



# Integrated Planning and Priority Setting in the Clean Water State Revolving Fund Program





# **Integrated Planning and Priority Setting in the Clean Water State Revolving Fund Program**

March 2001



# Table of Contents

|  |    |
|--|----|
| I. Introduction .....  | 2  |
| II. Integrated Planning and Priority Setting .....                                       | 4  |
| A. Overview .....  | 4  |
| Identifying water quality priorities .....   | 4  |
| Assessing the CWSRF role .....   | 4  |
| Undertaking outreach efforts .....   | 4  |
| Selecting priority projects .....  | 5  |
| B. Identifying Water Quality Priorities .....  | 5  |
| Water quality information sources .....  | 5  |
| Using water quality information to establish priorities .....                            | 8  |
| C. Assessing the CWSRF Role .....  | 8  |
| D. Undertaking Outreach Efforts .....  | 9  |
| A comprehensive example .....  | 9  |
| Targeted outreach efforts.....   | 10 |
| E. Selecting Priority Projects .....   | 10 |
| Integrated ranking systems.....  | 10 |
| Establishing a draft ranking system .....  | 11 |
| Goal-based ranking systems.....  | 15 |
| Testing a project ranking system .....   | 16 |
| III. Development Processes for Integrated Planning<br>and Priority Setting Systems ..... | 17 |
| Stakeholder involvement .....  | 17 |
| Development timeline.....  | 17 |
| Cost .....   | 18 |
| IV. Conclusion .....   | 19 |
| Appendix A: State Project Ranking Systems .....  | 20 |

# I.

## Introduction

The Clean Water State Revolving Fund (CWSRF) has implemented \$26.1 billion in water quality improvement projects since 1987. This state-run program has greatly reduced point source pollutants entering the nation's waters from municipal wastewater systems, and in recent years it has been increasingly effective in addressing polluted runoff from a variety of non-point sources. Through June 30, 2000, state CWSRF programs have made more than 2,100 loans for more than \$1.1 billion—which have funded more than 9,000 nonpoint source and estuary projects.

The Clean Water Act stipulates that states may use CWSRF funds for the construction of publicly owned wastewater treatment systems, the implementation of nonpoint source management plans, or the development and implementation of estuary comprehensive conservation and management plans. As part of the project selection process, states are required to rank potential municipal treatment projects in priority order. States are not required to include nonpoint source and estuary projects on this project priority list. Nor are states required to select the highest priority projects from this list for inclusion in each year's Intended Use Plan for CWSRF funds.

As states began lending to a wide variety of nonpoint source and estuary projects, some states wished to fund projects with a primary purpose other

than water quality protection. For example, some wished to fund new municipal solid waste disposal facilities. Elements of these solid waste disposal projects may protect water quality, but their primary purpose is waste disposal.

To address this issue, a state/EPA workgroup engaged in a year-long dialogue to consider how states could evaluate their environmental priorities and develop an integrated list of priority projects appropriate for CWSRF funding. *The Clean Water State Revolving Fund Funding Framework: Funding to Solve Our Nation's Water Quality Problems* (EPA 832-B-96-005, October 1996) referred to hereafter as the *Funding Framework*, outlines the resulting policy and recommendations of the workgroup.

The *Funding Framework* requires that a state use an integrated planning and priority setting system if it intends to fund nontraditional projects (projects with a primary purpose other than water quality). As part of this agreement, if a state funds nontraditional projects, it must offer funding to all projects based upon their priority ranking. EPA does not require that a state fund projects in strict priority order, but funding decisions must be consistent with this ranking. Despite the *Funding Framework's* focus on nontraditional projects, it encourages all states that fund nonpoint source and estuary projects to integrate their planning and priority setting systems—so that CWSRF

funds can most effectively target the nation's water quality problems.

The *Funding Framework* includes two examples of integrated planning and priority setting systems designed by the state/EPA workgroup. Both examples are very similar, but diverge in the method proposed for selecting projects. One example uses a goals approach to select projects; the other uses an integrated ranking system designed to equally evaluate municipal wastewater, nonpoint source, and estuary projects. A state may use either of these methods or it may develop its own approach.

Showing a strong commitment to integrated planning and priority setting, EPA established a goal under the Government Performance Results Act that by 2001 seventeen states will implement integrated planning and priority setting systems. In 2000, twelve states used integrated systems to develop their CWSRF Intended Use Plan (IUP) [Table 1]. Many states had systems in development.

State systems vary in terms of content, structure, and complexity. Several states have completely redesigned their planning and priority setting systems, while others have made more modest changes. This document cites state systems throughout and contains each cited system in its entirety in Appendix A.

**Table 1.**  
States with Integrated Planning and Priority Setting Systems

|              |
|--------------|
| California   |
| Delaware     |
| Maryland     |
| Montana      |
| Nebraska     |
| Nevada       |
| New Jersey   |
| New Mexico   |
| New York     |
| Ohio         |
| Rhode Island |
| Washington   |

This document will explore the integrated planning and priority setting concept and the process by which states have developed these systems. It will not attempt to establish a model system. However, it should serve as a reference tool for states that are evaluating and/or modifying their planning and priority setting systems.

The main body of the document discusses four key activities in these systems:

- Identifying water quality priorities
- Assessing the CWSRF role
- Undertaking outreach efforts
- Selecting priority projects

A final section of the document describes how states have established development processes for integrated planning and priority setting systems. This section includes information about stakeholder participation, development timelines, and resource requirements.

# II. Integrated Planning and Priority Setting

## A. OVERVIEW

An integrated planning and priority setting system is effective if it ensures that CWSRF-funded projects address high priority water quality problems. Four actions are key to its success: identifying water quality priorities, assessing the CWSRF role, undertaking outreach efforts, and selecting priority projects.

### Identifying water quality priorities

Water quality priorities provide a context for the activities of the CWSRF program. CWSRF resources should address these priorities in the most efficient manner possible. State water quality priorities also provide a valuable standard against which a state can measure the success of its water quality programs, i.e., has the state used its resources to address its highest water quality priorities?

A state's water quality program should be the CWSRF's major resource in identifying the state's water quality priorities. A water quality program has typically developed its understanding of the state's priorities by considering water quality information from many sources. Familiarity with these sources of water quality information is also useful to the CWSRF during the development of project ranking systems.

### Assessing the CWSRF role

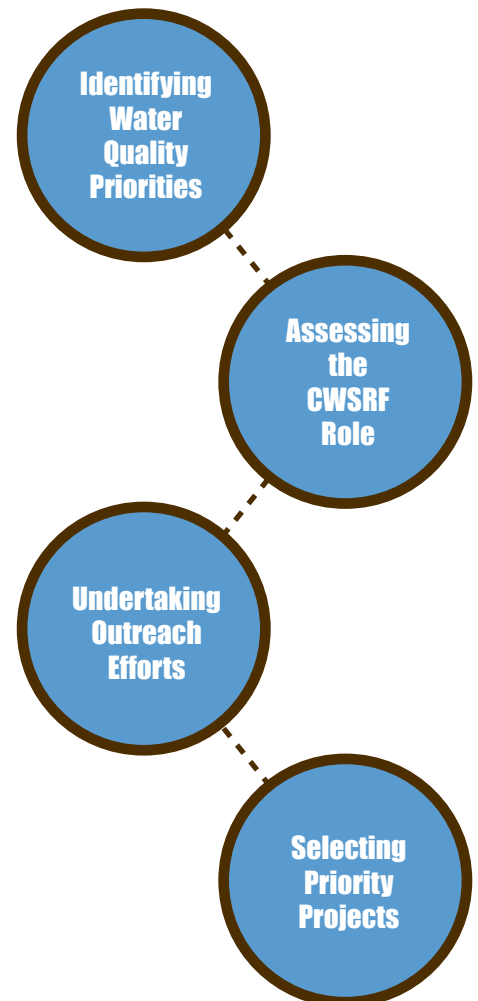
The CWSRF is one funding source of many available to each state for water pollution control. A state must deter-

mine the CWSRF's role in addressing the state's water quality priorities. This assessment will help to direct CWSRF outreach efforts and project selection. It will also enable the state to measure the program's success.

### Undertaking outreach efforts

Outreach efforts are an often-overlooked component of integrated planning and priority setting systems. Outreach efforts enable a CWSRF pro-

### Key Actions in an Integrated Approach





gram to ensure that it attracts high priority projects. Finely crafted priorities and ranking systems will only enable a state to address its highest priority water quality issues if the program has attracted appropriate projects to the program.

Many CWSRF programs have targeted geographic areas and threats to water quality in their outreach efforts. Some have partnered with other state programs to more effectively recruit high priority CWSRF projects.

### Selecting priority projects

After a state has established water quality priorities, defined the CWSRF role, and developed a promising pool of applicants, it then selects its highest priority projects. As mentioned previously, the *Funding Framework* suggests two methods of selecting projects—one uses a goals approach, and the other uses an integrated ranking system designed to equally evaluate municipal wastewater, nonpoint source, and estuary projects. A state may use either of these suggested methods to select projects for its IUP or it may develop its own method. To date, all but one of the twelve states with integrated planning and priority setting systems have chosen to prioritize projects with an integrated ranking system. If a state uses an integrated ranking system, EPA does not require that the state fund projects in strict priority order. Funding decisions should, however, be consistent with this ranking.

## B. IDENTIFYING WATER QUALITY PRIORITIES

States have a variety of information sources available for assessing their water quality priorities. When establishing water quality priorities, states use these information resources to determine the location of the greatest water quality problems, the causes of those problems, and suitable actions to address those problems. Later in the planning and priority setting process (*see Section II(E): Selecting Priority Projects*), states will use these same sources of water quality information to select projects for funding. This section of the document highlights some of the most common sources of water quality information.

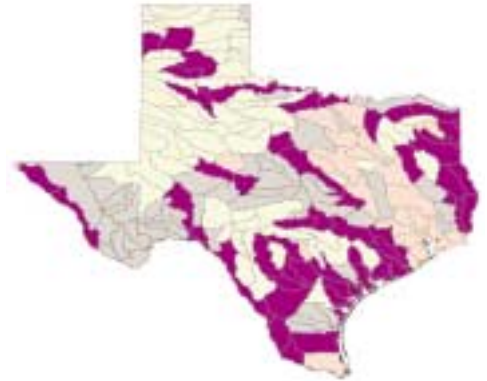
### Water quality information sources

#### Unified Watershed Assessments and Watershed Restoration Action Strategies






[www.epa.gov/owow/uwa](http://www.epa.gov/owow/uwa)

The Clean Water Action Plan asked states to coordinate with stakeholders at all levels and develop an overall statement of water quality. This Unified Watershed Assessment (UWA) brings together a broad array of existing information and assesses state water quality to identify where restoration activities and funding can be most effectively targeted. Each UWA divides a state's watersheds into four categories:

### Unified Water Assessment—Texas



#### UWA Classifications

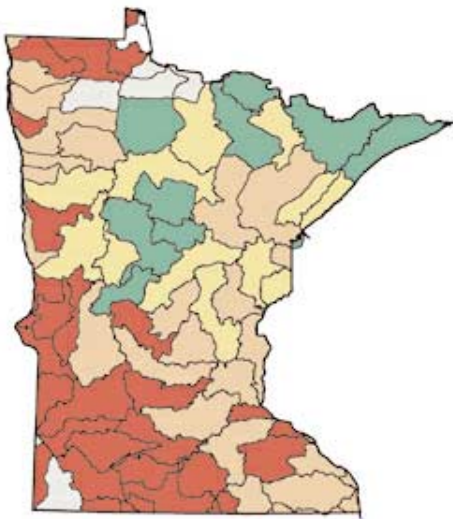
|   |                                     |
|---|-------------------------------------|
|    | Restoration Needed—Highest Priority |
|    | Restoration Needed                  |
|   | Meeting Water Quality Goals         |
|  | Pristine or Sensitive               |
|  | Insufficient Information            |

- I. **Restoration Needed—**watersheds needing additional action to help meet clean waters and other natural resource goals
- II. **Meeting Water Quality Goals—**these watersheds still may need preventive action to sustain water quality and aquatic ecosystem health
- III. **Pristine or Sensitive—**watersheds on federal land that may need an extra measure of protection.
- IV. **Insufficient Information—**not enough information is available to make an assessment.

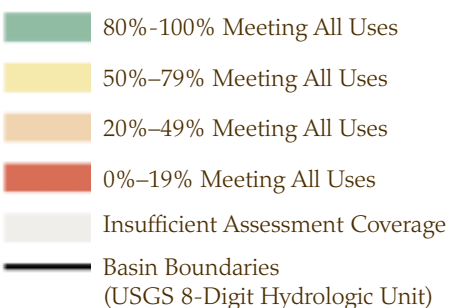
## Integrated Planning and Priority Setting

States further identified a subset of their Category I watersheds as priorities for watershed restoration. States and tribes have been working with federal, interstate, and local agencies, watershed-based organizations, and the public to develop watershed restoration action strategies for these watersheds. The watershed restoration action strategies will provide plans for addressing water quality problems in each priority watershed.

### 1998 §305(b) Report—Minnesota



#### Percent of Assessed Rivers, Lakes, and Estuaries Meeting All Designated Uses



### National Water Quality Inventory (Section 305(b) Report)

[www.epa.gov/305b](http://www.epa.gov/305b)

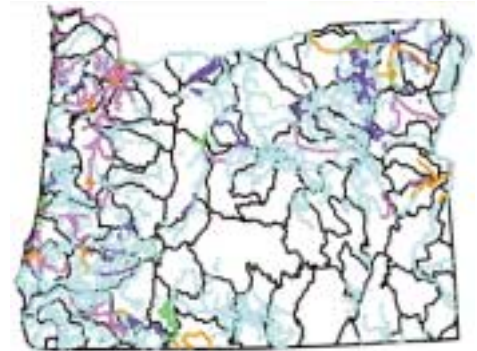
Section 305(b) of the Clean Water Act requires each state to monitor and assess all of its waters and report this information to Congress every two years. States do not use identical survey methods and criteria to assess water quality, but they generally use four types of water quality standards: designated beneficial uses (e.g., fishable and swimmable), numeric water quality criteria (e.g., measures of phosphorus, species richness), narrative water quality criteria (e.g., free of substances toxic to humans, aquatic life, and wildlife), and anti-degradation statements (e.g., waters should be protected from water quality deterioration). States survey the health of surface waters, groundwater, and, in a growing number of states, wetlands. The state reports identify waters meeting and not meeting standards, and EPA uses the reports to develop the National Water Quality Inventory Report to Congress. State 305(b) reports are based upon a comprehensive collection of a state's water quality data and are therefore an invaluable source of information for water resource prioritization.

### List of Impaired Waters (303(d) List) and TMDLs

[www.epa.gov/owow/tmdl](http://www.epa.gov/owow/tmdl)

The section 303(d) list is a prioritized list of waters not meeting water quality

### 1998 List of Impaired Waters—Oregon



#### Legend

- Sedimentation
  - Nutrients
  - Pathogens
  - Multiple\*
  - Other\*\*
  - 8-digit USOS Cataloging Units
- \* Any combination of sediments, nutrients, and pathogens  
\*\* All other causes

standards. In these priority waters, point source, technology-based limits are not sufficient to restore and protect water quality. The 303(d) list will indicate how these waters are impaired, and the sources of those impairments. The list is developed by states every two years.

A state is required to establish a Total Maximum Daily Load (TMDL) framework for each of its listed waters. In the TMDL process, the state calculates the maximum amount of a pollutant that a listed water can accept and still

## Integrated Planning and Priority Setting

meet water quality standards, and then distributes that amount to the pollutant's sources. Priority on the 303(d) list is given to waters most in need of TMDL development.

