically disadvantaged, as defined in WAC 173-322-020, then the applicant shall be eligible to receive funding for up to seventy-five percent of eligible costs, not to exceed twenty-five thousand dollars.

(d) Match requirement. The applicant shall fund those eligible costs not funded by the department under the grant. The applicant may not use in-kind services or proceeds from contribution claims to meet the match requirement.

(e) Reimbursement of grant funds. If the applicant receives proceeds from a contribution claim after the effective date of the grant agreement, then the applicant shall reimburse the department for a proportional share of those proceeds, after subtracting from those proceeds the legal costs incurred by the applicant pursuing the contribution claim.

[Statutory Authority: RCW 70.105D.070. 05-07-104 (Order 04-06), § 173-322-120, filed 3/18/05, effective 4/18/05. Statutory Authority: Chapter 70.105D RCW. 01-05-024 (Order 97-09A), § 173-322-120, filed 2/12/01, effective 3/15/01; 90-10-057 (Order 89-45), § 173-322-120, filed 5/1/90, effective 6/1/90.]

173-322-130

Loans.

(1) **Purpose.** This section establishes requirements for a program of remedial action loans to local governments under RCW 70.105D.070 (3)(a) and (7). The loan program shall be limited to providing loans to supplement local government funding and funding from other sources to meet the match requirements for oversight remedial action grants. The intent of the loan program is to encourage and expedite the cleanup of hazardous waste sites and to lessen the impact of the cleanup cost on ratepayers and taxpayers.

(2) **Types of loans.** The loan program includes two different types of loans, a standard loan and an extraordinary financial hardship loan. The two types of loans have different applicant eligibility requirements and different terms and conditions for repayment based upon the applicant's ability to repay the loan.

- (a) Standard loan. A standard loan is a loan that includes the terms and conditions for repayment.
- (b) Extraordinary financial hardship loan. An extraordinary financial hardship loan is a loan that includes deferred terms and conditions for repayment. Deferred terms and conditions may not be indefinite. Any such loan must be approved by the director.

(3) **Applicant eligibility.** To be eligible for a loan, the applicant must meet the following requirements:

- (a) The applicant must be a local government, as defined in WAC 173-322-020;
- (b) The applicant must meet the eligibility requirements for an oversight remedial action grant set forth in WAC 173-322-070(2);
- (c) The applicant must agree to undergo an independent third-party financial review to determine its financial need for the loan, ability to repay the loan, and inability to obtain funds from other sources. The financial review shall be conducted at the direction and cost of the department. Based on that financial review, the applicant must demonstrate the following:
 - (i) For a standard loan, its financial need for the loan, ability to repay the loan, and inability to obtain funds from any other source;
 - (ii) For an extraordinary financial hardship loan, its financial need for the loan, inability to repay the loan under present circumstances, inability to obtain funds from any other source, and inability to bond or raise its tax base;
- (d) The hazardous waste site must present an immediate danger to human health and the environment; and
- (e) The inability to obtain a loan would significantly delay the cleanup and subsequent use, sale or redevelopment of the properties affected by the hazardous waste site.

(4) **Application process.**

- (a) Submittal. The loan application must be submitted to the department at the same time as the associated oversight remedial action grant application.
- (b) Content. The loan application must be completed on forms provided by the department and include the following:
 - (i) Sufficient evidence to demonstrate the following:
 - (A) For a standard loan, the applicant's financial need for the loan, ability to repay the loan, and inability to obtain matching funds from any other source;
 - (B) For an extraordinary financial hardship loan, the applicant's financial need for the loan, inability to repay the loan under present circumstances, inability to obtain funds from any other source, and inability to bond or raise its tax base;
 - (ii) Sufficient evidence that the hazardous waste site presents an immediate danger to human health and the environment;
 - (iii) Sufficient evidence that the inability to obtain a loan would significantly delay the cleanup and subsequent use, sale or redevelopment of the properties affected by the hazardous waste site; and
 - (iv) A copy of the applicant's most recent Comprehensive Annual Financial Report.

