



Meeting Location: **Dept. of Commerce, Columbia River Room, Bldg 5, 1st Floor, 1011 Plum ST SE, Olympia, WA 98504**

Agenda Item	Action	Page	Time
A) ADMINISTRATION			
1. Call to Order: <i>Stan Finkelstein</i>			8:00
2. Welcome and Introductions			8:02
3. Approve Agenda: <i>Cecilia Gardener</i>	Action	1	8:05
4. Meeting Minutes for December 12, 2015: <i>Barbara Smith</i>	Action	5	8:10
5. Executive Director Update: <i>Cecilia Gardener</i>		19	8:15
6. Department of Commerce Update: <i>Mark Barkley</i>	Verbal		8:30
7. Department of Commerce Indirect: <i>Connie Robins, Deputy Director</i>	Verbal		8:35
B) CONTRACTING			
1. DWSRF Ritzville Time Extension Request: <i>Jill Nordstrom</i>	Action	25	8:50
2. DWSRF Second Loan List: <i>Janet Cherry & Michael Copeland</i>	Action	27	9:00
BREAK – Adjourn to attend Public Hearing for HB 2146, John L. O’Brien Building (JLOB), House Hearing Room #B – Map of Capitol Campus			9:30
LUNCH			11:30
C) POLICY & PROGRAM DEVELOPMENT			
1. Discussion: Attorney General Opinion: <i>Ann Campbell</i>	Informational	41	12:00
2. Strategic Plan Work Update: <i>Committee Chairs, and Lead Staff</i>		47	12:10
3. Online Training Initiative & Academies Update: <i>Ann Campbell</i>		49	12:30
4. Legislative Session Update: <i>Cecilia Gardener</i>		51	12:40
D) INFORMATION & OTHER ITEMS			
1. Small Communities Initiative Quarterly Report	Informational	59	1:00
2. Board Committee Updates	Verbal		1:05
3. Board Member Updates	Verbal		1:15

Note: Anticipated time of Adjournment is 1:30 pm

NEXT BUSINESS MEETING SCHEDULED: March 4, 2016, at the Department of Commerce, Olympia, WA.

Department of Commerce, 1011 Plum Street SE, Olympia, WA 98504-2525.

Contact the Public Works Board at (360) 725-2744 for further information.

This publication is available in alternative format upon request. Meetings sponsored by the Public Works Board shall be accessible to persons with disabilities. Accommodations may be arranged with 10 days’ notice to the Public Works Board at (360) 725-2744.

TAB A Administration



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

**PUBLIC WORKS BOARD BUSINESS MEETING MINUTES
DECEMBER 11, 2015**

Department of Commerce, 1011 Plum Street SE, Olympia, WA 98504

Board Members		Guests Present:	Staff Present:
Present:	Absent:		
Stan Finkelstein, Chair		Blair Burroughs, Washington Association of Sewer & Water Districts	Cecilia Gardener, Executive Director
JC Baldwin (<i>via phone</i>)		Janet Cherry, Department of Health	Jacquie Andresen
Pam Carter		Mike Copeland, Department of Health	Mark Barkley
Jerry Cummins		Ginger Eagle, Washington Public Ports Association	Carrie Calleja
Mary Margaret Haugen		Ed Hildreth, City of Tumwater	Ann Campbell
Scott Hutsell		Karen Klocke, Department of Health	Cindy Chavez
Diane Pottinger		John Kounts, Washington Public Utility Districts Association	Isaac Huang
Matt Rasmussen		Jeff Nejedly, Department of Ecology	Rodney Orr
Bubba Scott		Kathryn Wyatt, Attorney General's Office	Cathi Read
Lisa Wellman			Barbara Smith

A. ADMINISTRATION

- 1) Call to order: Stan Finkelstein called the meeting to order at 9:11 am.
- 2) Welcome and Introductions.
- 3) **ACTION: Jerry Cummins moved to approve the agenda as presented. Pam Carter seconded the motion. MOTION APPROVED 9-0** (Baldwin, Carter, Cummins, Haugen, Hutsell, Pottinger, Rasmussen, Scott, and Wellman).
- 4) **ACTION: Pam Carter moved to approve the October 22, 2015, meeting minutes as presented. Matt Rasmussen seconded the motion. MOTION APPROVED 8-0** (Baldwin, Carter, Haugen, Hutsell, Pottinger, Rasmussen, Scott, and Wellman). Jerry Cummins abstained because he wasn't at the meeting.
- 5) Recognition of Outgoing Member: Stan Finkelstein presented a plaque to outgoing Board member Ed Hildreth and thanked him for his service to the Public Works Board. Finkelstein read aloud a letter from himself and another from Commerce Director Brian Bonlender, praising Hildreth for his service on the Public Works Board. Hildreth said it was a privilege to serve on this Board, which is one of the few things that government does right. He stated that it's been a privilege to work with each member, and that he holds all of you in high regard. Including a wonderful, professional staff.
- 6) Executive Director Update: Cecilia Gardener briefed the Board on recent activities. We have received permission from the Governor to move forward with two of our policy bills: one adding Ports to the eligible jurisdictions, and one modifying selection criteria and interest rate setting methodology. These were approved and now need legislative sponsors. We were asked to rescind the request to add legislative members to the Board. We are still waiting to learn whether the \$20 million request for emergency funds is included in the Governor's budget. The Governor has to



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

release his budget proposals by the 20th of December; we think it will come out on Friday the 18th. If we do a loan list we need to get applications in by March 2016. Staff are still working on this. We might have to do two lists; one that addresses current law and one that addresses the changes proposed in legislation. Isaac Huang will guide that process.

The Policy Committee met this morning. The Communications Committee will meet after this business meeting. We ask that the chairs of those committees report on that later on in the agenda. We need to address the committee membership. We are reduced in our membership, and we might want to reevaluate and blend some committees together. For example, combine the standing Communications Committee with the Strategic Plan Communications Committee. Staff would like to hold committee meetings on the afternoons of Board meetings. If everyone would try to accommodate that, it would be appreciated. JC Baldwin stated that for those with a long drive, holding them the afternoon before the Board meetings would be preferable, but she'll go along with whatever the Board decides. Lisa Wellman suggested that we think about doing a 7:30 am to 9:30 am committee meeting on Friday mornings before the Board meeting, then start the Board meeting at 9:30 am.

Lisa Wellman asked why, when we voted as a Board to have legislative members, that we have to go to the Governor to ask for his approval? Cecilia Gardener replied that this links to the Attorney General Opinion discussion that will occur later in the agenda. Kathryn Wyatt replied that she doesn't think we need the Governor's approval for this.

Mary Margaret Haugen stated that maybe we should ask the legislature to take out the proviso language they put in (adding additional criteria), so we could go forward. Cecilia Gardener replied that the proviso has a sunset, and unless it's refreshed, it will expire. They have renewed it twice. The language we are proposing modifies part of that selection language, so we can move forward. Haugen responded that someone needs to go up on the hill and explain that they are hampering the Board. That they have actually caused us a real problem because of this language.

- 7) Department of Commerce Update: Mark Barkley presented a revised organizational chart showing the new structure of the Local Government Division (LGD). This will have no effect on the Boards Unit staff or the Boards themselves. LGD is absorbing the Community Capital Facilities Unit from another division. Bill Cole is the current Managing Director of that unit and will remain so. This unit was a part of the LGD previously, and now is moving back. Bill Cole will come to the next Board meeting to give you an overview of that unit's work.

Mark Barkley then went on to speak about the work surrounding the Results Commerce initiative. This is Commerce's effort to align itself with functions and efforts of the statewide Results Washington initiative. We're trying to identify the specifics of what LGD does to support Commerce. The Board's Strategic Plan is part of this. We want to create a division level strategy and biennial framework. Barkley went on to thank staff and acknowledge the work they are doing with increased workload due to staff reductions. We recognize the burden on the staff, and we are trying to identify ways to streamline things as much as possible. This will be part of our legislative effort, as well.

Diane Pottinger asked how many people the new Community Capital Facilities Unit will bring to the



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

Division. Mark Barkley replied seven staffers and a Managing Director. The unit manages direct appropriation projects awarded in the capital budget.

Cecilia Gardener stated that in her 25 years with the Board, it has been up and down in regards to our relationship with the agency. At this time we have the best relationship with the agency that we've ever had. Mark Barkley has really been a great supporter of the Boards, and the agency is supporting the Boards' efforts.

- 8) Department of Commerce Indirect: Mark Barkley introduced Connie Robins, the new Deputy Director of the Department of Commerce, to give an update to the Board on the new proposed indirect rate. She provided some background on herself and stated that she plans to attend all the Board meetings. Robins was appointed as the Agency's Deputy Director on November 1. She has a particular interest in continual improvement and performance management. Barkley and Cecilia Gardener asked Robins to give the Board an update on the proposed changes to the Indirect Cost Plan, and how this might affect the Board. The Department is required to have this plan in place by their federal funders. The intention of that plan is to identify the support services it takes to support the agency's programs; the agency is tasked with identifying the best way to provide those services. These services include the back office activities that are not specifically identifiable to one program, e.g., payroll, accounting, budget, human resources, IT, etc. Commerce is charged with coming up with an indirect rate reflective of each program's needs. An example of this would be where Commerce has grants and loans: the contracting and reimbursements take a certain amount of IT to manage, certain maintenance of contract templates, etc. This is necessary for a contracting program, but not necessary for a direct service related program. Right now the method the agency uses is to charge per Full Time Employee (FTE); each program pays the same rate per FTE. Basing the indirect rate on salaries and benefits doesn't take into account that programs are different. Commerce is looking at a differentiated rate based on operating expenditures, salaries, benefits, goods and services, etc. with a different rate on pass thru money. One of the goals is to treat all funds the same. Our current rate is 35% on salaries and benefits. The change that we're looking at, by running different scenarios, is 18% on all objects and a quarter of a percent on pass thru monies.

Stan Finkelstein asked what would be the impact if we have \$200 million in appropriations for loans, versus what it would be under the old system. Cecilia Gardener interjected that the indirect charge is based on funds drawn, not appropriated. Gardener replied that the change of indirect charging methodology would not go into effect until July 2016. When Board clients draw more than \$40 million in a biennium, the new indirect rate methodology would cost the Board more than it is currently paying. The Board cannot adjust capital projects because they are approved by the legislature. So we would need to ask the legislature for additional operating money to cover the indirect on our capital funds. This Board and CERB are unique in the agency in that way.

Connie Robins explained that the Housing Trust Fund also has both a capital and an operating appropriation. Mark Barkley specified that the total indirect cost is not increasing. Robins agreed and explained further that what is under consideration is the manner in which the indirect charges are collected from the different programs. Commerce is required to put together an Indirect Cost Plan. We need to understand the proposals' impacts. Commerce needs to know if this method doesn't better align costs with support services. The current method is not reflective of how programs actually use those support services.



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

Diane Pottinger responded that from a water utility, it is a cost of service study. It's very similar. She directed the following question to Mark Barkley: There were a number of projects in the state appropriations that could have been funded by the Public Works Board. Is this a shift of money from the \$73 million that was in the state? Cecilia Gardener replied no, the \$73 million didn't fund the capital budget; it went to the general fund. Mark Barkley replied that Cindy Chavez has been working closely with the budget staff upstairs. This is still being studied as to how it will impact all the different groups and programs. We will be sure to keep you updated on this in the future.

Stan Finkelstein responded that he can understand the horizontal equity question. The first question, as he understands it, is it appears as if there has not been an effort to individually look at each program to see if there is equity in the use of services? Connie Robins agreed with Stan's statement. Commerce did not do an analysis of each program's use of support services. Doing the indirect rate is a manual process. There's a level of granularity that we can't administratively perform. Stan Finkelstein replied that his second question is: We've been in a peak and trough for the last few years. Doesn't that create a peak and trough revenue stream for the agency? How will we reconcile the problem? Connie Robins replied that the volatility of capital funds is a part of what at the agency is reviewing. Clearly the Public Works Board is an example of those peaks and valleys. Commerce has that in another part of the agency as well and is looking at this at the agency level.

Diane Pottinger stated that her Water District has to do a water system plan every six years. How often do you have to look at this indirect plan? What is the driver? Connie Robins replied that we submit a plan to HUD every year. There is no rule specifying a review every X number of years. Bottom line is Commerce is required to submit a plan annually. Pottinger asked what is prompting this change. Robins responded that there are people who have worked through the current process who feel that it is not in alignment.

Connie Robins stated that the two different tiered rates are modeled after the Department of Health's (DOH) plan. Gardener identified that the Board will have to negotiate on an interagency agreement for one year with DOH to cover the increase in administrative charges based on the proposed indirect cost methodology. Stan Finkelstein asked what the amount is. Gardener replied that \$68 million is the capital grant, so the cost would be based on the presumed amount of loan/grant draws during the one year period. An exact figure is not possible at this point in time.

Cecilia Gardener stated that two years is the current window for DOH to take the DWSRF program over completely. Right now they are in the midst of developing the IT necessary to assume the program. Mark Barkley interjected that the transfer is still pending legislative approval. The bill is still moving forward. Gardener agreed that nothing can change until DOH's bill passes. She doesn't think there was a deliberate hold on the bill, just too much competition for legislative attention in the last session.

Mary Margaret Haugen stated that some of the smaller agencies have pulled out of Commerce due to the high indirect rate. Cecilia Gardener affirmed that a few years back, the Department of Archaeology and Historic Preservation (DAHP) was pulled out of the Department of Commerce, because the cost of doing business in the agency was so high. Haugen asked if other groups might leave Commerce for the same reason. Gardener replied that there is a cost of doing business when



Washington State Public Works Board

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

you are part of an agency. Nevertheless, Commerce provides us with administrative functions. Stan Finkelstein responded that we've gone through this several times over the years. It's always controversial. He would hate to see adverse impacts that further erode Commerce's ability to provide high quality services. Gardener wants to invite Connie Robins back in January to share what the Agency submitted for final consideration to HUD.

B. CONTRACTING

- 1) PWAA Quarterly Contract Report: Jacquie Andresen presented the Quarterly Contract Report to the Board. She pointed out that the dollars disbursed are low. We had a huge push last biennium, so we had a much larger amount last quarter. We've been checking with clients, and we know we have a handful coming in soon. Cecilia Gardener added that we anticipate all contracts will be completed by the end of this biennium. Stan Finkelstein asked what about DWSRF? Gardener replied that the Federal Unit administers those contracts, not Public Works Board staff.

John Kounts asked staff to clarify where we are with the contracts. You're saying all the draws will be taken by the end of this biennium? You still have loan repayments, but the construction portion, the contract management will be over? Cecilia Gardener replied that is correct. Loan repayments happen once a year, and the agency processes those. Cindy Chavez does a lot of that work. Kounts asked what is the date you anticipate seeing the last draw go out. Gardener replied it might trickle over to the next biennium. There might be some stragglers, so possibly there may be draws through the end of Calendar Year 2017. Scott Hutsell asked how many dollars are left to draw. Cindy Chavez replied she thinks it's about \$85 million.

- 2) DWSRF Quarterly Contract Report: Jill Nordstrom presented the DWSRF Quarterly Contract Report to the Board. There were five new contracts issued in the last quarter, down from 14. The last of the 2015 contracts are getting out the door. There were a few stragglers with changes to scopes of work based on unanticipated issues. This is the last time we'll be reporting on direct appropriations. All Board funded direct appropriations have been completed. The next time you'll see DWSRF contracts only. Scott Hutsell asked how many contracts are in direct appropriations. Nordstrom replied 14, and those include some random sources.
- 3) DWSRF 2016 Municipal and Non Municipal Boilerplates: Jill Nordstrom presented the changes to the 2016 DWSRF Municipal and Non-Municipal contract boilerplates. Diane Pottinger responded that when her organization was audited, they were audited very closely on each and every paragraph on her DWSRF contract.