### National Water Information Survey

[www.water.usgs.gov](http://www.water.usgs.gov)

The U.S. Geological Survey's National Water Information System (NWIS) is a comprehensive database for information on quantity and quality of surface and ground water. The system contains flow data from over 10,000 current and historic streamflow gauging stations, and water-quality data from over 3.5 million analyses. Sampling sites have been selected for a variety of reasons; their conditions range from pristine to contaminated. This variation can present a challenge when trying to use NWIS data to develop an overall picture of water quality.

### Natural Resources Inventory

[www.nhq.nrcs.usda.gov/NRI](http://www.nhq.nrcs.usda.gov/NRI)

The Natural Resources Inventory (NRI) is a compilation of natural resource information on nonfederal land in the United States—nearly 75 percent of the total land area. Conducted by the Natural Resources Conservation Service (NRCS), this inventory captures data on land cover and use, soil erosion, prime farmland, wetlands, habitat diversity, selected conservation practices, and related resource attributes at more than 800,000 scientifically selected sample sites.

The NRI provides a record of trends in natural resources over time and documents conservation accomplishments as well. At each sample point, information is available for 1982, 1987, 1992, and 1997, so that trends and changes in land use and resource characteristics over a 15-year time period can be examined and analyzed.

### Nonpoint Source Assessment Reports and Management Programs (Section 319)

Section 319 of the Clean Water Act requires that each state address nonpoint source pollution by developing nonpoint source assessment reports that identify nonpoint source pollution problems and the nonpoint sources responsible for those problems. States are also required to adopt management programs to control the identified nonpoint source pollution.

In 1997, state and federal representatives of the nonpoint source program identified nine key elements of enhanced state programs. Element number five stated that a state program should review currently available information and identify waters impaired or threatened by nonpoint source pollution. The program should also identify the primary categories of nonpoint source pollution causing the water quality impairments and threats. At five-year intervals, the state should update the identification of waters and their watersheds impaired or threatened by nonpoint source pollution—preferably as part of a comprehensive

state water quality assessment that integrates reports required by sections 319(a), 305(b) (*National Water Quality Inventory, above*), 303(d) (*List of Impaired Waters, above*), 314(a) (*Clean Lakes Program*) and 320 (*National Estuary Program, below*) of the Clean Water Act. To date, 46 states have developed enhanced programs.

### National Estuary Program Comprehensive Conservation and Management Plans (CCMPs)

Each National Estuary Program (NEP) is charged with creating and implementing a CCMP that addresses all aspects of environmental protection for the estuary. In each NEP, a broad-based coalition of stakeholders develops a CCMP on the basis of a scientific characterization of the estuary. The CCMP establishes priorities for action, research, and funding, and serves as a blueprint to guide future decisions and activities related to the estuary.

### Index of Watershed Indicators

[www.epa.gov/iwi](http://www.epa.gov/iwi)

The Index of Watershed Indicators (IWI) is a compilation of information on the condition of aquatic resources in the United States. The IWI uses data from several EPA programs, from the U.S. Department of Agriculture, the National Oceanic and Atmospheric Administration, the U.S. Geological Survey, the U.S. Army Corps of Engineers, The Nature Conservancy, and states, tribes, and other jurisdictions. The IWI is updated periodically.

### Index of Watershed Indicators—Pennsylvania



#### Legend



Sixteen indicator maps and an overall characterization map show the condition and vulnerability of each of the nation's watersheds. For example, data from the National Water Quality Inventory regarding designated use attainment illustrates watershed conditions, and data regarding population growth and agricultural runoff potential illustrates watershed vulnerability.

#### Other data sources

States have a variety of other water quality data sources at their disposal, many of which are maintained in EPA's STORET database. Chemical and bacterial monitoring of waterbodies is most common. Other efforts monitor bottom sediments, fish and macroinvertebrate tissue, or biological integrity. Field assessments of lakes, ponds, and wetlands may contain valuable information. Human health concerns such as fish consumption advisories, shellfish bed closures, drinking water advisories and septic system failures are also commonly tracked. Many of these other data sources will prove particularly useful when the state selects priority projects for funding.

#### Using water quality information to establish priorities

In establishing priorities, CWSRF programs must be adaptive to the realities of their state water quality assessments. A comprehensive Unified Watershed Assessment, taken together with Watershed Restoration Action Strategies for a state's priority watersheds, would provide an ideal blueprint for addressing a state's water quality problems. This legacy of the Clean Water Action Plan will eventually provide complete information about each state's water quality priorities. However, many states may find that these plans are not yet available. Regardless, each state's Unified Watershed Assessment provides a starting point—at a minimum, it identi-

fies watersheds that the state has deemed high priorities for restoration or protection. A state may choose to use TMDL priority (from a state's 303(d) list) or the comprehensive state map from the Index of Watershed Indicators in a similar fashion.

States can go further to gain a more complete understanding of the threats to water quality in these watersheds. A state's section 305(b) report examines water quality concerns statewide and in individual stream segments. Other data sources provide a wealth of information about rivers, streams, groundwater sources, and wetlands. Reports from nonpoint source and estuary programs also provide valuable information relevant to those specific issues.

Quoting or citing from this information, a state can develop a brief summary of its water quality priorities. This assessment provides context for the activities of a state's water programs, including the CWSRF program, and provides a valuable standard against which the state can measure the success of its water quality programs.

### C. ASSESSING THE CWSRF ROLE

The CWSRF is one funding source of many available to each state for water pollution control. Other sources of funding include EPA's Nonpoint Source Grant Program and HUD's Community Development Block Grant (CDBG) program. At the Department of Agriculture, the Environmental



## Integrated Planning and Priority Setting

Quality Incentives Program (EQIP) of the Natural Resources Conservation Service and the water and waste disposal grant and loan programs of the Rural Utilities Service (RUS) are two of many programs that provide significant funding assistance. State-funded grant and loan programs also complement this assortment of funding tools.

A state should not view its CWSRF planning and priority setting system in a vacuum—all of these funding programs collectively impact a state’s water quality. A CWSRF program should clearly identify its role in addressing state water quality priorities. This understanding is critical in marketing the CWSRF program, in selecting projects for CWSRF funding, and in assessing the success of the CWSRF program.

The CWSRF role can be affected in a number of ways. Many states have state-funded grant and loan programs that adequately address specific water pollution issues. For example, a large state-funded grant program targeting dairy best management practices may address a significant state need without funding assistance from the CWSRF. Dairy BMPs would not be a CWSRF priority, and the CWSRF would not need to market the program to dairy farmers. CWSRF resources would target the state’s other water quality priorities.

Other states have established a “one-stop-shopping” concept for assistance

programs. A state may develop one planning and priority setting system (and one application) for all of its water quality funding programs. The state would then fund its highest priority projects with resources from the most appropriate program or programs. In a “one-stop-shopping” scenario, the CWSRF-funded projects would not always match up perfectly with the state’s water quality priorities. This is not a concern if the sum of projects funded by the state’s water quality programs are consistent with the state’s water quality priorities.

### Washington

Washington State provides an example of this last concept. The state addresses its water quality problems with funding from three sources: the section 319 grant program, the Centennial Clean Water Fund program, and the state’s CWSRF program. The Centennial Clean Water Fund program is a state-funded program that offers both loans and grants for water pollution control.

Washington has integrated the three funding programs. Potential water quality projects submit one application to the Department of Ecology. The state develops a single priority list using a ranking system, and financial staff decide how to appropriately allocate resources from the three funding programs to the highest priority projects. Based upon this analysis, the Department of Ecology develops an offer list, and the projects have one year to accept the funding.

## D. UNDERTAKING OUTREACH EFFORTS

Effective outreach efforts are crucial to the success of an integrated planning and priority system. Finely crafted priorities and ranking systems will only enable a state to address its highest priority water quality issues if the program has attracted applications for appropriate projects. To ensure that the appropriate projects receive funding, state CWSRF programs will likely find it necessary to modify and expand their outreach efforts.

State CWSRF programs have an established relationship with communities as a source of funding for municipal treatment projects. Most state CWSRF programs do not have the benefit of a similar relationship with communities or individuals where the CWSRF has been used as a source of funding for nonpoint source projects. For this reason, an expanded approach to outreach is necessary.

### A comprehensive example

Washington provides an excellent example. The state’s CWSRF program, in coordination with its nonpoint source grant program and a third state grant and loan program, uses a three-part approach to reach potential borrowers. First, the CWSRF program has an excellent internet website. The website contains a variety of up-to-date information, including schedules, application forms, application instructions, and places to find additional information.

## Integrated Planning and Priority Setting

As a second step, the Department of Ecology holds application workshops in its four regions during the time period when the CWSRF is soliciting applications. In addition, the department holds additional workshops to assist applicants with the development of their applications. In these application development workshops, potential applicants receive one-on-one assistance from Ecology staff.

Finally, the Washington Water Quality Financial Assistance Advisory Council advises the Department of Ecology on subjects related to the state's assistance programs. The council's membership includes representatives of irrigation districts, conservation districts, county and city governments, Indian tribes, citizen groups, the Rural Utilities Service and the Natural Resources Conservation Service. These representatives provide a valuable link to their constituents—potential borrowers for the CWSRF program.

### Targeted outreach efforts

Ohio's CWSRF program envisions an outreach approach that works with the state's Total Maximum Daily Load process to further target the state's highest priority waters. While this idea is in an early stage of development, at present Ohio's CWSRF program works informally with state water quality personnel to identify waters that are impaired or threatened—and where there are opportunities to positively impact water quality. After identifying the threats to these priority waters, the

state uses this analysis to target marketing efforts for the CWSRF.

In West Virginia, the CWSRF program has attempted to target a significant water quality problem identified in the state's nonpoint source management plan—agricultural nonpoint source pollution. West Virginia's CWSRF program has worked with the state's Soil Conservation Agency, local soil conservation districts, and banking institutions experienced with agricultural lending to develop a CWSRF-funded loan program that targets agricultural nonpoint source pollution. The Soil Conservation Agency, local soil conservation districts, and banking institutions have prior relationships with the agricultural community that enables the program's outreach effort to be very effective. A program that began as a pilot project in five counties has been expanded statewide with great success.

## E. SELECTING PRIORITY PROJECTS

The Funding Framework suggests two methods of selecting projects: one uses a goals approach, and the other uses an integrated project ranking system that addresses both point source and nonpoint source pollution. To date, twelve states are using integrated planning and priority setting systems, and eleven of the twelve have developed integrated ranking systems. For this reason, much of the analysis in this section will focus on the composition of integrated ranking systems.

### Integrated ranking systems

When a state develops a ranking system, two broad questions should define the thought process. What are the advantages and disadvantages of different types of ranking systems? What type of system would be best considering available data and other constraints? The following section will examine the first question. The next will provide examples of state ranking systems and how they use available data.

### Evaluating ranking system features/characteristics

Integrated systems vary greatly. When developing its ranking system, Washington considered eight alternative models for ranking systems. Ohio considered six. The following six features and characteristics highlight some of the major differences among ranking systems.

### Single-track/multiple track scoring

Single-track scoring systems evaluate all projects with the same criteria. Multiple-track scoring systems evaluate different types of projects on the basis of different criteria. The majority of ranking systems use single track scoring. However, some states use multiple-track scoring because scoring criteria that are very relevant to the value of some projects may be irrelevant to the value of others. For example, Montana's ranking system uses different criteria to evaluate surface water pollution and groundwater pollution, uses the same criteria to evaluate proj-

ect effectiveness, and uses different criteria to evaluate a small number of issues specific to point source or non-point source projects. Ohio considers very different criteria when considering projects that affect groundwater, wetlands, or streams, rivers and lakes.

### Best professional judgment

If staff must use their own judgment in completing the annual priority ranking, the ranking may require more staff time, be subject to inconsistency, be less transparent to the public, and appear partial. However, staff expertise may provide information not easily quantified and a more accurate assessment of project priority. Rhode Island chose to avoid the use of staff judgment in the annual ranking process. Conversely, Montana's system requires staff to award points (within guidelines) in assessing water quality impairment and a project's effectiveness in addressing that problem.

### Reserves

A ranking system may reserve funding for some of its highest priority water quality needs. This ensures that priority projects are encouraged to apply and are then funded. For example, West Virginia has reserved \$3 million in loan funding for projects that participate in its Agriculture Water Quality Loan Program. Washington reserves 20 percent of its CWSRF funding for nonpoint source and estuary projects.

### Numerical/categorical scoring

Each project may be given a numerical score or projects may be grouped into

### California's Categorical Ranking System

|         |  |
|---------|--|
| Class A | Public health problems   |
| Class B | Pollution of impaired waterbodies  |
| Class C | Compliance with requirements and water recycling projects  |
| Class D | Projects serving as preventative measures against additional water quality degradation for impaired or unimpaired water bodies |
| Class E | Other projects   |

priority categories. The majority of ranking systems use a numerical scoring system. California and Nevada use categorical systems. For example, California divides all projects into five broad classes for priority funding. The state allocates CWSRF funding first to Class A projects, then to Class B projects, and so on, until all available funds are committed.

### Priority watersheds/projects

A ranking system may place its emphasis on impaired or threatened watersheds and assign high priority to projects that address pollution within those watersheds. Conversely, a ranking system may prioritize projects most likely to be effective in reducing pollution, regardless of the watershed affected. Most ranking systems consider both factors, but there are significant differences in emphasis.

### Complexity

Ranking systems vary widely in complexity. A comprehensive system may consume time and resources and be confusing to the public. A simpler

system may be easy to implement, inexpensive, and transparent to the public, but it may not be as effective in assessing the value of each project. The categorical ranking systems used in California and Nevada are relatively easy to implement and understand. Ohio's ranking system is moderately complex, as it can call upon a variety of information sources to assess each project's priority. To address some of the potential disadvantages of this complexity, Ohio has automated a portion of the ranking process.

### Establishing a draft ranking system

After assessing the advantages and disadvantages of different types of ranking systems, states have considered available data and established ranking systems. While ranking systems vary widely in design, many have attempted to measure three major factors: the value of the waterbody a project will address; the impairment or threat to that waterbody; and the effectiveness of the project in addressing the identified impairment or threat. Other factors considered by

## Integrated Planning and Priority Setting

states include planning considerations and financial need. This section of the document will provide examples of how states have attempted to quantify these factors in their ranking systems.

### Water resource value

New York and Ohio take very different approaches to measuring the value of water resources. New York considers a water resource's public use, established by its state classification.

Ohio also values the public use of water resources; projects that address public health risks in drinking waters, recreational waters, or fishing waters receive highest priority. At a secondary level, Ohio protects and remediates high-quality ecosystems. For example, Ohio prioritizes its rivers, streams, inland lakes and Lake Erie with "aquatic life use designations" from state water quality standards. Water resources with the potential to support

| Ohio's Wetland Resource Value Assessment       |         |
|--|---------|
| Total wetland area                             | 0-8 pts |
| Wetland vegetation classes                     | 0-10    |
| Plant species diversity                        | 0-12    |
| Forested wetlands vertical structure diversity | 0-5     |
| Plant community interspersions                 | 0-5     |
| Habitat features                               | 0-11    |
| Wetland-stream water quality functions         | 0-8     |
| Buffer features                                | 0-6     |
| Connection to other habitat areas              | 0-5     |
|  | 0-70    |

a high diversity of aquatic organisms are assigned a higher priority than resources that can only support pollution-tolerant organisms. Ohio prioritizes wetlands in a different manner, using information from a state wetland assessment that notes wetland size, diversity, and functionality.

### Impairment/threat

A commonly used measure of waterbody impairment is its priority for TMDL development. Both Montana and Maryland, the examples in this section, assign a high value to waters that are priorities for TMDL development.