(5) **Application evaluation and prioritization.**

- (a) The department will evaluate the loan application together with the associated oversight remedial action grant application. The grant and loan applications will be evaluated by the department for completeness and adequacy. After the grant and loan applications have been completed, the department and the applicant will

negotiate a scope of work and budget for the grant and loan. The department will consider cost eligibility and other sources of funding when negotiating the scope of work and budget for the grant and loan.

(b) If the department determines that the applicant meets eligibility requirements for an extraordinary financial hardship loan in subsection (3) of this section, then the department may, upon the approval by the director, provide such a loan to the applicant instead of a standard loan.

(c) The department will fund the loan from the same fund allocation used to fund the associated oversight remedial action grant. When the demand for funds allocated for oversight remedial action grants and loans exceeds the amount of funds available, the department will prioritize the associated grant and loan applications together using the criteria set forth in WAC 173-322-070(5).

(6) **Cost eligibility.** The eligible costs for the loan program shall be the same as the eligible costs for the oversight remedial action grant program set forth in WAC 173-322-070(6).

(7) **Retroactive cost eligibility.** The eligibility of retroactive costs for the loan program shall be the same as the eligibility of retroactive costs for the oversight remedial action grant program set forth in WAC 173-322-070(7).

(8) Funding and repayment.

(a) General. If the department provides the applicant an oversight remedial action grant and the grant is funded to the maximum extent allowed under WAC 173-322-070(8), then the department may also provide the applicant a loan to enable the applicant to meet the match requirement for the grant. The loan shall be used to supplement local government funding and funding from other sources to meet the match requirement.

(b) Department funding of match requirement. The department may provide a loan to the applicant for up to one hundred percent of the match requirement for the oversight remedial action grant.

(c) Local government funding of match requirement. The applicant shall fund those eligible costs not funded by the department under the grant or loan. The applicant may not use in-kind services or proceeds from contribution claims to meet the match requirement.

(d) Repayment of loan. The terms and conditions for repayment of the loan shall be based on the applicant's ability to repay the loan, as determined by an independent third-party financial review. The independent third-party financial review shall be conducted at the direction and cost of the department. For extraordinary financial hardship loans, the repayment terms and conditions can be deferred. Deferred terms are dependent on periodic review of the applicant's ability to pay. Deferred terms and conditions may not be indefinite.

[Statutory Authority: RCW 70.105D.070. 07-08-010 (Order 06-13), § 173-322-130, filed 3/22/07, effective 4/22/07; 05-07-104 (Order 04-06), § 173-322-130, filed 3/18/05, effective 4/18/05.]

APPENDIX E:
Env. Benefits Table

Appendix E: Environmental Benefits Table

Applicants will need to indicate which of the following environmental benefits will result from a local government’s proposal:

Grant	Key Decision(s) under MTCA	Performance Measure(s) – Outcome-Focused ¹	Environmental Benefit ²	Prioritization Factor ³
Site Hazard Assessment	When a complaint is received an initial investigation is triggered. The initial investigation determines whether an SHA is warranted. Confirm or rule out the release or threatened release of a hazardous substance.	Collect site data, analyze the data to determine NFA (no further action) or score the site. (scope of problem is identified)	Regulatory compliance with Model Toxics Control Act.	Potential public health or environmental threat.
Site Study & Remediation	Determine the nature and magnitude of contamination and evaluate site information to adequately characterize the site. Determine cleanup action alternatives. Determine a cleanup action plan that will be permanent to the maximum extent possible.	Complete a remedial investigation. Select among cleanup action alternatives. Complete a cleanup action plan. Conduct a remedial action that protects human health and the environment. The final cleanup must have been approved (or reviewed, if an independent action) by Ecology.	Regulatory compliance with Model Toxics Control Act.	Relative hazard ranking according to Ecology’s or EPA’s listing.
Meth Lab	Determine that a meth lab requires immediate cleanup. Spills program initially contains the site. The jurisdictional health department/district (JHD) then posts the site and completes administrative actions.	Conduct an emergency action. Property owner is required to define scope of the problem and cleanup of the site. When site is cleaned up to satisfaction of JHD (dwelling) or Ecology (property), the site can be reused, if appropriate.	A public health emergency will be eliminated.	Potential public health or environmental threat.
Safe Drinking Water	Determine that a water system is in an area determined to be a hazardous waste site or threatened by contamination from a hazardous waste site.	A water supply source is developed and/or an alternate water supply is established.	Designated beneficial uses will be restored or protected and public health emergency will be eliminated.	Relative risk to human health.
Derelict Vessels	Determine that derelict vessel presents a potential threat to human health and the environment.	Vessel is removed and disposed of in a regulated facility.	Regulatory compliance with Model Toxics Control Act.	Potential public health or environmental threat.

