



Meeting Location: Department of Commerce, 1011 Plum Street SE, Olympia, WA 98504

Agenda Item	Action	Page	Time
<b>A) <u>ADMINISTRATION</u></b>		3	9:00
1. Call to Order			
2. Welcome and Introductions			
3. Approve Agenda: Heather Youckton	Action	1	9:05
4. Meeting Minutes for January 31, 2014: Heather Youckton	Action	5	
5. Executive Director Update: Kendee Yamaguchi	Verbal		
<b>B) <u>CONTRACTING/FINANCING OPPORTUNITIES</u></b>		11	9:20
1. Drinking Water State Revolving Fund (DWSRF) Loan Program			
a. DWSRF Loan Restructure Update: Chris McCord			
1. Tahuya River Valley Water District	Action		
b. DWSRF 2013 Contract Boilerplate – “Buy American”		13	
1. Municipal Contract Boilerplate	Action		
2. Non-Municipal Contract Boilerplate	Action		
<b>C) <u>POLICY &amp; PROGRAM DEVELOPMENT</u></b>		17	9:30
1. 2014 Legislative Update: Cecilia Gardener		19	
2. 2016 PWAA Loan Terms: Cecilia Gardener	Action	20	
3. 2016 PWAA Draft Application: Cecilia Gardener	Action	22	
4. 2016 PWAA Application Threshold Requirements: Cecilia Gardener	Action	23	
5. Allocation of Biennial (2015-17) Resources: Cecilia Gardener	Action	25	
<b>D) <u>TECHNICAL &amp; IMPACT ASSISTANCE</u></b>		27	11:00
1. Small Communities Initiative: Cathi Read		29	
2. Funding Webinar: Chris Gagnon		55	
<b>E) <u>INFORMATION AND OTHER ITEMS</u></b>		57	11:10
1. Board Committee Updates	Verbal		
a. Executive Committee: Stan Finkelstein			
b. Policy & Program Development Committee: Scott Hutsell			
c. Communication Committee: Kathryn Gardow			
d. Technical Assistance Committee: Jerry Cummins			
2. Board Member Updates			
3. Other			

**Note: Anticipated time of Adjournment is 11:40 a.m.**

**NEXT BUSINESS MEETING SCHEDULED: March 28, 2014**

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

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

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**TAB 1**

# **Administration**





**Washington State  
Public Works Board**  
Post Office Box 42525  
Olympia, Washington 98504-2525

**PUBLIC WORKS BOARD MEETING**  
**January 31, 2014**  
Department of Commerce (Olympia, WA)

Board Members		Guests Present:	Staff Present:
Present:	Absent:		
Stan Finkelstein, Chair		Mark Barkley, Commerce	Ann Campbell
Kathryn Gardow, Vice Chair		Blair Burroughs, Washington Association of Sewer and Water Districts	Steve Dunk
JC Baldwin		Kenny Deshiro-Harper, Commerce	Chris Gagnon
Ted Carlson		Michelle Heacox, Commerce	Cecilia Gardener
Pam Carter		Karen Klocke, Department of Health	Isaac Huang
Jerry Cummins		John Kounts, Washington Public Utility District Association	Lynn Kohn
Ed Hildreth		Chris McCord, Department of Health	Bruce Lund
Scott Hutsell		Stephen Misiurak, City of Gig Harbor	Rodney Orr
Diane Pottinger		Jeff Nejedly, Department of Ecology	Jacki Skaught
Matt Rasmussen		Cathi Read, Commerce	Kendee Yamaguchi
Mark Scott			Heather Youckton

**ADMINISTRATION**

- 1) Call to order: Stan Finkelstein called the meeting to order at 9:02 a.m.
- 2) Welcome and Introductions
- 3) **ACTION: Jerry Cummins moved to approve the agenda. Pam Carter Seconded. MOTION APPROVED 10-0** (Baldwin, Carlson, Carter, Cummins, Gardow, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott)
- 4) **ACTION: Scott Hutsell moved to approve the December 6, 2013, meeting minutes as presented; Pam Carter seconded. MOTION APPROVED 10-0** (Baldwin, Carlson, Carter, Cummins, Gardow, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott)
- 5) Executive Director Update: Kendee Yamaguchi stated her appreciation of the Board’s leadership. Staff will be providing legislative updates to the Board via email on a weekly basis. Information on the Department of Commerce’s, Local Government and Infrastructure legislative priorities was shared, which includes Public Works Board request for \$10 million in pre-construction loans, \$250,000 for the Washington Infrastructure Information Portal, \$982,000 for local government planning support for Growth Management Services, and \$149,000 for Community Economic Revitalization (CERB) staff support. An update on agency participation in “RESULTS Commerce” was provided. More information can be found at: [www.results.wa.gov](http://www.results.wa.gov).



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- 6) Committee Membership: Cecilia Gardener reviewed the Board committees, charters, and recommended membership. Additional staff support include Rodney Orr to the Communications Committee and Steve Dunk to the Technical Assistance Committee.  
**ACTION: Ed Hildreth moved to approve the committee membership designation as presented with staff additions. JC Baldwin seconded the motion. MOTION APPROVED 10-0** (Baldwin, Carlson, Carter, Cummins, Gardow, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott)

### **CONTRACTING/FINANCING OPPORTUNITIES**

- 1) Notice to Proceed Extension Request: Mark Barkley presented one project for recommended extension as outlined on page 15. The City of Napavine, Drinking Water State Revolving Fund (DWSRF) – Contract No. DM10-952-006, current Notice to Proceed date is December 31, 2013. The proposed closeout date is June 30, 2014. The additional time is needed to develop an archaeological monitoring plan as requested through the tribal consultation requirement of Governor’s Executive Order 05-05. The Department of Health has reviewed the extension request and concurs with the staff recommendation to extend the Notice to Proceed date as presented. **ACTION: Matt Rasmussen moved to approve the City of Napavine, contract DM10-952-006, Notice to Proceed extension request as presented. Pam Carter seconded. MOTION APPROVED 10-0** (Baldwin, Carlson, Carter, Cummins, Gardow, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott)
- 2) Contracts Administration Unit Quarterly Report: Mark Barkley presented the quarterly report from October 1 through December 31, 2013. The Contracts Administration Unit received 31 Board contracts, monitored 311 open Board contracts, processed 5 project completions, and distributed \$46,899,471.
- 3) DWSRF Loan Program:
  - a) 2013 Fall DWSRF Funding List: Jerry Cummins recused himself from the Walla Walla discussion and decision. Chris McCord provided background for the DWSRF process that was only available for drinking water projects included in the 2014 Public Works Construction Loan List that was not approved for funding. Department of Health (DOH) received 49 applications requesting over \$122 million. DOH reviewed all applications based on public health and safety issues. A preliminary list was presented to the Board at the December 2013 meeting. Chris reviewed changes from the preliminary funding list. One project withdrew their application and three were deemed ineligible applicants or their projects were deemed ineligible for funding. Chehalis was added to the list and Sumner agreed to a partial funding of their original request. Loan terms were outlined as per page 18. DOH and Board staff recommend approval of 21 loan application requests totaling \$84,478,827. Projects, loan terms, subsidy, and loan details are listed on page 19. **ACTION: Kathryn Gardow moved to approve 21 DWSRF loans in the amount of \$84,478,827 with**



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- loan terms as presented. Matt Rasmussen seconded. MOTION APPROVED 9-0** (Yes - Baldwin, Carlson, Carter, Gardow, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott. Recusal - Cummins)
- b) DWSRF Loan Approval & Term Changes: DOH and Board staff have been working together on DWSRF contract issues.
1. Northwood Park and Northwood Water Association: Chris McCord stated these two applicants have been held as “pending” due to readiness to proceed issues. These two loans are meant to address high nitrate and copper levels exceeding maximum contaminant levels and goals. System consolidation appears to be the best option. Both water systems would be assumed by Meadowbrook water system upon completion of the system consolidation. Staff recommends approving their 2012 DWSRF loans. Ted Carlson recused himself from discussion at the last Board meeting because of potential water rights negotiations with Bellingham and Lynden. This is no longer an issue; however, Ted is recusing himself from this discussion and decision. **ACTION: Kathryn Gardow moved to approve the Northwood Park and Northwood Water Association 2012 DWSRF loans that have been held as pending. JC Baldwin seconded the motion. MOTION APPROVED 9-0** (Yes - Baldwin, Carter, Cummins, Gardow, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott. Recusal - Carlson)
  2. Stevens County PUD: Steve Dunk provided background information for the Stevens County PUD #1, which manages 17 satellite water systems, that have six Spring 2013 DWSRF loans. Two loans for Echo Estates Improvements (\$27,775) and one for River Park Estates (\$18,180) had additional special Terms and Conditions due to individual system analysis rather than a system-wide rate structure analysis. Stevens County PUD #1 requests removal of these Special Terms and Conditions in order to have contract conditions consistent with the other four executed 2013 DWSRF contracts. DOH and Board staff have reviewed the financial analysis and concur with removing the special conditions. **ACTION: Pam Carter moved to approve removing the Special Terms & Conditions language as presented for Stevens County PUD #1 loans for Echo Estates Improvements and River Park Estates as presented. Kathryn Gardow seconded. MOTION APPROVED 10-0** (Baldwin, Carlson, Carter, Cummins, Gardow, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott)
- c) DWSRF Loan Updates: Chris McCord stated that the EPA sent a letter stating that the “Buy American” requirement is in effect for all contracts signed after January 17, 2014, unless they have an approved design prior to this date. This requirement will be applied to the 2013 Fall DWSRF loan list and future obligations. DOH will continue to work with clients and Board staff regarding this requirement.



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1. Spring 2013 Status: Chris McCord provided an update on the Spring 2013 DWSRF loans. The Board approved 48 loans. 39 loans have been executed and are moving forward. Four jurisdictions have declined and five jurisdictions are in various stages of returning their signed contracts.
2. Copalis Rock Association: Steve Dunk provided an update on their loan offer currently in pending status. Copalis Rock does not qualify for a 30% subsidy but would still like to proceed with the loan offer. They are currently working with the Utility Trade Commission to determine an acceptable water rate for their system. DOH supports continued work with Copalis Rock to reduce the original scope of work in order to proceed with the DWSRF loan while addressing water issues including bacterial contamination. Once a revised scope and budget have been determined, Copalis Rock will come to the Board for loan terms and conditions approval.
3. Cristalina, LLC: Steve Dunk provided an update on this water system. Cristalina sent a letter in September 2013 informing the Board that their bookkeeper had embezzled water revenues and they were unable to pay their October 2013 payment. They are in the process of recouping their loss and addressing how to repay the loan. One option is to transfer the water system to a new owner. All stakeholders of this contract (the Board, DOH, UTC, and the CAU) are working together to resolve this issue. An update will be provided as this process continues. Mark Barkley, Managing Director, CAU, will be reviewing liability insurance requirements for contracts. Current contracts must have liability insurance; however, this contract was prior to that contract requirement.
- d) DWSRF Loan Restructure - Tahuya River Valley Water District (Tahuya): Ann Campbell provided history for Tahuya, a small water district outside Belfair. Tahuya has had turnover in commissioners and currently has one valid commissioner. The two open positions are in the process of being filled. Tahuya has a 1998 DWSRF loan. Payments on this debt stopped being fully made in 2011. They have not made complete payments in 2012 and 2013. DOH and Board staff have been working with Tahuya management and commissioner(s) to resolve their debt obligation. Their current principal loan balance is \$29,423.92 plus interest and late fees. The State Auditor was unable to complete their audit last year due to lack of records. Mark Barkley will research the audit outcome and report back to the Board. Staff will continue to work with Tahuya and provide monthly updates to the Board. Blair Burroughs, Washington Association of Sewer & Water Districts, offered assistance if needed.