ACTION: Pam Carter moved to approve the changes to both of the contract boilerplates as presented. Bubba Scott seconded the motion. MOTION APPROVED 9-0 (Baldwin, Carter, Cummins, Haugen, Hutsell, Pottinger, Rasmussen, Scott, and Wellman).

- 4) DWSRF 2015 Emergency Loan Municipal & Non-Municipal Boilerplates: Jill Nordstrom presented the changes to the 2015 DWSRF Emergency Loan Municipal and Non-Municipal contract boilerplates. The Department of Health is putting forward an emergency loan program, and these are the boilerplates that would support that. Diane Pottinger asked about Item 15, Attachment 4 – in an emergency situation I need to replace a main, I contact you guys, how do I do a competitive bidding process? Nordstrom replied that you have specific emergency contracting procedures to follow. Your Board needs to approve an emergency declaration, and then follow those procedures. Contact



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

the Department of Health and ask them to review your procedures. Mark Barkley responded that these procedures should be in the guidelines, up front, and in red. Our contract specialists should be asking for that documentation. Nordstrom replied that there is also good information on the Municipal Research and Services Center (MRSC) website about issuing emergency contracts.

ACTION: Matt Rasmussen moved to approve the changes to both of the contract boilerplates as presented. Jerry Cummins seconded the motion. MOTION APPROVED 9-0 (Baldwin, Carter, Cummins, Haugen, Hutsell, Pottinger, Rasmussen, Scott, and Wellman).

C. POLICY & PROGRAM DEVELOPMENT

The discussion on the Attorney General Opinion was moved up on the Agenda to accommodate AAG Kathryn Wyatt's schedule.

- 1) Discussion: Attorney General Opinion: Ann Campbell presented the latest draft of the letter requesting an opinion from the Attorney General regarding the Board's independence. The Board has been wrestling with the concept and wording of this request since the retreat in July. The idea is the result of AAG Kathryn Wyatt telling the Board that, in her opinion, they are distinct and independent from the governor. There are three options on how to move forward on the table. There is no staff recommendation. The Board may devise and move forward with an option not currently outlined. Kathryn Wyatt emphasized that this is a draft, a work in progress. It distills a lot of thinking and discussion that has already taken place. On Page 3, third paragraph from the bottom, last two sentences, in the next draft there should be some additional language along the lines of "With no authority to challenge or advocate for a differing position."

Lisa Wellman responded that she has a problem with the word "prior." What she just heard is that before we go to the Governor we could advocate for something else? Kathryn Wyatt replied, not exactly. The sentence questions whether you need to abide by the Governor's decisions. Wellman responded that she recognizes that our staff reports to the Department, and the Department reports to the Governor. In terms of goodwill and respect, I have no problem in determining whether the Governor wishes to promote some stand we have taken. I think as a courtesy we should invite the Governor to do that. Cecilia Gardener identified two current examples: 1) We have a supplemental request for emergency funds, and 2) The Governor has requested that the request to add legislative members to the Board structure be withdrawn.

Kathryn Wyatt responded that there is a capital budget request from the Public Works Board through the Department of Commerce, to the Governor, for emergency funds. Does the Board have the authority to challenge the Governor's request? Mary Margaret Haugen responded that the Governor's budget is just one budget, the legislative budget is another. She was there at the founding of the Board. We are an independent body and we need to act like one. I have a problem with you saying the Governor decided and you have to abide by that. Wyatt clarified that once the legislature adopts a budget you have to abide by that.

Lisa Wellman replied that the Board decided it would be to our benefit to have legislators sitting on our Board. It would give us champions and a direct line to the legislature. Moving forward, we could do a lot of different things. I have no problem asking the Governor to propose that to the Legislature. Maybe we need to go directly to a legislator to sponsor this? I'd like to go directly to the



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

Governor with this. Cecilia Gardener replied that we did that. Wellman asked, so is it dead now? Cecilia responded that we already pulled the Agency request for legislation to change the Board's composition at the Governor's request. There wasn't an explanation why we were asked to do this. The proposed bill could be sponsored by legislators independent of the Governor's support. Gardener thinks that there is a concern about mixing the executive and legislative branches.

Stan Finkelstein interjected that he thinks we're getting away from what Kathryn said earlier. Do we all agree with Kathryn's suggestion? Kathryn Wyatt responded that another thing that really needs to be emphasized is the question you'll be submitting is a question of the extent of your authority to act. Not whether or not you would choose to act on that authority. For example: "Question: Does the Public Works Board have the authority to lobby for positions that counter the Governor's position?" Distinct from whether or not you should or should not. Mary Margaret Haugen replied that fewer words are better. Wyatt responded that there is a format for submitting for an opinion, and that's why this is four pages long. It includes background and context. The very last page is the succinct question that is asked.

Diane Pottinger asked does the Board have the authority to lobby in support of policy and budget positions. Or do we want to do this? Kathryn Wyatt responded that it's only been in recent years that there has been a position contrary to the Board's agenda. Stan Finkelstein asked does the Board have the authority to retain others to lobby on their behalf in support of their agenda. Wyatt replied that she did some research on that. The answer is there is nothing prohibiting the Board from contracting with someone else to do lobbying. Whether or not to do that is a decision of the Board. There is no legal obstacle. It could be done by a member of the Board or an independent contractor.

Diane Pottinger interjected that she wants to remove "positions advanced by Governor and Department of Commerce." Strike that and replace it with "the Governor and other agencies." Stan Finkelstein asked if we can then lobby against the Department of Natural Resources or the Treasurer. Cecilia Gardener replied that is a separate question. The question is what our authority is. What you do with it, if you do or do not get it, is a separate issue. Finkelstein asked what if the Treasurer proposes rolling the PWAA into a state bond pool. I want to have the authority to oppose that. Kathryn Wyatt replied that it's fairly accepted that you can lobby for positions contrary to other state agencies. Finkelstein replied that he doesn't like the ambiguity. Gardener replied that she agreed, let's put it all in there, and make it as clear as possible. Pam Carter asked if you put other state agencies, would it be clear if you were only calling out Executive agencies. I think you need to be clear on that. Jill Nordstrom said that the terminology is "Cabinet" or "Non Cabinet." Any elected official is a non-cabinet agency. Carter replied that we need to ask about both of those types of agencies.

Kathryn Wyatt responded that these are all good questions about what lobbying entails. I've run this question before our solicitor general's office. In the beginning I had asked about advocating, but the solicitor general's division suggested using the term lobbying. They will be answering the ultimate question. Cecilia Gardener replied that Sandra Adix is the Agency's AAG. She asked if Wyatt connected with Adix. Wyatt replied that she has not; she is waiting until after this meeting to see where the Board stands in a public setting.

Diane Pottinger responded that she had submitted an AGO opinion in 2009. They did a lot of



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

background like Ann Campbell has done here. She greatly appreciates what Campbell has done. It has answered the question so succinctly, that every jurisdiction in the state can use that opinion. Are we going to tick some people off by bringing this up? Kathryn Wyatt replied that is not for her to say. It sounds like it's a bit of a contentious topic. You should weigh your policy steps and your own survival as a Board. That's not legal advice. The request will be out there; you would be on record for having asked this question. The public and other agencies will have the ability to comment on this question once it's posted on the AGO website. Cecilia Gardener replied that is one of the concerns: that other boards will want to jump on this bandwagon. The other concern is what you do with the authority. Wyatt replied that the question is determining the Board's scope of authority to do certain things. I always advocate for clarity in the law. We want the law to be known to the people it affects. The law is out there. I've given you my opinion as your assigned AAG. I'm fairly confident that's the answer you would get. From a legal standpoint I think it's beneficial for people to be clear on the law. You've already asked me, and I've given you an answer. It is not right or wrong whether you do this. Once you do, however, it becomes a binding legal precedent. I always encourage clients to weigh that before making the decision to go forward.

Mary Margaret Haugen pointed out that Governor Inslee is listed by name. Do you want to make that more generic? Kathryn Wyatt replied that you might want to make that generic to avoid "poking the bear." Scott Hutsell responded that this issue is coming directly from this Governor. Cecilia Gardener replied that it's only this Governor that has set the precedent of changing the loan list. This didn't happen with previous Governors.

Scott Hutsell responded that he thinks this thing has to be. I think we need to know a little bit more as to where we are at. There are people on the hill who think the Governor runs us. There are people who think the administration of the agency runs us. I think we need to clarify this. It helps us in the eyes of the legislature. When we go up there now, they think we're talking for the Governor. We need to make legislators aware we're acting as a Board, not on behalf of the Governor.

Matt Rasmussen asked what the advantage of asking the question is. If they tell us to stop, we can stop, and we didn't stir up the hornet's nest. Scott Hutsell responded that sounds good until you realize there are people upstairs who won't abide by this until we have an official opinion. Stan Finkelstein replied that his understanding is that when the Governor proposes the budget, he cannot change the budgets of the Supreme Court, and the legislature, and budgets of those elected officials. What we're asking is, do we have the authority to advocate for \$100 million dollars if the Governor only proposes \$59 million dollars? Mary Margaret Haugen replied that we need to be clear we are advocating for the Board and not for the agency.

Pam Carter asked about the November 5th meeting with the Governor's staff. Cecilia Gardener replied that yes we met with them and Stan Finkelstein and still haven't gotten a response regarding the opinion request letter. No appointments to the Board have come through, either. They did call Kathryn Wyatt for clarification. Wyatt clarified the Board is only asking for scope of authority, not whether or not to use it. Carter asked what was discussed. Gardener replied the Agency, Brian Bonlender, and the Governor's staff were in the room with me, Mark Barkley, and Stan Finkelstein. I tried to ensure full disclosure and clarity; so that everyone knew exactly what the Board was attempting and that there were no surprises. Kathryn Wyatt reiterated as much to the Governor's staff. What they said they are asking is what they are asking: What is the scope of the Board's



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

authority.

Mary Margaret Haugen thinks you've done a good job and you should proceed. Diane Pottinger responded by asking how long the process may take. Kathryn Wyatt replied that it's about a three to six month time frame.

Stan Finkelstein asked Cecilia Gardener to please speak to the three options: their pros and cons. Gardener replied by stating that we have talked a lot about the question. Now let's talk about what you may or may not do with that question. There are political ramifications to utilizing that authority. If you go out contrary to the Governor, you are isolated and alone. If we go out in step with the Governor, there is some advocacy on our behalf by the executive branch. It has never come to pass before now, which is why we called out the specific Governor in this paper. I want you to be very clear on the pros and cons of this. Maybe reach out to learn how other groups might feel before you implement a decision. Politics is a wily creature and it's unpredictable. If you need research and data, that is what staff is here to do for you, so you can go forward and make good decisions. Finkelstein asked if Gardener had received any feedback from Brian Bonlender or the Agency on this. Gardener replied that Bonlender's concern is the domino effect: how does this affect the Governor and other boards? Mark Barkley replied that Nick Brown stated they will follow the law. All we are looking for is a clear direction. I think it's a good question and I like it.

Connie Robins stated that she hasn't had any conversations with Brian Bonlender on this. Mark Barkley responded that Bonlender's role is to make the Governor fully aware that we are doing this, so the Governor is not caught off guard. To me, the silence from Nick Brown is deafening. Without a no, it's almost a statement to go forward.

Stan Finkelstein asked if there had been any feedback from the Governor's office on appointments. Mark Barkley replied that Keith Swenson said he's working those three applicants for the Board, and hopefully we'll have some identified by the next Board meeting.

Stan Finkelstein asked if we should wait until January, or make a decision now. Cecilia Gardener replied that timing is not relevant. Her guess is that the budget is pretty well ready to go now. Matt Rasmussen replied that he thinks we should just do it. If we wait until the budget, and we don't get what we want, it will be perceived as retaliation. Jerry Cummins replied that if we really want an answer, that is the question. Not whether or not this creates a domino effect. JC Baldwin responded that she is fine with the discussion.

ACTION: Matt Rasmussen moved to accept Option A as outlined in the memo provided by Ann Campbell. Lisa Wellman seconded the motion. Discussion: Pam Carter supports the motion; she just wants us all to be clear as to what changes need to be made to the wording. Is there anything else on Page 3, third paragraph from bottom? We talked about taking "Inslee" out. Were there any other changes? Diane Pottinger replied that she thinks we were going to make the question a little simpler and take out "Department of Commerce" and instead say "Cabinet or Non-Cabinet agencies." Stan Finkelstein asked do you want to lobby against all state agencies, or just the governor. Mary Margaret Haugen replied that we still have a responsibility to work within our mission. Finkelstein asked are you willing to defer to Kathryn Wyatt and Ann Campbell to wordsmith this, with final approval by the Board. **Mary Margaret Haugen motioned to give authority to**



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

Kathryn Wyatt and Ann Campbell to wordsmith this before the 18th, as a friendly amendment to the original motion. Matt Rasmussen seconded the friendly amendment. MOTION APPROVED 9-0 (Baldwin, Carter, Cummins, Haugen, Hutsell, Pottinger, Rasmussen, Scott, and Wellman).

B. CONTRACTING, *continued*

- 5) DWSRF Late Fee Waiver - Napavine: Jill Nordstrom presented a request to waive the loan repayment fee from Napavine. They have come in with a time extension request previously. They completed their LID in November. They incurred a late fee on their loan repayment. They are requesting a waiver of that fee. We don't anticipate any problems with their close out.

ACTION: Diane Pottinger moved to approve the late fee waiver request as presented. Pam Carter seconded the motion. MOTION APPROVED 9-0 (Baldwin, Carter, Cummins, Haugen, Hutsell, Pottinger, Rasmussen, Scott, and Wellman).

- 6) DWSRF Contract Extension – Omak: Jill Nordstrom presented a time extension request through 12/31/2017 from Omak. They requested this based on some delays they've had in transferring water rights, wildfires, etc. They are 2% complete. They are going to drill two test holes, but drill one first, test it, then drill the second. Matt Rasmussen asked did they award in November as stated. Nordstrom replied it looks like it's going to happen, they have sent out contracts for signature, but there are still some concerns. Scott Hutsell asked is the water right transfer complete? Nordstrom replied yes it is now complete. It was challenged by the Colville Tribe. That has either been dropped or resolved. Hutsell asked when was this originally awarded. Nordstrom replied this was a 2011 contract. Diane Pottinger responded that it happens sometimes. Hutsell thinks they should have been aware of the potential water rights issue. Four years to get to this place isn't good. Nordstrom responded that in the future this shouldn't happen; the Department of Health is restructuring their process. Given the complexity, we're going with two years in case they run into more issues.

ACTION: Pam Carter moved to approve the contract extension request as presented. Jerry Cummins seconded the motion. MOTION APPROVED 9-0 (Baldwin, Carter, Cummins, Haugen, Hutsell, Pottinger, Rasmussen, Scott, and Wellman).

- 7) DWSRF Loan List Approval: Janet Cherry and Mike Copeland from the Department of Health presented the DWSRF Loan List for the Board's approval.

RECUSALS – Diane Pottinger recused herself for Morse Lake Pump Station, List A.

The Board chose to defer consideration until February of the B list. The C list consists of ineligible applicants and is provided for informational purposes.

Lisa Wellman asked if this is between the \$53 million requested and the \$65 million available. With additional ones you may come closer to the 65 figure? Janet Cherry replied yes.

John Kounts stated that the lack of demand makes this look bad. How much latitude do you all have? Will you be absorbing those 10 million dollars? Janet Cherry responded that it's difficult for a new project to come in now that the deadline is passed. We will have additional application windows opening in January and February 2016. Our intent is to do outreach for the next



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

construction cycle, which is August 1 through September 30, 2016. Our hope is that people come in earlier so we can work with them.