¹ Under the Model Toxics Control Act, WAC 173-340, a hazardous waste site no longer poses a threat or potential threat to human health and the environment when cleanup standards are met following a remedial action.

² 2001 Legislature amended RCW 70.105D.100, Model Toxics Control Act, to require grant recipients to include the environmental benefits of the project into the grant applications. The amendment requires Ecology to utilize the statement of environmental benefit(s) in its prioritization and selection process.

³ The evaluation and prioritization criteria are found in WAC 173-322-070(1) (a); (2) (a); and (3) (a).

Appendix F: General Terms and Conditions

GENERAL TERMS AND CONDITIONS **Pertaining to Grant and Loan Agreements of the Department of Ecology**

A. RECIPIENT PERFORMANCE

All activities for which grant/loan funds are to be used shall be accomplished by the RECIPIENT and RECIPIENT'S employees. The RECIPIENT shall not assign or subcontract performance to others unless specifically authorized in writing by the DEPARTMENT.

B. SUBGRANTEE/CONTRACTOR COMPLIANCE

The RECIPIENT must ensure that all subgrantees and contractors comply with the terms and conditions of this agreement.

C. THIRD PARTY BENEFICIARY

The RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this agreement, the state of Washington is named as an express third-party beneficiary of such subcontracts with full rights as such.

D. CONTRACTING FOR SERVICES (BIDDING)

Contracts for construction, purchase of equipment and professional architectural and engineering services shall be awarded through a competitive process, if required by State law. RECIPIENT shall retain copies of all bids received and contracts awarded, for inspection and use by the DEPARTMENT.

E. ASSIGNMENTS

No right or claim of the RECIPIENT arising under this agreement shall be transferred or assigned by the RECIPIENT.

F. COMPLIANCE WITH ALL LAWS

1. The RECIPIENT shall comply fully with all applicable Federal, State and local laws, orders, regulations and permits.

Prior to commencement of any construction, the RECIPIENT shall secure the necessary approvals and permits required by authorities having jurisdiction over the project, provide assurance to the DEPARTMENT that all approvals and permits have been secured, and make copies available to the DEPARTMENT upon request.

2. Discrimination. The DEPARTMENT and the RECIPIENT agree to be bound by all Federal and State laws, regulations, and policies against discrimination. The RECIPIENT further agrees to affirmatively support the program of the Office of Minority and Women's Business Enterprises to the maximum extent possible. The RECIPIENT shall report to the DEPARTMENT the percent of grant/loan funds available to women or minority owned businesses.

3. Wages And Job Safety. The RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.

4. Industrial Insurance. The RECIPIENT certifies full compliance with all applicable state industrial insurance requirements. If the RECIPIENT fails to comply with such laws, the DEPARTMENT shall have the right to immediately terminate this agreement for cause as provided in Section K.1, herein.

G. KICKBACKS

The RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this project to give up any part of the compensation to which he/she is otherwise entitled or, receive any fee, commission or gift in return for award of a subcontract hereunder.

H. AUDITS AND INSPECTIONS

1. The RECIPIENT shall maintain complete program and financial records relating to this agreement. Such records shall clearly indicate total receipts and expenditures by fund source and task or object. All grant/loan records shall be kept in a manner which provides an audit trail for all expenditures. All records shall be kept in a common file to facilitate audits and inspections.

Engineering documentation and field inspection reports of all construction work accomplished under this agreement shall be maintained by the RECIPIENT.