Diane Pottinger stated that the Board should be looking at ways to continue assisting with creative solutions that enhance public and private partnerships to address local water issues. Examples were provided.



## **POLICY & PROGRAM DEVELOPMENT**

- 1) Legislative Update: Cecilia Gardener provided a legislative update. Handouts were provided.
  - a) The Board requested information regarding the Office of Financial Management's (OFM) January bond sale. Cecilia Gardener stated that the State Treasurer did not include the Board in the January bond sale. Staff anticipates it to be included in the July sale. Staff will provide an update at the February Board meeting.
  - b) Cecilia Gardener reviewed the Boards Funding Request document. The handout reflects the decision packages for a \$10 million Pre-Construction request and a \$250,000 request for the Washington Infrastructure Information Portal. The Board requested changes to the document, which staff will work on. The Board will be meeting with legislators February 27<sup>th</sup> prior to their monthly meeting on February 28<sup>th</sup>. **ACTION: Kathryn Gardow moved to approve the PWB Legislative Document with changes. Scott Hutsell seconded. MOTION APPROVED 10-0** (Baldwin, Carlson, Carter, Cummins, Gardow, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott)
  - c) Cecilia Gardener reviewed the handouts with the legislative cutoff dates and the bill tracking spreadsheet. Staff will continue to monitor any bills that may impact the Public Works Board.
- 2) 2013 Proviso Report Update: Cecilia Gardener provided the presentation used for the House of Representatives Capital Budget Committee work session. The PowerPoint is available upon request. Cecilia also provided copies of the Board's response to ESSB 5035, Section 7032 referred to as "the Proviso Report." The Board discussed the Interest Rate increase. Applying the new methodology to prior loan requests, it is clear that the increased rate would be a hardship on clients and would not grow the Public Works Assistance Account (PWAA) as hoped. John Kounts addressed the Board with two concerns: 1) would the new rules be applied to the next round of funding and 2) would the legislature adopt the language as new permanent language for the program? He requested the Board's position on the Proviso report. Blair Burroughs concurred that the interest rate increase would not be good for the WASWD clients. Stakeholders request a hearty legislative discussion regarding the Proviso prior to adopting it as a permanent change to the Board's authorizing statute. The Board stated that the report was completed as directed by legislature. The Chair requested stakeholders to communicate with legislators about the impact the Proviso would have on their clients. Discussion also included the requirement to apply to the federal State Revolving Fund (SRF) programs prior to applying to the PWB. Staff is monitoring and tracking legislative activity around the Proviso and will provide updates as available.
- 3) 2016 PWAA Loan Term Update; 2016 PWAA Draft Application; and 2016 PWAA Application Threshold Requirements were all moved to the February Board meeting.



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#### **TECHNICAL & IMPACT ASSISTANCE**

- 1) Washington Infrastructure Information Portal (WIIP) Proof of Concept Demonstration: Lynn Kohn demonstrated the prototype of what the portal may look like on an interactive map if data was inserted. Potential data may include: project location, needs assessments, funding needed, and project costs. It would have a reporting function. The \$250,000 decision package would be to continue the project.
- 2) Technical Assistance Plan: Bruce Lund presented the annual Technical Assistance (TA) Plan including the prioritization process. New additions include outcome measures for data retrieval and baseline measures. The Board discussed the importance of measuring technical assistance. The Board requested staff develop measures to be displayed graphically. **ACTION: Pam Carter moved to approve the Technical Assistance Plan as presented. Jerry Cummins seconded. MOTION APPROVED 10-0** (Baldwin, Carlson, Carter, Cummins, Gardow, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott)

#### **INFORMATION & OTHER ITEMS**

- 1) Board Member Updates: The Board discussed additional communication on Board related activities. Staff provides informational updates via the Board's website, Facebook, and newsletters.

**ACTION: Jerry Cummins moved to adjourn the meeting. Pam Carter seconded the motion. MOTION APPROVED.**

Adjourn: 12:12 p.m.

**TAB 2**

**Contracting/**

**Financing Opportunities**





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DATE: February 13, 2014

TO: Public Works Board

FROM: Sheila Lee-Johnston, Contracts Administration Unit, Project Manager

SUBJECT: Drinking Water State Revolving Fund (DWSRF) contract boiler plate for the 2013 DWSRF loans that includes "Buy American" language

**BACKGROUND:**

On January 22, 2013 the Department of Health and the Public Works Board were notified by the Environmental Protection Agency (EPA) Region 10 Office that EPA Headquarters was going to require that all DWSRF loans not signed and executed before January 17, 2014 would need to comply with a "Buy American" requirement. Exception to the requirement is that unless the plans and specs for a project were already approved.

This requirement was established in the H.R. 3547 "Consolidated Appropriations Act, 2014" and applies to the DWSRF loans. The Buy American language refers to iron and steel products defined as:

"Iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

**ISSUE:**

On January 31, 2014 the Board approved twenty-one (21) Fall 2013 DWSRF loans, all of which will be subject to the Buy American contract language. In addition, there are five (5) DWSRF loans from the Spring 2013 loan list that have yet to be executed and will also fall within this Buy American requirement.

One of the primary issues with incorporating this contract language is that the loan recipients did not consider the Buy American requirement when they applied for the loan and/or when they were completing their constructions budgets. There will likely be shortfalls in construction funding and confusion on how to comply with this requirement.

**SOLUTION:**

Staff proposed actions to mitigate confusion and interpretation of Buy American.

Notification and Upcoming Training – Due to the fact that the Buy American contract requirement will be an unsuspected burden to loan recipients, staff will proactively notify and train jurisdictions on how the Buy American contract language will affect their project. The following actions will be completed to lessen the impact of this requirement.

- I. The Department of Health is sending an e-mail to all jurisdictions that are impacted by the Buy American requirement. The e-mail will provide the jurisdictions with the federal

language and the reasoning as to why this unexpected requirement applies to their loan. In addition, the e-mail will refer to an upcoming webinar that will guide loan recipients through the Buy American process.

- II. Webinar – Staff from the Department of Health, Contracts Administration Unit and the Public Works Board will provide a webinar to explain the requirements and answer questions to the participants as a whole. Contact people will be identified.
- III. Revised DWSRF Handbooks will be sent to the loan recipient as soon as changes are made.

**STAFF RECOMMENDATIONS:**

Public Works Board staff has vetted the Buy American language through the Attorney General and the Department of Health. Staff recommends the approval of the revised DWSRF contract boiler plate that includes the Buy American language in order to proceed to contract with the Board approved 2013 DWSRF loans. Staff will then move forward to work with clients to understand the new requirements.



DATE: February 13, 2014  
TO: Public Works Board  
FROM: Heather Youckton, Board Liaison/Cultural Review Coordinator  
SUBJECT: Drinking Water State Revolving Fund (DWSRF) contract boiler plates for the 2013 DWSRF loans

The DWSRF contract boilerplates (Municipal and Non-Municipal) will be provided as attachments and will be available on our website: [www.pwb.wa.gov](http://www.pwb.wa.gov). Please contact Heather Youckton for additional information at (360) 725-2744 or [heather.youckton@commerce.wa.gov](mailto:heather.youckton@commerce.wa.gov).



**TAB 3**

**Policy & Program  
Development**





DATE: February 13, 2014  
TO: Public Works Board  
FROM: Cecilia Gardener, Managing Director, Policy and Program Development  
SUBJECT: 2014 Legislative Update

The 2014 legislative verbal update may include handouts provided at the meeting due to legislative activities. Please contact Heather Youckton following the Board meeting for additional information at (360) 725-2744 or [heather.youckton@commerce.wa.gov](mailto:heather.youckton@commerce.wa.gov).



DATE: February 13, 2014  
TO: Public Works Board  
FROM: Ann Campbell, Program & Policy Development Specialist  
SUBJECT: 2016 Construction Loan Terms

**BACKGROUND:**

The Public Works Board (Board) approves loan terms prior to the commencement of the Construction review cycle.

**PROPOSED LOAN TERMS:**

Board staff proposes adoption of the following loan terms to replace the Board’s existing loan terms and interest rates:

**Maximum loan amount per jurisdiction per biennium: \$10,000,000**

**Local match requirement: None**

**Interest terms & rates:**

Non-Financially Distressed Applicants

The following table represents the terms available. Interest rates are set by the term. The regular loan term is 20 years. The Board agreed to this baseline during discussions at the Board Retreat in November 2013.

Term	Interest rate
5 years or less	30% of Market Rate
5 – 20 years	60% of Market Rate

“Market Rate” is the average daily market rate for tax-exempt municipal bonds between January 1 and February 28, 2014, or May 1 and June 30, 2015, whichever is less. (using the 11-Bond GO Index)

Example: The rates for January and February 2012 average 3.03%  
*5 years or less term = Interest rate would be 0.91%*  
*For terms of 5 to 20 years = Interest rate would be 1.82%*

The rates for May and June 2013 average 3.73%  
*Because this average rate is higher than the initial average rate (3.03%), the rate would remain unchanged*

This proposal is consistent with the rate and term periods identified in the 2013-2015 Capital Budget, Section 7032, and mirrors the Department of Ecology rate setting process on which the Section is based. The sole modification is that the interest rate would be reviewed and possibly adjusted prior to executing a contract.\*

Bond rate information source:

[http://www.bondbuyer.com/marketstatistics/search\\_bbi.html?details=true](http://www.bondbuyer.com/marketstatistics/search_bbi.html?details=true)

Financially Distressed Applicants

ADJUSTMENTS:		RATE BASED SYSTEMS	NON-RATE BASED SYSTEMS
Rate	Term	Affordability index (AI) is between the following: <sup>1</sup>	Debt service capacity ratio (DSCR) is between the following: <sup>2</sup>
None	None	1.5% or less	2.01% or higher
40% of Market Rate	+5 years	1.51% to 2.5%	1.01% to 2%
30% of Market Rate	+10 years <sup>4</sup>	2.51% or higher <sup>3</sup>	1% or less <sup>3</sup>

1. AI is a calculation which reflects the percentage of the applicant’s median household income used to pay this monthly utility bill (including debt service on the proposed loan):  

$$[\text{“new average utility rate”} \times 12] \div \text{Median Household Income}$$
2. DSCR is the applicant’s amount of cash available to meet annual principal and interest payments on all debt:  $[\text{Net operating income} \div (\text{principal repayments} + \text{interest payments})]$
3. Any applicant who has an AI of more than 2.51% or a DSCR of 1% or less will be subject to further analysis to affirm their ability to repay the debt should a loan be offered.
4. The loan term cannot exceed the life of the asset being constructed.