ACTION: Mary Margaret Haugen moved to approve the DWSRF A Loan List as presented. Lisa Wellman seconded the motion. MOTION APPROVED 8-0 (Baldwin, Carter, Cummins, Haugen, Hutsell, Rasmussen, Scott, and Wellman). Diane Pottinger recused herself from the vote.

C. POLICY & PROGRAM DEVELOPMENT, *continued*

- 2) Strategic Plan Work Update: Cecilia Gardener, Stan Finkelstein, Lisa Wellman, and Ann Campbell met with stakeholders yesterday, trying to build some energy moving forward on the Strategic Plan. The Washington Public Utility Districts Association (WPUDA) is still a staunch supporter; thank you John Kounts. The Washington State Association of Counties (WSAC) provided some good ideas for things in the future, even though they are not high users of the Board's programs. Ann Campbell, Cecilia Gardener, and Scott Hutsell attended the WSAC Conference. We saw more support from counties than we've seen in a very long time. We are also working with Rhys Roth's group from the Center for Sustainable Infrastructure. We had a Policy Committee meeting this morning and we're having a Communications Committee meeting this afternoon. Mainly, the Board needs to remain visible, even though there is no funding. Visibility is paramount. We must show value other than money. We can do this through our academies, technical assistance, online training program, etc.

Stan Finkelstein stated that he took away from yesterday that the associations are with us and want to help us. Getting back to where we were six years ago may be a lost cause. But business as usual isn't going to sell up on the hill. We're going to have to fill some voids that haven't been filled in the past. It behooves us to incentivize efficiencies in local jurisdictions. Are there approaches to address un-met county needs? Counties have historically not used the Board's programs much, since they don't have utilities, which have been a point of emphasis for the Board. I applaud Cecilia Gardener's efforts to get everyone to the table. We visited with Blair Burroughs at IACC and got good feedback from him there.

Lisa Wellman stated that what she got from the meetings yesterday is that visibility without anyone knowing what your brand is, and what you do, is meaningless. From a communication perspective, we need to hone in on some clear education messages, to focus on the health and welfare of our communities. Wellman just joined the board of "Partners for Rural Washington." They are part of USDA Rural Development. They just had their first meeting, which was a conference call with 17 other RDCs. In terms of infrastructure, broadband is critical to our rural communities in terms of health, education, and economic development. We need to rebrand rural. It's not just Agriculture. It's the digital future. I know broadband is not particularly an infrastructure that we manage and the office that Will Saunders used to manage is no longer funded. I think we should find a way to address this. Anytime we dig a hole in the ground there's an opportunity to lay down conduit and/or fiber. Cecilia Gardener asked Stan Finkelstein to talk about our limitations on broadband. Stan Finkelstein replied that we walk a fine line between benefiting the private sector solely versus the larger public good. I think there's clearly a need for broadband. JC Baldwin responded that quite a few Ports are getting involved with this. Scott Hutsell responded that NoaNet came to Lincoln County. They strung about 6 million miles of fiber. But what if you can't get the last mile to your house? Plus, can you individually afford the provider? Baldwin agreed that it's that last mile



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

connecting the individual houses that is killing it. Hutsell responded that they've got fiber all over the county, but no one can connect to it. And there's duplication between NoaNet and CenturyLink. Baldwin replied that she can have fiber to her house at a cost of \$20,000. So she has wireless peer to peer, and it's just as fast. That's what's going on in the more rural areas. There are ports that deploy fiber, as well. It's out there already. I'm not sure what our role as the Public Works Board would be.

Pam Carter asked what restrictions there are on local governments. If PUDs are doing it, we don't want cities doing it. What's the story now? Are there restrictions? JC Baldwin replied that it might be changing. I know even the PUDs, unless it's changed, can't sell directly to the public; they have to go through resellers. Lisa Wellman responded that she doesn't think there are any restrictions on us to get more information out during our tech teams or academies, just to inform people about opportunities. Carter responded that if cities can't get into this, what's the point of telling them the opportunity is out there? What about their restrictions? Diane Pottinger responded that she sat on Lake Forest Park's Comp Plan planning commission. They all wanted broadband. But if Comcast doesn't want to come there, there is no incentive. That's why they formed their own broadband utility. Everyone urban and rural is wrestling with this.

- 3) Legislative Session Planning: Cecilia Gardener directed everyone to the last page of the agenda packet to discuss the upcoming legislative session and our plan. There are two policy bills that we need to get sponsored. Stan Finkelstein is local and readily available. But he isn't the only person on the Board. I don't want to assume that Stan's the only one to participate on this. Scott Hutsell volunteered to do some meetings, as did Diane Pottinger. Gardener stated that we need to do two things: 1) we need sponsors for our bills, and 2) we need to go up and educate legislators. Gardener personally doesn't think leg days are as valuable as targeted meetings. Jerry Cummins asked what the commitment is. Gardener replied that we can certainly do an availability check when things come up. Cummins stated that he spends a lot of time on the hill; he will do what he can. Diane Pottinger said she might be able to do some meetings in legislators' home districts. Gardener agreed with this and encouraged board members to meet with legislators in their home districts.

Stan Finkelstein will meet with Cecilia Gardener at the beginning of next week to look at the map and look at legislators, and then get back to you with some specific meeting direction. Gardener and Ann Campbell will partner with you to go to the meetings. Gardener said staff will also develop some material to send out. Gardener stated they need to do some follow up on the House Local Government Committee hearing that she and Stan Finkelstein were asked to speak to.

Cecilia Gardener stated that she wants us to coordinate with IACC tech teams to get folks to fill out our surveys. The Departments of Health and Ecology were receptive to that. Can we move forward with coordinating that? This needs the Board's approval. Lynn Kohn is going to help us with that part time, maybe 10 hours a week. She will pass the baton to the current staff to help develop academies. Cathi Read responded that IACC is still in the very early planning stages for this. We are trying to take the pressure off the tech teams that occur at the IACC conference. We're also trying to make them more accessible to smaller communities who might not go to IACC. The Department of Health has a list of communities, as does the Department of Ecology and some of the other funders, who have requested tech teams. Rather than have it be a project specific tech team, we all agreed it would be helpful to learn about all the infrastructure efforts in the communities. We want to help the communities think through the order that they do projects. Read thinks the first two or three



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

tech teams will occur between March and June in eastern Washington. They want to have some concurrent sessions along with the tech teams. Possibly training before or after. We need to find venues. Stan Finkelstein asked how much time is allotted for the tech teams. Read replied about two hours. Finkelstein asked if that meant one before and one after lunch. Read replied that it would be good for tech teams to occur concurrently with other trainings. She also stated that whomever she designates to be a tech team leader, she always tells them to write up notes to include an action plan and contact information and timeline, and that's given to the participants.

Cecilia Gardener directed the Board to Item #6, discussion of possibly hiring a lobbyist. Diane Pottinger responded that she initially liked this idea, but after the previous discussion, I don't like the perspective of spending money on a lobbyist. Is this a great idea? Gardener replied you can hire them on different levels, part time, issue only, etc. Stan Finkelstein replied that we probably want to hire a piece of a lobbyist, someone who already has a great reputation on the hill. Jim Justin has a long local government background, but would probably cost \$20-30,000. Pam Carter replied that's who we used at Municipal Research and Services Center (MRSC). Our director said it made a huge difference trying to get to see people. It was valuable to MRSC. And luckily MRSC continued to be funded. Finkelstein stated that there are two elements to the dynamic of having a lobbyist. We're going to have a fairly meager legislative request that's not as controversial as in years past. #2 it's important we show our best face the year before, to get our agenda forward. Mary Margaret Haugen stated that the Board shouldn't just hire someone who has knowledge of this. They need to have knowledge of the associations and public works. Jim Justin would be an excellent person. He is very knowledgeable. Finkelstein asked if there was a sense that we should move along in this direction. There was a general yes from the Board members.

Jerry Cummins pointed out that you're using state money to lobby state interests for state issues. Stan Finkelstein replied that this is common; every agency has a lobbyist. This agency's lobbyist is not a good advocate for the Public Works Board. We feel we need additional assistance on the hill. Mary Margaret Haugen responded that we should limit the term of the contract, since it's a short session. We need someone who knows something about our issues, not just a popular hired gun. Finkelstein replied that he thinks we should talk about limiting the term later.

Diane Pottinger asked how do you identify the groundwork. Cecilia Gardener replied if you hire someone proficient, they will know who to contact. Our job is to give them the material to support the effort.

Stan Finkelstein stated that he thinks staff should work with the Executive Committee to hire a lobbyist. We need to find several applicants, and then interview them.

ACTION: Mary Margaret made a motion to empower the Executive Committee to hire a lobbyist. Pam Carter seconded the motion. Matt Rasmussen thirded the motion. Scott Hutsell fourthed the motion. MOTION APPROVED 9-0 (Baldwin, Carter, Cummins, Haugen, Hutsell, Pottinger, Rasmussen, Scott, and Wellman).

D. INFORMATION & OTHER ITEMS



**Washington State
Public Works Board**

1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

- 1) Board Committee Updates: Cecilia Gardener stated that the Policy Committee met at 7:30 am this morning. The Communications/Editorial Committee will meet after the Board business meeting.

Scott Hutsell, as Chair of the Policy Committee, stated that the committee met to discuss the 2018 construction loan ideas. We need to present a list of proposed projects, which is due to the legislature on November 1, 2016. That is 10 months away. Hutsell has some concerns, not knowing where the money is. Board staff need direction to explore selection and preference criteria for the Board's consideration. Diane Pottinger replied that to her it's huge that you're thinking ahead and planning outside the box. Projects that are eligible for Drinking Water or Clean Water funding, are not eligible for funding. Cecilia Gardener asked if we should develop a list on current law or on the proposed law? Ann Campbell replied that she wants some clarity. The language itself talks about application cycles held this biennium.

Mary Margaret Haugen responded that she thinks we need to tell the legislators this doesn't work. We should connect with the legislators who put this language in the budget in the first place and explain the impacts to those legislators and provide alternative options.

Pam Carter asked what kind of projects we would be funding. Cecilia Gardener replied the same as before. Mary Margaret Haugen responded that she can tell you some of those people who have projects and can't find funding are hurting.

Stan Finkelstein asked do I have a sense that for whomever we retain should advocate for the removal of the temporary proviso language.

Pam Carter stated that she wants all the yellow language struck. Stan Finkelstein thinks that would be a heavy lift. The Executive Committee has been given authority to explore applicants for innovative out-of-the-box projects, inclusion of life cycle costs, and maintenance. Applicants should provide evidence of coordination with all entities affected by a project. We should explore getting a bridge loan type of funding application. Might be having a utility provider doing a project in a jurisdiction that doesn't plan to replace a roadway for two years, so a bridge loan would speed up that funding for that project.

ACTION: Jerry Cummins moved that we advocate for the removal of the language. Scott Hutsell seconded the motion. MOTION APPROVED 9-0 (Baldwin, Carter, Cummins, Haugen, Hutsell, Pottinger, Rasmussen, Scott, and Wellman).

- 2) Board Member Updates: Mark Barkley stated that Keith Swenson is working on applications for Board appointments and hopefully will have them identified and assigned by the end of this month. Charles Knudsen is stepping in for Kelly Ogilvie, who has left the Governor's office. Keith is the one stable person on the staff. There is lots of staff turnover due to the upcoming election.

ACTION: Lisa Wellman moved to adjourn the meeting. Pam Carter seconded the motion. MOTION APPROVED 9-0 (Baldwin, Carter, Cummins, Haugen, Hutsell, Pottinger, Rasmussen, Scott, and Wellman).
Meeting was adjourned at 1:52 pm.



DATE: January 22, 2016
TO: Public Works Board
FROM: Cecilia Gardener, Executive Director
SUBJECT: Executive Director Update

December 14, 2015 through February 4, 2016

Board

- Executive Committee Meeting – 1/8/16 - Committee met with Brian Bonlender on the impacts of the Governor's budget

Legislative Meetings

- AWC – Dave Williams, Carl Schroeder, Dave Catterson, Stan Finkelstein, Mark Barkley, Cecilia Gardener, Ann Campbell
- Representative Hans Dunshee (D)(44th), Chair of Appropriations (Scott Hutsell, Diane Pottinger, Cecilia Gardener, Ann Campbell)
- Representative Steve Tharinger (D)(24th), Chair of Capital budget (Scott Hutsell, Diane Pottinger, Cecilia Gardener, Ann Campbell)
- Representative Derek Stanford (D)(1st) Vice Chair House Capital Budget RE: HB 2146 (Cecilia Gardener, Ann Campbell)
- Representative Christine Kilduff (D)(28th) RE HB 2146 (Cecilia Gardener, Ann Campbell)
- Senator Chase (D)(32nd) RE SB 6508 (Cecilia Gardener, Ann Campbell)

Stakeholder Meetings

- WPUDA – John Kounts, Stan Finkelstein,
- WSAC – Gary Rowe, Stan Finkelstein, Lisa Wellmen,
- AWC – Dave Williams, Carl Schroeder, Dave Catterson, Stan Finkelstein, Mark Barkley, Cecilia Gardener, Ann Campbell
- WPUDA Legislative Reception – Cecilia Gardener, Mark Barkley
- AWC Legislative Reception – Cecilia Gardener, Mark Barkley

Internal Operations

- IACC monthly standing meeting
- DOH Transitional Meeting, Predictive Model technical assistance, PWeB technical assistance
- Regional academies/tech teams planning meeting
- Review of all open loans and their status
- PWB Staff attend Government to Government training

Outside Meetings

- OFM meeting – 1/20/16
 - Nona Snell, Cecilia Gardener, Mark Barkley – discussion for setting agenda for next meeting with: Stan Finkelstein, Brian Bonlender, and Dave Schumacher
- Maximizing Resources Standing Meeting
- Future of Washington Infrastructure – 1/7/2016 meeting
 - Finance Tools – Research Services will develop three white papers for (leveraging CDFI programs, pooled financing, public-private partnerships)
 - AWC Survey – Will crowdsource input for the initial options in the solutions survey.
 - Public Works Board will build on AWC survey to gather more granular, concrete questions.
 - Legislative Strategy Subgroup – Gary Rowe (WSAC) will reconvene the group to draft one pager for next full group meeting in February to address:
 - A needs statement
 - Preserving existing programs (and associated funding)
 - Leveraging dollars
 - The need for new tools
 - Value returned for investment
 - Reference to the 2008 study
 - Implementation and alignment with state policy
 - Best practices development
 - Next meeting February 4, 2016 at AWC
- Legislative Strategy Subgroup – Gary Rowe (WSAC) will reconvene the group to develop a budget proviso to develop the report as mentioned above.
- Future of Washington Infrastructure – Legislative sub-committee
- Future of Washington Infrastructure – 2/4/2016 meeting
- Creative Mitigation Media Examples of The Colville Tribes led by Heather Youckton
- State 05-05 Work Group
- DNR Cultural Resources & Wildfire Brown Bab
- Maximizing Resources group

Commerce Activity

- Weekly LGD Management Meeting
- Weekly LGD Legislative Update Meeting
- Weekly Commerce Legislative Meeting
- Weekly one-on-one with Mark Barkley
- Bi-Weekly Unit meeting
- LGD Connecting and Change Management
- Weekly Budget Coordinators Meeting

Client Activity

- Cities of Sprague and Odessa, Lincoln County EDC – *Review proposed income survey methodology* (AC)
- Gig Harbor – *Eligibility of reimbursement discussion on the Wastewater Treatment Plant Improvements project* (JA and AC)
- Dallesport Water District – *Amendment to modify scope of work on Distribution Center Replacement* (CC)
- Spokane (City) – *Project status discussion regarding the CSO Basin 6 Abatement Facility* (CC)
- Goldendale – *Project status discussion regarding the Sewer Collection System Improvements* (CC)
- Creston – *Discussion to modify scope of work on preconstruction loan* (CC and AC)
- Camas – *Project status discussion regarding the 2MG Gregg Reservoir construction* (CC)