2. All grant/loan records shall be open for audit or inspection by the DEPARTMENT or by any duly authorized audit representative of the State of Washington for a period of at least three years after the final grant payment/loan repayment or any dispute resolution hereunder. If any such audits identify discrepancies in the financial records, the RECIPIENT shall provide clarification and/or make adjustments accordingly.

3. All work performed under this agreement and any equipment purchased, shall be made available to the DEPARTMENT and to any authorized state, federal or local representative for inspection at any time during the course of this agreement and for at least three years following grant/loan termination or dispute resolution hereunder.

4. RECIPIENT shall meet the provisions in OMB Circular A-133 (Audits of States, Local Governments & Non Profit Organizations), including the compliance Supplement to OMB Circular A-133, if the RECIPIENT expends \$300,000 or more in a year in Federal funds. The \$300,000 threshold for each year is a cumulative total of all federal funding from all sources. The RECIPIENT must forward a copy of the audit along with the RECIPIENT'S response and the final corrective action plan to the DEPARTMENT within ninety (90) days of the date of the audit report.

I. PERFORMANCE REPORTING

The RECIPIENT shall submit progress reports to the DEPARTMENT with each payment request or such other schedule as set forth in the Special Conditions. The RECIPIENT shall also report in writing to the DEPARTMENT any problems, delays or adverse conditions which will materially affect their ability to meet project objectives or time schedules. This disclosure shall be accompanied by a statement of the action taken or proposed and any assistance needed from the DEPARTMENT to resolve the situation. Payments may be withheld if required progress reports are not submitted.

Quarterly reports shall cover the periods January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be due within twenty (20) days following the end of the quarter being reported.

J. COMPENSATION

1. Method of compensation. Payment shall normally be made on a reimbursable basis as specified in the grant agreement and no more often than once per month. Each request for payment will be submitted by the RECIPIENT on State voucher request forms provided by the DEPARTMENT along with documentation of the expenses. Payments shall be made for each task/phase of the project, or portion thereof, as set out in the Scope of Work when completed by the RECIPIENT and certified as satisfactory by the Project Officer.

The payment request form and supportive documents must itemize all allowable costs by major elements as described in the Scope of Work. Instructions for submitting the payment requests are found in "Administrative Requirements for Ecology Grants and Loans", part IV, published by the DEPARTMENT. A copy of this document shall be furnished to the RECIPIENT. When payment requests are approved by the DEPARTMENT, payments will be made to the mutually agreed upon designee. Payment requests shall be submitted to the DEPARTMENT and directed to the Project Officer assigned to administer this agreement.

2. Budget deviation. Deviations in budget amounts are not allowed without written amendment(s) to this agreement. Payment requests will be disallowed when the RECIPIENT'S request for reimbursement exceeds the State maximum share amount for that element, as described in the Scope of Work.

3. Period of Compensation. Payments shall only be made for action of the RECIPIENT pursuant to the grant/loan agreement and performed after the effective date and prior to the expiration date of this agreement, unless those dates are specifically modified in writing as provided herein.

4. Final Request(s) for Payment. The RECIPIENT must submit final requests for compensation within forty-five(45) days after the expiration date of this agreement and within fifteen (15) days after the end of a fiscal biennium. Failure to comply may result in delayed reimbursement.

5. Performance Guarantee. The DEPARTMENT may withhold an amount not to exceed ten percent (10%) of each reimbursement payment as security for the RECIPIENT'S performance and a financial bond. Monies withheld by the DEPARTMENT may be paid to the RECIPIENT when the project(s) described herein, or a portion thereof, have been completed if, in the DEPARTMENT'S sole discretion, such payment is reasonable and approved according to this agreement and, as appropriate, upon completion of an audit as specified under section J.6. herein.

6. Unauthorized Expenditures. All payments to the RECIPIENT shall be subject to final audit by the DEPARTMENT and any unauthorized expenditure(s) charged to this grant/loan shall be refunded to the DEPARTMENT by the RECIPIENT.

7. Mileage and Per Diem. If mileage and per diem are paid to the employees of the RECIPIENT or other public entities, it shall not exceed the amount allowed under state law for state employees.