NOTE: The Board has an adopted policy that the minimum interest rate for Construction loans is 0.25%.

\* Chapter 19, Laws of 2013, Section 7032 (14) (b) language concerning the establishment of rates and terms:

*“For all construction loan projects proposed to the legislature for funding during the 2013-2015 fiscal biennium, the board must base interest rates on the average daily market interest rate for tax-exempt municipal bonds as published in the bond buyer’s index for the period from sixty to thirty days before the start of the application cycle. For projects with a repayment period between five and twenty years, the rate must be sixty percent of the market rate. For projects with a repayment period under five years, the rate must be thirty percent of the market rate. The board must also provide 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.”*



DATE: February 13, 2014  
TO: Public Works Board  
FROM: Cecilia Gardener, Managing Director, Policy and Program Development  
SUBJECT: 2016 Public Works Assistance Account (PWAA) Draft Application

The 2016 PWAA Draft Application will be provided as an attachment. Hard copies will be available on site. Please contact Heather Youckton following the Board meeting for additional information at (360) 725-2744 or [heather.youckton@commerce.wa.gov](mailto:heather.youckton@commerce.wa.gov).



DATE: February 13, 2014  
TO: Public Works Board  
FROM: Ann Campbell, Program and Policy Development Specialist  
SUBJECT: 2016 Construction Loan Threshold Requirements

**BACKGROUND:**

RCW 43.155.070 identifies the statutorily required items that funding applicants must meet in order to be eligible for funding:

- City/County Applicants – imposing 0.25% in Real Estate Excise Tax (REET)
- City/County Applicants – If planning under the Growth Management Act (GMA), the city/county must be in conformance with the GMA at time of contract execution.  
(*statutory change in 2013*)
- Applicants must have an adopted capital facilities plan or equivalent for all systems that they own and/or operate.

The remainder of this RCW identifies the criteria by which the Public Works Board (Board) will assign a rank to each project.

In the past, there were additional threshold criteria of having an adopted Greenhouse Gas Policy and being in conformance with GMA (where applicable) at time of application.

The Proviso (response to Chapter 19, 2013 Laws 2<sup>nd</sup> Special Session, Section 7032, 14(a)) proposed requiring applicants with eligible projects to seek funding from the State Revolving Funding (SRF) loan programs prior to receiving funding from the Board.

**PROPOSAL:**

Staff propose the following items, in addition to the statutory requirements, be adopted as the threshold criteria for access to the 2014 Public Works Assistance Account Construction Loan cycle:

1. All application materials, including all required attachments, must be submitted by close of business, May 16, 2014.  
*No additional information, including required materials, may be submitted after the May 16<sup>th</sup> deadline. Additional materials germane to the financial and managerial review process may be submitted upon request by Board staff. (This is no different from prior requirements.)*
2. Applicants, who have not previously done so, must provide a copy of their adopted Greenhouse Gas policy as part of the required attachments submitted by close of business, May 16, 2014.  
*This requirement has been in place for the 2012, 2013, and 2014 application cycles.*
3. Applicants must provide a signed resolution as an attachment to the application whereby its governing body acknowledges that rates, or other revenue streams, may need to be increased in order to meet debt service payments should their project be selected for funding. – See draft language at the end of this memo.  
*Some applicants' governing bodies are unaware of the debt service requirements' fiscal impact on their systems. This is an attempt to verify that those authorized to raise revenues are aware that this may be a possibility.*

4. Drinking water and sanitary sewer projects that are proposed for, or are already being wholly funded through the State Revolving Loan fund programs (SRF), are ineligible for 2016 Construction loan funding.  
*Applicants cannot apply to the Board to fund projects that already have funding secured through the Ecology or Health State Revolving Loan Fund (SRF) programs. Construction components that are not included in SRF funded projects (due to insufficient SRF funds or due to SRF-ineligible project components) will be eligible for funding. This will enable projects to receive full funding when they include components that are ineligible for SRF funding. This requirement aligns with the Proviso criteria.*

5. Drinking water and sanitary sewer projects that are eligible for SRF programs, must have applied for 2013 SRF funding and then not be selected for funding (or were only partially funded), prior to applying for 2016 Construction loan funding EXCEPT for the following:  
 Projects on the 2014 Construction Loan Funding recommendation list selected by the Board at its August 18, 2012, meeting that have not been funded by any other methodology (SRF, bonding, etc.), are eligible to apply for the 2016 Construction loan funding.  
*“Grandfathering” the water, sewer, and storm projects from the 2014 Construction Loan funding list will enable these projects, which have already been partially reviewed by the SRF programs as well as having had a thorough financial and managerial vetting, to compete for funding. This will be a one-time “grandfathering” and will not be in place for the 2017 Construction loan cycle. This will be approximately:*  
 96 Drinking water projects      83 Sewer projects\*

*\*These figures are estimates based on the 2014 Construction Loan list and do not reflect any funding received from Ecology.*

**DRAFT RESOLUTION:**

[Applicant’s Name] Resolution # \_\_\_\_\_

*Whereas, the governing body for the [Applicant’s Name] is pursuing Public Works Board 2016 Construction loan funding.*

*Whereas, the repayment of the Public Works Board 2016 Construction loan funding requires adequate revenue to meet debt service.*

*Now therefore, be it hereby resolved that the governing body agrees to maintain adequate revenue streams sufficient to provide funds to pay all system operating expenses and debt repayments during the term of the loan.*

Adopted this \_\_\_\_\_ (day) of \_\_\_\_\_ 2014 by the governing body of [Applicant Name].

\_\_\_\_\_  
 SIGNATURE DATE

\_\_\_\_\_  
 SIGNATURE DATE

\_\_\_\_\_  
 SIGNATURE DATE



DATE: February 13, 2014  
 TO: Public Works Board  
 FROM: Ann Campbell, Program and Policy Development Specialist  
 SUBJECT: 2016 Loan Fund Biennial Allocation

**BACKGROUND:**

The Public Works Board (Board) decides the allocation of loan funds each biennium. It is necessary to decide these figures now in order to determine what will be offered for the 2016 Construction Loan application cycle beginning March 2014.

The source of money is the Public Works Assistance Account (PWAA). Currently, PWAA has three sources of funds:

2% of the Real Estate Excise Tax, Loan Principal Repayments, Loan Interest Payments

It is important to note that the loan payments (principal and interest) are based on loan draws. It is equally important to note that these amounts are declining because of the fund sweeps in the 2007-2009 biennium and the 2013-15 biennium. No loans were made so no loan repayments are being received.

**PROPOSED ALLOCATION OF FUNDS:**

Based on current information available, the Board will have approximately **\$206.8 Million** available for appropriation in the 2015-2017 biennium. This conservative estimate reflects subtractions for State Revolving Fund matching dollars and Board administrative costs.

<b>Demands on the Public Works Assistance Account</b>		
Sources of funds – Real Estate Excise Tax (REET):		\$ 27,000,000
Loan Repayments (principal and interest):		<u>207,000,000</u>
Estimated total funds available for 2015-17:		<u>\$ 234,000,000</u>
	\$ 15,500,00	
<i>Less Ecology Clean Water SRF Match:</i>	0	
<i>Less Drinking Water SRF Match:</i>	8,800,000	
<i>Less Public Works Board Administrative costs:</i>	3,300,000	
Subtotal of funds available for programs:		<u>\$ 206,400,000</u>
<i>Less approximately 15% for Non-Construction Loans (Pre-Construction, Emergency Loans, etc.)</i>	\$ 31,000,000	
<i>Subtotal of funds available for allocation to construction loan program(s):</i>		<u><b>\$ 175,400,000</b></u>

These are conservative figures based on draws on loans as of today. In all likelihood, there will be more money in the second year of the biennium because loan draws made between now and then will cause the loan repayments to be greater.

## Construction Funding Programs

### Water System Acquisition and Repair Program (WSARP) –

- *This GRANT program began in 2004 and was last funded in 2007.*
- *The 2007 allocation of funds totaled \$2.75 Million.*
- *The purpose of the program is to provide grants to identify, acquire, and rehabilitate public water systems, which have water quality problems or have been allowed to degrade to such a point that public health is impacted.*
- *Eligible applicants are cities, counties, or special purpose districts that already own and operate at least one Group A public water system and demonstrate good governance of that system.*

### Energy and Water Efficiency Loan Program –

- *This LOAN program started in 2012 and was last funded in 2013.*
- *The 2013 allocation of funds totaled \$4.85 Million.*
- *The purpose of the program is to provide low cost loans that enable eligible entities to fund energy efficiency innovations to their systems, which they are able to repay the loan using the savings from the gained efficiencies.*
- *Eligible applicants are cities, counties, ports, and special purpose districts including flooding/diking districts, public utility districts and other local governments. (Private entities, school districts, tribal entities, and state agencies are ineligible).*

### Construction Loan Program –

- *This is the Board's core construction LOAN program started in 1985 and last funded in 2013.*
- *The 2013 allocation of funds totaled \$152.78 Million.*
- *The purpose of the program is to provide low cost loans for the construction of eligible public works projects.*
- *Eligible entities are cities, counties, public utility districts, and special purpose districts.*

#### **Option A:**

1. Request \$31 Million (approximately 15%) to fund non-construction loan programs (Pre-Construction, Emergency, etc.)
2. Allocate the remaining approximately \$176 Million for the 2016 Construction Loan cycle.

#### **Option B:**

1. Request \$31 Million (approximately 15%) to fund non-construction loan programs (Pre-Construction, Emergency, etc.)
2. Allocate the remaining approximately \$175.4 Million to be divided 50/50 during the biennium (½ in year one, ½ in year two):
  - a. Construction (assumes all construction resources go to traditional program)
    - i. \$87,700,000 million for the 2016 Construction Loan cycle
    - ii. \$87,700,000 million for the 2017 Construction Loan cycle

#### **Option C:**

1. Request \$31 Million (approximately 15%) to fund non-construction loan programs (Pre-Construction, Emergency, etc.)
2. Allocate the remaining approximately \$176 Million to be divided during the biennium (½ in year one, ½ in year two):
  - a. Construction Loan Program (traditional program):
    - i. \$XX million for the 2016 fiscal year
    - ii. \$XX million for the 2017 fiscal year
  - b. Energy and Water Efficiency Loan Program:
    - i. \$XX million for the 2016 fiscal year
    - ii. \$XX million for the 2017 fiscal year
  - c. WSARP Grant program:
    - i. \$XX million for the 2016 fiscal year
    - ii. \$XX million for the 2017 fiscal year

**TAB 4**

**Technical & Impact  
Assistance**



# SMALL COMMUNITIES INITIATIVE ANNUAL REPORT JULY 2012 – JUNE 2013



**Department of Commerce**  
Innovation is in our nature.

# SMALL COMMUNITIES INITIATIVE ANNUAL REPORT

## JULY 2012 – JUNE 2013

Small communities are required to meet the same public health and environmental mandates as larger cities, but often lack the administrative, technical, or financial capacity to effectively do so.