Montana evaluates a waterbody's impairment on the basis of four factors: its priority for TMDL development; the number of classified uses impacted by a particular source of pollution; the area impacted by the source of pollution; and the period of time the source of pollution impacts the waterbody. However, a waterbody's priority for TMDL development is by far the most heavily-weighted factor.

Maryland evaluates surface water impairments and threats with priorities established by its 303(d) list and its Unified Watershed Assessment.

### New York's Water Resource Value Classification Factor

|   |       |
|---|-------|
| Specially-protected high-quality drinking water and shellfish waters  | 8 pts |
| Other drinking water  | 6     |
| Contact recreation  | 4     |
| Other fishing   | 3     |
| Other water uses  | 2     |
| Impairment of environmental resource other than water<br>(For projects that have important non-water-quality impacts such as odor, sludge disposal, etc.) | 1     |
| No resource is impaired   | 0     |



Integrated Planning and Priority Setting

**Unified Watershed Assessments**

The State Unified Watershed Assessments may be a useful tool in evaluating projects. In completing a Unified Watershed Assessment, each state must consider both the value of waters and the degree to which they are impaired or threatened. Data from a comprehensive Unified Watershed Assessment could address both of these factors in a project ranking system.

Maryland places higher priority on restoration of impaired waters (TMDL priorities, UWA category 1) than on protection of threatened waters (UWA categories 2 and 3).

**Project Effectiveness**

Ohio and Montana both attempt to assess a project’s effectiveness in addressing water pollution. Montana’s measurement of this factor is very simple. Montana’s staff must use its best judgment to determine the likely effectiveness of each project and assign points according to an established scale.

**Montana’s Assessment of Project Effectiveness**

The project is expected to eliminate all health hazards or restore the water body to fully supporting all uses.  
*100% of points assigned for water quality impairment*

The project is expected to eliminate some health hazards or restore some of the uses for which the water body is intended.  
*50% of points assigned for water quality impairment*

The project is expected to reduce health hazards or improve water quality but will not fully restore any uses.  
*25% of points assigned for water quality impairment*

The project is not expected to substantially improve water quality or reduce health hazards.  
*0 points*

Ohio’s assessment is more involved. It considers two elements of project effectiveness: the potential of the waterbody for restoration, and the likely effectiveness of a particular project in addressing the source of the pollution. The measurement of these elements varies by type of waterbody, but the following examples show how project effectiveness is considered in stream segments.

**Maryland’s Assessment of Impairment/Threat (Surface Waters)**

**Surface water restoration**

|   |        |
|---|--------|
| Project benefits a high priority TMDL waterbody   | 8 pts. |
| Project benefits a medium priority TMDL waterbody | 6      |
| Project benefits a low priority TMDL waterbody    | 4      |
| Project indirectly addresses TMDL waterbody       | 2      |

Add 2 bonus points if project benefits Clean Water Action Plan Category 1 Priority Watershed

**Surface water protection**

|   |        |
|---|--------|
| Project benefits a Clean Water Action Plan Selected Category 3 Watershed (“Selected” denotes a particularly pristine watershed) | 4 pts. |
| Project benefits a Clean Water Action Plan Category 3 Watershed   | 2      |
| Project benefits a Clean Water Action Plan Category 2 Watershed   | 1      |

Add 2 bonus points to projects that address a regional/local watershed plan to benefit water quality

## Integrated Planning and Priority Setting

## Ohio's Assessment of Project Effectiveness

## Part I—Stream Restoration Potential

|  |        |
|--|--------|
| Most restorable: extremely high or a fully attaining segment | 8 pts. |
| Very high  | 7      |
| High   | 6      |
| Moderate-High  | 5      |
| Moderate   | 4      |
| Low-Moderate   | 3      |
| Low  | 2      |
| Very low   | 1      |
| Essentially none   | 0      |

## Intermediate Step—Pollution Source Ranking

|                 |        |
|-----------------|--------|
| High source     | 4 pts. |
| Moderate source | 3      |
| Threat          | 2      |
| Slight source   | 1      |

## Part II—Effectiveness of Action

|         |         |
|---------|---------|
| 71-100% | 14 pts. |
| 51-70%  | 12      |
| 41-50%  | 10      |
| 31-40%  | 8       |
| 21-30%  | 6       |
| 11-20%  | 4       |
| 1-10%   | 2       |
| 0%      | 0       |

## Ohio's Assessment of Project Effectiveness: Example

In a hypothetical example, a non-profit organization applies to Ohio's CWSRF for funding to purchase a conservation easement along a high-quality stream segment.

Ohio's 305(b) report states that the affected stream segment has a high restoration potential. This adds 6 points to the project's score.

The 305(b) report also states that the stream segment is impacted by runoff from nonirrigated crop production (high source—4 points), runoff from feedlots (high source—4 points), and urban runoff (threat—2 points). The project will completely address runoff problems from an adjacent farm, but will not address the threat of urban runoff from a nearby housing development (receiving 8 of the available 10 points). The project addresses 80 percent of the stream segment's sources of impairment and therefore adds 14 points to its score.

Total points related to project effectiveness:

6 points (restoration potential) + 14 points (effectiveness of action) = 20 pts.

## Integrated Planning and Priority Setting

Ohio's 305(b) report rates stream segments based upon the likelihood that aquatic life can be restored to a condition comparable to minimally impacted reference streams. This restoration potential rating gives highest priority to unaffected or highly restorable water resources and lowest priority to the least restorable water resources.

Ohio also considers the likely effectiveness of a project restoring a stream segment. Ohio considers the sources of impairment or threats to impairment and the degree to which the project will address those sources. Ohio's 305(b) report identifies the sources of threat and impairment for each stream segment, and rates each source either as a high, moderate or slight source of impairment, or as a threat. These ratings are converted into points, but these points are not used in the overall project ranking score. Instead, these points are used as an intermediate step in developing an effectiveness of action score.

For each stream segment, these points are summed and then divided by a total of points for sources that the project will address. If the project does not completely address the source, it receives partial values. This percentage is converted into a point value for the project ranking system.

### Other Considerations

States may evaluate planning considerations and financial need in their ranking systems. Both New York and

Washington assign priority to projects that are consistent with local, state, and federal planning efforts. New York assigns twenty points (out of 317 overall) to projects that address problems discussed in an approved watershed management plan, the state's nonpoint source management plan, or a county's water quality strategy. The ranking system assigns ten additional points to projects that are consistent with a second group of water quality plans, including the Peconic Estuary CCMP, the New York City Watershed Memorandum of Agreement, and the Lake Champlain Management Plan.

Washington assigns points to projects that are consistent with specific recommendations in a variety of recent planning efforts: regional plans such as the Puget Sound Action Plan or the Interior Columbia Basin Ecosystem management plan; local watershed management plans; or sewer system and stormwater comprehensive plans. Projects may receive up to thirty points (out of 1000 overall)—projects receive points depending upon their degree of consistency with these planning efforts.

Washington also allows local watershed groups to assign bonus points to priority projects as determined by a comprehensive and stakeholder-inclusive planning effort. Projects may receive five to one hundred bonus points in this fashion.

New York also considers financial need in the ranking process. The state

assigns ten points to projects in communities with a Median Household Income (MHI) that is below the statewide MHI. This weighting attempts to prioritize projects that would not be completed without CWSRF assistance.

### Integrated Ranking System Summary

The factors examined in this section are not the only ones used in project ranking systems. However, taken together, water resource value, water resource impairment or threat, and project effectiveness provide a reasonable measure of a project's expected effect on water quality. A state can confirm and reinforce this initial assessment by rewarding consistency with other water quality planning efforts. By considering financial need, a state may ensure that CWSRF funding is targeted to projects that most need the assistance.

### Goal-based ranking systems

Although it has not been fully implemented in any state, the goals approach described in the Funding Framework is another viable option for project selection. A goals approach suggests that a state CWSRF program establish specific goals for targeting its available resources—based on the state's assessment of its water quality priorities and its assessment of an appropriate CWSRF role in addressing those priorities (as discussed in Section II(A-B)).

For a goals approach to be effective, it should clearly target funding goals for

## Integrated Planning and Priority Setting

specific water quality problems. For example, targets could be established for nutrient reduction, habitat protection, or wetland restoration. These targets might specify funding goals (e.g., 5 percent of available funds to address nutrient and sediment runoff from agricultural operations) or performance objectives (e.g., a 50 percent reduction in the number of failing septic systems). These goals might address statewide concerns or be targeted to specific high-priority watersheds.

A state CWSRF program would then select projects for its Intended Use Plan that will help to achieve these program goals. These selections might also reflect considerations such as cost-benefit analyses or assessments of borrowers' creditworthiness.

### Delaware

Delaware uses a project ranking system that has many similarities to that used by the Funding Framework's goals approach. The state's nonpoint source management plan identifies nonpoint sources as a significant cause of the state's water quality problems. For this reason, each year Delaware considers using approximately 20 percent of its available CWSRF funding for projects that address nonpoint source pollution. Delaware establishes reserve levels each year at the same time that it prioritizes wastewater projects.

The state has developed programs that target homeowners with failing septic systems, poultry producers, dairy pro-

ducers, and owners of leaking underground storage tanks. These programs help to identify revenue streams that can ensure the repayment of CWSRF loans to private borrowers. Since 1994, Delaware has used more than six percent of its funds to address nonpoint source pollution. The state has funded 559 projects at a cost of more than \$4.9 million.

### Testing a project ranking system

Once a state has developed a draft ranking system, it typically tests the system to determine the effectiveness of the new design. States have approached this task in different ways. Because Ohio has funded a great variety of point source and nonpoint source projects in its CWSRF program, the state was able to select a wide-ranging sample of completed projects and re-evaluate their applications with the draft integrated ranking system. Rhode Island does not have a similar breadth of experience lending to nonpoint source projects. Therefore, staff developed a variety of hypothetical projects and evaluated them with the draft system.

When analyzing the results, states are able to investigate a number of questions:

*Where are the data incomplete?* Ohio found that a draft method of assessing human health risks was difficult to implement because of incomplete data.

*Where are the data ineffective in capturing a project's value?* Ohio discov-

ered that data sources in a draft system were ineffective in assessing the value of projects impacting the Ohio River, Lake Erie, and Ohio's inland lakes.

*What factors in the ranking system are inappropriately weighted?* Rhode

Island found that a number of criteria related to project planning favored point source projects at the expense of nonpoint source projects.

*Can the system be consistently applied?*

Washington found that its guidance for project evaluation enabled a variety of staff to score projects in a very consistent fashion. In addressing this question, New York and Ohio have developed comprehensive scoring handbooks showing how a variety of projects would be scored in their systems.

Testing is an important part of the development process for an integrated ranking system—it attempts to ensure that a new system produces the expected results. Most states have made revisions to their ranking systems on the basis of this analysis. Some have cycled through many periods of testing, analysis, and revision before producing a final integrated ranking system.

# III. Development Processes for Integrated Planning and Priority Setting Systems

The previous section of this document describes the integrated planning and priority setting process in general, and describes the systems designed by states at the forefront of this innovation. This section will provide more detail about a few aspects of the development process: who should be involved; how long does it take; and how much does it cost?

## Stakeholder involvement

As noted in this document's overview of the integrated planning and priority setting process, an effective CWSRF program is well integrated into a state's water quality program—the projects funded by the CWSRF should reflect the state's overall water quality priorities. For this reason, input from a variety of state water program personnel is critical to the development of a CWSRF integrated planning and priority setting system.

In addition to CWSRF engineering and financial staff, states have included representatives from a variety of programs to take part in the development of integrated planning and priority setting processes, including the following:

- Watershed planning
- Nonpoint source pollution
- Estuaries
- Wetlands
- TMDLs
- Permits and enforcement
- Soil and water conservation
- Health
- Transportation

The public is the most important stakeholder for any government program, and states have involved the public in this development process in many different ways. Interested parties often include elected officials, municipal personnel, tribal personnel, representatives of public interest groups, engineering consultants, and general citizens. For instance, Washington included representatives from these groups on its development committee. Committee staff conducted further interviews to solicit input from the public about an initial set of alternatives. Using a different approach, Ohio convened a public advisory group—separate from its development committee—to provide input into its development process. Finally, many states have used public meetings to discuss proposed changes to the CWSRF project selection process.

EPA is also a participant in the integrated system development process. States often seek input from EPA regional offices. Washington even included an EPA representative on its development committee.

## Development timeline

The development timeline is quite variable. However, this variation can often be explained by a few considerations: project scope, system uniqueness, and political sensitivity.

The development timeline for an integrated system will depend greatly on the size of the task that must be

## Integrated Planning and Priority Setting

accomplished. For example, a state with clearly defined water quality priorities, an aggressive CWSRF outreach program, and state water quality data that can be easily quantified into a project ranking system will be able to complete this project faster than a state without those advantages. The complexity of the system developed also impacts the size of this task. For example, in designing its project ranking system, a state that uses a few major indicators of water quality will be able to design its system much more rapidly than a state that tries to use its water quality data more comprehensively.

Historically, states have emulated successful aspects of other CWSRF programs. States using this form of benevolent plagiarism in developing their integrated planning and priority setting systems have been able to shorten their development timelines. For example, by using Rhode Island's project ranking system as a starting point for its own efforts, Maryland was able to develop its system quite efficiently.

Many of the states that have developed integrated planning and priority setting systems currently have funding available for any eligible water quality project—although funding shortfalls may be expected in the future. Because a revised planning and priority setting process does not threaten the availability of project funding in those states in the near future, the development process has been rela-

tively free of political tensions. In other states, changes to the planning and priority setting system will likely affect the list of projects selected for funding in the coming year. In those states, the development process may be slowed down considerably. For example, Washington has dramatically changed the system that it uses to select projects for its priority list twice in recent years.

As mentioned earlier in this document, most states have focused their efforts on revising their project ranking systems. Due to the variation in the states' situations, these efforts have been completed in different periods of time. For some states, this process has been completed in a few months. For others, a major revision has required a year and a half of effort.

### Cost

The major cost associated with the development of an integrated planning and priority setting system is staff time. As with the development timeline, the cost of this effort is largely dependent on the scope of the development process. Some states that have developed integrated project ranking systems were able to complete these revisions largely through the effort of one employee working part-time on the project for a few months. Montana spent less than \$10,000 revising its system. Others have accessed a wide range of staff for longer periods of time. Ohio spent about \$80,000 developing an integrated project ranking system.



# IV.

## Conclusion

Twelve states are using integrated planning and priority setting systems in their CWSRF programs. The planning and priority setting systems vary widely—therefore, this document does not attempt to show a “model” system. It does attempt to show some of the common issues that states have addressed in the development of integrated planning and priority setting systems.

This document shows how states have attempted to accomplish the four key actions of an integrated planning and priority setting system: identifying water quality priorities; assessing the CWSRF role; undertaking outreach efforts; and selecting priority projects. The innovation that characterizes these state efforts provides examples that will spur further innovation as states continue to revisit their planning and priority setting systems.

However, despite this great variety among states, a state can evaluate the success of its planning and priority setting system with ease. A system is effective if CWSRF projects help a state address its highest water quality priorities.

# *Appendix A.*

## **State Project Ranking Systems**

### **CALIFORNIA**

The following excerpt from California’s “Policy for Implementing the State Revolving Fund for the Construction of Wastewater Treatment Facilities,” amended in June 1998, describes the ranking system that the State Water Resources Control Board uses to select projects for funding. As noted on page 10 above, California uses a categorical scoring system to integrate stormwater, nonpoint source, and estuary projects with wastewater treatment plants. All projects are divided into five broad classes, and the classes are funded in priority order. This type of ranking system is relatively easy to implement and to understand.