- Clark County– *Reimbursement discussion and verification of existing accounts (CC)*
- Birch Bay Water & Sewer District – *Project status discussion regarding the Blaine Road Water Transmission Line - Loomis Trail project (JA)*
- Blaine – *Project status discussion regarding the Gateway Regional Storm Water Facility Project; reimbursement discussion regarding the Vista Terrace Area ULID Project (JA)*
- Douglas County Sewer District #1 – *Discussions regarding final reimbursement, modification of scope of work amendment, and assistance completing project completion work on the North Baker Avenue Gravity Sewer Extension Project (JA)*
- East Wenatchee Water District - *Discussion to modify scope of work on 10th Street Reservoir Replacement Project (JA)*
- Entiat – *Ongoing discussions for a technical/funding assistance team to fund their Emergency Backup Well project (JA)*
- Everett - *Provided an updated amortization schedule and researched community access to PWeB for the Everett Water Pollution Control Facility Expansion Project (JA)*
- Fife – *Discussed status of city’s Executive Order 05-05 process regarding the Water Treatment for Groundwater Development project (JA)*
- Fircrest - *Provided an updated amortization schedule and assisted with project completion work on the Relocation of Backyard Sewer Mains project (JA)*
- Gig Harbor – *Eligibility of reimbursement discussion on the Wastewater Treatment Plant Improvements project (JA and AC)*
- Lakewood – *Reimbursement status discussion regarding the American Lake/Tillicum Side Sewer Connect project (JA)*
- Lynden – *Assisted with project completion work on the Kok Road Bridge project (JA)*
- Oak Harbor – *Assisted with project completion work on the 42 Inch Outfall Reconstruction project (JA)*
- Pierce County – *Received a thank you from Brian Ziegler, Public Works Director, after copying him on the 112th St E Woodland Ave E to 86th Ave Project Completion Letter that went out to Pierce County Council Chair, Representatives and Senator and in their area (JA)*
- Silverdale Water District – *Assisted with project completion work on the 2011 Water Quality Improvements project and provided updated DWSRF contact information (JA)*
- Silver Lake Water and Sewer District – *Reimbursement status discussion regarding the Everett Water Pollution Control Facility Expansion project (JA)*
- Tacoma, Covington Water District, and Lakehaven Utility District – *Discussed project status and closeout process for the Green River Filtration Facility project (JA)*
- Sacheen Lake Sewer District – *Ongoing discussions and coordination between state and federal partners to resolve the outstanding issues surrounding the Wastewater Treatment Plant construction project (IH and AC)*
- Clallam County – *Ongoing discussions between the county and Sequim on the sewer collection system construction project and methods to seek reimbursement for eligible expenses (IH)*
- Port Townsend – *Ongoing discussions and coordination between state and federal partners regarding Davis-Bacon requirements and reimbursement discussion for the Mandated LT2ESWTR Treatment and the 5MG Reservoir Replacement projects (IH)*
- Grays Harbor County – *Assisted with project completion work on the Pacific Beach / Moclips Wastewater Treatment Plant project (IH)*
- Pacific – *Ongoing discussions and coordination between state and federal partners regarding the construction of the Stewart Road and Valentine Avenue Water Main Replacement project including discussions regarding eligible expense reimbursement (IH)*
- Sequim – *Ongoing discussions between the city and Clallam County on the sewer collection system construction project and methods to seek reimbursement for eligible expenses and provided an updated amortization schedule (IH)*
- Auburn – *Reimbursement status discussion regarding the Well 1 Improvements project (IH)*

- Tukwila – *Discussions regarding final reimbursement and assistance completing project completion work on the CBD Sanitary Sewer Rehabilitation project* (IH)
- Newport – *Ongoing discussion following up on the IACC tech team to discuss funding strategies for the construction of a booster station and reservoir* (IH)

February 1, 2016 through March 4, 2016

Board

- Chair – February 10, 2016
Meeting with Stan Finkelstein, Brian Bonlender, David Schumacher, Nona Snell, Mark Barkley, Cecilia RE: opening lines of communication between the Governor’s office, OFM, and the Board and looking to the future.
 - Initial meeting will establish our common goals and objects and set out a plan for FY 17-19
 - Establishment of a joint working group to focus on PWB policy/budget decisions for 17-19.
 - Align our policy objectives
 - Understand local needs and Governor priorities
 - Establish a predictable and sustainable PWAA

Legislative

- Tentative: Senator Judy Warnick(R)(13) Ways & Means RE: HB 2146
- Tentative: Senator Linda Evans Parlette (R)(12th) Ways & Means RE: HB 2146
- Tentative: Senator Ann Rivers, (R)(18th) Ways & Means, Majority Whip, RE: HB 2146
- Tentative: Senator Pam Roach, (R)(31st) Rules Vice Chair RE: HB 2146
- Tentative: Senator Maralyn Chase (D)(32nd) Rules RE: HB 2146
- Senate Ways and Means Public Hearing on SB 6508 10:00 - Location: JAC – Senate Hearing Room #2
- House Capital Budget Public Hearing and possible Execution Session HB 2146

Internal Operations

- IACC monthly standing meeting
- DOH Transitional Meeting, Predictive Model technical assistance, PWeB technical assistance
- Regional academies/tech teams planning meetings

Outside Meetings

- Future of Washington Infrastructure
- Future of Washington Infrastructure - Legislative Strategy Subgroup
- OFM Charles Knutson (Policy) pre-meeting for larger meeting on the 10th
- ERWOW Conference Feb. 23-25 Yakima

Commerce Activity

- Weekly LGD Management Meeting
- Weekly LGD Legislative Update Meeting
- Weekly Commerce Legislative Meeting
- Weekly one-on-one with Mark Barkley
- Bi-Weekly Unit meeting
- LGD Connecting and Change Management
- Weekly Budget Coordinators Meeting

Client Activity

- Othello Funding Forum
- Yakima Funding Forum – March 9th

TAB B

Contracting



DATE: January 20, 2016
 TO: Public Works Board
 FROM: Jill Nordstrom, Drinking Water Program Manager
 SUBJECT: Project Completion Extension Request

STAFF RECOMMENDATION

Staff recommends extending the contract project completion dates as follows:

Program	Client	Contract No.	Project	Loan/Grant Amount	Available to Draw	Original Closeout Date	Current Closeout Date	Proposed Closeout Date
DWSRF	City of Ritzville	DM11-952-032	Water Supply and Storage Improvements	\$3,662,000	\$1,474,824.17	3/27/16	3/27/16	12/31/17

Reason for Extension Request: The Project is broken into two phases. The first phase includes drilling a new well and construction of a pump station. The second phase includes renovation of a water reservoir. Phase I is complete pending the repair/replacement of a defective pump, which the City is currently using legal measures to resolve. Phase II is delayed due to the legal issues of Phase I being resolved. Project is 65% complete.

BACKGROUND - The client has requested an extension to their project completion date. Staff evaluated the request through a staff peer review process. DOH has been consulted and agrees with extending the DWSRF project.



DATE: January 29, 2016

TO: Public Works Board

FROM: Janet Cherry & Mike Copeland, Office of Drinking Water, Drinking Water State Revolving Fund (DWSRF) Program

SUBJECT: 2016 DWSRF Recommended Funding List, Second List for PWB Review

STAFF RECOMMENDATION

Staff respectfully requests the following actions from the Public Works Board (PWB):

1. Individual confirmation of recusal status:

Board Member	Recusal (No, or Applicant Name)
Stan Finkelstein	
Janet (JC) Baldwin	
Pam Carter	
The Honorable Jerry Cummins	
Mary Margaret Haugen	
Scott Hutsell	
Diane Pottinger	
Matthew Rasmussen	
Mark (Bubba) Scott	
Lisa Wellman	

2. Approval of the DWSRF list of projects provided in handout.

PWB and Department of Health (DOH) staff recommend Board approval of the projects identified in Attachment A of the handout. While staff feels confident that these projects are ready to proceed to contract, there may be modifications to the listed applications as staff finalizes project scopes and budgets with applicants. We will inform the Board if any of the interest rates or loan terms change during the final stages of this process.

BACKGROUND

DOH received thirty-six (36) applications requesting more than \$56.54 million in funding. Of the thirty-six (36) loan applications received, three (3) were deemed ineligible due to lack of required planning documents (Attachment C). The remaining thirty-three (33) eligible applications are under review by DOH and the requested funding in these applications is \$53.98 million, within the \$60 million allocated this year for construction project funding. The funding amount available for the 2016 DWSRF construction loan funding cycle was revised from \$65 million to approximately \$60 million by DOH upon further review of loan repayment and predictive model information.

Twenty-one (21) projects in Attachment B were approved at the December PWB meeting, for a total of \$44.78 million. An additional fifteen (15) projects are presented in Attachment A for PWB consideration. Please note Attachment A includes nine (9) projects received by DOH as part of the 2016 DWSRF construction loan application cycle plus six (6) additional projects as a result of additional outreach by DOH. Because of the availability of funds remaining in this year's construction loan cycle, DOH conducted two outreach efforts:

1. Unfunded applicants from the 2015 DWSRF construction loan application cycle were contacted to seek their interest in receiving funding for the proposed project. Two (2) projects (Beacon Hill Water and Sewer District Hillside Pump Station and City of Ephrata Basin Street Water Main Replacement) are included in Attachment A for funding.
2. DOH has also contacted entities with current construction loans that have recently bid their projects and may be in need of additional money due to the bid amount exceeding project funding. The request from systems exceeded the remaining available funding amount and the additional money awarded was limited to \$300,000 per entity. The following four (4) projects are included in Attachment A for funding:
 - a. Bayview Beach Water District DM13-952-154. Amend existing contract for additional amount requested.
 - b. Greater Bar Water District DM11-952-013. Execute new contract since subsidy being provided.
 - c. Thurston PUD DM12-952-113. Execute new contract since subsidy being provided.
 - d. City of Sumner DM13-952-178. Amend existing contract for additional amount requested.

As shown in Attachment D, a total of four (4) applications remain under review by DOH and will be presented for PWB consideration at a future meeting.

Date: February 5, 2016

Credit Memorandum Greater Bar WD:

Project Overview: Additional funds for completion of an existing construction project approved during the 2011 funding cycle, (additional \$200,000)

The original loan (\$2,722,800 with 50% subsidy) was for the consolidation of water systems including; Greater Bar Water District, Rocky **Butte**, Rich Acres, Whitlam and Bar Development. The total estimated service connections at the time of consolidation were about 152.

Included in the original scope of work was the construction of new pump houses, piping valves, electrical, control systems and telemetry/SCADA along with the installation of approximately 20,000 lf of 4", 8", and 12" transmission main distributing piping. Construction of a new reservoir with access roads and appurtenances, installing about 152 service connections and meters, road resurfacing, 6,700 feet of fence repair/replacement, and landscape restoration. Project costs included engineering, environmental/cultural reviews, permitting, public involvement, bid documents, review and approval fees, construction, contingency, construction inspection, and costs that allow the borrower to meet State, Local and Federal requirements.

Rate / Fee / Term: \$200,000@ 1.0% interest/ no loan fee / 20 year term (50% loan forgiveness)

Financial Analysis:

The financial information presented below is incomplete as the borrower does not have the ability to produce formatted financial statements or a balance sheet. The information compiled below is based off of financial information obtained from Douglas County who handles receivables and payables for the Water District.

Income Statement: The income statement reflects a substantial rise in revenue during the last two years which is the result primarily of loan proceeds and a small rate increase. The system has an approved rate increase which will bring the rate up to \$80.00 per ERU per month. The first of 4 quarterly rate hikes was instituted in December, 2015

Balance Sheet: as mentioned above the system does not produce a balance sheet. We will have as a condition of approval asset management training which should allow them to better track existing resources and also provide the basis for putting together a current balance sheet. The existing outstanding debt is a Rural Development Loan.

Cash Flow Analysis: Cash flow has been positive since 2014. The system could benefit from tracking depreciation and amortization which could have a positive effect on cash flow. Operating expenses have risen in step with the rise in revenue. See page 2 for current/ proposed income and expenses.

	People Served	Operating Revenue	Operating Expense	Outstanding Debt	Liquidity	Total Assets
2015	150 ERU est	\$74,994.	\$60,628.	\$53,920.	\$14,366.	Unknown
2014		\$62,717.	\$40,545.		\$21,602.	Unknown
2013		\$31,340.	\$33,609.		0.0	Unknown
2012		\$32,501.	\$32,371.		0.0	Unknown

Trends & Ratios	Estimate	2015	2014	2013	2012	2011
DSCR *	1.01:1	.17:1	.26:1	(.03:1)	0:1	N/A
Op Ex / Sales	.99:1	.80:1	.64:1	1.07:1	1:1	N/A
CPLTD	\$82,369.	\$5,462.	UK	UK	UK	N/A
Sus. Growth	N/A	N/A	N/A	N/A	N/A	N/A

***based on reported income received from Douglas County. Estimate based on existing rate increases.**

ERU total / Rate Increase: 150 current ERU. The system has furnished us their rate hike schedule which will increase to \$80.00 per month. We will also be asking for an addition increase to cover reserves as existing rates and operating costs net only about \$1,003.00 annually.

Current annual operating expense	\$ 60,628.00
Existing annual loan payment est	\$ 76,828.00
Proposed annual loan payment	\$ 5,541.00
Total	\$142,997.00
Operating Revenue (\$80x150.)	\$144,000.00
Net	\$ 1,003.00

Affordability Index:

Subsidy Y/N: Yes, 50%

Private Partnership Y/N: None

Loan Covenants: Rate increase to cover 90 day operating reserve (\$35,507) Borrower will undergo cash management training to be provided by DOH staff, borrower will provide annual financial statements and balance sheet.

Policy Exceptions: The borrower was tasked with providing updated annual financial statements as a special condition on the original loan request which was not complied with.

Recommendation: Recommend approval as written above.

Date: February 5, 2016

Credit Memorandum Windolph Association:

Project Overview: Installation of controls and well house. A well was drilled within the footprint of an old home and funded by Windolph through a special assessment. A new electrical service to the lot will be necessary to operate the well pumps. A generator to run the well pump during power outages will be installed on the property.

The new well will be connected to the existing distribution system with temporary chlorination until the new distribution system can be constructed. The new distribution will consist of 1800 lf of 4" PVC. The remaining service meters will be installed at all connections. The well house will contain a pressure tank to protect the well pumps.

The project will meet the requirements set out in the agreed notice of correction with the Department of Health. The system is currently connected temporarily to the new well as the existing source went dry on September 23, 2015.

Rate / Fee / Term: \$368,246. @ 1.50% / 1.0% loan fee / 20 year term / estimated annual payment = \$21,449.

Financial Analysis:

System lacks experience/ historical operating information as the HOA was formed in 2014. The operating revenue projection is based on a documented monthly rate of \$75.00 per month, per lot. Expenses were calculated using borrowers budget and adding the proposed new loan payment. Due to the lack of historical information from the HOA, the inconsistencies and changes in scope and costs (3 changes submitted in 60 days) and the potential risks associated. We are suggesting the following loan covenants for further consideration of this request.

- 90 day operating reserve
- Contingency repair reserve (equal to the cost of replacing a pump)

Inflated revenue numbers for year-end 2014 include a special assessment for repair work that is not a re-occurring and consistent revenue source.