Since 1999, the **Small Communities Initiative (SCI)** has been assisting small (usually under 3,000 population), rural cities and towns, unincorporated communities and counties, utility districts, and water associations in developing more focused projects, making strategic investments, and identifying and accessing appropriate fund sources. Over 42 communities have secured more than **\$156 million** in state and federal funding, resulting in safer drinking water, environmental protection, and infrastructure that can serve community and economic development activities.



Small Communities Initiative staff Jon Galow and Cathi Read, at the ribbon-cutting ceremony for the new wastewater treatment plant in Rock Island, in September 2012.

### SCI Staff

are Department of Commerce employees:

#### *Olympia Office*

Cathi Read, Program Manager  
360-725-3016  
cathi.read@commerce.wa.gov

#### *Spokane Office*

Jonathan Galow, Project Manager  
509-847-5021  
jon.galow@commerce.wa.gov

SCI staff meet with communities on an as-needed basis (usually between once a month and once a quarter) serving as facilitators, technical advisors, and resource brokers. Staff help local elected officials, local staff, and citizens define, prioritize, and identify links between public health, environmental protection, and local development issues, and develop and implement an action plan to make necessary system improvements.

*Tuesday, June 18, 2013*

*Cathi,*

*I have said it before and I will continue to say it, without you the city would still be going in circles trying to figure out what to do about raising money and deciding on a plan to fix our aging sewer system. We have been discussing our sewer system decline for about the past 10 years and we have discussed raising rates to pay for it. With the exception of a very small rate increase a few years ago we have not done anything aside from discussing the need to do something.*

*When you came on the scene, it was a God-send for the city. You have been the catalyst to make things happen. You have trained us, educated us and motivated us. You have brought us together with the Dept. of Ecology and our engineering firm and showed us the avenues for funding. You are extremely patient, efficient and very knowledgeable. With your guidance and direction we are moving ahead with confidence that we can fix our sewer system.*

*The work that you do is extremely valuable to small cities like ours that have council members and a mayor that are mostly "part time" because they have regular jobs. A small city like ours just does not have the time, knowledge nor the resources to do this on our own. You have put us on the right path and continue to guide us. Without your guidance we would still be talking and not moving, not knowing where to begin.*

*Thank you for devoting so much of your valuable time to helping us and I dearly hope that you will stick with us until the time comes that we can stand on our own.*

*Jim Gerwig  
Mayor, City of Morton*

# SMALL COMMUNITIES INITIATIVE AT A GLANCE

## PARTNERS

The Small Communities Initiative (SCI) Program is a collaborative effort of the Washington State Departments of Health, Ecology, and Commerce. Communities that need to upgrade their drinking water or wastewater systems have been nominated by Health or Ecology regional offices to participate in the SCI Program.

## SCI PROGRAM FUNDING

SCI has been a two person program since 2007. From 2007 until June 30, 2012, the Washington State Departments of Health and Ecology, and the state Community Development Block Grant Program (technical assistance funding) each funded one third of a Full-time equivalent (FTE) staff person and the Public Works Assistance Account funded one FTE.

As of June 30, 2012, reductions to the Public Works Board administrative budget eliminated funding for a portion of the SCI FTE. In February 2013, Jon Galow began working 75% for the Community Development Block Program (administration funding) and 25% for the SCI Program. See page 11 for more details.

The resulting SCI Program budget for State Fiscal Year 2013 was:

- Department of Health \$80,000
- Department of Ecology \$80,000
- Public Works Assistance Account \$55,000

Beginning July 1, 2013, the SCI Program will become a 1.5 FTE Program. Cathi Read will continue full-time with SCI, and Jon Galow will be half-time with SCI and half-time with another program at Commerce, possibly Community Development Block Grant.

## STEERING COMMITTEE

The SCI Steering Committee meets quarterly and provides guidance to SCI staff, and:

- Makes the final decision on which communities will participate in SCI.
- Assists SCI staff in formulating and implementing an approach in each community.
- Brings policy recommendations to their respective agencies based on SCI experiences.
- Acts as liaisons to their respective agencies regarding interagency contracts for funding support for the SCI program.

# SMALL COMMUNITIES INITIATIVE AT A GLANCE

## STEERING COMMITTEE MEMBERS

- Leonard Bauer, Department of Commerce
- Kaaren Roe, Department of Commerce
- David Dunn, Department of Ecology
- Karen Klocke, Department of Health
- Denise Lahmann, Department of Health
- Stephen Dunk, Public Works Board
- Gene Dobry/Janice Roderick, USDA Rural Development

## GOALS

- Savings to communities in capital and operating costs of capital facilities as a result of better planning at the beginning of a project.
- Better developed projects, resulting in better investments of state and federal funds.
- Better understanding by communities of the important connection between their budgets and the management of their capital facilities.
- Better understanding by communities of what is required by regulators and how they can comply, resulting in more communities in compliance with environmental and public health regulations.
- Less time spent in the long run by Health and Ecology regional staff with communities that chronically have a difficult time complying with regulations.
- More communities with infrastructure that is adequate to serve community and economic development activities.

Progress toward these goals continues to be made, and can be grouped into four general categories:

- On-the-ground environmental protection and public health results.
- Articulated and prioritized community goals, with a plan for how to move forward.
- Improved relationships between communities and regulators.
- A better understanding by communities of their drinking water and/or wastewater system, and their responsibility to manage the system(s) in a sustainable manner.

# SMALL COMMUNITIES INITIATIVE AT A GLANCE

## VALUE OF THE SCI PROGRAM AS REPORTED BY COMMUNITY LEADERS

The most helpful aspects of the SCI program as report by community leaders include assistance with:

- Defining what the problem is, then articulating and prioritizing goals for the community.
- Developing action plans and sticking to them.
- Convening and facilitating meetings, focusing on priorities.
- Creating an environment in which everyone can participate in the discussion.
- Helping understand and complete regulatory and funding program requirements and processes.
- Introducing/ connecting locals with appropriate agency staff and creating networking opportunities.
- Helping put a 'face' on government.

## ACCOMPLISHMENTS THIS YEAR

This fiscal year, the number of SCI communities which:

- Completed construction—4
- Are in construction—2
- Are in design/construction funding secured—3
- Have completed planning and are pursuing design and construction funding—2
- Are currently planning—7

## RECOMMENDATIONS FOR NEXT YEAR

- **Explore options for program funding:** SCI and other Commerce staff will continue to search for funding to return SCI to a two-person program.
- **Further develop and expand the offering of council/commissioner infrastructure workshops in SCI communities:** Regulations and the workings of infrastructure are difficult to understand for many community leaders. In collaboration with Health and Ecology staff, we will offer customized workshops on the basics of drinking water and wastewater systems, including tours of facilities in their respective communities.

# SCI COMMUNITY ACCOMPLISHMENTS THIS YEAR

## CONSTRUCTION COMPLETED

### **City of Raymond and City of South Bend (Pacific) - Wastewater**

Please see 'Spotlight' on pages 12-13.

### **City of Kettle Falls (Stevens) - Wastewater**

Wastewater treatment facility began treating wastewater in December 2012 with on-going punchlist, clean-up and operational adjustments and improvements continuing during the first half of 2013.

### **Lewis County / City of Vader (Lewis) - Drinking Water**

Construction of needed distribution system improvements was completed in early 2013. Following months of negotiations and mediation, the County and the City are in the process of finalizing the water system receivership Transfer Agreement.

### **City of Rock Island (Douglas) - Wastewater**

Construction was completed on the wastewater treatment facility and individual side sewers in Summer 2012. An additional lift station was constructed and the collection system extended during the first half of 2013.



During tours of the new wastewater treatment plant in Rock Island, at the ribbon-cutting ceremony in September 2012. Photo by Marty Kittelson.

## DESIGN COMPLETED/ IN CONSTRUCTION

### **City of Ilwaco (Pacific) - Drinking Water**

Construction of backwash basin improvements and two new reservoirs will begin in Summer 2013. Pre-design report for new upflow clarifier and other improvements at water treatment plant has been approved by Health and the City will advertise for bids in Fall 2013. Culvert replacement in watershed is underway.

# SCI COMMUNITY ACCOMPLISHMENTS THIS YEAR

## DESIGN COMPLETED/ IN CONSTRUCTION

### **Town of Ione (Pend Oreille) - Wastewater**

Secured CDBG funding for design and construction in 2012. Construction work for wastewater treatment facility improvements began late June 2013. Biosolids from lagoons to be hauled out of area for disposal after initial proposals to land apply biosolids in the Ione became controversial. Construction completion expected 2013. Ione received a legislative proviso for 8th Avenue lift station replacement in the 2013 state capital budget.

## IN DESIGN/CONSTRUCTION FUNDING SECURED

### **Curlew Water and Sewer District (Ferry) - Wastewater**

Additional hydrogeologic work during fall of 2012 resulted in concerns regarding the proposed treatment/disposal site for a new community wastewater system. Additional monitoring wells were installed in Spring 2013 and additional sampling conducted. Confirmation or rejection of preferred site to be determined.

### **Greater Bar Water District (Douglas) - Drinking Water**

2012 Legislative appropriation allowed for expansion of water system consolidation project. Preconstruction activities during the 2012-13 fiscal year concentrated on scope of work amendments, Section 106 cultural resource surveys/reviews, identification of property for easement and acquisition, consolidation agreements, and preliminary design work such as surveying and alignments.

### **City of Everson (Whatcom)**

The City's General Sewer Plan/ Wastewater Facilities Plan was approved by Ecology in Fall 2012. Design funding has been secured and design should be complete in Summer 2013. Construction funding is close to being secured. The plans to advertise for bids in Fall 2013 and begin construction in early 2014.

## PLANNING COMPLETED/APPLYING FOR DESIGN AND CONSTRUCTION FUNDING

### **Lakeview Sewer District (Lincoln) - Wastewater**

District used local funds to install both permanent and temporary fencing at their wastewater treatment facility. PWTF appeared to be most advantageous funding for District but continued uncertainty surrounding PWTF will likely incentivize the District to pursue Ecology funding.