## Appendix A

- (af) “Storm Drainage Project” means any programs, devices, methods, or systems used for preventing, abating, reducing, transporting, separating, storing, treating, recycling, or disposing of pollutants arising or flowing in storm drainage that is transported in pipes, culverts, tunnels, ditches, wells, channels, conduits, from urban or rural areas to surface or ground waters of the State.
- (ag) “Treatment Facilities” means any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature to implement Section 201 of the Federal Clean Water Act, or necessary to recycle or reuse water at the most economical cost over the estimated life of the facilities, including intercepting sewers, outfall sewers, sewage collection systems, pumping, power, and other equipment, and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof; and elements essential to provide a reliable recycled supply such as standby treatment units and clear well facilities.

In addition, “treatment facilities” means any other method or system for preventing, abating, reducing, storing, treating, separating, or disposing of municipal waste, including storm water runoff, or industrial waste, including waste in combined storm water and sanitary sewer systems.

- (ah) “Water Quality Assessment” means a report prepared by the SWRCB to identify the water quality conditions in the waters of the State.
- (ai) “Water Quality Control Plan” means a SWRCB approved plan adopted pursuant to Division 7 of the Water Code designating or establishing beneficial uses and water quality objectives for water within a specified area and a program of implementation needed to achieve these objectives.

#### **IV. PRIORITY SYSTEM**

The primary purpose of this section is to implement a Priority System for providing SRF loan assistance for the planning, design, and construction of wastewater treatment, nonpoint source, storm drainage, water recycling, and estuary enhancement projects and programs eligible under Title VI of the CWA.

##### **A. Development of RWQCB Project Priority List Recommendations**

1. Annually, each RWQCB Executive Officer shall develop Project Priority List recommendations for the RWQCB.
2. The Executive Officer’s Project Priority List recommendations shall be transmitted to the Division each year by the scheduled date set by the Division.

## Integrated Planning and Priority Setting

Annually, after review of the Executive Officer's Project Priority List recommendations, the SWRCB shall adopt a Statewide Project Priority List (Statewide List). The Statewide List shall identify those projects for which assistance from the SRF Loan Program is expected during the succeeding five-year planning period.

1. The Statewide List shall be adopted by the SWRCB not later than June 30 of each year.
2. The fundable portion (first year) of the Statewide List shall include those wastewater treatment, water recycling, nonpoint source, storm drainage, and estuary enhancement projects which have received a preliminary loan commitment from the SWRCB and are scheduled for loan assistance during the first year of the five-year planning period. Projects receiving a preliminary loan commitment from the SWRCB during the fiscal year shall be automatically moved to the fundable portion (first year) of the Statewide List provided the project is scheduled to receive a loan contract in the current fiscal year. The extended portion of the Statewide List shall include those projects without a preliminary loan commitment and those scheduled for a loan contract during the following four years. Placement on the extended portion of the Statewide List will be based on project schedules.
3. Placement of a project on the Statewide List shall not constitute a commitment to provide loan assistance.

### C. Priority Classes

Each Project shall be assigned to one of the following priority classes:

1. Class A -- Public Health Problems.
  - a) Publicly Owned Wastewater Treatment Facilities projects required to alleviate public health problems where the County Board of Supervisors or the County Health Officer has certified that a health problem exists, and where a RWQCB has (1) adopted a prohibition for elimination of discharges from individual treatment systems and such prohibition has been approved by the SWRCB, or (2) approved a local moratorium prohibiting the construction of new individual systems (See Appendix C), or (3) adopted a cease and desist order; and
  - b) nonpoint source, storm drainage pollution, and estuary enhancement projects required to comply with prohibitions, postings, limitations, or warnings that have been imposed by responsible health

## Appendix A

authorities, and where the RWQCB has concurred with the findings of the health authority and has established a time schedule for correction or elimination of the threat to public health.

2. Class B -- Pollution of Impaired Water Bodies.  
Projects required to correct conditions where a certification is made by the RWQCB Executive Officer that the water quality objectives for an impaired water body are not being attained.
3. Class C -- Compliance With Requirements and Water Recycling Projects.  
1) Projects necessary to comply with waste discharge requirements or other regulatory requirements formally imposed by the SWRCB or RWQCB, or projects necessary for correction of threatened violations of existing or proposed waste discharge requirements; and 2) projects which recycle water and are cost effective when compared to the development of new sources of water.
4. Class D -- Projects Serving as Preventative Measures Against Additional Water Quality Degradation for Impaired or Unimpaired Water Bodies.  
Projects which would control discharges to impaired or unimpaired waters, where correction of such discharges may, or may not, be required through formally adopted waste discharge requirements. Includes projects to provide additional wastewater treatment capacity.
5. Class E -- Other Projects.  
Projects not included in any of the other priority classes.

### D. Project Ranking

Projects within each priority class shall be ranked on the basis of readiness to proceed. The project with the earliest estimated date for award of a loan contract will be ranked above a project with a later estimated date. In the case of a tie, the project discharging to the water body with the greater resource value will be ranked higher.

### E. Restrictions and Adjustments

1. If a project falls in more than one priority class, the full project shall be placed in the highest priority class applicable to the more costly segment of the project, except as specifically ordered by the SWRCB.
2. If the priority classification of a project is in any way dependent upon State, County, or local action, or upon SWRCB or RWQCB action, only action taken prior to the adoption or amendment to the Statewide List will be considered.

## Integrated Planning and Priority Setting

3. The Statewide List may be adjusted or amended by the SWRCB for good cause subject to approval by EPA.
4. The SWRCB reserves the right to transfer treatment facilities from one priority class to another priority ranking, to reduce the eligible cost of any project, and to allocate available funds among one or more priority classes when the SWRCB determines such action to be necessary or appropriate for effective and equitable use of available monies. Such action will only be taken after a public hearing.
5. When appropriate, the SWRCB may create a set-aside for the purposes of assuring that SRF assistance will be available for nonpoint source, water recycling, estuary enhancement, and storm drainage projects and programs contained on the fundable portion of the Statewide List.

### F. Management of the Statewide List

Before a facilities plan approval is given, a project implementation schedule shall be submitted by the applicant and approved in writing by the Division. The Division shall monitor and compare progress on the project to the established schedule to assure that the loan applicant is proceeding expeditiously with the project.

If at any time the Division determines that progress has slipped sufficiently to push the loan contract award beyond the end of the scheduled state fiscal year, the SWRCB may add a project, or projects, of approximately equal dollar value from the planning portion to the fundable portion of the Statewide List, provided the project, or projects have received preliminary loan commitments from the SWRCB and are projected to be ready for loan contracts during the current State fiscal year. After such additions, all projects on the fundable portion of the Statewide List will continue to compete on an as ready basis for available funds.

### G. Funding of Projects

Except as may be directed by the SWRCB, projects on the fundable portion of the Statewide List will receive loan contracts from the SWRCB on an as ready-basis.

### H. Project Removal and Changes

Projects shall not be removed from the Statewide List unless:

1. The SWRCB so instructs;
2. The project has received a loan contract;

## MARYLAND

Maryland uses the following score sheet to rank projects for CWSRF funding. This numerical scoring system is highlighted on page 13 in the text as an example of a scoring system that considers waterbodies' TMDL priority (from the state's List of Impaired Waters (303(d) list)) and Unified Watershed Assessment category.



## Integrated Planning and Priority Setting

**Maryland Department of the Environment**  
**Integrated Project Priority System**  
**PROJECT SCORE SHEET**

APPLICANT: \_\_\_\_\_

PROJECT: \_\_\_\_\_

DATE OF PRE-APPLICATION: \_\_\_\_\_

**I. ELIGIBILITY THRESHOLD (Select one project category only)****A. Publicly Owned Treatment Works (POTW)**

- Is the project consistent with County Water and Sewerage Plan? Y/N
  - Is the project consistent with Smart Growth Priority Funding Area? Y/N
- (For new or proposed expansion of POTW, route pre-application to Wastewater Permits Program for Tributary Strategy Consistency Review.)

**B. Non-Point Source Capital Improvements**

- Is the project consistent with the Non-Point Source Management Plan (319 Plan)? Y/N

**C. Estuary Capital Improvement**

- Is the project consistent with the Estuary Conservation and Management Plan (320 Plan)? Y/N

**II. EXISTING CONDITIONS CRITERIA (Select one criterion only – Max 8 points)**

|  | Max Point<br>Values | Actual<br>Rating | Item # |
|--|---------------------|------------------|--------|
| <b>A. <u>Surface Water Pollution (Sewerage Facilities)</u></b>   |                     |                  |        |
| A-1 Combined Sewer Overflow                                      | 8                   | _____            | A-1    |
| A-2 Wastewater Treatment Facility                                | 7                   | _____            | A-2    |
| A-3 Excessive Inflow and Infiltration                            | 6                   | _____            | A-3    |
| A-4 Collection System/Pump Station                               | 3                   | _____            | A-4    |
| <b>B. <u>Untreated/Uncontrolled Runoff</u></b>                   |                     |                  |        |
| B-1 Stormwater Treatment/Management Facility                     | 7                   | _____            | B-1    |
| B-2 Agricultural Best Management Practices                       | 7                   | _____            | B-2    |
| B-3 Landfill Capping   | 5                   | _____            | B-3    |
| B-4 Non-Traditional Project                                      | 2                   | _____            | B-4    |
| <b>C. <u>Groundwater Pollution</u></b>                           |                     |                  |        |
| C-1 Failing Onsite Septic System                                 | 8                   | _____            | C-1    |
| C-2 Leaking Underground Storage Tank                             | 7                   | _____            | C-2    |
| C-3 Hazardous Waste Site   | 7                   | _____            | C-3    |
| C-4 Landfill Leachate Collection/Treatment                       | 7                   | _____            | C-4    |
| C-5 Subsurface Discharge   | 6                   | _____            | C-5    |
| <b>D. <u>Aquatic/Riparian Habitat and Stream Degradation</u></b> |                     |                  |        |
| D-1 Streams, Creeks, and Estuaries Restoration                   | 7                   | _____            | D-1    |

[Section II – Total Points] \_\_\_\_\_

**III. PROPOSED PROJECT BENEFITS CRITERIA (Select one criterion only – Max 10 Points)**

|   |    |       |   |
|---|----|-------|---|
| A. Project addresses enforcement activities                                   | 10 | _____ | A |
| B. Project addresses documented water quality, public health and safety issue | 10 | _____ | B |
| C. Project provides advanced treatment at POTW                                | 8  | _____ | C |
| D. Project provides for Resources Conservation/Multiple-Use Benefits          | 6  | _____ | D |
| E. Project provides Operational Reliability Improvement                       | 6  | _____ | E |
| F. Project helps maintain nutrient loading cap as per tributary guidelines    | 6  | _____ | F |
| G. Project provides treatment of septage/leachate at POTW                     | 5  | _____ | G |

|    |  |   |       |   |
|----|--|---|-------|---|
| H. | Project restores an aquatic/riparian habitat and stream                        | 4 | _____ | H |
| I. | Project provides Regional Consolidation  | 3 | _____ | I |
| J. | Project provides Demonstration/Pilot Project or Innovative Treatment Technique | 2 | _____ | J |
| K. | Project incorporates pollution prevention/waste minimization technique         | 2 | _____ | K |
|    | [Section III – Total Points]   |   | _____ |   |

**IV. WATER QUALITY IMPROVEMENT CRITERIA (Max 10 Points)**

**For water bodies that are included in both the surface water restoration and protection sections, the highest total point rating under either of those sections must be used, but not both.**

**Watershed Segment/Basin Code:** \_\_\_\_\_

A. Surface Water Restoration [Use 303(d) List to select **one** criterion only]. The 303(d) List identifies impaired waters, known as Water Quality Limited Segments (WQLSs), for which required technology based controls are inadequate to meet water quality standards.

|     |   |   |       |     |
|-----|---|---|-------|-----|
| A-1 | Project benefits a high priority TMDL waterbody   | 8 | _____ | A-1 |
| A-2 | Project benefits a medium priority TMDL waterbody   | 6 | _____ | A-2 |
| A-3 | Project benefits a low priority TMDL waterbody  | 4 | _____ | A-3 |
| A-4 | Project indirectly addresses TMDL waterbody   | 2 | _____ | A-4 |
| A-5 | <b>Add 2 bonus points if project benefits Clean Water Action Plan Category 1 Priority Watershed</b> |   |       |     |

Subtotal IV A \_\_\_\_\_

B. Surface Water Protection [use Clean Water Action Plan to select **one** criterion only]

|     |   |   |       |     |
|-----|---|---|-------|-----|
| B-1 | Project benefits a Clean Water Action Plan Selected Category 3 Watershed                                    | 4 | _____ | B-1 |
| B-2 | Project benefits a Clean Water Action Plan Category 3 Watershed   | 2 | _____ | B-2 |
| B-3 | Project benefits a Clean Water Action Plan Category 2 Watershed   | 1 | _____ | B-3 |
| B-4 | <b>Add 2 bonus points to projects that address a regional/local watershed plan to Benefit water quality</b> | 2 | _____ | B-4 |

Subtotal IV B \_\_\_\_\_

C. Ground Water Protection [Select **one** criterion only] COMAR 26.08.02.09 describes Type I – III Aquifer.

|     |   |   |       |     |
|-----|---|---|-------|-----|
| C-1 | Project benefits a Wellhead Protection Area for Public Water Supply | 8 | _____ | C-1 |
| C-2 | Project benefits Type I – III Aquifer                               | 4 | _____ | C-2 |

Subtotal IVC \_\_\_\_\_

[Section IV – Total points] \_\_\_\_\_

Section II – IV – Total Points \_\_\_\_\_

**Tie Breaker**

In case of a tie in the priority ranking, projects will be selected in the order of the population served. The project benefiting the larger population will be rated higher.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Reviewer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Capital Program Planning, Division Chief

\_\_\_\_\_  
Date

\_\_\_\_\_  
Water Quality Infrastructure, Program Administrator

## MONTANA

Montana uses the following ranking system to select projects for CWSRF funding. This numerical scoring system is noteworthy for two main reasons. First, Montana's ranking system initially uses different tracks to assign points to surface water projects and to groundwater projects (noted on page 12, above). Second, Montana's ranking system requires water program staff to quantify each project's expected effectiveness (highlighted on page 13, above).



WATER POLLUTION CONTROL  
STATE REVOLVING FUND  
PRIORITY LIST RANKING CRITERIA

A. WATER QUALITY IMPAIRMENT

Choose either surface water or ground water category to evaluate impairment of water quality. Then proceed to categories, B, C, D for all projects. If the discharge is primarily to ground water, yet surface water is impacted also, use the ground water category to evaluate the impairment of water quality.

1. SURFACE WATER

a. Impaired or threatened water body

Use current 303(d) list or criteria similar to that used for 303(d) list to evaluate the surface water body. The 303(d) list will show the assigned priority for TMDL development for each surface water basin.

Pick one of the following:  
(Give 0 points or full points)

- High priority for TMDL development 20
- Medium priority for TMDL development 10
- Low priority for TMDL development 5 \_\_\_\_\_

b. Number of Classified Uses Impacted by this activity.

See 303(d) list of impaired streams for uses which are impacted for the water body in question. Not all water bodies in Montana have been assessed and, therefore, may not appear on the 303(d) list of impaired water bodies. If the water body does not appear on the 303(d) list, a preliminary ranking can be performed using best professional judgment with regard to number of uses impacted, extent and duration of the impact. An assessment of the water body should be requested from proper DEQ personnel.

Pick one of the following:  
(Give 0 points or full points)

- Three or more uses impacted 5
- Two uses impacted 3
- One use impacted 2
- No uses impacted 1 \_\_\_\_\_

If drinking water supply or aquatic life support is an impacted use, the project automatically gets the maximum points in this subcategory.