	People Served	Operating Revenue	Operating Expense	Outstanding Debt	Liquidity	Total Assets
*projected	27 ERU	\$24,300	\$49,500.	\$368,246.	\$54,000.	\$115,536.
2014		\$40,379.	\$26,060.	0.0	\$54,000.	\$20,038.
2013		\$3,272.	\$3,252.	0.0	\$5,706.	\$5,706.
2012	N/A	N/A	N/A	N/A	N/A	N/A

*projected operating revenue/ expenses calculated based on information obtained from the proposed borrower.

Trends & Ratios	Projected	2014	2013	2012	2011	2010
DSCR	(1.17:1)	.67:1	.00:1	N/A	N/A	N/A
Op Ex / Sales	2.03:1	.64:1	.99:1	N/A	N/A	N/A
CPLTD	0.0	0.0	0.0	N/A	N/A	N/A
Sus. Growth	N/A	N/A	N/A	N/A	N/A	N/A

ERU total / Rate Increase: 27 current connections with a maximum allowed under their small system water plan of 31. The current existing rate is \$75.00 per lot, per month. A Rate increase of \$75.45 would be required to service the proposed new debt.

Affordability Index:

Subsidy Y/N: None

Private Partnership: N/A

Loan Covenants: 90 Day operating reserve of \$9,956, contingency repair reserve = to replacement of well pump. Updated annual financial statements and balance sheet. Monthly Rate Increase of \$75.45.

Policy Exceptions: We do not have 3 years of financial information as requested on the loan application as the HOA was formed in 2014.

Recommendation: 1. I would recommend the loan be approved with the special terms and conditions above or those imposed by the PWB.

OR

2. The applicant apply for a pre-construction loan so they have a clear understanding of the project and associated costs and re-apply for the construction loan next loan cycle.

DWSRF

\$60 Million Available (approximate)
\$3,922,200 to \$5,883,300 Subsidy Available

*Subsidy (Loan Forgiveness) is awarded to high AI communities and those consolidating systems

A. DWSRF Applicants for PWB review February 5, 2016

Applicant	Applicant	Project Name	County	Score	Loan Amount	Loan Fee %	Loan Fee	Total Loan Amount	Subsidy %	Subsidy @ Project Completion	Interest Rate	Term in Years	Special Contract Conditions	Community/Noncommunity
2015-014	Windolph Association	Windolph Water System Replacement	THURSTON	135	\$ 387,000.00	1%	\$ 3,870.00	\$ 390,870.00	0%	\$ -	1.5%	20	Credit Memo	Comm
2015-049	City of Port Townsend	City of Port Townsend Mandated LT2ESWTR Water Treatment Facility	JEFFERSON	185	\$ 1,200,000.00	1%	\$ 12,000.00	\$ 1,212,000.00	0%	\$ -	1.5%	20	n/a	Comm
2015-026	College Place/ Christ Community Fellowship	New Source Well	WALLA WALLA	127	\$ 2,286,500.00	0%	\$ -	\$ 2,286,500.00	50%	\$ 1,143,250.00	1.0%	24	n/a	Comm
2015-011	Acme Water District #18	Arsenic Removal Project	WHATCOM	159	\$ 316,250.00	1%	\$ 3,162.50	\$ 319,412.50	0%	\$ -	1.5%	20	n/a	Comm
2015-007	City of Pomeroy	Pomeroy Sunny Side Booster Pump Station & Water Main Replacement	GARFIELD	67	\$ 389,828.00	1%	\$ 3,898.28	\$ 393,726.28	0%	\$ -	1.5%	20	n/a	Comm
2015-042	City of Ilwaco	Sahalee Subdivision Distribution System Improvements	PACIFIC	57	\$ 745,000.00	1%	\$ 7,450.00	\$ 752,450.00	0%	\$ -	1.5%	20	n/a	Comm
2015-048	City of Brewster	Brewster Reservoir Replacement	OKANOGA	55	\$ 1,255,000.00	1%	\$ 12,550.00	\$ 1,267,550.00	0%	\$ -	1.5%	20	n/a	Comm
2015-052	City of Rockford	Rockford Well #4 Replacement	SPOKANE	55	\$ 510,400.00	1%	\$ 5,104.00	\$ 515,504.00	0%	\$ -	1.5%	20	n/a	Comm
2015-046	Honeymoon Bay Vista Water Association	HBVWA Main Line Replacement; Reservoir Fill Alteration	ISLAND	49	\$ 222,000.00	1%	\$ 2,220.00	\$ 224,220.00	0%	\$ -	1.5%	20	n/a	Comm
2014-062	Beacon Hill Water and Sewer District	Hillside Pump Station Reconstruction	COWLITZ	56	\$ 850,000.00	1%	\$ 8,500.00	\$ 858,500.00	0%	\$ -	1.5%	20	n/a	Comm
2014-076	City of Ephrata	Basin Street Water Main Replacement	GRANT	50	\$ 2,960,000.00	1%	\$ 29,600.00	\$ 2,989,600.00	0%	\$ -	1.5%	20	n/a	Comm
2013-060	Bayview Beach Water District	Main Replacement Shore & McDonald- add'l construction money for DM13-952-154 (\$499,950, 0 subsidy)	ISLAND		\$ 260,000.00	1%	\$ 2,600.00	\$ 262,600.00	0%	\$ -			Amend exist contract	Comm

2011-025	Greater Bar Water District	Compliance and Consolidation Project- add'l construction money for DM11-952-013 (\$2,722,800 with 50% subsidy)	DOUGLAS		\$ 200,000.00	0%	\$ -	\$ 200,000.00	50%	\$ 100,000.00	1.0%	24	Credit Memo-execute new contract	Comm
2012-063	Thurston PUD	Lew's 81 St Consolidation - add'l construction money for DM12-952-113 (\$370,725 with 50% subsidy)	Thurston		\$ 185,252.00	0%		\$ 185,252.00	50%	\$ 92,626.00	1.0%	24	Execute new contract	Comm
2013F-028	City of Sumner	Central Well- add'l construction money fro DM13-952-178 (\$5,518,135, 0 subsidy)	PIERCE		\$ 300,000.00	1%	\$ 3,000.00	\$ 303,000.00	0%	\$ -			Amend exist contract	Comm
					\$ 12,067,230.00		\$ 93,954.78	\$ 12,161,184.78		\$ 1,143,250.00				

B. DWSRF Applicants approved by PWB on December 11, 2015

DOH #	Applicant	Project Name	County	Score	Loan Amount	Loan Fee %	Loan Fee	Total Loan Amount	Subsidy %	Subsidy @ Project Completion	Interest Rate	Term in Years	Special Contract Conditions	Community/Non Community
2015-012	City of Olympia	McAllister Wellfield Corrosion Control Facility	THURSTON	156	\$ 4,018,448.00	1%	\$ 40,184.48	\$ 4,058,632.48	0%	\$ -	1.5%	20	n/a	Comm
2015-032	City of Enumclaw	2 MG Reservoir Replacement	KING	77	\$ 2,255,563.00	1%	\$ 22,555.63	\$ 2,278,118.63	0%	\$ -	1.5%	20	n/a	Comm
2015-050	City of Camas	Camas Surface Water Transmission Main	CLARK	48	\$ 3,400,000.00	1%	\$ 34,000.00	\$ 3,434,000.00	0%	\$ -	1.5%	20	n/a	Comm
2015-054	City of Camas	Camas Slow Sand Filter	CLARK	65	\$ 2,600,000.00	0%	\$ -	\$ 2,600,000.00	50%	\$ 1,300,000.00	1.0%	24	n/a	Comm
2015-029	City of Zillah	Source Well Improvements	YAKIMA	64	\$ 2,208,000.00	1%	\$ 22,080.00	\$ 2,230,080.00	0%	\$ -	1.5%	20	n/a	Comm
2015-034	City of Snohomish	Aldercrest Water Users Association - Cypress Lane Water Main Extension	SNOHOMISH	62	\$ 161,470.00	0%	\$ -	\$ 161,470.00	50%	\$ 80,735.00	1.0%	24	n/a	Comm
2015-047	City of Kelso	Minor Road Reservoir Replacement and Transmission Main	COWLITZ	62	\$ 4,485,000.00	1%	\$ 44,850.00	\$ 4,529,850.00	0%	\$ -	1.5%	20	n/a	Comm
2015-015	Skamania County Public Utility District #1	New Carson Water System Reservoir	SKAMANIA	61	\$ 1,796,578.00	1%	\$ 17,965.78	\$ 1,814,543.78	0%	\$ -	1.5%	20	n/a	Comm
2015-041	City of Morton	Reservoir No. 1 Replacement	LEWIS	61	\$ 1,300,000.00	1%	\$ 13,000.00	\$ 1,313,000.00	0%	\$ -	1.5%	20	n/a	Comm
2015-009	Kitsap Public Utility District #1	Crystal Springs Consolidation	KITSAP	60	\$ 320,868.00	0%	\$ -	\$ 320,868.00	50%	\$ 160,434.00	1.0%	24	n/a	Comm
2015-028	City of Auburn	Coal Creek Springs Transmission Main Replacement	KING	59	\$ 1,340,000.00	1%	\$ 13,400.00	\$ 1,353,400.00	0%	\$ -	1.5%	20	n/a	Comm
2015-051	City of Colville	Colville Reservoir #3 Replacement	STEVENS	59	\$ 2,278,864.00	1%	\$ 22,788.64	\$ 2,301,652.64	0%	\$ -	1.5%	20	n/a	Comm
2015-021	City of Sequim	Sunnyside Water Main Replacement - Maple St. to Fir St.	CLALLAM	55	\$ 634,900.00	1%	\$ 6,349.00	\$ 641,249.00	0%	\$ -	1.5%	20	n/a	Comm
2015-019	Town of Concrete	Town of Concrete Water System Improvements	SKAGIT	54	\$ 1,119,111.00	1%	\$ 11,191.11	\$ 1,130,302.11	0%	\$ -	1.5%	20	n/a	Comm
2015-020	City of Anacortes	Blue Herron Circle 3MG Reservoir Rehabilitation	SKAGIT	52	\$ 4,925,500.00	1%	\$ 49,255.00	\$ 4,974,755.00	0%	\$ -	1.5%	20	n/a	Comm
2015-022	City of Sequim	5th and McCurdy Booster Pump Station Improvements	CLALLAM	50	\$ 724,850.00	1%	\$ 7,248.50	\$ 732,098.50	0%	\$ -	1.5%	20	n/a	Comm
2015-027	City of Olympia	Fones Rd Booster Pump Station	THURSTON	50	\$ 1,912,853.00	1%	\$ 19,128.53	\$ 1,931,981.53	0%	\$ -	1.5%	20	n/a	Comm

2015-031	City of Kennewick	Kennewick/Elliot Lake Water System Consolidation	BENTON	50	\$ 1,097,342.00	0%	\$ -	\$ 1,097,342.00	50%	\$ 548,671.00	1.0%	24	n/a	Comm
2015-030	City of Selah	Palm Park Booster Station and Well No. 7 Improvements	YAKIMA	47	\$ 1,210,000.00	1%	\$ 12,100.00	\$ 1,222,100.00	0%	\$ -	1.5%	20	n/a	Comm
2015-043	City of Kettle Falls	BNSF/Highway 395 Water Main Replacement	STEVENS	45	\$ 587,000.00	1%	\$ 5,870.00	\$ 592,870.00	0%	\$ -	1.5%	20	n/a	Comm
2015-025	Seattle Public Utilities	Morse Lake Pump Plant	King	80	\$ 6,000,000.00	1%	\$ 60,000.00	\$ 6,060,000.00	0%	\$ -	1.5%	20	n/a	Comm
					\$ 44,376,347.00		\$ 401,966.67	\$ 44,778,313.67		\$ 2,089,840.00				

C. DWSRF Applicants that were ineligible due to lack of planning documents

Applicant	Applicant	Project Name	County	Score	Loan Amount	Loan Fee %	Loan Fee	Total Loan Amount	notes	Community/Non Community
2015-018	King County Water District No. 90	West Lake Kathleen Water Main Improvement Project	KING	Ineligibl	\$ 1,816,500.00	1%	\$ 18,165.00	\$ 1,834,665.00	Recom mende d coming in for precon structi	Comm
2015-008	Green Ridge HOA	Water system improvements	Spokane	Ineligibl	574,480	1%	5745	580,225	Recom mende d consoli dation with Liberty Lake Water and Sewer	Comm
2015-013	City of Black Diamond	Downtown AC water main replacement and looping	King	Ineligibl	143,564	1%	1435	145,000	Recom mende d coming in for precon structi on loan	Comm
					\$ 2,534,544.00		\$ 25,345.00	\$ 2,559,890.00		

D. DWSRF Applicants still under review

Applicant	Applicant	Project Name	County	Score	Loan Amount	Loan Fee %	Loan Fee	Total Loan Amount	Subsidy %	Subsidy @ Project Completion	Interest Rate	Term in Years	Special Contract Conditions	Notes
2015-045	Keller Lane Property Owners Association, owners/operators of the Lakeview Subdivision Water System	Water Quality Improvements Project	LINCOLN	167	\$ 769,000.00	0%	\$ -	\$ 769,000.00	50%	\$ 384,500.00	1.0%	24	n/a	need more info
2015-016	Town of Northport	Well Improvements Project	STEVENS	59	\$ 682,900.00	0%	\$ -	\$ 682,900.00	30%	\$ 204,870.00	1.0%	24	n/a	need more info
2015-044	Tulip Shores Beach Association	Tulip Shores Distribution System Replacement	SNOHOMISH	56	\$ 909,436.00	1%	\$ 9,094.36	\$ 918,530.36	0%	\$ -	1.5%	20	n/a	need more info
2015-023	City of Sequim	Roof of 500,000-Gallon Reservoir	CLALLAM	55	\$ 225,000.00	1%	\$ 2,250.00	\$ 227,250.00	0%	\$ -	1.5%	20	n/a	need more info
					\$ 2,586,336.00		\$ 11,344.36	\$ 2,597,680.36		\$ 589,370.00				

TAB C

Policy & Program Development



**Washington State
Public Works Board**

1011 Plum Street SE
Post Office Box 42525
Olympia, Washington 98504-2525

December 23, 2015

The HONORABLE ROBERT F. FERGUSON, ATTORNEY GENERAL
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
1125 WASHINGTON STREET SE
PO BOX 40100
OLYMPIA WA 98504-0100

RE: Request for Official Attorney General Opinion

Dear Attorney General Ferguson,

Introduction:

The Public Works Board (Board) respectfully requests a formal opinion of the Attorney General relating to the scope of the Board's authority.

Background:

In 1985, the Legislature found more than \$4 billion dollars' worth of critical projects for the planning, acquisition, construction, repair, replacement, rehabilitation, or improvement of streets and roads, bridges, water systems, storm and sanitary sewage systems, as well as solid waste disposal, including recycling. The Legislature identified the State of Washington as having a policy to encourage self-reliance by local governments in meeting their public works needs and to assist in the financing of critical public works projects by making loans, financing guarantees, and technical assistance available to local governments for these projects [43.155.010 RCW].

The Legislature created the thirteen member Public Works Board (Board) in 1985 [43.155.030 RCW]. The Board is a Class A policy-making board.

The Board is authorized to make low-interest or interest-free loans to local governments [43.155.060 RCW] in order to aid in the financing of public works projects. The Board may make non-construction loans without express Legislative approval [43.155.065 RCW; 43.155.068 RCW]. The Board may only financially obligate funds from the Public Works Assistance Account after the legislature has appropriated funds for a specific list of public works projects, except for loans made under 43.155.065 RCW, 43.155.068 RCW, and 43.155.070(10) RCW.

Traditionally, the Board holds an annual competitive construction loan cycle. Projects scoring highly are selected by the Board to be recommended for funding by the legislature using funds from the Public Works Assistance Account (PWAA) [43.155.070(8) RCW]. The list of projects and supporting documentation are submitted to the House Capital Budget committee, the Senate Ways and Means committee [43.155.070(5)(b) RCW], and the Office of Financial Management.