### **Town of Metaline (Pend Oreille) - Water**

The Town's Water System Plan (WSP) was completed in late 2012. WSP recommends Town use local funds to finance small repair and maintenance projects before taking on the next relatively large distribution system replacement projects that require outside financing.

# SCI COMMUNITY ACCOMPLISHMENTS THIS YEAR

## PLANNING WORK CONTINUES

### **Community of Packwood (Lewis) - Wastewater**

Lewis County has hired a consultant to prepare Department of Health Large On-Site Sewage System (LOSS) Program-required documents for a new community wastewater system. The County received a draft planning document from the consultant in Spring 2013. The first phase of the planning is now complete and will be presented to the community in Summer 2013.

### **City of Vader (Lewis) - Wastewater**

An Inflow and Infiltration Study (in cooperation with City of Winlock) was completed in 2012. Design and construction funding has been secured to replace some sewer lines and manholes, to reduce inflow and infiltration. Funding has been secured to amend the City's Wastewater Facilities Plan to include new wastewater treatment alternatives, and design the selected alternative. A new consulting engineer has been selected to complete the Plan.

### **Town of Yacolt (Clark) - Wastewater**

Wastewater Facilities Plan was approved by Ecology in 2012. Town staff has been exploring ways to 'phase in' development of a town sewer system over time.

### **City of Dayton (Columbia) - Wastewater**

City is using local sewer funds to finance facility planning work and may consider Department of Ecology Water Quality Pre-construction funding in Fall 2013. City NPDES permit has 2018 construction deadline.

### **City of Morton (Lewis) - Wastewater**

At the request of the Mayor, and in coordination with Ecology Regional Office staff, SCI staff conducted a series of council workshops on the City's wastewater system, which includes council visits to the wastewater treatment plant. (A workshop was also held on the City's drinking water system with Health Regional Office staff.) The City increased its wastewater rates significantly in Spring 2013, and met with funding program staff in June 2013 to discuss potential funding scenarios to upgrade its wastewater system.

## SCI COMMUNITY ACCOMPLISHMENTS THIS YEAR

### PLANNING WORK CONTINUES

#### Town of Carbonado (Pierce) - Wastewater and Water

In coordination with Ecology and Health Regional Office staff, SCI staff conducted a series of council workshops on the City's wastewater and drinking water system(s), which included council visits to problem sections of the wastewater collection system and the drinking water treatment plant. The Town secured planning funding to develop a General Sewer Plan/Wastewater Facilities Plan. The Town also secured funding for planning work in the Town's watershed.



During a wastewater system tour following a council workshop, Town of Carbonado Public Works Director Tom Argo (right) explains how he must regularly flush sewer lines with a fire hose, due to inadequate slope and other issues. The Town is currently planning for a sewer line replacement project. From left, Chuck Hoffman (Ecology), Cathi Read (SCI), Mayor Brian Whitmore, Councilmembers Sandi Carlson (barely visible), Kevin Vessey, Joe King (back facing), and Jay Argo. Photo by Dailene Argo.

#### Carrolls Water Association (Cowlitz) - Water

In Spring 2013 SCI staff, along with Health Office of Drinking Water and Ecology Water Resources staff, convened the first meeting of the Carrolls Water Advisory Group. This Advisory Group will provide leadership, direction, and input on possible solutions to address drinking water source capacity and source water protection problems in Carrolls. Funding for a hydrogeologic assessment and feasibility study has been secured.

## **ADDITIONAL COORDINATING/EDUCATIONAL EFFORTS**

### **Community Development Block Grant (CDBG)**

In February 2013, Jon began a temporary assignment with the CDBG program. Jon's immediate duties included water, wastewater and comprehensive (combined street, stormwater, water, and wastewater projects) application review team coordination for the 2013 CDBG General Purpose application cycle. Other CDBG duties having included Planning-Only grant application development and application review, general CDBG technical assistance, and funding panel participation. Jon's CDBG duties mutually benefit the SCI program since almost all SCI communities eventually use some form of CDBG funding for their water and wastewater projects resulting in some technical assistance efficiencies between programs.

### **Infrastructure Assistance Coordinating Council**

SCI staff helped plan for, and participated in, the **2012 IACC Conference**, held in Wenatchee in October 2012. Cathi organized twenty-three tech teams, composed of staff from state and federal funding programs, regulatory agencies, technical assistance providers, consultants, and local staff. Jon facilitated several of the tech team meetings and Cathi moderated two panels.

### **'Maximizing Resources in a Coordinated Manner' meetings**

Since December 2011, Cathi has convened regular meetings of state and federal funding program staff (including Drinking Water State Revolving Fund, Ecology water quality funding, Public Works Board, Community Development Block Grant, and USDA Rural Development). The purpose of the meetings is to share information on respective funding cycles and policy changes, and discuss ways to maximize the available resources for the benefit of Washington communities. Recently, the group has been working on developing a coordinated infrastructure funding application process.

### **Public Works Board Academies**

Cathi organized and moderated infrastructure funding program panels at the Public Works Board Academies in Vancouver (November 2012), Mount Vernon (February 2013), and Walla Walla (May 2013). Jon also participated in the Walla Walla Academy.

### **Tech Team Meeting at WASWD Conference**

Cathi organized one funding tech team meetings at the Washington Association of Sewer and Water Districts Conference in Yakima (February 2013).

### **Additional Funding Panels/Trainings**

At the request of Department of Health Office of Drinking Water staff, Cathi organized and moderated infrastructure funding program panels at the following events:

- Washington Operator Workshop, Vancouver (March 2013).
- Washington State Environmental Health Association (May 2013).
- American Water Works Association—Pacific Northwest Section/ Department of Health Training in University Place (April 2013). Cathi presented an overview of infrastructure funding programs.

## **SPOTLIGHT ON RAYMOND-SOUTH BEND REGIONAL WASTEWATER FACILITIES**

### **Background**

Before this project started, both cities operated their own wastewater systems, utilizing lagoons for treatment. Although the cities of South Bend (population 1,637) and Raymond (population 2,882) are located just three miles apart on the banks of the Willapa River, small town rivalries often kept them from working collaboratively, with some exceptions.

Before 2003, the state Department of Ecology notified both cities that they would soon need to meet secondary treatment standards, whole effluent toxicity limits, and new water quality-based permit limits at their respective lagoons. The cities also had other challenges with their aging systems, including high inflow and infiltration into their collection systems.

In 2003, Ecology requested Cathi Read of the Small Communities Initiative to begin working with South Bend officials to develop and implement a strategy to address these concerns. Because the neighboring City of Raymond was also about to begin a wastewater planning process, SCI encouraged staff and elected officials from South Bend and Raymond to begin meeting together monthly to coordinate their wastewater system planning efforts. SCI staff convened, facilitated, and documented these meetings, which also included Ecology staff.

### **Planning**

In 2004 the two cities secured planning funding\* to prepare their own respective General Sewer Plans/ Wastewater Facilities Plans; it became apparent that a regional wastewater facility was the most cost-effective alternative for both cities. A joint Wastewater Facilities Plan was prepared by the cities' engineering consultant, and approved by Ecology in 2007.

Five joint council meetings were held in 2007-2008 to discuss this project – these were reportedly the first ever joint council meetings of the Raymond and South Bend Councils. Two large public meetings were held with potential state and federal funding program staff in 2007 and 2009.

*\*Ecology loan and a Community Development Block Grant– Planning Only Grant.*

### **Regional Wastewater Coordinating Committee**

In 2007-2008, a group consisting of staff, elected officials, citizens from both cities, and SCI staff developed an Intergovernmental Contract for Wastewater Services, which required the formation of a Regional Wastewater Coordinating Committee (RWCC) to represent the interests of both communities, to guide the planning, design, and construction of the new facilities, and to provide long-term coordination for the regional facilities. The RWCC has been meeting monthly with the project's consulting engineer, and SCI staff since 2008.

## SPOTLIGHT ON RAYMOND-SOUTH BEND REGIONAL WASTEWATER FACILITIES



Construction of the regional wastewater treatment plant for the Cities of South Bend and Raymond will be completed in late Summer 2013. This photo, taken in June 2013, shows the aerobic digester. Photo by Ron Derrick.

### Design and Construction

In 2008 both cities secured funding\* to design the regional wastewater treatment facilities. Between 2009 and 2010 both cities secured construction funding\*\* for the regional wastewater treatment facilities and some local wastewater collection system components. Construction began in 2010 and construction completion is scheduled for Summer of 2013. The RWCC, engineering consultant, and SCI staff have met monthly throughout the construction phase.

The overall cost of planning for, designing, and constructing this regional wastewater treatment facility and related local improvements was more than \$30 million. Even though some grant funding was received, the majority of funding was in the form of low-interest government loans. This has resulted in significant monthly sewer rate increases for citizens in both cities, with future rate increases anticipated.

*\* Public Works Trust Fund Pre-Construction loan.*

*\*\* A Recovery Act loan and grant available through USDA Rural Development provided the bulk of construction for the treatment facility; Other construction funding include a Recovery Act loan and grant through Ecology; a Federal State and Tribal Assistance Grant; and a Washington State Legislature appropriation.*

Raymond and South Bend now have a regional wastewater treatment facility that will serve the community and economic development needs of both cities in the future.

## COMMUNITIES PARTICIPATING IN THE SCI PROGRAM SINCE 1999

Regional Office	Department of Health Water system improvement projects	Department of Ecology Wastewater system improvement projects
<b>Southwest</b>	Cathlamet Chinook Water District Grayland Water District Ilwaco McCleary South Bend Vader Carrolls Water Association	Cathlamet Ilwaco McCleary Packwood* South Bend/Raymond Vader Yacolt Morton Carbonado
<b>Northwest</b>	Lyman Carbonado City of Eatonville Citizens Water Association	Concrete Skykomish* Everson
<b>Eastern</b>	Curlew Water District Ione Metaline Metaline Falls/ Pend Oreille PUD Twisp Clark Addition Water Association Steptoe Water and Sewer District Conconully Republic/Pine Grove Outlook/ Yakima County Douglas County/Bridgeport Bar Area water systems	Farmington Ione LaCrosse Republic Curlew Water and Sewer District* Steptoe Water and Sewer District Wilbur Kettle Falls Lakeview Sewer District Dayton
<b>Central</b>	(Department of Health does not have a Central Regional Office)	Klickitat/Klickitat PUD Lyle/Klickitat PUD Mansfield Mabton Outlook Rock Island Tieton/Cowiche Sewer District Granger

\*Approval authority is now with Dept/ of Health's Large-On-site Sewage System Program.

# Summary of Some Grant and Loan Programs for Drinking Water and Wastewater Projects

Updated 1-22-14

Please contact Cathi Read at [cathi.read@commerce.wa.gov](mailto:cathi.read@commerce.wa.gov) if you would like to update your program information or if you would like an electronic copy of this document.