8. Overhead Costs. No reimbursement for overhead costs shall be allowed unless provided for in the Scope of Work hereunder.

K. TERMINATION

1. For Cause. The obligation of the DEPARTMENT to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of the DEPARTMENT, to perform any obligation required of it by this agreement, the DEPARTMENT may refuse to pay any further funds thereunder and/or terminate this agreement by giving written notice of termination.

A written notice of termination shall be given at least five working days prior to the effective date of termination. In that event, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT under this agreement, at the option of the DEPARTMENT, shall become Department property and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Despite the above, the RECIPIENT shall not be relieved of any liability to the DEPARTMENT for damages sustained by the DEPARTMENT and/or the State of Washington because of any breach of agreement by the RECIPIENT. The DEPARTMENT may withhold payments for the purpose of setoff until such time as the exact amount of damages due the DEPARTMENT from the RECIPIENT is determined.

2. Insufficient Funds. The obligation of the DEPARTMENT to make payments is contingent on the availability of state and federal funds through legislative appropriation and state allotment. When this agreement crosses over state fiscal years the obligation of the DEPARTMENT is contingent upon the appropriation of funds during the next fiscal year. The failure to appropriate or allot such funds shall be good cause to terminate this agreement as provided in paragraph K.1 above.

When this agreement crosses the RECIPIENT'S fiscal year, the obligation of the RECIPIENT to continue or complete the project described herein shall be contingent upon appropriation of funds by the RECIPIENT'S governing body; Provided, however, that nothing contained herein shall preclude the DEPARTMENT from demanding repayment of ALL funds paid to the RECIPIENT in accordance with Section O herein.

3. Failure to Commence Work. In the event the RECIPIENT fails to commence work on the project funded herein within four months after the effective date of this agreement, or by any date mutually agreed upon in writing for commencement of work, the DEPARTMENT reserves the right to terminate this agreement.

L. WAIVER

Waiver of any RECIPIENT default is not a waiver of any subsequent default. Waiver of a breach of any provision of this agreement is not a waiver of any subsequent breach and will not be construed as a modification of the terms of this agreement unless stated as such in writing by the authorized representative of the DEPARTMENT.

M. PROPERTY RIGHTS

1. Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property, the RECIPIENT may copyright or patent the same but the DEPARTMENT retains a royalty-free, nonexclusive and irrevocable license to reproduce, publish, recover or otherwise use the material(s) or property and to authorize others to use the same for federal, state or local government purposes.

Where federal funding is involved, the federal government may have a proprietary interest in patent rights to any inventions that are developed by the RECIPIENT as provided in 35 U.S.C. 200-212.

2. Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish information of the DEPARTMENT; present papers, lectures, or seminars involving information supplied by the DEPARTMENT; use logos, reports, maps or other data, in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to the DEPARTMENT.

3. Tangible Property Rights. The DEPARTMENT'S current edition of "Administrative Requirements for Ecology Grants and Loans", Part V, shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by the DEPARTMENT in the absence of state, federal statute(s), regulation(s), or policy(s) to the contrary or upon specific instructions with respect thereto in the Scope of Work.

4. Personal Property Furnished by the DEPARTMENT. When the DEPARTMENT provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to the DEPARTMENT prior to final payment by the DEPARTMENT. If said property is lost, stolen or damaged while in the RECIPIENT'S possession, the DEPARTMENT shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.

5. Acquisition Projects. The following provisions shall apply if the project covered by this agreement includes funds for the acquisition of land or facilities:

a. Prior to disbursement of funds provided for in this agreement, the RECIPIENT shall establish that the cost of land/or facilities is fair and reasonable.

b. The RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this agreement. Such evidence may include title insurance policies,

Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses contemplated by this agreement.

6. Conversions. Regardless of the contract termination date shown on the cover sheet, the RECIPIENT shall not at any time convert any equipment, property or facility acquired or developed pursuant to this agreement to uses other than those for which assistance was originally approved without prior written approval of the DEPARTMENT. Such approval may be conditioned upon payment to the DEPARTMENT of that portion of the proceeds of the sale, lease or other conversion or encumbrance which monies granted pursuant to this agreement bear to the total acquisition, purchase or construction costs of such property.