## Integrated Planning and Priority Setting

**c. Area impacted by this activity**

Pick one of the following:  
(Give 0 points or full points)

|   |   |       |
|---|---|-------|
| More than 10 stream miles or more than 1000 acres | 5 |       |
| Between 1 and 10 mi. or between 100 and 1000 ac.  | 3 |       |
| Between 0.1 and 1 mi. or between 10 and 100 ac.   | 2 |       |
| Less than 0.1 stream mi. or less than 10 ac.      | 1 | _____ |

**d. Duration of Impact From This Activity**

Pick one of the following:  
(Give 0 points or full points)

|  |   |       |
|--|---|-------|
| Duration of impact continuous                    | 4 |       |
| Duration of impact is seasonal                   | 2 |       |
| Duration of impact is less than 15 days per year | 1 | _____ |

**e. TOTAL POINTS FOR IMPACT TO SURFACE WATER** \_\_\_\_\_

Multiply points assigned in subcategories b., c., and d. to arrive at the total points for **impact to surface water quality** (i.e.,  $b \times c \times d = e$ ).

**TOTAL POINTS FOR SURFACE WATER IMPAIRMENT** \_\_\_\_\_

(Sum of a. and e.)

**2. GROUND WATER**

Use this category only to evaluate impairment of water quality resulting from a **ground water discharge**.

**a. Impaired or Threatened Aquifer or Hydrologically Connected Surface Water Body**

There are no formal lists of impaired aquifers. Therefore, best professional judgment must be used in evaluating whether the aquifer is impaired or if there is a direct hydrologic connection to a water body. The proximity of the contaminant source to the surface water body is the most commonly used preliminary indicator that a direct hydrologic connection exists.

Appendix A

Pick one of the following:  
(Give 0 points or full points)

Cumulative impacts to the aquifer have precluded one or more classified uses. OR The aquifer is hydrologically connected to a water body identified on the 303(d) list of impaired streams as a **high** priority for TMDL development.

20

Cumulative impacts to the aquifer are threatening one or more classified uses. OR the aquifer is hydrologically connected to a water body identified on the 303(d) list as a **medium** priority for TMDL development.

10

Cumulative impacts to the aquifer have a minor effect on one or more classified uses. OR the aquifer is hydrologically connected to a water body identified on the 303(d) list as a **low** priority for TMDL development.

5

**b. Classified uses impacted by this activity.**

Pick one of the following:  
(Give 0 points or full points)

**Community drinking water** supply is impacted or, due to a hydrologic connection, aquatic life in a surface water body is impacted.

5

**Other public drinking water supply** is impacted

3

**Non-public drinking water supply** is impacted, (i.e., not a public water system)

2

Other use is impacted

1

**c. Area Impacted by Activity**

Generally, little information is available to demonstrate the extent of a contaminant plume. Best professional judgment will be required to estimate the extent of contamination due to the activity in question. Sampling results and the duration of the problem should be considered when assigning points under this category. Be sure to include the extent of any impacts to surface water if known.

Pick one of the following:  
(Give 0 points or full points)

More than 100 acres

5

Between 10 and 100 acres

3

Between 1 and 10 acres

2

Less than 1 acre

1

**d. Duration of Impact From This Activity**

## Integrated Planning and Priority Setting

Pick one of the following:  
(Give 0 points or full points)

|  |          |       |
|--|----------|-------|
| Duration of impact is continuous                 | <b>4</b> |       |
| Duration of impact is seasonal                   | <b>2</b> |       |
| Duration of impact is less than 15 days per year | <b>1</b> | _____ |

- e. **TOTAL POINTS FOR IMPACT TO GROUND WATER** \_\_\_\_\_  
Multiply points assigned in subcategories b., c., and d. to arrive at the total points for impact to ground water quality (i.e.,  $b \times c \times d = e$ ).

**TOTAL POINTS FOR GROUND WATER IMPAIRMENT** \_\_\_\_\_  
 (Sum of a and e in category A. 2., ground water, only)

### B. EFFECTIVENESS OF THE PROJECT IN IMPROVING WATER QUALITY

Pick one of the following:

Project is expected to eliminate health hazards or restore water body to fully supporting all uses which are impacted by the activity: **100% of pnts in A.1 OR A.2**

Project is expected to eliminate health hazards or restore some of the uses for which water body was intended and which were impacted by the activity: **50% of pnts in A.1 OR A.2**

Project is expected to improve water quality or reduce health hazards but will not eliminate the health hazards or fully restore any uses impacted by the activity: **25% of pnts in A.1 OR A.2**

Project is not expected to substantially improve water quality or reduce health hazards **0 pnts**

**POINTS FOR WATER QUALITY IMPROVEMENT** \_\_\_\_\_

C. ACTIVITY-SPECIFIC CRITERIA

Select either category 1 (Municipal WW Projects) or 2 (Nonpoint Source Projects) below.

1. Municipal Wastewater Projects

a. Existing Equipment or Processes

May assign points in all categories  
(Give 0 points or full points)

Reliability is adversely affecting current unit process. 10  
(this could include failing septic systems)

Equipment obsolescence is affecting or has the potential 10  
to affect unit process performance and the proposed project  
will upgrade the obsolete equipment or process.

TOTAL POINTS IN a. \_\_\_\_\_

b. Pollution Prevention

May assign points in all categories  
(Give 0 points or full points)

Project involves beneficial use of treated wastewater or biosolids 10  
resulting in reduction or elimination of a discharge to surface  
water or groundwater and provides some further benefit such as  
the growth of crops or turf.

Water meters are installed in the entire project area. 10

A water conservation plan is being or has been implemented within the 10  
project area.

An I/I reduction program is being implemented or will be part 10  
of the proposed project or, if I/I is less than 20% of the total  
wastewater flow on an annual basis.

The applicant has no recent MPDES permit or other water 10  
pollution-related violations (within the last 3 years).

Encourages the use of phosphate-free detergent. 10

TOTAL POINTS IN b. \_\_\_\_\_

SUM OF a. AND b. (FOR WWTP ONLY) \_\_\_\_\_

2. NONPOINT SOURCE ACTIVITIES

## Integrated Planning and Priority Setting

(Partial points may be given in each of the following subcategories)

- |    |  |    |
|----|--|----|
| a. | The entire watershed has been assessed, critical areas have been identified and will be addressed in the project.  | 30 |
| b. | The project deals with a common problem in Montana, and the results of this project are likely to have a high demonstration, technology transfer, and/or educational value to other watersheds in the state. | 20 |
| c. | Project will be implemented in order to prevent pollution rather than to correct existing pollution problems.  | 10 |
| d. | Project funds will be used in conjunction with other funds to increase the scope or magnitude of the pollution reduction or prevention activities.   | 10 |

**TOTAL POINTS FOR NPS ACTIVITIES** \_\_\_\_\_

**D. READINESS TO PROCEED**

May assign points for each category  
(Give 0 points or full points)

- |   |    |
|---|----|
| All other project funding is in place - bond resolution has been adopted or equivalent loan security is in place. | 20 |
| Final plans and specs have been approved or final project approval has been given by DEQ.                         | 20 |
| Complete SRF application has been submitted to DEQ.   | 20 |
| Preliminary planning document or complete, conceptual plan has been approved by DEQ.                              | 10 |

**TOTAL POINTS FOR READINESS TO PROCEED** \_\_\_\_\_

Appendix A

**TOTAL POINTS IN CATEGORY A. (impairment)**

(Maximum points -- 120)

\_\_\_\_\_

**TOTAL POINTS IN CATEGORY B. (improvement)**

(points cannot exceed points assigned in A. above)

\_\_\_\_\_

**TOTAL POINTS IN CATEGORY C. (activity-specific)**

(maximum points -- 70)

\_\_\_\_\_

**TOTAL POINTS IN CATEGORY D. (readiness)**

(maximum points -- 70)

\_\_\_\_\_

**TOTAL PRIORITY POINTS**

**NEW YORK**

New York uses the following scoring criteria to rank projects in its CWSRF. New York's system is highlighted in the text on page 12 to demonstrate a method of considering a waterbody's resource value. This ranking system is also noted in the text on page 15 because it awards points to projects based on "other considerations" — a community's financial need and a project's consistency with local, state, and regional planning efforts.



**649.12 Priority Ranking System Scoring Criteria**

The numerical scores in the priority ranking system are based on the following criteria:

- A. The existing source of pollution causing a water quality problem.
- B. The water quality improvement.
- C. Consistency with management plans or programs.
- D. Enforcement and construction status.
- E. Financial need.

The total numerical score for the project being scored shall be the sum of the scores for Criteria A, B, C, D and E.

The project score will be computed based on information in an approvable engineering or technical report. Projects without approvable engineering or technical reports will be scored based on information from other sources and adjusted when an engineering or technical report is determined to be approvable. Projects must be adequately supported by technical documentation, data, reports, etc.

**A. Existing Source Criterion**

The project receives a score based on whichever of the factors (1-5) listed below best describes the most critical source of pollution associated with the impairment of use scored under Criterion B which will be resolved by the project.

If a project is complete as defined in section 649.2 (a) (40) of this Part and the municipality is refinancing only existing debt for that project through the SWPCRF, it will be scored on the post-construction environmental conditions.

- |    |  |           |
|----|--|-----------|
| 1. | A critical source of pollution   | 50 points |
|    | a. A raw, partially treated or intermittent point or nonpoint source causing or significantly contributing to a water use impairment identified on the priority waterbodies list as "precluded" or "impaired" or causing a documented use impairment of surface water or groundwater quality equivalent to "precluded" or "impaired", OR |           |
|    | b. A source from which bioaccumulative chemicals of concern (BCCs) would be reduced or eliminated.   |           |

## Integrated Planning and Priority Setting

- |    |   |           |
|----|---|-----------|
| 2. | A significant source of pollution   | 25 points |
|    | <ul style="list-style-type: none"> <li>a. A raw, partially treated or intermittent point or nonpoint source causing or significantly contributing to a water use impairment identified on the priority waterbodies list as “stressed” or “threatened”, or causing a documented use impairment of surface water or groundwater quality equivalent to “stressed” or “threatened”, OR</li> <li>b. A source from which toxic chemicals of concern other than BCCs that are identified in a water quality management plan would be reduced or eliminated.</li> </ul> |           |
| 3. | A project necessary to maintain or protect existing facilities, conditions or water quality.  | 15 points |
| 4. | A raw, partially treated or intermittent point or nonpoint source causing or significantly contributing to a water use impairment that is not identified on the priority waterbodies list nor causing a documented use impairment of surface water or groundwater quality.  | 10 points |
| 5. | None of the above.  | 0 points  |

### **B. Water Quality Improvement Criterion (WQIC)**

The WQIC is determined by the following three factors: 1) Classification Points Factor (CPF); 2) Impairment Factor (IF); and 3) Potential Improvement Factor (PIF). Based on the existing source identified for Criterion A, points are allotted to a project on the basis of the State-assigned classification of the receiving water at the point of discharge, or where higher, the classification of downstream surface waters, the use of which is impacted or potentially impacted by the existing discharge. The points are modified dependent upon the severity of impairment of the desired best usage of the receiving water and the potential for the proposed project to improve water quality.

The WQIC is calculated using the following equation:

$$\text{WQIC} = \text{CPF} \times \text{IF} \times \text{PIF}$$

#### 1. Classification Points Factor (CPF)

Points are allotted to a project on the basis of the State-assigned classification of the receiving water at the point of discharge, or where higher, the classification of downstream

## Appendix A

surface waters, the use of which is impacted or potentially impacted by the existing discharge.

| <u>Classification</u>  | <u>Description</u>  | <u>Points</u> |
|--|---|---------------|
| AA, SA, GA<br>(primary water<br>supply aquifer),<br>AA special | Specially protected high quality drinking water and shellfish waters  | 8             |
| A, A special,<br>GA (other),<br>GSA                            | Other drinking water  | 6             |
| B, SB, C(T) <sup>1</sup> ,<br>C (TS) <sup>1</sup>              | Contact recreation, trout and trout propagation   | 4             |
| C <sup>2</sup> , SC, I   | Other fishing   | 3             |
| D, SD, GSB   | Other water uses  | 2             |
| ---  | Impairment of environmental resource other than water (For projects which have important non-water quality impacts such as odor, sludge disposal, etc.) | 1             |
| ---  | No resource is impaired   | 0             |

## 2. Impairment Factor (IF)

Points are allotted to a project based on the severity of impairment of the desired best usage of the affected surface water or groundwater caused by the existing discharge, as indicated in the priority waterbodies list, or verifiable documentation of the surface water or groundwater impairment.

| <u>Impairment</u> | <u>Definition</u>   | <u>Points</u> |
|-------------------|---|---------------|
| Precluded         | A use is not possible (i.e., frequent/persistent water quality or quantity conditions prevents all aspects of the waterbody use) - for example:<br>- swimming is banned by the local health department.<br>- there exists documented contamination of a potable water supply. | 6             |

<sup>1</sup> (T) and (TS) indicate the application of standards to protect trout and trout spawning, respectively.

<sup>2</sup> Classification C without (T) or (TS) appended.

## Integrated Planning and Priority Setting

- consumption of fish or shellfish is banned.

|                    |   |   |
|--------------------|---|---|
| Impaired           | <p>A use cannot be fully met (i.e., occasional water quality or quantity conditions periodically prevent or discourage the use of the waterbody) - for example:</p> <ul style="list-style-type: none"> <li>- fishing is possible, but consumption is restricted.</li> <li>- there exists documented raw discharges including floatables or pathogens to a Class A or Class B surface water. This would include direct discharges of raw sewage, combined sewer overflows, sanitary sewer overflows, and septic tank effluent discharged via ditches or pipes.</li> <li>- continual or near continual outbreak or discharge of sewage or grey water to ground surface, or septic effluent is present immediately below ground surface from on-site wastewater disposal systems. These would be evidenced by blackened, odorous or saturated soil, or usage of property surrounding on-site system generally impaired, or in-house waste plumbing is occasionally rendered unusable due to inadequate wastewater disposal.</li> </ul> | 4 |
| Stressed           | <p>A water quality problem is evident, but impairment is not clearly demonstrated (i.e., waterbody uses are not significantly limited or restricted, but occasional water quality or quantity conditions periodically discourage the use of the waterbody) – for example:</p> <ul style="list-style-type: none"> <li>- there exists documented raw discharges including floatables or pathogens to a Class C or Class D surface water. This would include direct discharges of raw sewage, combined sewer overflows, sanitary sewer overflows, and septic tank effluent discharged via ditches or pipes.</li> <li>- residents with on-site wastewater disposal systems are not able to enjoy full usage of their in-house plumbing. Some problems and/or nuisances occur during peak usage or stressed conditions.</li> <li>- a stream runs turbid with sediment after rainfall.</li> </ul>   | 2 |
| Threatened or None | <p>There is a threat to future water quality but no existing evidence of impairment.</p>  | 1 |

### 3. Potential Improvement Factor (PIF)

## Appendix A

Points are allotted to the project based on the potential for the project to improve water quality.

| <u>Potential Improvement Factor</u>  | <u>Points</u> |
|--|---------------|
| Degree of impairment reduced by three levels (i.e., from "Precluded" to "Threatened or None").   | 4             |
| Degree of impairment reduced by two levels (i.e., from "Precluded" to "Stressed" or from "Impaired" to "Threatened or None").                                | 3             |
| Degree of impairment reduced by one level (i.e., from "Precluded" to "Impaired", from "Impaired" to "Stressed", or from "Stressed" to "Threatened or None"). | 2             |
| No reduction in impairment level.  | 1             |

### C. Management Plan Consistency Criterion

- |   |           |
|---|-----------|
| 1. Project will address a water quality problem identified in an approved watershed management plan, the New York State Nonpoint Source Management Plan, or in a county water quality strategy.   | 20 points |
| 2. A project which will address a water quality problem identified in one of the following management plans, or any other plan approved by the department and incorporated into the State Water Quality Management Plan, receives an additional 10 points under this criterion: Peconic Estuary CCMP, South Shore Estuary Reserve CCMP, Long Island Sound CCMP, New York/New Jersey Harbor CCMP, Hudson River Estuary Plan, New York City Watershed Memorandum of Agreement, Lake Champlain Management Plan, Onondaga Lake Plan, and Great Lakes Program. | 10 points |

Points may be allotted under both C.1 and C.2.