## PLANNING

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
<b>CDBG-POG</b> Community Development Block Grant – Planning-Only Grant Program	<ul style="list-style-type: none"> <li>Comprehensive plans</li> <li>Infrastructure plans</li> <li>Feasibility studies</li> <li>Community action plans</li> <li>Low-income housing assessments</li> </ul>	Projects must principally benefit low- to moderate-income people in non-entitlement cities and counties. <ul style="list-style-type: none"> <li>Cities or towns with fewer than 50,000 people</li> <li>Counties with fewer than 200,000 people</li> </ul>	Grant <ul style="list-style-type: none"> <li>Up to \$24,000 for a single jurisdiction.</li> <li>Up to \$35,000 for single jurisdiction projects that address urgent public health and safety needs.</li> <li>Up to \$40,000 for multiple jurisdictions/joint application.</li> </ul>	2013 applications accepted through April 2014 on a fund-available basis. 2014 applications accepted beginning October 1, 2014.  <b>Contacts:</b> Phyllis Cole, 360-725-4001 <a href="mailto:phyllis.cole@commerce.wa.gov">phyllis.cole@commerce.wa.gov</a>  Jon Galow, 509-847-5021 <a href="mailto:Jon.galow@commerce.wa.gov">Jon.galow@commerce.wa.gov</a>
<b>PWTF PLANNING</b> Public Works Trust Fund – Planning Program	<ul style="list-style-type: none"> <li>Single or multiple system plans covering PWTF eligible systems</li> <li>Updates to existing capital facilities plans</li> <li>Environmental studies</li> <li>Cultural/historical project reviews</li> </ul>	Counties, cities, and special-purpose districts that meet certain requirements (contact Regional Service Coordinator).  No school or port districts.	No planning funding is currently available.	Note: Availability of future funds is dependent on approval by the Governor and Legislature.  <b>Contact:</b> Isaac Huang, Regional Service Coordinator, 360-725-3162 <a href="mailto:isaac.huang@commerce.wa.gov">isaac.huang@commerce.wa.gov</a>
<b>CERB PLANNING AND FEASIBILITY GRANTS</b> Community Economic Revitalization Board – Project-Specific Planning Program	Project-specific feasibility and pre-development studies that advance community economic development goals for industrial sector business development.	Eligible statewide <ul style="list-style-type: none"> <li>Counties, cities, towns, port districts, special districts.</li> <li>Federally recognized tribes</li> <li>Municipal corporations, quasi-municipal corporations w/ economic development purposes.</li> </ul>	Grant <ul style="list-style-type: none"> <li>Up to \$50,000 per application.</li> <li>Requires 25 percent matching funds.</li> </ul>	Applications accepted year-round. The Board meets six times a year.  <b>Contacts:</b> Janae Eddy, 360-725-3151 <a href="mailto:janea.eddy@commerce.wa.gov">janea.eddy@commerce.wa.gov</a>  Dawn Eychaner, 360-725-4052 <a href="mailto:Dawn.eychaner@commerce.wa.gov">Dawn.eychaner@commerce.wa.gov</a>
<b>RCAC RURAL COMMUNITY ASSISTANCE CORPORATION</b> Feasibility and Pre-Development Loans	Water and/or wastewater planning; environmental work; and other work to assist in developing an application for infrastructure improvements.	Non-profit organizations, public agencies, tribes, and low-income rural communities with a 50,000 population or less, or 10,000 or less if guaranteed by USDA Rural Development financing.	<ul style="list-style-type: none"> <li>Maximum \$50,000 for feasibility loan.</li> <li>Maximum \$350,000 for pre-development loan.</li> <li>1 year term.</li> <li>5.5% interest rate.</li> </ul>	Applications accepted anytime  <b>Contact:</b> Josh Griff 720-951-2163 <a href="mailto:jgriff@rcac.org">jgriff@rcac.org</a>  Applications available on-line at <a href="http://www.rcac.org">www.rcac.org</a>

**PLANNING – continued**

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
<p><b>ECOLOGY: INTEGRATED WATER QUALITY FUNDING PROGRAM</b>                      State Water Pollution Control Revolving Fund</p> <p>Centennial Clean Water Fund</p>	<p>Planning projects associated with publicly-owned wastewater and stormwater facilities.</p> <p>The integrated program also funds planning and implementation of nonpoint source pollution control activities.</p>	<p>Counties, cities, towns, conservation districts, or other political subdivision, municipal or quasi-municipal corporations, and tribes</p> <p><u>Preconstruction Set-aside</u>                      Jurisdictions listed above with a population of 25,000 or less and a MHI (median household income) below the statewide average receive priority for loan funds.</p> <p><u>Preconstruction Set-aside (Distressed Communities)</u>                      Jurisdictions listed above with a population of 25,000 or less and a MHI below 80% of the statewide average.</p>	<p>Loan, at either: (SFY 2015 interest rates)</p> <ul style="list-style-type: none"> <li>• 2.7% interest for 6-20 year term, or</li> <li>• 1.4% interest for 5 year term</li> </ul> <p><u>Pre-Construction Set-aside (Distressed Communities)</u>                      50% forgivable principal loan and 50% loan, at either: (SFY 2015 interest rates)</p> <ul style="list-style-type: none"> <li>• 2.7% interest for 6-20 year term, or</li> <li>• 1.4% interest for 5 year term</li> </ul>	<p>Applications typically accepted September 1 through first Friday in November.</p> <p><b>Contact:</b> David Dunn                      360-407-6503  <a href="mailto:david.dunn@ecy.wa.gov">david.dunn@ecy.wa.gov</a></p> <p><a href="http://www.ecy.wa.gov/programs/wq/funding/funding.html">http://www.ecy.wa.gov/programs/wq/funding/funding.html</a></p>
<p><b>RD PRE-DEVELOPMENT GRANTS (PPD)</b>                      U.S. Dept. of Agriculture Rural Development – Rural Utilities Service – Water and Waste Disposal Direct Loans and Grants</p>	<p>Water and/or sewer planning; environmental work; and other work to assist in developing an application for infrastructure improvements.</p>	<p>Low-income, small communities and systems serving areas under 10,000 population.</p>	<p>Loans; Grants in some cases, depending on funding availability.</p> <p>Maximum \$25,000 grant                      Requires minimum 25% match</p>	<p>Applications accepted year-round, on a fund-available basis.</p> <p><b>Contact:</b> Gene Dobry                      360-704-7733  <a href="mailto:eugene.dobry@wa.usda.gov">eugene.dobry@wa.usda.gov</a>  <a href="http://www.rurdev.usda.gov/wa">http://www.rurdev.usda.gov/wa</a></p>
<p><b>RD ‘SEARCH’ GRANTS: SPECIAL EVALUATION ASSISTANCE FOR RURAL COMMUNITIES</b>                      U.S. Dept. of Agriculture Rural Development – Rural Utilities Service – Water and Waste Disposal Direct Loans and Grants</p>	<p>Water and/or sewer planning; environmental work; and other work to assist in developing an application for infrastructure improvements.</p>	<p>Low-income, small communities and systems serving areas under 2,500 population.</p>	<p>Maximum \$30,000 grant.                      No match required.</p>	<p>Applications accepted year-round, on a fund-available basis</p> <p><b>Contact:</b> Gene Dobry                      360-704-7733  <a href="mailto:eugene.dobry@wa.usda.gov">eugene.dobry@wa.usda.gov</a>  <a href="http://www.rurdev.usda.gov/wa">http://www.rurdev.usda.gov/wa</a></p>

**PRE-CONSTRUCTION ONLY**

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
<p><b>PWTF PRE-CON</b> Public Works Trust Fund – Pre-Construction Program</p>	<p>Low-interest loans are available to fund pre-construction activities that prepare a specific project for construction.</p>	<p>Counties, cities, special purpose districts, and quasi-municipal organizations that meet certain requirements.</p> <p>School districts and port districts are not eligible.</p>	<p>The Public Works Board has requested approval of supplemental funding of \$10 million. If approved by the Governor and Legislature, funds will be available in July 2014.</p> <p>Loan terms to be made available once program is funded.</p>	<p>Check the Public Works Board website periodically at <a href="http://www.pwb.wa.gov">http://www.pwb.wa.gov</a> to obtain the latest information on program details or to contact Public Works Board staff.</p> <p>Map of Regional Service Coordinators: <a href="http://www.pwb.wa.gov/technical-assistance/Regional-Service-Coordinators/Pages/default.aspx">http://www.pwb.wa.gov/technical-assistance/Regional-Service-Coordinators/Pages/default.aspx</a></p>
<p><b>ECOLOGY: INTEGRATED WATER QUALITY FUNDING PROGRAM</b> State Water Pollution Control Revolving Fund</p> <p>Centennial Clean Water Fund</p>	<p>Design projects associated with publicly-owned wastewater and stormwater facilities.</p> <p>The integrated program also funds planning and implementation of nonpoint source pollution control activities.</p>	<p>Counties, cities, towns, conservation districts, or other political subdivision, municipal or quasi-municipal corporations, and tribes.</p> <p><u>Preconstruction Set-aside</u> Jurisdictions listed above with a population of 25,000 or less and a MHI (median household income) below the statewide average receive priority for loan funds.</p> <p><u>Preconstruction Set-aside (Distressed Communities)</u> Jurisdictions listed above with a population of 25,000 or less and a MHI below 80% of the statewide average.</p>	<p>Loan, at either: (SFY 2015 interest rates)</p> <ul style="list-style-type: none"> <li>• 2.7% interest for 6-20 year term, or</li> <li>• 1.4% interest for 5 year term</li> </ul> <p><u>Pre-Construction Set-aside (Distressed Communities)</u> 50% forgivable principal loan and 50% loan, at either: (SFY 2015 interest rates)</p> <ul style="list-style-type: none"> <li>• 2.7% interest for 6-20 year term, or</li> <li>• 1.4% interest for 5 year term</li> </ul>	<p>Applications typically accepted September 1 through first Friday in November.</p> <p><b>Contact:</b> David Dunn 360-407-6503 <a href="mailto:david.dunn@ecy.wa.gov">david.dunn@ecy.wa.gov</a></p> <p><a href="http://www.ecy.wa.gov/programs/wq/funding/funding.html">http://www.ecy.wa.gov/programs/wq/funding/funding.html</a></p>
<p><b>RCAC RURAL COMMUNITY ASSISTANCE CORPORATION</b> Feasibility and Pre-Development Loans</p>	<p>Water and/or wastewater planning; environmental work; and other work to assist in developing an application for infrastructure improvements.</p>	<p>Non-profit organizations, public agencies, tribes, and low-income rural communities with a 50,000 population or less, or 10,000 or less if guaranteed by USDA Rural Development financing.</p>	<ul style="list-style-type: none"> <li>• Maximum \$50,000 for feasibility loan.</li> <li>• Maximum \$350,000 for pre-development loan.</li> <li>• 1 year term.</li> <li>• 5.5% interest rate.</li> </ul>	<p>Applications accepted anytime</p> <p><b>Contact:</b> Josh Griff 720-951-2163 <a href="mailto:jgriff@rcac.org">jgriff@rcac.org</a> Applications available on-line at <a href="http://www.rcac.org">www.rcac.org</a></p>