N. RECYCLED/RECYCLABLE PAPER

All documents and materials published under this agreement shall be produced on recycled paper containing the highest level of post consumer and recycled content that is available. At a minimum, paper with 10 percent post consumer content and 50 percent recycled content shall be used. Whenever possible, all materials shall be published on paper that is unbleached or has not been treated with chlorine gas and/or hypochlorite.

As appropriate, all materials shall be published on both sides of the paper and shall minimize the use of glossy or colored paper and other items which reduce the recyclability of the document.

O. RECOVERY OF PAYMENTS TO RECIPIENT

The right of the RECIPIENT to retain monies paid to it as reimbursement payments is contingent upon satisfactory performance of this agreement including the satisfactory completion of the project described in the Scope of Work. In the event the RECIPIENT fails, for any reason, to perform obligations required of it by this agreement, the RECIPIENT may, at the DEPARTMENT'S sole discretion, be required to repay to the DEPARTMENT all grant/loan funds disbursed to the RECIPIENT for those parts of the project that are rendered worthless in the opinion of the DEPARTMENT by such failure to perform.

Interest shall accrue at the rate of twelve percent (12%) per annum from the time the DEPARTMENT demands repayment of funds. If payments have been discontinued by the DEPARTMENT due to insufficient funds as in Section K.2 above, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination. Any property acquired under this agreement, at the option of the DEPARTMENT, may become the DEPARTMENT'S property and the RECIPIENT'S liability to repay monies shall be reduced by an amount reflecting the fair value of such property.

P. PROJECT APPROVAL

The extent and character of all work and services to be performed under this agreement by the RECIPIENT shall be subject to the review and approval of the DEPARTMENT through the Project Officer or other designated official to whom the RECIPIENT shall report and be responsible. In the event there is a dispute with regard to the extent and character of the work to be done, the determination of the Project Officer or other designated official as to the extent and character of the work to be done shall govern. The RECIPIENT shall have the right to appeal decisions as provided for below.

Q. DISPUTES

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement which is not disposed of in writing shall be decided by the Project Officer or other designated official who shall provide a written statement of decision to the RECIPIENT. The decision of the Project Officer or other designated official shall be final and conclusive unless, within thirty days from the date of receipt of such statement, the RECIPIENT mails or otherwise furnishes to the Director of the DEPARTMENT a written appeal.

In connection with appeal of any proceeding under this clause, the RECIPIENT shall have the opportunity to be heard and to offer evidence in support of this appeal. The decision of the Director or duly authorized representative for the determination of such appeals shall be final and conclusive. Appeals from the

Director's determination shall be brought in the Superior Court of Thurston County. Review of the decision of the Director will not be sought before either the Pollution Control Hearings Board or the Shoreline Hearings Board. Pending final decision of dispute hereunder, the RECIPIENT shall proceed diligently with the performance of this agreement and in accordance with the decision rendered.

R. CONFLICT OF INTEREST

No officer, member, agent, or employee of either party to this agreement who exercises any function or responsibility in the review, approval, or carrying out of this agreement, shall participate in any decision which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is, directly or indirectly interested; nor shall he/she have any personal or pecuniary interest, direct or indirect, in this agreement or the proceeds thereof.

S. INDEMNIFICATION

1. The DEPARTMENT shall in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.
2. To the extent that the Constitution and laws of the State of Washington permit, each party shall indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this agreement.

T. GOVERNING LAW

This agreement shall be governed by the laws of the State of Washington.

U. SEVERABILITY

If any provision of this agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this agreement which can be given effect without the invalid provision, and to this end the provisions of this agreement are declared to be severable.

V. PRECEDENCE

In the event of inconsistency in this agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable Federal and State statutes and regulations; (b) Scope of Work; (c) Special Terms and Conditions; (d) Any terms incorporated herein by reference including the "Administrative Requirements for Ecology Grants and Loans"; and (e) the General Terms and Conditions.

SS-010 Rev. 05/02