From 1985 through 2012, the annual lists of potential construction loan recipients were introduced as legislation separate from the capital budget. The bills, historically, were passed by the legislature and signed into law by the Governor. An appropriation for the loan funds was included in the capital budget, sourced from the PWAA. In the 2009-2011 biennium, the PWAA construction loan resources were used for non-Board related items and there were no construction loan lists during these years.

Beginning with the 2011-13 biennium [state fiscal years (SFY) 2012 and 2013], the historical loan list funding process changed. The SFY 2012 construction loan z-bill (z-0757.1) did not pass through the legislative process. No bill was drafted or introduced for the SFY 2013 proposed construction loan projects. Instead, the 2012 and 2013 lists of projects were included in the biennial capital budget and in the supplemental capital budget in the form of LEAP project lists (2011-1D and 2012-12B respectively).

In the 2013-2015 biennium, the PWAA (the historical source of funding for Public Works Board loan products), was once again used for non-Board related items. No loans were made during this biennium. However, the 2013-2015 biennial capital budget directed the Public Works Board to present a list of competitively selected construction projects for funding consideration by the legislature (Section 7032, Engrossed Substitute Senate Bill 5035) during the biennial budget negotiations. This list of projects would be for State Fiscal Year 2016 (“2016 Loan List”).

The Public Works Board held a competitive construction loan cycle in order to comply with the Capital Budget direction to present a list for legislative funding consideration. The Board based the amount of funding being offered for this list on the estimated revenue projections of the PWAA, the historical source of construction loan funding for Board loan products. Once the Board selected the 2016 Loan List projects for funding consideration, the list was forwarded to the Office of Financial Management for potential inclusion in the Governor’s capital budget proposal. From the first construction loan list in 1986 through the 2013 construction loan lists, the Governor incorporated the construction loan lists as presented by the Public Works Board in the proposed capital budget. No edits were made to the proposed loan lists. This changed with the 2016 Loan List.

The Public Works Board 2016 Loan List was modified from its original 49 projects to 19 projects in the proposed 2015-17 capital budgets created by the Governor and the House of Representatives (OFM Capital Document No. 2015-1). 43.155.070(8) RCW identifies the authority that the legislature has to modify a proposed list of projects recommended for funding by the PWB. 43.155 RCW is silent as to the Governor’s direct authority to modify a list

of projects proposed for funding. However, the Governor may choose to include funding for the proposed projects, or a modification to these lists, in his proposed budgets.

The Governor pursued a smaller loan list than the Board's original proposal based on a conservative use of the PWAA for the 2015-2017 biennium. Prior use of the PWAA for cash redirection instead of revolving loan fund purposes during the 2009-2011 and 2013-2015 biennia has had a significant material impact to the account's ongoing fund balance. More cash was removed from the account than was in the account, resulting in an ongoing negative fund balance. However, the fund is estimated to return to a positive balance by June 30, 2016, provided no additional cash is removed.

The decision to fund a 2016 Loan List that was modified from the original recommendation represents the first time a loan list was altered since the initial construction loan list recommendation introduced for funding consideration in 1986. Board membership had mixed responses to this turn of events. Some members felt that it was the Governor's prerogative; others felt that while the Governor was well within his rights to propose a capital budget that did not fully include the 2016 Loan List, the Board was within its rights to continue to promote the original funding recommendation of 49 projects totaling \$170 million. Board staff maintained the position that while the Board may not agree with the Governor, it must support the Governor's policies: i.e., "we work for the Governor."

Public Works Board staff has been remarkably resistant to turn over. One current staff member has been staff to the board since its inception in 1985. The current Executive Director has been on staff since 1992. Her predecessor started work for the Board in 1986. Staff historical perspective has been that while the Board was an independent agency housed within and staffed by another agency (Department of Commerce, formerly known as Community, Trade, and Economic Development, formerly known as the Department of Community Services and Economic Development), it was ultimately answerable to the Governor and must promote the Governor's policy positions.

In light of the deleterious actions that have eroded the foundation of a thirty year old program that has successfully provided stable, sustainable loans to local governments sourced from the renewable resources of prior years' loan repayments, interest, and self-imposed real estate excise taxes, Public Works Board members are questioning the assumption that the Board must abide by the Executive Branch's policy positions with no authority to challenge or advocate for a differing position.

Research into the authorizing statutes for other similarly situated boards - Community Economic Revitalization Board (43.160 RCW), Pharmacy Quality Assurance Commission (18.64 RCW), the Transportation Improvement Board (47.26 RCW), and the County Road Administration Board (36.78 RCW) - failed to locate statutory authority granted to the governor other than to appoint members to the respective boards.

Only the Indeterminate Sentence Review Board (ISRB) appears to specifically identify that the authorizing chapter (9.95 RCW) does not limit or circumscribe the powers of the Governor to commute the sentence of, or grant a pardon to, any convicted person, and the Governor's ability to cancel or revoke the parole granted to any convicted person by the ISRB.

Question:

Is the Public Works Board authorized to lobby in support of policy positions, budget positions, and appropriation requests that may be inconsistent with, or directly contrary to, positions advanced by the Governor and other cabinet agencies?

Thank you for your consideration. Please feel free to contact Cecilia Gardener, Executive Director, for additional information: Cecilia.gardener@commerce.wa.gov or 360.725.3166

Regards,

A handwritten signature in blue ink that reads "Stan Finkelstein". The signature is written in a cursive, flowing style.

Stan Finkelstein, Chair
Public Works Board

SF:ac



Bob Ferguson

ATTORNEY GENERAL OF WASHINGTON

1125 Washington Street SE • PO Box 40100 • Olympia WA 98504-0100

RECEIVED
JAN 07 2016
Department of Commerce

January 5, 2016

Stan Finkelstein, Chair
Public Works Board
PO Box 42525
Olympia, WA 98504-2525

Dear Chair Finkelstein:

This is to acknowledge your recent letter dated December 23, 2015, requesting an opinion on lobbying.

We have determined to process your request as a formal opinion, which means it will be fully researched, subjected to peer review, and submitted to the Attorney General for approval to be published as an official opinion. Our goal is to process this formal opinion as thoroughly and as quickly as possible. We do not attempt to predict dates by which opinions may be issued; as a collegial process with input from multiple attorneys, we don't always know when they will be finished. If circumstances arise that make it important for an opinion to be finished by a particular date, we would appreciate knowing this. If this happens, or if you have additional information to supply, please contact me in writing, by telephone, or by e-mail at jeffe@atg.wa.gov.

Sincerely,

JEFFREY T. EVEN
Deputy Solicitor General
(360) 586-0728

wros

DEPARTMENT OF COMMERCE

JAN U 6 2016

RECEIVED





DATE: January 22, 2016

TO: Public Works Board

FROM: Ann Campbell, Programs Manager

SUBJECT: Staff Strategic Planning Sub-Committee Updates

Committee Name:	Editorial	Members:	Lisa Wellman, Pam Carter, <i>Vacant</i>
Staff:	Cecilia Gardener, Ann Campbell, Barbara Smith, and Rodney Orr		
<p>Mission: Collate information and written materials into a cohesive report showcasing the Public Works Board’s Strategic Plan.</p> <p>To date: The committee originally contained a communication component. It was agreed at the December 11, 2015 meeting to roll the communication component into the Board’s standing Communications Committee. Staff are currently reviewing historical need studies and working with other committees’ staff to compile the information that will be used to meet the committee’s mission.</p>			

Committee Name:	Needs	Members:	Diane Pottinger, Jerry Cummins, Bubba Scott
Staff:	Cecilia Gardener, Carrie Calleja, and Rodney Orr		
<p>Mission: Collect data from stakeholder organizations, clients groups, and previously published studies to inform the Board’s Strategic Plan.</p> <p>To date: Connecting with AWC to review data from AWC-lead wiki-survey; connecting with Rhys Roth at the Center for Sustainable Infrastructure to review the Center’s research work; connecting with Diane Pottinger to review example information for potential inclusion in the Board’s survey; and meeting with IT staff to discuss the best way to roll out the Board’s survey. Anticipated survey start date: end of February.</p>			

Committee Name:	Research	Members:	Scott Hutsell, JC Baldwin, Mary Margaret Haugen, Matt Rasmussen
Staff:	Cecilia Gardener, Cindy Chavez, and Rodney Orr		
<p>Mission: Review existing research materials and specific areas of interest to extrapolate data for Board incorporation in the Strategic Plan.</p> <p>To date: Connecting with Commerce Research Services (who are also working with the Center for Sustainable Infrastructure) to review existing bodies of work (Moss Report, etc.) and delve deeper into three specific areas of interest: leveraging Community Development Financial Institutes, local and state pooled banking options, public/private partnerships.</p>			



DATE: January 22, 2016

TO: Public Works Board

FROM: Ann Campbell, Programs Manager

SUBJECT: Online Training Initiative & Academies Updates

ON-LINE TRAINING INITIATIVE:

Carrie Calleja is shepherding this process. A contract between Renton Technical College (RTC) and the Public Works Board has been submitted to RTC. Issues arose regarding the need for documents supporting reimbursable expenditures and copyright provisions. Both issues have been resolved. The contract is currently working its way through RTC's process.

RTC will be arranging and sending out Subject Matter Expert (SME) invitations to the participating community colleges once the contract has been executed. The SMEs will meet to determine coursework, process, and other programmatic synergies to propose for the Board's consideration.

ACADEMIES – Regional Tech Teams & Training

Lynn Kohn is on loan to the Public Works Board in a temporary capacity to share her skills and abilities to assist Jacquie Andresen and staff in the creation of Academies. Jacki Skaught, CERB program specialist, is also contributing her skills and organizational expertise to these efforts.

Jacquie Andresen is coordinating this process in conjunction with Lynn and Jacki. Staff are coordinating with staff from the Departments of Health and Ecology, the Small Communities Initiative program, CERB, Growth Management, and the Association of Washington Cities to create an enriched academy experience that includes both training as well as the opportunity for regional technical assistance teams to help communities with their projects outside of the IACC conference in the fall.

Currently, staff are researching facilities and securing dates for the first event to be held near the Colville / Chewelah area with a second event happening near Colfax. April 18th through early June is the event window being explored. Other conferences are occurring in this timeframe and efforts are being made to preclude overlap with these existing commitments.

The current Academy topics being considered are asset management, rate setting, financial sustainability, underwriting principals, and risk management.



DATE: January 22, 2016
TO: Public Works Board
FROM: Cecilia Gardener, Executive Director
SUBJECT: 2016 Legislative Bill Tracking

Things are moving quickly this year, and there has been a good deal of movement so far, as first cutoff is looming (see 2016 session cutoff calendar below. Attached is a sheet identifying bills that we are currently tracking.

Summary of key bills that are moving:

HB 2146: An ACT Relating to the public works board regarding the public works assistance account program interest rates, project ranking, board membership, and other requirements

Public Hearing on February 5, 2016 at 10:00 in the House Capital Budget Committee

Three main elements to this bill -

1. Change 43.155.030 Adding one member from each of the two major caucuses of the hour of representative to be appointed by the Speaker of the House, and one member from each of the two major caucuses of the senate to be appointed by the president of the senate.
2. Change 43.155.060 Changes from the Board establishing rates to it being based on the average daily market rate. (60% of market rate for loans from five years to 20 years, and 30% of market rate for loans less than five years. It includes reduced interest rates, extended repayment periods, or forgivable principal loans for projects that meet financial hardship criteria as measured by the affordability index or similar standard measure of financial hardship.
3. Change 43.155.070 Selection Criteria – more moderate approach than the proviso from last year, eliminate the mandate regarding water and sewer projects being excluded, and instead states that the Board must implement policies and procedures designed to maximize local government use of federal funds to finance local infrastructure including, but not limited to, drinking water and clean water state revolving funds operated by the state departments of health and ecology.

SB 6508: AN ACT Relating to public works assistance account loan repayment; and amending RCW 43.155.060.

Public hearing on February 1, 2016 at 10:00 in the Senate Government Operations and Security Committee

1. Impacts 43.155.060: “In any fiscal year during which no new loans from the public works assistance account are authorized by the legislature, local governments owing repayment amounts during that fiscal year are authorized to not remit those payments, and the principal of those payments are forgiven. Local governments choosing to not make such payments must deposit the amount of payment in the jurisdiction’s capital projects account. Public hearing on February 1, 2016 at 10:00 in the Government Operations and Security Committee.

SB 6517: AN ACT Relating to increasing equitable gender representation on state boards and commissions; adding a new section to chapter 43.06.

Public hearing on February 1, 2016 at 10:00 in the Senate Government Operations and Security Committee

The Board is 13 member Board, with 5 female, 5 males, and 3 vacant (2 city reps, and 1 county rep)

- | | |
|--------------------------|---|
| January 11, 2016 | First Day of Session |
| February 5, 2016 | Last day to read in committee reports (pass bills out of committee and read them into the record on the floor) in house of origin, except House fiscal committees and Senate Ways & Means and Transportation committees. |
| February 9, 2016 | Last day to read in committee reports (pass bills out of committee and read them into the record on the floor) from House fiscal committees and Senate Ways & Means and Transportation committees in house of origin. |
| February 17, 2016 | Last day to consider (pass) bills in house of origin (5 p.m.). |
| February 26, 2016 | Last day to read in committee reports (pass bills out of committee and read them into the record on the floor) from opposite house, except House fiscal committees and Senate Ways & Means and Transportation committees. |
| February 29, 2016 | Last day to read in opposite house committee reports (pass bills out of committee and read them into the record on the floor) from House fiscal committees and Senate Ways & Means and Transportation committees. |
| March 4, 2016* | Last day to consider (pass) opposite house bills (5 p.m.) (Except initiatives and alternatives to initiatives, budgets and matters necessary to implement budgets, differences between the houses, and matters incident to the interim and closing of the session). |
| March 10, 2016 | Last day allowed for regular session under state constitution. |

BILL #	H / S	TITLE	AFFECTS	SPONSORS	COMMITTEE	DROPPED	HEARING DATE	HEARING TIME	LOCATION	AGENDA #
PUBLIC WORKS BOARD										
6508	Senate	Concerning public works assistance account loan repayment.		Chase	Government Operations & Security	1/22/2016	2/1/2016	10:00 AM	JAC - SHR #2	#2 - Hearing only
6517	Senate	Increasing equitable gender representation on state boards and commissions.	CERB & PWB	Keiser, Rofles, Chase, Habib, Frockt, Conway	Government Operations & Security	1/22/2016	2/1/2016	10:00 AM	JAC - SHR #2	#5 - Hearing only
2146	House	Concerning public works assistance account program interest rates, project ranking, board membership and other requirements. - SUBSTITUTE BILL CB 15 - SHB 2146 H AMD 105 by Kochmar	43.155	Kilduff/Smith/Dunshee	Capital Budget	2/18/2015	2/5/2016	10:00 AM	JLOB - HHR #B	#1 - Public Hearing & Exec Session
5624	Senate	ESB 5624 - Concerning financing essential public infrastructure.	43.155	Keiser/Honeyford/Conway	Rules	1/26/2015	1/20/2016	Placed on Third Reading		
8204	Senate	ESJR - Amending the Constitution to allow the state to guarantee debt issued on behalf of a political subdivision for essential public infrastructure.	<i>Infrastructure - Jeff Wilson tracking</i>	Keiser/Honeyford/Conway	Rules	1/26/2015	1/20/2016	Placed on Third Reading		
1959	House	Concerning public works. (PWB's bill - PRO)	43.155	Dunshee, Riccelli, Walsh, DeBolt, MacEwen		2/3/2015	1/11/2016	<i>By resolution, reintroduced and retained in present status.</i>		
6035	Senate	Concerning the use of funds in the public works assistance account. (PWB - Pro)	43.155	Rivers et al		2/19/2015	1/11/2016	<i>By resolution, reintroduced and retained in present status.</i>		
5628	Senate	Providing for storm water, flood control, and water supply infrastructure in the state. (Use revenue from loan payments to PWAA to support the bonds)	John Kounts/PWAA	Honeyford/Hatfield/Braun/Hobbs/Warnick/Chase		1/27/2015	1/11/2016	<i>By resolution, reintroduced and retained in present status.</i>		
5109	Senate	Substitute Bill be substituted - Concerning infrastructure financing for local governments. (LRF)	43.155	Brown		1/14/2015	1/11/2016	<i>By resolution, reintroduced and retained in present status.</i>		
5553	Senate	Creating the Washington investment trust. - Facilitate investment in, and financing of, public infrastructure systems that will increase public health, safety, and quality of life, improve environmental conditions, and promote community vitality and economic growth.		Hasegawa, Chae, Jaypal, Rolfes, Darneille, Conway, Frockt, Kohl-Welles		1/23/2015	1/11/2016	<i>By resolution, reintroduced and retained in present status.</i>		