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
<b>RURAL WATER REVOLVING LOAN FUND</b> Pre-Development Loans	<p>Pre-development costs associated with proposed water and wastewater projects.</p> <p>Short-term costs incurred for replacement equipment, small scale extension of services, or other small capital projects that are not a part of regular operations and maintenance.</p>	<p>Systems applying must be public entities. This includes municipalities, counties, special purpose districts, Native American Tribes, and corporations not operated for profit, including cooperatives, with up to 10,000 population and rural areas with no population limits.</p>	<ul style="list-style-type: none"> <li>• Loan amounts may not exceed \$100,000 or 75% of the total project cost, whichever is less.</li> <li>• Interest rates at the lower of the poverty or market interest rate as published by USDA RD RUS, with a minimum of 3% at the time of closing.</li> <li>• 5-year, interest only, pre-development loans will also be available.</li> <li>• Maximum repayment period is 10 years. Additional ranking points for a shorter repayment period. The repayment period cannot exceed the useful life of the facilities or financed item.</li> </ul>	<p>Applications accepted anytime.</p> <p><b>Contact:</b> Tracey Hunter            Evergreen Rural Water of WA            360-462-9287  <a href="mailto:thunter@erwow.org">thunter@erwow.org</a></p> <p>Download application online:  <a href="http://www.nrwa.org/benefits/rlfapp.pdf">http://www.nrwa.org/benefits/rlfapp.pdf</a></p>
<b>SOURCE WATER PROTECTION GRANT PROGRAM</b>	<p>Drinking water source protection plans, feasibility studies, and hydrogeologic studies; and source protection actions/projects identified as a priority in a water system, local or regional plan.</p>	<p>Counties, cities, towns, and special purpose districts.</p> <p>Homeowner’s associations and non-municipal water systems are not eligible.</p> <p>Project must be considered a priority for drinking water source protection by Department of Health Regional Office.</p>	<ul style="list-style-type: none"> <li>• Grants</li> <li>• Funding is dependent upon project needs, but typically does not exceed \$30,000.</li> </ul>	<p>Applications accepted anytime; grants awarded on a funds available basis.</p> <p><b>Contact:</b> Kitty Weisman            Source Water Protection Program Manager, Washington State Department of Health, Office of Drinking Water            360-236-3114  <a href="mailto:Kitty.weisman@doh.wa.gov">Kitty.weisman@doh.wa.gov</a></p>

## CONSTRUCTION and DESIGN/CONSTRUCTION

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
<p><b>CDBG-GP</b> Community Development Block Grant – General Purpose Grant Program</p>	<p>Final design and construction of wastewater, drinking water, side connections, stormwater, streets, bridge, community facility, economic development, and housing rehabilitation projects.</p>	<p>Projects must principally benefit low- to moderate-income people in non-entitlement cities and counties.</p> <ul style="list-style-type: none"> <li>• Cities or towns with fewer than 50,000 people</li> <li>• Counties with fewer than 200,000 people</li> </ul>	<p>Grant</p> <ul style="list-style-type: none"> <li>• Up to \$1,000,000, depending on project type, financial need, and past grant awards.</li> <li>• No match required, but local contribution and gap financing preferred.</li> </ul>	<p>Application materials available mid-April 2014. Applications due mid-June 2014.</p> <p><b>Contact:</b> Kaaren Roe 360-725-3018 <a href="mailto:kaaren.roe@commerce.wa.gov">kaaren.roe@commerce.wa.gov</a></p>
<p><b>PWTF</b> Public Works Trust Fund – Construction Program</p>	<p>New construction, replacement, and repair of existing infrastructure for domestic water, sanitary sewer, stormwater, solid waste, road or bridge projects, and reasonable growth.</p>	<p>Counties, cities, special purpose districts, and quasi-municipal organizations that meet certain requirements (contact a Regional Service Coordinator for more information). No school districts or port districts.</p>	<p>Loan</p> <p>Up to \$200 million may be available for funding, pending legislative approval.</p> <p>Interest rates are set by loan term and average daily municipal bond market rates 30-60 days prior to the application cycle.</p> <p>The repayment term cannot exceed the life of the improvement.</p> <p>Local match is required.</p>	<p>2015 Application Cycle: Applications will be accepted in Spring 2014, and funds may be available in July 2015, subject to legislative approval.</p> <p>Please visit <a href="http://www.pwb.wa.gov">http://www.pwb.wa.gov</a> for information.</p> <p><b>Contact:</b> Isaac Huang, Regional Service Coordinator 360-725-3162 <a href="mailto:isaac.huang@commerce.wa.gov">isaac.huang@commerce.wa.gov</a></p>
<p><b>RD</b> U.S. Dept. of Agriculture Rural Development - Rural Utilities Service - Water and Waste Disposal Direct Loans and Grants</p>	<p>Pre-construction and construction associated with building, repairing, or improving drinking water, solid waste facilities and wastewater facilities.</p>	<ul style="list-style-type: none"> <li>• Cities or towns with fewer than 10,000 population.</li> <li>• Counties, special purpose districts, non-profit corporations or tribes unable to get funds from other sources at reasonable rates and terms.</li> </ul>	<p>Loans; Grants in some cases</p> <ul style="list-style-type: none"> <li>• Interest rates vary (currently 2.625 – 4.375%).</li> <li>• Up to 40-year loan term.</li> <li>• No pre-payment penalty.</li> </ul>	<p>Applications accepted year-round on a fund-available basis.</p> <p><b>Contact:</b> Gene Dobry 360-704-7733 <a href="mailto:eugene.dobry@wa.usda.gov">eugene.dobry@wa.usda.gov</a></p> <p><a href="http://www.rurdev.usda.gov/wa">http://www.rurdev.usda.gov/wa</a></p>

**CONSTRUCTION AND DESIGN/CONSTRUCTION – continued**

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
<p><b>DWSRF</b> Drinking Water State Revolving Fund</p>	<p>Drinking water system infrastructure projects aimed at increasing public health protection. The program now includes dedicated funding for subsidy.</p> <p>There is a limited amount of principal forgiveness for communities with high affordability index numbers and water system restructuring/ consolidation projects.</p>	<p>Community and non-community water systems (includes for-profit and non-profit systems, but not federal or state-owned systems); both privately- and publicly-owned systems are eligible</p>	<p>Loan</p> <ul style="list-style-type: none"> <li>• 1 percent loan fee (water systems receiving subsidy are not subject to loan fees).</li> <li>• \$12 million per jurisdiction per year. (2013 limit)</li> <li>• \$24 million for jointly-owned projects. (2013 limit)</li> <li>• 1 to 1.5 percent interest rate.</li> <li>• Loan repayment period: 20 years or life of the project, whichever is less.</li> <li>• No local match required.</li> </ul>	<p>The Fall 2014 application cycle will start September 1, 2014 and end September 30, 2014.</p> <p><b>Contact:</b> Karen Klocke 360-236-3116 <a href="mailto:karen.klocke@doh.wa.gov">karen.klocke@doh.wa.gov</a></p> <p><a href="http://www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm">www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm</a></p>
<p><b>ECOLOGY: INTEGRATED WATER QUALITY FUNDING PROGRAM</b> State Water Pollution Control Revolving Fund  Centennial Clean Water Fund</p>	<p>Construction projects associated with publicly-owned wastewater and stormwater facilities.</p> <p>The integrated program also funds planning and implementation of nonpoint source pollution control activities.</p>	<p>Counties, cities, towns, conservation districts, or other political subdivision, municipal or quasi-municipal corporations, and tribes</p> <p><u>Hardship Assistance</u> Jurisdictions listed above with a population of 25,000 or less</p>	<p>Loan, at either: (SFY 2015 interest rates)</p> <ul style="list-style-type: none"> <li>• 2.7% interest for 6-20 year term, or</li> <li>• 1.4% interest for 5-year term</li> </ul> <p><u>Hardship assistance</u> for the construction of wastewater treatment facilities may be available in the form of a reduced interest rate, grant subsidy, or loan forgiveness. Hardship assistance is based on impact to residential ratepayers and the community MHI. Hardship funding is only available for the portion of a facility serving existing residential need.</p>	<p>Applications typically accepted September 1 through first Friday in November.</p> <p><b>Contact:</b> David Dunn 360-407-6503 <a href="mailto:david.dunn@ecy.wa.gov">david.dunn@ecy.wa.gov</a></p> <p><a href="http://www.ecy.wa.gov/programs/wq/funding/funding.html">http://www.ecy.wa.gov/programs/wq/funding/funding.html</a></p>

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
<b>CERB</b> Community Economic Revitalization Board - Construction Program	<p>Public facility projects required by private sector expansion and job creation.</p> <p>Projects must support significant job creation or significant private investment in the state.</p> <ul style="list-style-type: none"> <li>Bridges, roads and railroad spurs, domestic and industrial water, sanitary and storm sewers</li> <li>Electricity, natural gas and telecommunications</li> <li>General purpose industrial buildings, port facilities</li> <li>Acquisition, construction, repair, reconstruction, replacement, rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>Counties, cities, towns, port districts, special districts</li> <li>Federally-recognized tribes</li> <li>Municipal and quasi-municipal corporations with economic development purposes.</li> </ul>	<p>Loans; grants in unique cases</p> <ul style="list-style-type: none"> <li>Projects without a committed private partner allowed for in rural areas.</li> <li>\$2 million maximum per project, per policy.</li> <li>Interest rates: 3% for non-distressed counties 2.5% for distressed counties</li> <li>20-year maximum loan term</li> <li>Match for committed private partners: 20% (of total project cost).</li> <li>Match for prospective partners: 50% (of total project cost).</li> <li>Applicants must demonstrate gap in public project funding and need for CERB assistance.</li> <li>CERB is authority for funding approvals.</li> </ul>	<p>Applications accepted year-round. The Board meets six times a year.</p> <p><b>Contacts:</b> Janea Eddy 360-725-3151 <a href="mailto:janea.eddy@commerce.wa.gov">janea.eddy@commerce.wa.gov</a></p> <p>Dawn Eychaner 360-725-4052 <a href="mailto:Dawn.eychaner@commerce.wa.gov">Dawn.eychaner@commerce.wa.gov</a></p>
<b>RCAC RURAL COMMUNITY ASSISTANCE CORPORATION</b> Construction Loans	<p>Water, wastewater, solid waste and stormwater facilities that primarily serve low-income rural communities. Can include pre-development costs.</p>	<p>Non-profit organizations, public agencies, tribes, and low-income rural communities with a 50,000 population or less, or 10,000 populations or less if using Rural Development financing as the takeout</p>	<ul style="list-style-type: none"> <li>Maximum \$2 million with commitment letter for permanent financing</li> <li>Security in permanent loan letter of conditions</li> <li>1-3 year term</li> <li>5.5% interest rate</li> <li>1% loan fee</li> </ul>	<p>Applications accepted anytime</p> <p><b>Contact:</b> Josh Griff 720-951-2163 <a href="mailto:jgriff@rcac.org">jgriff@rcac.org</a></p> <p>Applications available on-line at <a href="http://www.rcac.org">www.rcac.org</a></p>
<b>RCAC RURAL COMMUNITY ASSISTANCE CORPORATION</b> Intermediate Term Loan	<p>Water, wastewater, solid waste and stormwater facilities that primarily serve low-income rural communities.</p>	<p>Non-profit organizations, public agencies, tribes, and low-income rural communities with a 50,000 population or less.</p>	<ul style="list-style-type: none"> <li>For smaller capital needs, normally not to exceed \$100,000.</li> <li>Maximum 20 year term</li> <li>5% interest rate</li> <li>1% loan fee</li> </ul>	<p>Applications accepted anytime</p> <p><b>Contact:</b> Josh Griff 720-951-2163 <a href="mailto:jgriff@rcac.org">jgriff@rcac.org</a></p> <p>Applications available on-line at <a href="http://www.rcac.org">www.rcac.org</a></p>