### D. Enforcement and Construction Status Criterion

- |   |           |
|---|-----------|
| 1. Enforcement status: Abatement of water pollution required by an executed enforcement instrument. | 25 points |
|---|-----------|

## Integrated Planning and Priority Setting

2. Construction status: Construction has commenced as defined in section 649.2 (a) (8) of this Part and project work is proceeding or completed. 10 points

Points may be allotted under both D.1 and D.2.

### E. Financial Need Criterion

If a project receives points under A - Existing Source Criterion and B - Water Quality Improvement Criterion, or D.1 - Enforcement Status Criterion, and the Median Household Income (MHI) of the municipality in which the project service area is located is below the Statewide MHI, the project receives 10 points for financial need. 10 points

The MHI of the municipality in which the project service area is located and the Statewide MHI will be determined from income data in the most recent United States census. If there is reason to believe that the census data are not an accurate representation of the MHI within the area to be served, the reasons must be documented and the applicant will furnish, or the department may obtain, additional information regarding the MHI. Information will consist of reliable data from local, regional, state or federal sources or from an income survey conducted by a reliable impartial source.

### F. Tie Breaking

In the event of equal total scores, preference shall be given: first to the project having the highest Existing Source Criterion score; then, if not resolved, to the project receiving the highest Water Quality Improvement Criterion score; and finally to the project serving the greatest population.

**Proposed Additions to 6 NYCRR 649.2-  
Definitions in Conjunction with Proposed  
Revisions to 6 NYCRR 649.12 - Priority Ranking  
System Scoring Criteria**

- ( ) Bioaccumulative chemical of concern (BCC) is any chemical that has the potential to cause adverse effects which, upon entering surface waters, by itself or as its toxic transformation product, accumulates in aquatic organisms by a human health bioaccumulation factor greater than 1000, as defined in USEPA regulation, 40 CRF 132.2 published in the Federal Register, Vol. 60, No. 56, March 23, 1995.
  
- ( ) Priority waterbodies list means a list published periodically by the department of waterbodies that either cannot be fully used as a resource, or have water quality problems that can damage their environmental integrity.



## OHIO

The following excerpt, taken from the *Ohio Water Pollution Control Fund FY2000 Final Program Management Plan*, describes the state's project ranking system. Ohio's project ranking system is mentioned many times in the above text. As noted on page 12, Ohio uses different scoring systems when considering projects that affect groundwater, wetlands, or streams, rivers and lakes. The relative complexity of the ranking system is noted on page 11. Ohio's valuations of water resource value provide examples for the text on pages 12-13. Finally, pages 14-15 of the above text highlight Ohio's method for determining a project's effectiveness.

*From the Ohio Water Pollution Control Fund FY2000 Final Program Management Plan, pgs. 5-9.*

B. WPCLF Project Priority System and Project Priority List

1. The Project Priority System rates the assistance proposals ("projects") submitted to the WPCLF. Each project's rating represents its estimated relative direct contribution in protecting public health or improving water resources. For the current program year, projects are assigned points according to the nature of their public health and water quality benefits.

Under the Project Priority System a project will receive a score of greater than zero if it will either address a public health concern, or directly benefit water quality as an expected result from the project. Projects with positive scores will be considered priority projects.

Projects which receive zero points from the ranking system are projects that, while providing facilities that optimize or improve wastewater treatment or address a nonpoint source of pollution, have not been shown to address a potential public health problem, or measurably improve or protect the quality of water resources. This is not to say that projects receiving zero ranking points have no connection to better water quality, as they all contribute to maintaining and improving Ohio's water pollution control infrastructure, and some may address NPDES permit requirements. Rather, it indicates that these projects do not address a potential public health problem or a known source of threat or impairment to water resources.

As the Ohio EPA progresses with implementation of the Clean Water Act, new water quality initiatives will emerge which may warrant consideration as rating factors in the WPCLF project priority rating system. For example, the State's Total Maximum Daily Load analyses are currently being conducted, and as those results become available, the Ohio EPA may propose inclusion of other water quality-based criteria in the priority system.

Also, as we noted previously in the WPCLF Business Plan, the Agency will be seeking public input on the use of other factors in the formula as well. In keeping with ORC sections 6111.036, any proposed revisions will be designed to assist in the accomplishment of statewide water quality and public health objectives. We will provide further notice regarding the opportunity to comment on these ideas as they develop.

In response to the Clean Water Act's objective of restoring and maintaining the chemical, physical, and biological integrity of the Nation's waters and to the Ohio EPA's goal of increasing the percentage of stream miles attaining designated uses by 15percent by the year 2001, a joint effort between the Divisions of Environmental and Financial Assistance and Surface Water has resulted in a system which can be used to rank, on a single priority list, actions addressing both point and nonpoint sources of impacts on water resources. This system is called the Integrated Priority System (IPS) and is used to prioritize projects on the 2000 WPCLF project priority list.

The IPS rates a project by considering: 1) the potential uses of the water resources benefitting from the project; 2) the restorability of the water resources to their potential

## Integrated Planning and Priority Setting

uses or the protection of existing uses; and 3) the effectiveness of the project in addressing identified sources of impairment or threat.

The highest category of priority is placed on the protection of human health; the second category of priority is placed on the protection or restoration of the: 1) aquatic life uses of surface water resources; 2) ecological integrity of wetlands; or, 3) quality of ground water resources for human use. The different IPS categories are described below.

### a. Human Health Category

Actions addressing documented human health concerns arising from waterborne pathogens or pollutants form the first level of priority within the IPS, reflecting the importance of protecting public safety. Within the Human Health category, there are two levels of priority, the top level being those cases where there is a confirmed disease outbreak, the second level being those cases where a risk is posed to human health. Beyond differentiating between disease outbreaks and risks to human health, it is difficult to establish distinctions as to the degree of human health risk posed by different sources of pollution. Consequently, actions are rated as either: 1) First Priority - addressing a documented disease outbreak (40 points), 2) Second Priority - addressing a documented human health threat (35 points), or 3) No priority - addressing neither a documented disease outbreak nor a documented human health threat (0 points).

### b. Water Resources Protection and Restoration Category

Actions addressing Water Resources constitute the second major category of the ranking system. Within this category actions are ranked relating to protecting and restoring: i) Rivers and Streams, Inland Lakes, and Lake Erie; ii) Wetlands; and iii) Ground Water.

Actions affecting Rivers and Streams, Inland Lakes, and Lake Erie are ranked using the same system of factors, which is based on the aquatic life use of these resources. Actions affecting Wetlands are ranked using a system which considers wetland quality and function. Actions affecting Ground Water resources are ranked using a system which considers factors influencing ground water quality for human use. While each of these 3 major water resource types has its own system for assigning rank, all of the systems provide final scores which range from 0 to 30 points. After they are scored, actions affecting these resource types form a second level of priority below actions addressing human health. In those cases where a proposed action receives scores in more than one category, the highest single category score is used to rate the action. The rating systems for the different water resource types are described below.

#### i. Rivers, Streams, Inland Lakes, and Lake Erie

This portion of the IPS focuses on aquatic life and how actions can protect or restore water resources so that full attainment of the potential aquatic life use designation can be realized. An aquatic life use-based priority rating system was developed consisting of three factors: 1) Importance of

## Appendix A

Resource, 2) Restoration Potential and 3) Effectiveness of Action. In this system, the three factors are summed to yield scores for the actions being ranked.

### a. Importance of Resource Factor

The Importance of Resource factor refers to the potential for a water body to support a healthy biological community. In general, those resources that have the potential to support a high diversity of aquatic organisms will rate higher than those resources that can only support pollution-tolerant organisms. This is determined by using the aquatic life habitat use designations in Ohio's Water Quality Standards. For watershed projects, all of the water body segments in the watershed will be rated. The sum of these scores will be divided by the total number of segments in the watershed to get an average watershed score for Importance of Resource.

### b. Restoration Potential Factor

The Restoration Potential factor uses different sets of criteria for: 1) rivers, streams and watersheds; 2) inland lakes; and 3) Lake Erie. However, the point scale used for scoring this factor (0-8 points) is the same for all water bodies addressed. For rivers, streams, and watersheds the "ultimate aquatic life use restorability factor" described in the Appendices to Volume I of the 1996 305(b) Report is used to rate the restorability of these resources. For inland lakes the Ohio Lake Condition Index is used to assess the overall ecosystem health of Ohio's public lakes. This index uses information gathered on 14 different parameters to allow assessment of the overall condition of lake ecosystems. For Lake Erie the Index of Biotic Integrity (IBI), which uses the characteristics of fish communities as an indicator of overall ecosystem health and water quality conditions, is used to rate the restorability of Lake Erie near shore areas. IBI scores have been placed in five groups ranging from an IBI score equal to or greater than 50, which is considered exceptional, to an IBI score of less than 20, which is considered very poor.

### c. Effectiveness of Action Factor

The factor reflects whether the action being rated will improve the quality of its associated water resource. This is determined based on: 1) what the sources of impairment or threats to attainment are for the water body, 2) which of the identified impairments or threats the action will address, and 3) the degree to which the action will address the sources of impairment or threats. In rating actions using this factor, both the primary and secondary environmental effects of actions are taken into consideration in determining scores. The causes and sources of impairments or threats are contained in the 305(b) database for all monitored streams, rivers

## Integrated Planning and Priority Setting

and lakes of the state. For those segments that have not been monitored, watershed information is used to identify sources of impairment or threats. This factor also rates actions as to whether they will protect water resources from declines in current quality. If an action scores 0 points for this factor, it receives 0 points for rank in the Rivers, Streams, Inland Lakes and Lake Erie portion of the IPS regardless of scores it receives in the other two factors.

### ii. Wetlands

The system used to rank wetlands projects is different from the other ranking systems for water resources in that it rates wetlands on the basis of their ecological integrity using the same rating criteria to evaluate both actions to protect and actions to restore wetlands.

The system evaluates wetlands using two factors: quality and function. Quality is identified by using the wetland categories contained in Ohio EPA's Water Quality Standards (OAC 3745-1-05, and 50-54) for wetlands. Function is determined by using the "Ohio Wetland Assessment Method Field Data Form, Version 3," developed by Ohio EPA. This assessment methodology provides a means to assign points to each action affecting a wetland on the basis of the wetland size; its vegetation class(es); the diversity of species found in each vegetation class; its habitat features; its wetland-stream water quality functions; adjacent land uses; and connection to other habitat areas.

An initial score for a proposed action is determined by the sum of the scores that are obtained for the quality and function factors. An additional 2 points are added if the purpose of the action is to protect an existing wetland. The final score is then obtained by multiplying the initial score by 0.429 and rounding the score to the nearest 0.1. Final scores range from 0 to 30 points.

### iii. Ground Water

Actions affecting ground water are evaluated since ground water resources are a part of Ohio's water resources and because actions connected to surface water programs can also affect ground water resources. The ranking system for ground water was developed with advice from the Division of Drinking and Ground Waters (DDAGW).

An initial determination is made as to whether actions affecting ground water are intended to protect or restore the quality of ground water resources. Depending on the answer to this question, the action is rated using either a system that rates actions protecting ground water resources or a system that rates actions restoring ground water resources. Within both of these systems, actions are rated based on the sensitivity of the ground water resource to pollution, and its use as a source of drinking water supply. DRASTIC mapping done by the Ohio Department of Natural Resources or Agriculture to identify the sensitivity of ground water resources to pollution is being used to identify ground water resource

sensitivity.

2. The 2000 Project Priority List is a compilation of all projects currently nominated by their appropriate representatives for consideration for WPCLF financing at various times. The projects are presented in priority sequence in Appendix B-1. For ease of location of nominated projects, projects are also arranged alphabetically by the names of their applicants in Appendix B-2.

New projects may be added to the Project Priority List as outlined in section IV.A.1.

## RHODE ISLAND

Rhode Island uses the following scoring system in its CWSRF program.

Rhode Island's ranking system is highlighted in the text on page 11 because implementation of the scoring system does not require the use of staff judgment. For this reason, the ranking process is consistent, requires very little staff time, and is transparent to the public.



## Appendix A

APPENDIX I - PROJECT RATING CRITERIA

APPLICANT: \_\_\_\_\_

PROJECT: \_\_\_\_\_

| <u>I. EXISTING CONDITIONS CRITERIA †</u>   | <u>Point<br/>Values</u> | <u>Actual<br/>Rating</u> | <u>Item<br/>#</u> |
|--|-------------------------|--------------------------|-------------------|
| A-1 Raw Sewage Discharge - Major ( $\geq$ 5000 gpd estimated flow)   | 10                      | _____                    | A-1               |
| A-2 Raw Sewage Discharge - Minor (< 5000 gpd estimated flow)   | 7                       | _____                    | A-2               |
| B-1 Failing I.S.D.S. - Documented Water Quality Degradation  | 5                       | _____                    | B-1               |
| B-2 Failing I.S.D.S - Other  | 3                       | _____                    | B-2               |
| C-1 Untreated/uncontrolled runoff - Documented Water Qual. Degrad. (Pathogen impacts)  | 5                       | _____                    | C-1               |
| C-2 Untreated/uncontrolled runoff - Documented Water Qual. Degrad. (Non-path. impacts)   | 3                       | _____                    | C-2               |
| C-3 Untreated/uncontrolled runoff - Other  | 2                       | _____                    | C-3               |
| D-1 Wastewater Treatment Facility  | 3                       | _____                    | D-1               |
| D-2 Collection System/Pump Station   | 1                       | _____                    | D-2               |
| E. Combined Sewer Overflows  | 10                      | _____                    | E                 |
| F. Landfill - Closure imminent or closed   | 3                       | _____                    | F                 |
| G-1 Underground Storage Tank - Leaking   | 3                       | _____                    | G-1               |
| G-2 Underground Storage Tank - Potential to leak (single wall construction)  | 2                       | _____                    | G-2               |
| H. Materials Storage Area  | 3                       | _____                    | H                 |
| I-1 Sub-surface Discharge - non-sanitary wastewater  | 2                       | _____                    | I-1               |
| I-2 Sub-surface Discharge - stormwater only  | 1                       | _____                    | I-2               |
| J. Stormwater treatment/management facility  | 3                       | _____                    | J                 |
| K. Documented Critical Aquatic Habitat Resource - Impacted or threatened   | 2                       | _____                    | K                 |
| L. Atmospheric Deposition  | 1                       | _____                    | L                 |
| M. Excessive Flows - exceeds design flow or operational capacity   | 3                       | _____                    | M                 |
| <b>Section I - Total Points</b>  | _____                   | _____                    | _____             |
| <br>   |                         |                          |                   |
| <u>II. PROPOSED PROJECT BENEFITS CRITERIA † *</u>  |                         |                          |                   |
| A. Project Provides for Resource Conservation/Multiple-use Benefits  | 5                       | _____                    | A                 |
| B. Regional Project (i.e. project serves more than one community)  | 3                       | _____                    | B                 |
| C-1 Treatment of Septage at Existing WWTF (from outside service area)  | 3                       | _____                    | C-1               |
| C-2 Treatment of Septage at Existing WWTF (within service area only)   | 2                       | _____                    | C-2               |
| D. Operational Reliability Improvement   | 2                       | _____                    | D                 |
| E. Project helps to alleviate a Sewer Connection/Extension Ban in the area served  | 5                       | _____                    | E                 |
| F. Demonstration or Pilot Projects   | 2                       | _____                    | F                 |
| G. Project incorporates pollution prevention/waste minimization techniques   | 2                       | _____                    | G                 |
| H. Project restores a critical habitat or resource   | 3                       | _____                    | H                 |
| I. Project provides technical assistance/public education  | 2                       | _____                    | I                 |
| J. Project improves permitted discharge from interim to final limits<br>(discharge is presently in compliance with interim limits) | 3                       | _____                    | J                 |
| <b>Section II - Total Points</b>   | _____                   | _____                    | _____             |
| <br>   |                         |                          |                   |
| <u>III. WATER QUALITY IMPROVEMENT CRITERIA ‡</u>   |                         |                          |                   |
| <b>A. <u>Surface Water Restoration † [Use 303(d) List]</u></b>   |                         |                          |                   |
| A-1 Project affects a waterbody targeted for a TMDL  | 8                       | _____                    | A-1               |
| A-2 Project affects a high priority TMDL waterbody   | 6                       | _____                    | A-2               |
| A-3 Project affects a medium priority TMDL waterbody   | 4                       | _____                    | A-3               |
| A-4 Project affects a low priority TMDL waterbody  | 2                       | _____                    | A-4               |
| <b>Subtotal III A</b>  | _____                   | _____                    | _____             |
| <br>   |                         |                          |                   |
| <b>B. <u>Surface Water Protection † [Use RIDEM Water Quality Regulations]</u></b>  |                         |                          |                   |
| B-1 Project affects an SRPW waterbody  | 6                       | _____                    | B-1               |
| B-2 Project affects a fully supporting non-SRPW waterbody  | 4                       | _____                    | B-2               |
| B-3 Project affects a threatened non-SRPW waterbody  | 2                       | _____                    | B-3               |
| <b>Subtotal III B</b>  | _____                   | _____                    | _____             |