BILL #	H / S	TITLE	AFFECTS	SPONSORS	COMMITTEE	DROPPED	HEARING DATE	HEARING TIME	LOCATION	AGENDA #
1648	House	Concerning infrastructure financing for local governments.	Dept. of Revenue	Walsh/Springer /Nealey/Haler/ McBride		1/26/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
CERB										
5442	Senate	Concerning eligibility criteria for the community economic revitalization board programs. (Warnick CERB Bill - PRO)	43.160	Hatfield & Warnick		1/21/2015	1/11/2016			01/27/2016 - Sen. Warnick stated to Janae Eddy that the median wage bill will not move this session.
1856	House	Concerning the community economic revitalization board program. (Ryu CERB Bill - CON)	43.160	Ryu, et al		1/30/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
6478	Senate	Providing assistance to communities impacted by large employment losses.		Ranker, Parlette	Trade & Economic Development	1/21/2016				First Reading
1314	House	Implementing a carbon pollution market program to reduce greenhouse gas emissions. (CERB applications exempt from disclosure under this.)	43.160	Fitzgibbon/et al		1/19/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
DWSRF										
1464	House	Transferring public water system financial assistance activities from the public works board and the department of commerce to the department of health. (Companion SB 5251)	43.155	Hudgins/MacE wen/Senn/Hunt		1/21/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
5251	Senate	Transferring public water system financial assistance activities from the public works board and the department of commerce to the department of health. (Companion HB 1464 did not make cutoff) - Honeyford Amendment removes requirement for DOH to send list to PWB	43.155	Honeyford/Keis er		1/16/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
6147	Senate	Relating to Water-Sewer Districts		Roach, Takko, Dansel, Chase	Passed to Rules for 2nd Reading	12/8/2015	1/22/2016			GOS - Majority Do pass
BUDGET										
1106	House	Making 2015-2017 operating appropriations.	43.155	Hunter/Ormsby /Sullivan/Gerge rson/Reykdal	Appropriations	1/9/2015	1/11/2016	3:30 PM	HHR A	

BILL #	H / S	TITLE	AFFECTS	SPONSORS	COMMITTEE	DROPPED	HEARING DATE	HEARING TIME	LOCATION	AGENDA #
1116	House	Concerning the supplemental capital budget.	43.160	Dunshee/DeBolt/Gregerson/Morris		1/13/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
1661	House	Restoring resources to the capital budget.	43.155	Pike/Manweller/Johnson/Reykjal/Rodne		1/26/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
1992	House	Restoring resources to Capital Budget	43.155	Stanford et al		2/5/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
5077	Senate	Making 2015-2017 operating appropriations.	43.155	Hill/Hargrove		1/13/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
5096	Senate	Concerning the supplemental capital budget.	43.160	Honeyford/Keiser		1/14/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
5097	Senate	Concerning the capital budget	43.155	Honeyford/Keiser/Hatfield		1/14/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
MISCELLANEOUS										
5934	Senate	Substitute bill is substituted - Creating a joint legislative task force on fostering innovation and retaining and creating jobs in Washington	<i>Cecilia requested</i>	Brown/Warnick/Chase	Moved to Rules White Sheet	2/11/2015	1/19/2016			Moved to Rules
1325	House	Reevaluating the delegation of authority to state agencies in regards to programs that address greenhouse gas emissions.	43.160	Shea/Scott/Taylor/Hunt/Condo tta/McCaslin		1/19/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
5257	Senate	Providing a reduced public utility tax for log transportation businesses.	43.155	Hargrove/Hill/Hatfield/Braun		1/16/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
5737	Senate	Concerning government performance and accountability. (Office of Performance Mgmnt, LEAN) 2S - 2nd Sub Bill subbed, floor amends adopted	43.155	Miloscia/Chase		1/30/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>
5801	Senate	Creating a water commission.	DWSRF	Pearson		2/3/2015	1/11/2016			<i>By resolution, reintroduced and retained in present status.</i>

BILL #	H/S	TITLE	AFFECTS	SPONSORS	COMMITTEE	DROPPED	HEARING DATE	HEARING TIME	LOCATION	AGENDA #
6508	Senate	Concerning public works assistance account loan repayment.		Chase	Government Operations & Security	1/22/2016	2/1/2016	10:00 AM	JAC - SHR #2	#2 - Hearing only
6517	Senate	Increasing equitable gender representation on state boards and commissions.	CERB & PWB	Keiser, Rofles, Chase, Habib, Frockt, Conway	Government Operations & Security	1/22/2016	2/1/2016	10:00 AM	JAC - SHR #2	#5 - Hearing only
2146	House	Concerning public works assistance account program interest rates, project ranking, board membership and other requirements. - SUBSTITUTE BILL CB 15 - SHB 2146 H AMD 105 by Kochmar	43.155	Kilduff/Smith/Dunshee	Capital Budget	2/18/2015	2/5/2016	10:00 AM	JLOB - HHR #B	#1 - Public Hearing & Exec Session

TAB D

Information and Other Items

**Small Communities Initiative
Quarterly Report
(October - December 2015)**

*Submitted by Cathi Read and Jon Galow
Department of Commerce*

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Bullman Beach Water Association, (pop. ~40) Clallam County <i>(Assist Association with developing a sustainable source of water.)</i></p> <p>SCI involvement per Health SWRO request in late 2014.</p>	<p>Convened and facilitated numerous conference calls with Association members, consulting engineer, and Health regional staff. Attended meeting with Health ODW and Ecology WR staff on December 22.</p> <p>Amended schedule in Health Pre-Construction Grant contract and Agreed Notice of Correction.</p> <p>Working on Section 106 for Pre-Construction Grant.</p> <p>Test well drilling in late September 2015; initial pump test did not achieve a constant head; may need to hire hydrogeologist to oversee next round of pump tests.</p> <p>Source Approval Report submitted to Health. Project Report for pump test was submitted to Ecology WR per the conditions of the Preliminary Permit.</p>	<p>January 13 conference call.</p> <p>Determine sustainable pump rate for new/test well.</p> <p>Hire an experienced hydrogeo firm to conduct a second pump test and re-submit Report to Health ODW and Ecology WR.</p> <p>Determine treatment for permanent water source.</p>	<p>\$25,000 Health Pre-Construction Grant.</p> <p>Association funds.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Town of Carbonado (pop. 610) Pierce County <i>(Assist Town with wastewater system planning and assessment; also help as needed with water system)</i></p> <p>SCI re-involvement approved by Ecology SWRO and Health NWRO in 2012</p>	<p><u>Wastewater</u> Working on contract with Ecology for \$920,000 for design of system improvements (mostly on the collection system).</p> <p><u>Water</u> Following conference call with staff from Town, Health, RCAC, Geolnstitute, and Commerce on September 28, Town developed and submitted an application for Source Water Protection Grant funding to develop viable alternatives and vet with School District.</p>	<p><u>Wastewater</u> Design work.</p> <p>Meeting on January 5 to discuss status and possible coordination of collection system work with future water line replacement.</p> <p><u>Water</u> Develop action plan for purchasing easement or land swap with school district.</p> <p>Update Water System Plan; Current Water System Plan is valid through March 2016.</p>	<p><u>Wastewater</u> Ecology 2014 Water Quality Funding for \$100,000 of Ecology pre-construction funding to complete GSP/FP.</p> <p>\$920,000 in Ecology funding for design of collection system improvements.</p> <p><u>Water</u> \$30,000 Source Water Protection Grant from Health for planning work in the watershed.</p> <p>\$525,000 state appropriation from 'Projects for Jobs and Economic Development' for reservoir replacement.</p> <p>Submitted a second Source Water Protection Grant application; pending.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Carrolls Water Association (pop. ~400) Cowlitz County <i>(Assist Association with water system planning and projects)</i></p> <p>SCI involvement per Health SWRO request in 2013</p>	<p>Met with Carrolls Association Board members, operator, and engineering consultant on November 4 and December 9.</p> <p>Met with Treasurer, engineering consultant, and Jon Galow on October 7 to review budget and begin developing Capital Improvement Program.</p> <p>Amended schedule in Pre-Construction Grant from Health for tasks associated with developing a new sustainable source of water. However test well drilling will not occur until Spring (Board must collect recent customer assessment in order to complete test well drilling – assessment is due by April 1, 2016.)</p> <p>Engineer and operator are finalizing telemetry system improvements.</p> <p>New Board member has created a Facebook page for Carrolls, in order to provide more information to customers.</p> <p>System sustained damage during November storms (flooding and landslides).</p>	<p>Monthly meetings with Carrolls Board to address operational, technical, and managerial issues.</p> <p>Implement another rate increase and finish collecting current assessment.</p> <p>Continue search for new well.</p> <p>Continue to implement Cross Connection Control Program.</p> <p>Begin updating By-Laws.</p> <p>Repair sections of water system damaged by November storms.</p>	<p>\$30,000 Source Water Protection Grant.</p> <p>\$100,000 RCAC loan for priority system improvements.</p> <p>\$25,000 Department of Health Pre-Construction Grant.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Clallam County PUD #1 (Upper Fairview area pop. ~595) Clallam County <i>(Assist PUD with developing plan to serve Upper Fairview area during low flow periods in Morse Creek)</i></p> <p>SCI involvement per Health SWRO request in 2015.</p>	<p><i>No SCI activity this quarter.</i></p>	<p>PUD will apply for construction funding for long-term, permanent pumping solution.</p> <p>PUD will update Drought Response Plan.</p> <p>Water System Plan Update due in 2016.</p>	<p>PUD funds</p>
<p>Curlew Water / Sewer District (pop. ~118) Ferry County <i>(Develop community wastewater system)</i></p> <p>SCI involvement per Ecology ERO request in 2006</p>	<p><i>No SCI activity this quarter.</i></p> <p>Bid opening December 17:</p> <ul style="list-style-type: none"> • Engineer estimate - \$3.45 million • Low contractor bid - \$4.57 million <p>District is considering a \$1.2 million supplemental USDA RD funding request to cover construction, engineering, and contingency – total project cost would then be ~ \$6 million.</p>	<p>Secure additional project funding and amend funding contracts.</p> <p>Execute construction contract if additional funding secured.</p>	<p>\$24,000 CDBG Planning Grant</p> <p>\$26,000 District funds for preliminary hydrogeo work and land acquisition.</p> <p>\$600,000 CDBG GP Grant \$3,123,344 Centennial grant \$24,904 SRF Forgivable Loan \$51,752 SRF Standard loan \$558,000 USDA RD loan <u>\$475,000 USDA RD grant</u> \$4.833 million total project</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Town of Cusick (pop. 207, water system pop. ~420)</p> <p>Pend Oreille County <i>(Water system planning, treatment plant and distribution system upgrades; wastewater collection system planning and upgrades)</i></p> <p>SCI involvement per Health request in 2015</p>	<p>Clerk-treasurer contacted Cathi on December 29.</p> <p>Health approved having Jon work with Cusick on December 30.</p>	<p><u>Water:</u> Finalize Water System Plan Amendment.</p> <p>Consider Health Pre-construction Grant funding for proposed water system improvements (treatment plant and distribution system).</p> <p>Implement (\$5) monthly base rate increase for 2016? Update 6-year budget projections and create schedule for additional possible rate increases.</p> <p><u>Sewer:</u> Assess need and timeline for potential wastewater collection system planning work.</p>	<p><i>Prior to SCI involvement:</i></p> <ul style="list-style-type: none"> • CDBG Planning Only Grant - \$21,904 - for Water System Plan (2014) • Kalispel Tribe loan - unknown amount (now paid) – for Water System Plan (2014) • Cusick Water Fund - \$14,000 – for Water System Plan treatment plant evaluation amendment (2015)