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
<b>RURAL WATER REVOLVING LOAN FUND</b>	Short-term costs incurred for replacement equipment, small scale extension of services, or other small capital projects that are not a part of regular operations and maintenance for drinking water and wastewater projects.	Public entities, including municipalities, counties, special purpose districts, Native American Tribes, and corporations not operated for profit, including cooperatives, with up to 10,000 population and rural areas with no population limits.	<ul style="list-style-type: none"> <li>• Loan amounts may not exceed \$100,000 or 75% of the total project cost, whichever is less. Applicants will be given credit for documented project costs prior to receiving the RLF loan.</li> <li>• Interest rates at the lower of the poverty or market interest rate as published by USDA RD RUS, with a minimum of 3% at the time of closing.</li> <li>• Maximum repayment period is 10 years. Additional ranking points for a shorter repayment period. The repayment period cannot exceed the useful life of the facilities or financed item.</li> </ul>	<p>Applications accepted anytime.</p> <p><b>Contact:</b> Tracey Hunter Evergreen Rural Water of WA 360-462-9287 <a href="mailto:thunter@erwow.org">thunter@erwow.org</a></p> <p>Download application online: <a href="http://www.nrwa.org/benefits/rlf_app.pdf">http://www.nrwa.org/benefits/rlf_app.pdf</a></p>
<b>SOURCE WATER PROTECTION GRANT PROGRAM</b>	Drinking water source protection plans, feasibility studies, and hydrogeologic studies; and source protection actions/projects identified as a priority in a water system, local or regional plan.	<p>Counties, cities, towns, and special purpose districts.</p> <p>Homeowner’s associations and non-municipal water systems are not eligible.</p> <p>Project must be considered a priority for drinking water source protection by Department of Health Regional Office.</p>	<ul style="list-style-type: none"> <li>• Grants.</li> <li>• Funding is dependent upon project needs, but typically does not exceed \$30,000.</li> </ul>	<p>Applications accepted anytime; grants awarded on a funds available basis.</p> <p><b>Contact:</b> Kitty Weisman Source Water Protection Program Manager, Washington State Department of Health, Office of Drinking Water 360-236-3114 <a href="mailto:Kitty.weisman@doh.wa.gov">Kitty.weisman@doh.wa.gov</a></p>

## EMERGENCY

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
<b>PWTF</b> Public Works Trust Fund – Emergency Program	Projects necessary due to natural disaster, or immediate/emergent threat to public health and safety  For domestic water systems, sanitary sewer, stormwater, solid waste, roads and bridges	Counties, cities, special purpose districts, and quasi-municipal organizations that meet certain requirements (contact a Regional Service Coordinator for more information).  No school or port districts.	No emergency funding is currently available.	Note: Availability of future funds is dependent on approval by the Governor and Legislature.  <b>Contact:</b> Isaac Huang Regional Service Coordinator 360-725-3162 <a href="mailto:Isaac.huang@commerce.wa.gov">Isaac.huang@commerce.wa.gov</a>
<b>CDBG - IT</b> Community Development Block Grant – Imminent Threat Grant Program	Repair unanticipated water, sewer and other public drainage facility damages that pose an immediate, urgent threat to public health and safety. Requires formal declaration of emergency.	<ul style="list-style-type: none"> <li>• Non-entitlement cities or towns with fewer than 50,000 people</li> <li>• Non-entitlement counties with fewer than 200,000 people</li> </ul>	Grant up to \$50,000; pending availability of funds <ul style="list-style-type: none"> <li>• Eligible costs can be reimbursed upon formal declaration of emergency.</li> <li>• Intended for a temporary fix while funding for permanent solution is secured.</li> </ul>	Applications accepted year-round.  <b>Contact:</b> Kaaren Roe 360-725-3018 <a href="mailto:kaaren.roe@commerce.wa.gov">kaaren.roe@commerce.wa.gov</a>
<b>RD – ECWAG</b> Emergency Community Water Assistance Grants	Domestic water projects needing emergency repairs due to an incident such as: a drought; earthquake; flood; chemical spill; fire; etc. A significant decline in quantity or quality of potable water supply that was caused by an emergency.	Public bodies, tribes and private non-profit corporations serving rural areas with populations under 10,000	Grant; pending availability of funds <ul style="list-style-type: none"> <li>• \$150,000 limit for incident related emergency repairs to an existing water system.</li> <li>• \$500,000 limit to alleviate a significant decline in potable water supply caused by an emergency.</li> </ul>	Applications accepted year-round on a fund-available basis  <b>Contact:</b> Gene Dobry 360-704-7733 <a href="mailto:eugene.dobry@wa.usda.gov">eugene.dobry@wa.usda.gov</a>  <a href="http://www.rurdev.usda.gov/wa">http://www.rurdev.usda.gov/wa</a>
<b>RCAC</b> <b>RURAL COMMUNITY ASSISTANCE CORPORATION</b> Intermediate Term Loan	Water, wastewater, solid waste and stormwater facilities that primarily serve low-income rural communities.	Non-profit organizations, public agencies, tribes, and low-income rural communities with a 50,000 population or less.	<ul style="list-style-type: none"> <li>• For smaller capital needs, normally not to exceed \$100,000.</li> <li>• Maximum 20 year term</li> <li>• 5% interest rate</li> <li>• 1% loan fee</li> </ul>	Applications accepted anytime  <b>Contact:</b> Josh Griff 720-951-2163 <a href="mailto:jgriff@rcac.org">jgriff@rcac.org</a>  Applications available on-line at <a href="http://www.rcac.org">www.rcac.org</a>

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
<p><b>RURAL WATER REVOLVING LOAN FUND</b> Disaster area emergency loans</p>	<p>Contact staff for more information on emergency loans.</p>	<p>Public entities, including municipalities, counties, special purpose districts, Native American Tribes, and corporations not operated for profit, including cooperatives, with up to 10,000 population and rural areas with no population limits.</p>	<p>90-day, no interest, disaster area emergency loans with immediate turn-around.</p>	<p>Applications accepted anytime.</p> <p><b>Contact:</b> Tracey Hunter Evergreen Rural Water of WA 360-462-9287 <a href="mailto:thunter@erwow.org">thunter@erwow.org</a></p> <p>Download application online: <a href="http://www.nrwa.org/benefits/rlfapp.pdf">http://www.nrwa.org/benefits/rlfapp.pdf</a></p>
<p><b>HMA/ HMGP MITIGATION PLANNING &amp; PROJECT AWARDS</b> FEMA Pre- and Post-Disaster awards</p>	<p>Cost-effective flood, seismic, wildfire, and wind infrastructure mitigation projects.</p>	<p>Counties, cities, special purpose districts, and quasi-municipal organizations that meet certain requirements and have approved Hazard Mitigation Plan with FEMA.</p>	<p>Annual, but Congress is reducing Pre-Disaster HMA awards.</p> <p>Hazard Mitigation Grant Program – Available after Presidentially-Declared major disasters.</p> <p>Awards range from \$50,000 to \$3 million, based on statewide competition.</p>	<p>Availability of future funds is dependent on approval by FEMA and Congress.</p> <p><b>Contact:</b> Peter Tassoni State Hazard Mitigation Officer 253-512-7072 <a href="mailto:Peter.Tassoni@mil.wa.gov">Peter.Tassoni@mil.wa.gov</a></p>





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DATE: February 10, 2014  
TO: Public Works Board  
FROM: Chris Gagnon, Regional Service Coordinator, Technical and Impact Assistance Unit  
SUBJECT: Update on Funding Programs Webinar

**BACKGROUND:**

I am pleased to update the Board on a recent webinar held by staff on February 10. Staff representing a variety of funding programs participated in presenting a webinar to provide clients with information on upcoming funding programs, to include:

Freight Mobility Strategic Investment Board (FMSIB)  
Recreation & Conservation Office (RCO)  
Community Development Block Grant (CDBG)  
Transportation Improvement Board (TIB)  
Public Works Board (PWB)  
Department of Health (DWSRF)  
Department of Ecology Water Quality  
USDA Rural Development  
Community Economic Revitalization Board (CERB)  
Rural Community Assistance Corporation (RCAC)  
Bond Cap  
State Treasurer's Local Option

This was the second webinar held in which staff coordinated to highlight their upcoming funding programs. The first webinar took place in August 2013. Around 100 clients signed up for each of the webinars, which is the maximum allowed.

This spring, Board staff will be working with CDBG staff on a webinar that will focus entirely on CDBG's upcoming funding program. Board staff will schedule and host the webinar, and CDBG staff will present their program information.



**TAB 5**

**Information and  
Other Items**





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DATE: February 13, 2014  
TO: Public Works Board  
FROM: Heather Youckton, Board Liaison/Cultural Review Coordinator  
SUBJECT: Information and Other Items

**Board Committee Updates:**

Board Committee Chairs will provide an update on committee activity.

- Executive Committee: Stan Finkelstein
  - The Executive Committee is meeting as needed during legislative session. Time is reserved to meet weekly on Thursdays via conference call.
- Policy & Program Development Committee: Scott Hutsell
- Communication Committee: Kathryn Gardow
- Technical Assistance Committee: Jerry Cummins

**Board Member Updates:**

Board members may provide updates on any activities, provide information, or hold discussions on items not listed on the agenda.

**Other Updates:**

Guests may address the Board regarding issues not listed on the agenda. Contact Heather Youckton at (360) 725-2744 or [heather.youckton@commerce.wa.gov](mailto:heather.youckton@commerce.wa.gov) to reserve time on the agenda.