Integrated Planning and Priority Setting

|  |  |   |           |
|--|--|---|-----------|
| <b>C. <u>Groundwater Protection Factor [Use Rules and Regulations for Groundwater Quality]</u> †</b> |  |   |           |
| C-1  | Project affects a Wellhead Protection Area for Community Water System Well | 6 | _____ C-1 |
| C-2  | Project affects an area of GAA Groundwater                                 | 4 | _____ C-2 |
| C-3  | Project affects an area of GA Groundwater                                  | 2 | _____ C-3 |
| C-4  | Project affects an area of GB Groundwater                                  | 1 | _____ C-4 |
| <b>Subtotal III C</b>  |  |   | _____     |
| <b>Section III - Total Points</b>  |  |   | _____     |

|   |  |   |           |
|---|--|---|-----------|
| <b>IV. <u>INTERGOVERNMENTAL NEEDS CRITERIA</u> ††</b> |  |   |           |
| A.  | Project is consistent with Community Comprehensive Plan/State Guide Plan     | 5 | _____ A   |
| B.  | Project is consistent with an approved 201 Wastewater Facilities Plan        | 5 | _____ B   |
| C.  | Project is consistent with a Special Area Management (SAM) Plan              | 5 | _____ C   |
| D.  | Project is consistent with the Areawide Waste Management Plan (208 Plan)     | 5 | _____ D   |
| E.  | Project is consistent with the Nonpoint Source Management Plan (319 Plan)    | 5 | _____ E   |
| F.  | Project is consistent with the Comp. Conservation and Management Plan (CCMP) | 5 | _____ F   |
| <b>G. <u>Population Served by the Project</u> †</b>   |  |   |           |
| G-1   | 1 - 14,999   | 1 | _____ G-1 |
| G-2   | 15,000 - 49,999  | 2 | _____ G-2 |
| G-3   | ≥ 50,000   | 3 | _____ G-3 |
| <b>Section IV - Total Points</b>                      |  |   | _____     |

|  |  |   |           |
|--|--|---|-----------|
| <b>V. <u>READINESS TO PROCEED CRITERIA</u></b> |  |   |           |
| <b>A. <u>Planning</u> †</b>                    |  |   |           |
| A-1  | Watershed Management Plan approved   | 2 | _____ A-1 |
| A-2  | Project Management/Recovery Plan has been approved                           | 2 | _____ A-2 |
| A-3  | Wastewater Facilities Plan (WWFP) approved or reaffirmed                     | 2 | _____ A-3 |
| A-4  | Categorical Exclusion Approved   | 2 | _____ A-4 |
| A-5  | Diagnostic Feasibility Study (Clean Lakes Program) Approved                  | 2 | _____ A-5 |
| <b>B. <u>Design</u></b>                        |  |   |           |
| B-1  | Plans and Specifications approved  | 2 | _____ B-1 |
| <b>C. <u>Financial/Other</u> ††</b>            |  |   |           |
| C-1  | Local bonding authority approved/ other local funds committed                | 2 | _____ C-1 |
| C-2  | Pre-application for SRF Funding complete (i.e. qualified for loan by RICWFA) | 2 | _____ C-2 |
| C-3  | Grant funding has been secured   | 2 | _____ C-3 |
| C-4  | Local ordinance/zoning passed in support of the project                      | 2 | _____ C-4 |
| <b>Section V - Total Points</b>                |  |   | _____     |

Footnotes for Table I:

- † Select one criterion, at most, for each category. For example, choose A-1, A-2 or neither as applicable.
- †† Select each and every criterion which applies
- \* Points are awarded for projects at the project site if the criterion is included in the proposed project.
- ‡ For water bodies that are included on both the surface water reclamation and protection lists, the highest total point rating under either of those lists must be used, but not both.

## WASHINGTON

As Washington's application also serves as its scoring system (see following), each applicant should be knowledgeable about how a project is scored. Washington's system is noted on pages 9-10 in the text as an example of a system that considers a project's consistency with other planning efforts.

**Integrated Planning and Priority Setting**

**FY 2002 Water Quality Financial Assistance Application - Part 2**

**II. What are the specific public health and water quality impairments caused by the problem and what are the pollution prevention aspects (see below)? (Category total [II.A-J]: 340 points)**

*Application Tips: Regarding all potential impairments, specific descriptions must be provided, and the project must directly address the impairment to receive points. Remember, no proposal will receive points for all (or even most) impairments, so please don't be overly "creative."*

**A. Does the problem or threat adversely impact a shellfish harvesting area? If so, check ONE answer below and describe in space provided. Letter(s) from the Washington State Department of Health of the existence of the downgrades or listings must be provided. *(Highest applicable points will be assigned, as noted below based on the description provided):***

- The classification of a shellfish growing area within the proposed project area has been downgraded *(0 to 50 points will be assigned).*
- A shellfish growing area within the proposed project area has been placed on the Department of Health's Early Warning System Threatened List *(0 to 40 points will be assigned).*
- Specific, identified potential problems are addressed as preventive measures *(0 to 25 points will be assigned).*

***Remember: Points will only be assigned if the downgrade or threat is directly addressed and is correctable.***

*Application Tips: Discuss the quality and size of the area involved, the distance between the problem and the impaired area, the specific habitat impairments or specific problems that would lead to impairment, which shellfish species are being impaired, and how your project addresses the impairment or preventive measures needed.*

## FY 2002 Water Quality Financial Assistance Application - Part 2

- B.** Does the project address a domestic water supply that is threatened or degraded? If so, check **ONE** answer below and describe in space provided. *(Points will be assigned as noted below):*
- Recurrent or continued health advisories have been issued by the local or State of Washington health department(s) during the past two years. *(50 points will be assigned)*
  - According to the health department(s) there is "significant noncompliance" with drinking water quality standards. *(40 points will be assigned)*
  - There is a documented trend toward advisory or noncompliance. Provide data documenting the trend. *(30 points will be assigned)*
  - Past comprehensive wellhead protection planning has identified significant potential threats to drinking water quality. *(20 points will be assigned)*

*Application Tips: If you have checked any of the boxes above, describe the problem and provide documentation from the local and/or Washington State Department of Health of the condition. Material documenting the condition may be attached and referenced in the response. Documentation should at least include formal letters or advisories from the health department(s) describing the problem and making the declaration.*

## Integrated Planning and Priority Setting

## FY 2002 Water Quality Financial Assistance Application - Part 2

- C. Does the water quality problem to be addressed impair or threaten habitat of salmonid stocks or other aquatic species? Is so, check only **ONE** answer below and describe below. (Points are **not** additive, and will be assigned based on the criteria noted below and considerations noted in the Application Tips):\*
- The proposed project specifically and substantively addresses "Limiting Factor(s)" identified in a "Limiting Factors Analysis"\*\*\* for salmonid stocks prepared or approved by the State of Washington Conservation Commission or equivalent and current salmon recovery planning effort that is identified and described below. (0 to 50 points will be assigned), or
- The proposed project is in an area for which a local salmonid recovery plan such as Limiting Factors Analyses and Reports, basin analyses, etc have not been completed, but the proposed project implements specific and identifiable key action(s) in the *Statewide Strategy to Recover Salmon*. (0 to 30 points will be assigned), or
- The water quality problem to be addressed substantively impairs or threatens habitat of other threatened or endangered aquatic species. (0 to 25 points will be assigned based on the description provided), or
- Other wildlife habitat is adversely affected by the problem (0 to 10 points will be assigned based on the description provided).

**Special note: If you've checked one of the first two boxes above, you must complete the following and provide the description noted to receive any points in this section.**

Name of specific Limiting Factors Analysis or equivalent salmon recovery planning effort, \_\_\_\_\_ Date \_\_\_\_\_  
or specific references to the *Statewide Strategy to Recover Salmon*, (Describe below)

For "equivalent salmon recovery planning efforts" concurrence of equivalency from the Conservation Commission documented in a letter attached to the application is needed. Location of the letter in this application: \_\_\_\_\_

Note: A list of habitat limiting factors analyses and information on how to obtain electronic and hard copies of these reports is at <http://www.conserver.org/salmon/reports/index.shtml>. The Statewide Salmon Strategy is available at <http://www.governor.wa.gov/esa>, or through calling the Governor's Salmon Office at (360) 902-2216.

*Application Tips: Applicants must describe:*

- Which species are being impaired, and
- The status of species (endangered, threatened, critical, depressed, healthy, or unknown) and
- The quality and size of the area involved, and,
- The distance downstream between the problem and the impaired area, and
- The specific limiting factors/habitat impairments, and,
- **Specifically** how your project addresses the impairment, etc.

**\* PLEASE NOTE: Projects that address the removal or enhancement of fish passage barriers that do not impair water quality (as documented by the proposal) will not receive priority points in this criterion.**

**\*\*According to Chapter 246 RCW, Salmon Recovery Act of 1998 (ESHB 2496, see Volume 3 of the funding Program Guidelines)**

## Appendix A

## FY 2002 Water Quality Financial Assistance Application - Part 2

- D. Does the problem or threat affect primary contact recreation (swimming, or water skiing)?** If so, check one answer below and describe in space provided. *(Points will be assigned as noted below):*
- The problem to be addressed results in water body being closed an average of 30 or more days per year for two, or more, years. *(30 points will be assigned)*
- The problem to be addressed results in water body being closed an average of 5-29 days per year for two, or more, years. *(20 points will be assigned)*
- The problem to be addressed results in water body being closed an average of 1-4 days per year for two, or more, years. *(10 points will be assigned)*

*Application Tips: If you have checked any of the boxes above, describe the problem and provide documentation from the local and/or Washington State Department of Health of the condition. Material documenting the condition may be attached and referenced in the response. Documentation should at least include formal letters or advisories from the health department(s) describing the problem and closure area.*

*Special Note: Please remember, regarding all potential impairments, specific descriptions must be provided, and the project must directly address the impairment to receive points. Remember, no proposal will receive points for all (or even most) impairments, so please don't be overly "creative."*

- E.  Are agricultural or industrial water supplies adversely affected by the problem?** *(0 to 10 points will be assigned based on the severity of the impairment described)*

*Application Tips: Don't forget, quality/quantity impairments (for example, insufficient flows to meet agricultural or industrial water supply needs), if your project will address such flows.*

- F.  Is there aesthetic impairment (smell, color, visual aspect, etc) due to the water quality problem?** *(0 to 10 points will be assigned based on the severity of the impairment described)*

*Application Tips: Discuss the specific impairment and how long it lasts each year. Don't forget to link the project to the impairment, as needed.*



## Integrated Planning and Priority Setting

## FY 2002 Water Quality Financial Assistance Application - Part 2

G.  **Are the state's surface or ground water quality standards being violated by the problem to be addressed?** (0 to 20 points will be assigned based on the description provided).\*

*\*Please note: Approximately 5 points will be assigned for each parameter being violated. However, based on beneficial uses, severe violations may receive higher priority point assignment, and some parameters may have higher priority than others.*

*Application Tips: Be sure to describe: the source of information (e.g. 303(d) list(s), documented monitoring efforts), specific parameters violated, the seriousness of violation, (e.g. specific concentrations, frequency, and duration) of the violations, the downstream distance, and clear linkages to the problem to be addressed. If you need help to determine whether or not a water body is listed as impaired, a copy of the 303(d) list can be found on Ecology's web page located at <http://www.wa.gov/ecology/wq/303d/index.html>*

H.  **Will the project prevent degradation of water quality in waters that currently meet water quality standards, but water quality standards are in jeopardy of being violated?** (0 to 20 points will be assigned based on the description provided\*\*).

*\*\*Please note: Approximately 5 points will be assigned for each parameter being threatened. However, based on beneficial uses, severe incursions may receive higher priority point assignment, and some parameters may have higher priority than others.*

*Application Tips: Be sure to describe: the source of information (e.g. documented monitoring efforts), specific parameters, the seriousness of the potential violation, (e.g. trends toward violation, specific concentrations, frequency, and duration), downstream distance, and clear linkages to the problem to be addressed.*

FY 2002 Water Quality Financial Assistance Application - Part 2

I. Does the project develop or implement a Total Maximum Daily Load (TMDL)? If so, check ONE answer below and describe (Points will be assigned as noted below and are not additive):

[ ] The project substantively implements corrective activities (strategies) as outlined in the summary implementation strategy or detailed implementation plan of an approved TMDL (0 to 100 points will be assigned based on the description below of the number and the relative importance of the activities to be addressed).

[ ] The project is to partner with Ecology (see note below) in the development of a TMDL presently being developed or scheduled to be initiated during the period now through June 30, 2002, for one or more 303 (d) listed waterbodies (0 to 75 points will be assigned). To be assigned points, the applicant must describe how it will:

- 1. Coordinate with Ecology in the development of a scheduled (initiated by 6/30/02) TMDL study to:
2. Conduct modeling, and/or
3. Conduct sampling and data collection in accordance with an approved QAPP, and/or
4. Coordinate public outreach activities, and/or
5. Coordinate development of an implementation strategy

Note: Only applicants that demonstrate substantial independent capability in the description below and practical experience explained in Question Area III, will receive high priority in this sub-criterion.

[ ] The project implements specific actions to reduce pollution in a waterbody for a TMDL that is currently under development where actions have been recommended and documented (0 to 50 points will be assigned based on the description below of the number and the relative importance of the activities addressed AND the degree to which the TMDL is completed as explained below).

[ ] The project will conduct and produce specific follow-up monitoring components of an approved TMDL (0 to 30 points will be assigned).

Special note: If you've checked any of the four boxes above, you must complete the following and provide the description noted to receive any points in this section.