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Everson (pop. 2,481) Whatcom County <i>(Wastewater planning; upgrade wastewater system)</i></p> <p>SCI involvement per Ecology NWRO request in 2010</p>	<p><i>No SCI activity this quarter.</i></p> <p>The wastewater treatment plant upgrade project is underway, and they will start 'moving dirt' after the first of the year.</p> <p>The outfall project was completed in October and should be closed out soon. It came in under budget and is performing as designed.</p>	<p>Continue work on wastewater treatment plant upgrade.</p>	<p>CDBG Planning Only Grant - \$35,000 for Wastewater Facilities Plan amendment.</p> <p>PWTF Pre-Construction loan of \$300,000 for design.</p> <p>\$500,000 FEMA Pre-Disaster Mitigation Grant for the outfall portion of the work.</p> <p>\$2,360,000 Ecology SRF loan. \$520,000 City of Nooksack (County EDI Fund Loan) \$260,000 City of Nooksack (County EDI Fund Loan)</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Greater Bar Water District (pop. ~300) Douglas County <i>(Water system consolidation, new source well, reservoir and distribution piping)</i></p> <p>SCI involvement per Health ERO request in 2008</p> <p>Involves the following water systems: Greater Bar Water District Rocky Butte Water Assoc. Rich Acres Water Corp. Bar Development Whitlam Water? GKs Country Market?</p>	<p>Jon participated in District meetings on October 19, November 14, and November 30.</p> <p>District amended contract end dates for DWSRF loan and CDBG grant to January 2017.</p> <p>District bid opening (re-bid) November 24th for final construction phase – approx. \$200k current project funding shortfall. District is requesting additional DWSRF loan funds.</p> <p>State Auditor published Assessment Audit for 2013-2014 on December 28 – the unpublished report includes long list of recommendations.</p>	<p>Complete DWSRF loan amendment request (up to \$300k). If necessary, apply for USDA RD loan.</p> <p>Execute construction contract and proceed with final phase of construction.</p> <p>Fill vacant commissioner position.</p> <p>Raise monthly rates \$5 each quarter until monthly rates are \$80 to repay DWSRF loan.</p> <p>Complete USDA and SAO annual reports in a timely manner.</p>	<p>CDBG \$35,000 POG and DOH Grant(s) for feasibility study(s)</p> <p>\$30,000 Douglas Co. 0.09% 2010 & 2011 funding</p> <p>\$40,000 RCAC interim loan (refinanced with DWSRF loan)</p> <p>\$2,722,800 DWSRF loan (~ 50% forgivable principal)</p> <p>\$1 million CDBG grant (pass-through via Douglas Co)</p> <p>\$1 million Jobs Now Act grant</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Ilwaco (City pop. 936; water service area pop. 2,477)</p> <p>Pacific County <i>(Water system upgrades)</i></p> <p>SCI involvement per Health SWRO request in 2010</p>	<p>Final meeting with 'Ilwaco Water Action Team' on November 5.</p> <p>Clerk-Treasurer attended IACC Conference in October.</p> <p><i>This project will not be included in the next quarterly report.</i></p>		<p>\$1,814,000 Drinking Water State Revolving Fund for backwash basin improvements and two new reservoirs.</p> <p>\$940,000 state appropriation for water treatment plant improvements.</p> <p>\$30,000 Source Water Protection Grant for culvert replacement/ improvement in the watershed, and Watershed Control Plan</p> <p>\$837,000 2014 Public Works Trust Fund loan for water line replacement was diverted by the Legislature.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Kahlotus (pop. ~ 195) Franklin County <i>(Upgrade water system and considering community sewer system)</i></p> <p>SCI involvement per Health ERO request beginning in 2014</p>	<p>Jon met with mayor, staff and city council on October 13 and November 25.</p> <p>Mayor attended IACC conference.</p> <p>New city staff, public records and potential litigation caused major upheaval in city's day-to-day work.</p> <p><u>Water</u> Project related work on-hold.</p> <p><u>Wastewater</u> City amended consultant agreement. Consultant continued feasibility study work.</p>	<p><u>Water</u> Re-prioritize water system needs and improvement plan. Consider future applications to DWSRF, CDBG, or USDA RD.</p> <p><u>Wastewater</u> Continue feasibility study work.</p> <p>Convene council workshop with Benton-Franklin Health District for an overview of on-site septic repair and replacement options.</p>	<p><u>Water</u> *\$24,000 CDBG Planning-Only Grant (2010) – SWSMP approved February 2013.</p> <p><u>Wastewater</u> \$24,000 CDBG Planning-Only Grant (2014 funds) \$24,000 SFY 2016 Ecology Pre-construction funds</p> <p>*Prior activities -\$24,000 CDBG Planning Only Grant (2007) – Sewer System Feasibility Study</p>
<p>Town of Metaline (pop. ~173) Pend Oreille County <i>(Upgrade water system)</i></p> <p>SCI involvement per Health ERO request in 2005</p>	<p><i>No SCI activity this quarter.</i></p> <p>Intermittent communication with Town clerk/treasurer about possible income survey.</p>	<p>Conduct IACC income survey?</p> <p><u>Water</u> Consider water transmission main project for 2016 budget using Town funds.</p> <p><u>Sewer</u> Consider Ecology Preconstruction funding (not currently eligible for hardship) to update General Sewer/Facilities Plan.</p>	<p><u>Prior activities</u> \$1.54 million for Water Treatment Plant, Reservoir and meter project (2008-10). \$24,000 CDBG POG for Water System Plan – WSP approved in January 2014.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Morton (pop. 1,126) Lewis County <i>(Assist City with preparing for wastewater system upgrades and drinking water system upgrades)</i></p> <p>SCI involvement per Ecology SWRO request in 2012 and Health SWRO request in 2014.</p>	<p><u>Wastewater</u> Met with Town elected officials, staff, consulting engineer, and Ecology staff on November 20 to continue implementing action plan for substantial wastewater treatment system improvements.</p> <p>I&I work is underway in Basin 1 (mains and side sewer replacement).</p> <p>Facility Pre-Design Report submitted to Ecology.</p> <p><u>Water</u> A section of the raw water transmission line near the water treatment plant was exposed by Tilton River scouring during November storms. City is investigating emergency funds to stabilize bank and line.</p> <p>Working on pre-construction tasks associated with eventual replacement of reservoir and water line on bridge.</p>	<p><u>Wastewater</u> Continue work on Ecology-funded projects.</p> <p>City will conduct income survey with assistance from Rural Community Assistance Corporation (funded by Ecology).</p> <p>Next meeting is scheduled for February 18.</p> <p><u>Water</u> Update Water System Plan in early 2016.</p> <p>Apply for DWSRF funding in September 2016 for design and construction of needed upgrades.</p>	<p><u>Wastewater</u> \$180,000 PWTF request for a new fine screen - PWTF funding diverted by Legislature</p> <p>\$40,000 from Lewis County '.09%' fund (2013) for Fisher Ave I&I improvements.</p> <p>SFY 2015 Ecology funding:</p> <ul style="list-style-type: none"> • \$783,000 Design of wwtp improvements. • \$1,162,900 Design and construction of collection system improvements. <p><u>Water</u> \$75,000 CDBG Imminent Threat grant.</p> <p>\$25,000 Health Pre-Construction Grant.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Mossyrock (pop. 500) Lewis County <i>(Update Water System Plan)</i></p> <p>SCI involvement per Health request in 2014</p>	<p>Conducted conference calls with Mayor, City staff, consulting engineer, and Health staff on October 27 and November 17 to discuss Water System Plan Update.</p> <p>City and consulting engineer are currently finishing up the CIP chapter.</p>	<p>Submit draft Water System Plan Update to Health for approval in early 2016.</p>	<p>\$30,000 Department of Health Restructuring Technical Assistance grant.</p> <p>\$25,000 Department of Health Pre-Construction Grant.</p>
<p>Onalaska (Lewis County Water District 2) (pop. 232 ERUs) <i>(Update Water System Plan)</i></p> <p>SCI involvement per Health request in 2014</p>	<p>Numerous phone calls and e-mails with District Manager.</p> <p>Met with District staff on November 4 to discuss adding possible consolidation project to CIP in Water System Plan Update.</p> <p>Met with District staff on December 21 to strategize educational opportunities for newly-elected Board members.</p>	<p>Complete Water System Plan Update.</p> <p>Apply for construction funding as needed.</p> <p>Assist staff with presentations/ Board workshops at monthly Board meetings.</p>	<p>\$30,000 Health Restructuring Technical Assistance Grant.</p> <p>\$24,000 CDBG Planning Only Grant to Lewis County (LCWD2 is subrecipient)</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Community of Packwood (pop. ~342)/ Lewis County/ Lewis County Water/Sewer District 3 <i>(Investigate feasibility of new community wastewater system)</i></p> <p>SCI involvement per Ecology SWRO request in 2009</p>	<p><i>No hands-on SCI involvement this quarter.</i></p> <p>Provided funding information to County staff to share with District staff.</p>	<p>Apply for design and construction funding as appropriate.</p> <p>Interim financing for some project phases may come from future Distressed Counties 0.09% funds.</p>	<p>\$35,000 Distressed Counties .09% funds made available by the Rural Economic Development Advisory Committee of Lewis County</p>
<p>Town of Riverside (pop. ~280) Okanogan County <i>(Upgrade water system and develop community wastewater system)</i></p> <p>SCI involvement per Ecology HQ in 2015 and CDBG (water) in 2015</p>	<p><u>Water</u> Town attended CDBG contract management workshop, executed CDBG contract and began environmental review work.</p> <p><u>Wastewater</u> Held tech team meeting at IACC conference – significant concerns raised regarding feasibility of acquiring land for treatment facility site (lack of funding for land acquisition) and viability of treatment alternative (combination of land treatment and surface water discharge).</p>	<p><u>Water</u> Execute Direct Appropriation contract. Complete SEPA/NEPA environmental/cultural review work.</p> <p><u>Wastewater</u> Continue to consider wastewater options.</p>	<p><u>Water</u> \$485,000 State Direct Appropriation \$645,388 CDBG General Purpose Grant \$37,550 Riverside water fund</p> <p><u>Wastewater</u> \$596,000 SFY 2015 Ecology pre-construction funding</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Roy, (population ~875) Pierce County <i>(Update Water System Plan; explore possible transition to a new operating environment)</i></p> <p>SCI involvement per Health NWRO request in late 2014</p>	<p>Attended Water System Plan pre-plan meeting with Town staff and elected officials, consulting engineer, and Health NWRO staff on December 17.</p> <p>Once the WSP Update is complete, the City hopes to have enough information to evaluate long-term options regarding ownership, operations, and maintenance of the water system.</p> <p>The City would also eventually like assistance with evaluating the feasibility of a centralized sewer system.</p>	<p>Update Water System Plan.</p> <p>Work with Clerk-Treasurer and Public Works staff to develop council and community workshops regarding the City's water system, as requested.</p>	<p>Water System Plan Update is being funded with City water funds.</p>
<p>Royal Water District (pop. ~ 175) Grant County <i>(Replace reservoir and piping, potential well modifications)</i></p> <p>SCI involvement in January 2015 per Health ERO</p>	<p><i>No SCI activity with county or district.</i></p> <p>Grant County attended the CDBG contract management workshop and executed CDBG contract.</p> <p><i>This project will not be included in the next quarterly report.</i></p>	<p>Begin environmental review for release of funds and begin design work.</p>	<p>\$750,000 CDBG General Purpose Grant to Grant County (district is subrecipient)</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of South Bend (pop. 1,637) City of Raymond (pop. 2,882) Pacific County <i>(Upgrade sewer collection system and wastewater treatment plant; upgrade water system; downtown revitalization)</i></p> <p>SCI involvement per Ecology SWRO request in 2003</p>	<p><i>No SCI activity this quarter. This project will not be included in the next quarterly report.</i></p> <p><u>Regional Wastewater</u> Finishing punch list items for regional wastewater treatment facility.</p> <p>South Bend lagoon decommissioning is complete.</p> <p>South Bend Central Avenue sewer line project is nearly complete.</p> <p><u>Drinking Water – South Bend</u> Mayor attended 2015 IACC Conference. City had a tech team meeting regarding developing a new water source.</p>	<p>Complete South Bend Central Avenue sewer line project.</p>	<p>\$1 million to each city from PWTF for design</p> <p><u>Phase 1 construction:</u> \$2,531,500 Ecology ARRA forgivable loan \$1,618,500 SRF Loan</p> <p><u>Phase 2 construction:</u> USDA Rural Development ~\$11 million in grant and ~\$17 million in loan, plus additional loan funding in 2015 for cost overruns</p> <p>\$780,000 loan - Additional RD funding received for South Bend lagoon decommissioning</p> <p><u>I&I work:</u> \$485,000 STAG \$1 million State appropriation</p> <p><u>South Bend Central Ave Sewer Line repair:</u> \$750,000 CDBG Grant</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Town of South Prairie (pop. ~450) Pierce County <i>(Complete Water System Plan and needed water system upgrades)</i></p> <p>SCI involvement per Health NWRO request in 2015</p>	<p>Participated in a meeting on November 17 with Health and County staff, Town staff and mayor, and Town’s consulting engineer to discuss Town’s needs.</p> <p>Attended Water System Plan pre-plan meeting with Town staff and mayor, County staff, and consulting engineer, and Health staff on December 3.</p> <p>Town would like assistance with developing and presenting educational workshops for council and community members.</p>	<p>Attend January 5 Council meeting to discuss Water System Plan Update, income survey, and future workshops.</p> <p>Complete Water System Plan Update</p> <p>Coordinate with Pierce County CDBG Program regarding income survey.</p>	<p>Town funds</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Vader (pop. 621) Lewis County <i>(Upgrade sewer collection system and wastewater treatment plant)</i></p> <p>SCI involvement per Ecology SWRO request in 2001 and Health SWRO request in 2009</p>	<p><u>Wastewater</u> Numerous e-mails and conference calls regarding SERP process with Town and Ecology.</p> <p>Revised 303(d) listing of Cowlitz River segment affects development and selection of preferred wastewater treatment alternative/ outfall location.</p> <p>Ecology has approved additional pre-construction funding for the planning/ environmental review phase of the project.</p> <p>CDBG-funded collection system improvement work: Almost complete; working on side sewer replacement at last house.</p> <p>Clerk-Treasurer attended IACC Conference in October.</p>	<p><u>Wastewater</u> Conference call scheduled for January 5 regarding impacts from 303(d) listing.</p> <p>Once FP is approved, initiate tribal consultation.</p> <p>Following consultation process, begin design of selected alternative.</p> <p>Either complete own income survey or use information from a County-funded income survey of the drinking water service area.</p> <p><u>Water</u> City will try to meet requirements (outlined in 'Conditions of Return' section of Transfer Agreement) to eventually get water system back from County.</p>	<p><u>Wastewater</u> CDBG -Planning Only Grant for \$29,500 to update 2004 Facilities Plan in 2009.</p> <p>CDBG – Planning Only Grant for I&I Evaluation in Winlock and Vader.</p> <p>FEMA funding for outfall repairs.</p> <p>\$900,000 from Ecology for Facilities Plan Amendment and design of selected alternative.</p> <p>Awarded \$716,787 in 2013 CDBG- GP funding for wastewater collection system improvements.</p> <p><u>Water</u> CDBG - \$613,000</p> <p>DWSRF - \$361,281 loan and \$361,281 forgivable loan</p> <p>CDBG grant of \$717,000 to Lewis County for new water reservoir for Vader.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Winlock (pop. 1,350) Lewis County <i>(Water System Plan Update; water system upgrades; wastewater system upgrades)</i></p> <p>SCI involvement per Health and Ecology requests in 2014</p>	<p><u>Water</u> Water System Plan Update is in progress.</p> <p>Cardinal Glass is building a new well for the City as part of an earlier agreement.</p> <p>Mayor attended IACC Conference in October.</p> <p><u>Wastewater</u> RCAC completed a wastewater rate study 2015; wastewater rates scheduled to increase on January 1.</p> <p>CDBG General Purpose contract is in place and City is in the process of contracting with Ecology for design and construction of membrane replacement and collection system improvements. Selected engineering consultant to complete work.</p>	<p><u>Water</u> Meeting with Ecology Water Resources staff, City, and Cardinal Glass in early January.</p> <p>Complete Water System Plan Update in Summer 2016.</p> <p>City wants to replace water service lines on ~6 blocks of First St before re-paving road.</p> <p><u>Wastewater</u> Finalize Ecology contract.</p> <p>Begin design of wastewater system upgrades.</p>	<p><u>Water</u> \$24,000 CDBG POG for Water System Plan Update.</p> <p><u>Wastewater</u> ~\$4,383,117 SFY 2016 Ecology funding for design and construction of membrane replacement and collection system improvements.</p> <p>\$605,883 CDBG General Purpose grant (replaced loan portion of Ecology offer).</p>

Inter- and intra-agency coordination

Cathi:

- Convened and facilitated Maximizing Resources meeting on December 1.
- Attended 'Future of Washington Infrastructure' meeting on December 3.
- Attended IACC Board meetings on October 19 and December 10.
- As 2015 IACC Conference Chair, convened and facilitated Conference Planning Committee meetings on October 14.
- Attended IACC Conference (October 20-22) in Wenatchee. Set up 24 tech team meetings which were held at the conference, most of which were for drinking water and wastewater system upgrades for small communities. Moderated one panel session.
- Convened the first conference call (December 9) to begin planning for Regional Tech Team meetings.

Jon:

- Attended IACC Conference (October 20-22) in Wenatchee. Facilitated two tech teams and participated in three teams, all for drinking water and wastewater system upgrades for small communities. Moderated one panel session and presented a session on income surveys.
- Provided draft IACC Income Survey Guidelines update and distributed to funding program staff for review and comment.
- Attended (by phone) Maximizing Resources meeting on December 1.
- Attended (by phone) 'Future of Washington Infrastructure' meetings on October 1 and November 5.
- Facilitated income survey workshop for Lincoln Co EDC and Odessa town council on December 14 and provided technical assistance to Lincoln County EDC for Odessa and Sprague income surveys.
- Attended (by phone) first Regional Tech Team planning meeting on December 9.

Next quarter

- Cathi will convene/facilitate future 'Maximizing Resources' meetings, as needed. Next meeting scheduled for January 19.
- Continue planning for and help implement Regional Tech Team meetings. Next meeting scheduled for January 13.
- Jon will continue to help the Lincoln County EDC conduct income surveys in Odessa and Sprague.
- Jon will coordinate final revisions to IACC Income Survey Guidelines and posting to IACC website.