Name of TMDL Status (approved, pending, scheduled) Approval/scheduled date

Name of Regional Ecology TMDL staff contact Date of most recent contact

Application Tips: Explain which TMDL(s) are being addressed, the status of TMDL development (e.g. approved, under review by Ecology or EPA, etc.) and the direct linkage of your project, as outlined above.

\*For further information about location and status of TMDLs you may contact Regional Office TMDL Points of Contacts at: http://www.ecy.wa.gov/programs/wq/tmdl/contacts.html or Ron McBride at (360) 407-6469 or rmcb461@ecy.wa.gov.

## Integrated Planning and Priority Setting

## FY 2002 Water Quality Financial Assistance Application - Part 2

**J-1. Is the general public presently exposed to unrestricted contact with inadequately treated surfacing septage or raw sewage in a widespread area of human habitation (throughout a town, city, tribal reservation, etc.)?**

Yes       No

**OR**

**J-2. Is the pollution problem, which is directly related to domestic water supply, shellfish harvesting, or primary contact recreation considered to be a documented "Public Health Emergency or Severe Public Health Hazard by the State of Washington or local health district or department?**

**If the answer to either J-1 or J-2 is yes, answer the following questions, and provide letters documenting declarations.**

**1. Has a Public Health Emergency regarding this problem been declared by State Department of Health?**

Yes       No

**2. Has a Severe Public Health Hazard regarding this problem been declared by State Department of Health?**

Yes       No

**3. Has a Severe Public Health Hazard been declared by the local county health department?**

Yes       No

*Application Tips: If the answer is yes to any of the questions above describe the problem and provide documentation from the local and/or Washington State Department of Health (DOH) of the condition. Material documenting the condition may be attached and referenced in the response. Documentation should at least include formal letters or advisories from the health department(s) describing the problem and making the declaration. Formal declarations of a "Severe Public Health Hazard" or a "Public Health Emergency" must be in accordance with criteria noted in the Glossary to the Program Guidelines. Points under the subject area will be assigned as follows:*

|  |                       |
|--|-----------------------|
| <i>State DOH Declared Public Health Emergency:</i>     | <i>340 points, or</i> |
| <i>State DOH Declared Severe Public Health Hazard:</i> | <i>170 points, or</i> |
| <i>Locally Declared Severe Public Health Hazard:</i>   | <i>85 points</i>      |

*Special Note: Regardless of the determination above, please continue to answer all questions.*

## FY 2002 Water Quality Financial Assistance Application - Part 2

**III. How will your proposed project address the water quality problem, and what are your measures of success? (Category total: 340 points)**

**A. How will you solve or address the problems you have noted above with this project?** This is your opportunity to explain specifically what you are going to do to address the problem(s). **Up to 240 points** will be assigned based on the description provided. Points in 1, 2, 3, and 4 are additive.

1. Explain below the water quality goals, objectives, tasks, and other milestones of the project and how they will address the problem(s) explained above in Part 2 Section II in a timely manner, including a discussion of any new or unique approach proposed (0 to 140 points will be assigned).
  
2. Describe the proposed project management team (no resumes-please) and highlight its qualifications and experience in similar water pollution control projects, all experience completing grant or loan projects (including preparation of progress reports and completion of the similar projects in a timely manner and whether or not they were completed with State or Federal financial assistance) **OR** describe the specific criteria to be used to select the project management team.\* Also describe if any other agencies are involved in the project and the nature of their contribution and level of commitment to the project (0 to 30 points will be assigned).

*Application Tips: Describe specific objectives and goals (for example, "18 miles of Endangered Upper Columbia Spring Run Chinook spawning habitat will be restored," or "further degradation of the domestic water supply for 18,000 people will be prevented"). Tasks and milestones might include: "the first year, 9 miles of salmon habitat will be restored by doing a....b....c," "at least 4000 homes will receive low flow toilets, shower heads, and flow meters during the first year.....," "....."ordinances will be passed requiring....." etc. Discuss the timeframe for completion of the project and the efforts to complete the project in a timely manner.*

*\*Be sure to assemble a skilled project management team and outline its experience on projects like the one proposed; as Ecology's past experience with the applicant regarding the ability of the project team to complete the proposed project may be used in the assignment of points*

3. Cost effectiveness and affordability of the proposed project (0 to 20 points will be assigned).

4. Budget, (Complete the "Budget Worksheet" provided on the next page). Any proposed equipment purchase must be itemized as shown (0 to 50 points will be assigned).

Integrated Planning and Priority Setting

FY 2002 Water Quality Financial Assistance Application - Part 2  
Budget Worksheet

4.a. Major Work Tasks or Elements

|                    |      |                           |
|--------------------|------|---------------------------|
| Tasks or Elements: | Cost | Months Needed to Complete |
|--------------------|------|---------------------------|

1. Project Administration and Management
- 2.
- 3.
- 4.
- 5.
- 6.

*Application Tips: Tasks might include, for example, preliminary monitoring, fencing, riparian restoration, post-monitoring, etc. but must include as Task 1 "Project Administration and Management." Elements might include facilities planning, design, construction, construction management, preparation of O & M manual, etc but must likewise include Element 1. "Project Administration and Management."*

4.b. Type of Expenditures:

|   |          |
|---|----------|
| Salaries:   | \$ _____ |
| Benefits (?% of Salaries):                                      | \$ _____ |
| Contracts:  | \$ _____ |
| Materials, Goods, and<br>Services (List major items):           | \$ _____ |
| _____   | \$ _____ |
| _____   | \$ _____ |
| Total Materials, Goods, and Services                            | \$ _____ |
| Equipment (Please list):  |          |
| _____   | \$ _____ |
| _____   | \$ _____ |
| _____   | \$ _____ |
| Total cost of equipment:  | \$ _____ |
| Travel:   | \$ _____ |
| Other (Please Outline):   | \$ _____ |
| Total Direct Costs  | \$ _____ |
| Indirect Costs ( <b>Up to</b> 25% of<br>Salaries and Benefits): | \$ _____ |
| Total Project Cost:   | \$ _____ |

4.c. Funding Sources:

|  |          |                       |
|--|----------|-----------------------|
| Funds Requested from Ecology:                  | \$ _____ |                       |
| List other funding sources                     | \$ _____ | Funding Source: _____ |
| And amounts (including local funds,<br>If any) | \$ _____ | Funding Source: _____ |
|  | \$ _____ | Funding Source: _____ |
| Total Project Cost:                            | \$ _____ |                       |

**FY 2002 Water Quality Financial Assistance Application - Part 2**

- B. What is the likelihood that your project will be completed in a timely manner according to the schedule above, and what is the specific basis of this prediction? (0 to 50 points will be assigned based on the description provided)**

*Applicant Tips: Discuss local commitment to the project to ensure timely project completion, and include the rationale for the prediction (e.g. track record of applicant, etc).*

- C. How will you determine and report on the success of the project throughout its useful life, and how will the project's follow up needs be met financially after State assistance has ended? (0 to 50 points will be assigned based on the description provided)**

*Applicant Tips: Make sure your description includes the following discussions, as appropriate, for your project:*

- *Water quality monitoring before, during, and after implementation of the project to determine the effectiveness of the project at meeting goals and objectives, AND long-term commitment (including financial commitment to monitoring).*
- *Other measures of success; such as behavior or activity changes, public awareness, project visibility, etc.; and specifically how these will be determined - both in the short and long-term (e.g. surveys of 386 area households will be conducted at the initiation of the project, one year after the project has begun and 3 years after project completion. The surveys will determine a, b, c,.....).*
- *Examples of follow up needs might include continued water quality and/or flow monitoring, operation and maintenance, replacement, public involvement surveys (including survey intervals) etc.*



**Integrated Planning and Priority Setting**

**FY 2002 Water Quality Financial Assistance Application - Part 2**

**IV. What are some of the local initiatives you have taken that will help make your project a success? (Category total: 120 points)**

**A. Have necessary project prerequisites been completed and is the project ready to proceed?**

**Please Note:**

**A total of 0-90 points will be assigned based on the description of project prerequisites completed and the readiness of your project to proceed (please see “Application Tips”). Prerequisites include comprehensive planning, AND monitoring efforts, AND appropriate prior efforts and needed approvals. Points are additive to the 90 point maximum.**

**• Comprehensive planning:**

**A subtotal of 0 to 40 points** will be assigned based on the description of the relationship to and implementation of comprehensive plans. For example, statewide plans such as the *Washington’s Water Quality Management Plan to Control Nonpoint Source Pollution, Statewide Strategy to Recover Salmon, etc*; regional plans, such as the *Interior Columbia Basin Ecosystem Management Plan, the Puget Sound Action Plan, etc.*; local watershed management plans, such as Chapter 400-12 WAC plans, Watershed Planning Act plans (Chapter 90.82 RCW) (or similar planning efforts), sewer system and stormwater comprehensive plans, etc.

**• Monitoring efforts:**

The description of monitoring efforts (including water quality monitoring, public education surveys, etc.) will receive **0 to 25 points** assigned based on the description provided.

**• Prerequisite approval(s)/prior efforts:**

**• Substantive prior efforts** to complete the project **and prerequisite approval(s)** will receive **0 to 25 points assigned** based on the description provided. **(See next page)**



## FY 2002 Water Quality Financial Assistance Application - Part 2

**Please note: Check, discuss, as needed, and document any and all of the following that are appropriate for your project proposal: Points ARE additive to the 90 point maximum.**

### Comprehensive Planning (0 to 40 points)

- The problem to be addressed was identified in Statewide, regional, and/or area wide comprehensive planning effort(s) completed less than five (5) years ago (See previous page for examples). Outline and discuss below.

### Monitoring efforts (0 to 25 points)

- Monitoring study(s) and efforts (including water quality monitoring, public education surveys, etc.) have been conducted to determine the scope of the problem. Discuss below.

### Prerequisite approval(s)/prior efforts (0 to 25 points):

- Completed or  Substantially in progress of completing land acquisition (explain progress)
- Completed or  Substantially in progress of completing acquisition of easements (explain progress)
- Completed or  Substantially in progress of completing Hydraulic Project Permits (explain progress)
- Received all or  Substantially in progress of completing other environmental permits (explain)
- Completed or  Substantially in progress of completing interlocal agreements (explain progress)
- Completed or  Substantially in progress of completing staffing plans or procurement (explain)
- Completed or  Substantially in progress of completing SEPA (explain progress)
- For design (or design/construction) of wastewater facilities, facilities plan is approved (eligibility consideration; please attach approval letter).
- For construction of wastewater facilities, facilities design is approved (eligibility consideration; please attach approval letter).
- No such prerequisites are needed (e.g. public education projects); however, explain all other prior efforts to obtain local acceptance and interest in the project, and other such information needed to ensure completion in a timely manner.

#### Application Tips: Remember to.....

- Include reference(s) to the specific comprehensive plan(s), including dates of plans or updates.
- Describe the priority of the problem identified in the comprehensive plan(s).
- Describe the number and scope of plans addressing the problem, as appropriate.
- Explain the degree the proposed project addresses implementation of the comprehensive plan(s). **Please note: Implementation project proposals will generally receive higher priority in accordance with Legislative mandates. Projects specifically addressing comprehensive plans based on local consensus building efforts (e.g. Watershed Management Act Plans, updated Chapter 400-12 WAC plans, etc) will also receive higher priority than those that support statewide or regional planning alone.**
- Include date(s) and reference to monitoring study(s), and/or approval of the Quality Assurance Project Plan
- Regarding progress securing permits, etc., explain specific efforts to date.
- Describe other prior efforts, as needed.

## Integrated Planning and Priority Setting

## FY 2002 Water Quality Financial Assistance Application - Part 2

- B. How do you intend to provide the required match for the grant and/or repay the loan?**  
*(0 to 20 points will be assigned based on the description provided)*

*Applicant Tips: Remember to include the **specific** steps that **have been and are being** taken to ensure that the match or necessary dedicated revenue (for loans) is collected to ensure that the project is completed, such as establishing or adjusting user fees, or drafting or adopting ordinances, sale of reclaimed water, etc. If in-kind volunteer work or interlocal funds are to be used, include the status of the commitment of volunteers or status of interlocal agreements. Include timelines for steps to be taken.*

- C. How will you deal with any constraints on any of the sources of funds noted above?** *(0 to 10 points will be assigned based on the description provided)*

*Applicant Tips: Examples might include voter approval, receipt of other grants or loans, and time limitations associated with funding sources. Include the status, degree of certainty, and contingency plans if these other funds are not available.*

## Appendix A

## FY 2002 Water Quality Financial Assistance Application - Part 2

V. Are there any State of Washington or Federal mandates that this proposed project addresses?  
(Category total: 100 points)

A. Fiscal efforts of residential ratepayers and/or efforts to address nonpoint needs

How have the applicant and area residential ratepayers made fiscal efforts to finance water pollution control facilities and activities since 1972,

AND/OR

What has the applicant done to establish programs to address nonpoint source water pollution control needs in the area?

*(0 to 20 points will be assigned based on the description provided).*

*(Describe up to four of the applicant's most significant efforts)*

*Application Tips: List and describe, as needed, water pollution control efforts funded completely, or in part, by the applicant and ratepayers in the area since 1972, delineate progressive increases to user rates to meet water pollution control needs. List and describe up to four significant efforts of the applicant to establish programs to address nonpoint water pollution control needs (e.g. establishment of shellfish protection districts, wellhead protection districts, stormwater management areas, etc).*

B. Financial burden or likelihood the project would proceed without state assistance

For facilities design or construction projects, what would be the cost to residential ratepayers if they had to finance the construction of facilities without state assistance, and how did you calculate these costs?

OR

For nonpoint source control activities and facilities planning projects, what is the likelihood that the project would proceed without state assistance?

*(0 to 10 points will be assigned based on the description provided)*

*Application Tips: Show how computations and assumptions were made and discuss, as needed.*

**Integrated Planning and Priority Setting****FY 2002 Water Quality Financial Assistance Application - Part 2**

- C. How does the project involve water conservation and/or the development of facilities to provide reclaimed water to replace potable water in non-potable applications? (0 to 30 points will be assigned based on the description provided)**

*Application Tips: If applicable, describe how your project will employ water conservation, and/or provide reclaimed water to replace or supplement existing surface and ground water supplies and to assist in meeting the future water requirements (e.g. domestic non-potable applications; agricultural, industrial, recreational needs; fish and wildlife habitat creation, preservation and, enhancement; and preserve potable water for domestic uses).*

## Appendix A

## FY 2002 Water Quality Financial Assistance Application - Part 2

Special Note: The following two questions (D-1 and D-2) were developed to acknowledge the statutory recognition of both remediation of existing (compliance related) water quality problems, AND preventive projects. Although some projects have both remediation and preventive components, answer only the question that best fits your project. Points will only be assigned for one answer.

**EITHER**

**D-1. How does the proposed project primarily address an administrative order or specific discharge permit requirement?** (0 to 40 points will be assigned based on the description provided)

*Application Tips: Describe and attach copies of court orders, enforcement orders, portions of discharge permits, and/or other regulatory orders that require the action(s) proposed in your project. Include required compliance schedules.*

**OR**

**D-2. How is the proposed project primarily preventative?** (0 to 40 points will be assigned based on the description provided)

*Application Tips: Describe the preventive aspects of the project, e.g. construction in advance of water quality standard violation, public involvement and education to keep pollutants out of our waterways, etc.*

To the best of my knowledge, this proposal is complete (including any attachments) and is accurate:

\_\_\_\_\_  
Preparer's Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**VI. Local Priority-Setting Process (Category total: 100 points)**

In order to receive points in this portion of the application, applicants must submit a "Statement of Agreed Priority" according to Local Priority-Setting Process. (Please see the Appendices to the *Water Quality Program Financial Assistance Program Guidelines for Fiscal Year 2002* for further explanation).







