



Agenda Item	Action	Page	Time
<b><u>A) ADMINISTRATION</u></b>		3	9:00
1. Call to Order			
2. Welcome and Introductions			
3. Approve Agenda: Heather Youckton	Action		9:05
4. Meeting Minutes for February 28, 2014: Heather Youckton	Action	5	
5. Executive Director Update: Kendee Yamaguchi	verbal		
<b><u>B) CONTRACTING/FINANCING OPPORTUNITIES</u></b>		9	9:20
1. Completion Extension Request: Mark Barkley	Action	11	
2. Liability Insurance Requirements: Mark Barkley	verbal	12	
3. Drinking Water State Revolving Fund (DWSRF) Loan Program: Steve Dunk	verbal		
a. DWSRF Loan Restructure Update: Chris McCord			
i. Tahuya River Valley Water District	Action?		
<b><u>C) TECHNICAL &amp; IMPACT ASSISTANCE</u></b>		13	9:45
1. Technical Assistance Update: Bruce Lund		15	
<b><u>D) POLICY &amp; PROGRAM DEVELOPMENT</u></b>		19	10:00
1. 2014 Legislative Recap: Cecilia Gardener	verbal		
2. Public Disclosure Commission Update: Cecilia Gardener		21	
BREAK 10:25 – 10:40			
3. Retreat Planning: Kendee Yamaguchi	verbal		10:40
4. Board Committee Updates	verbal		11:05
a. Executive Committee: Stan Finkelstein			
b. Policy & Program Development Committee: Scott Hutsell			
c. Technical Assistance Committee: Jerry Cummins			
d. Communication Committee: Kathryn Gardow			
<b><u>E) INFORMATION &amp; OTHER ITEMS</u></b>		23	11:40
1. Board Member Updates			
2. Other			

**Note: Anticipated time of Adjournment is 11:45 a.m.**

**NEXT BUSINESS MEETING SCHEDULED: May 9, 2014**

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

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

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



**TAB 1**

# **Administration**





**PUBLIC WORKS BOARD MEETING**  
**February 28, 2014**  
Department of Commerce (Olympia, WA)

Board Members		Guests Present:	Staff Present:
Present:	Absent:		
Stan Finkelstein, Chair		Mark Barkley, Department of Commerce	Kendee Yamaguchi, Executive Director
Kathryn Gardow, Vice Chair		Bill Clarke, Washington Public Utility District Association	Cindy Chavez
JC Baldwin		Kenny Deshiro-Harper, Fellow, The Evergreen State College	Dawn Eychaner
Ted Carlson		Michelle Heacox, Intern, The Evergreen State College	Chris Gagnon
Pam Carter		Karen Klocke, Department of Health	Cecilia Gardener
Jerry Cummins		Sheila Lee-Johnston, Department of Commerce	Isaac Huang
Ed Hildreth		Chris McCord, Department of Health	Lynn Kohn
Scott Hutsell		Stephen Misiurak, City of Gig Harbor	Bruce Lund
Diane Pottinger		Jeff Nejedly, Department of Ecology	Rodney Orr
Matt Rasmussen		Cathi Read, Department of Commerce	Jacki Skaught
Mark Scott		Kaaren Roe, Department of Commerce	Heather Youckton

**ADMINISTRATION**

- 1) Call to order: Stan Finkelstein called the meeting to order at 9:05 a.m.
- 2) Welcome and Introductions
- 3) **ACTION: Ed Hildreth moved to approve the agenda amended to move item C1 2014 Legislative to section E 1. Kathryn Gardow Seconded. MOTION APPROVED 10-0.** (Baldwin, Carlson, Carter, Cummins, Gardow, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott)
- 4) **ACTION: Jerry Cummins moved to approve the January 31, 2014, meeting minutes as presented. Scott Hutsell 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 participation during legislative session. 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). A Local Government and Infrastructure Division update was provided. Jeff Wilson is the new Senior Managing Director of Growth Management Services. Bill Clarke, WPUDA, discussed SB6516 regarding the proposed taskforce. Stakeholders are requesting Public Works Board representation on the taskforce. The proposal would be funded with \$1 million from the Public Works Assistance Account.

## CONTRACTING/FINANCING OPPORTUNITIES

- 1) Drinking Water State Revolving Fund (DWSRF) Loan Program:
  - a) Tahuya River Valley Water District: Chris McCord reviewed Tahuya's loan status. Staff is continuing to work with them to find solutions to resolve their past due amount plus late fees. Tahuya has been invited to attend an upcoming Small District Workshop. A plan will be brought to the next meeting.
  - b) DWSRF 2013 Contract Boilerplate "Buy American:" Mark Barkley provided background adding "Buy American" requirements to all DWSRF loans not signed and executed prior to January 17, 2014. The current exception to the requirement is that unless the plans and specs for a project were already approved. The requirement was established in House Rule 3547 "Consolidated Appropriations Act, 2014." The language applies to "iron and steel products." Staff has notified clients and proposes additional training to address the requirement. Staff will develop an updated handbook to incorporate the changes. Staff will continue to work with EPA to seek an exception for the recently approved DWSRF loan list. The presented contract boilerplates have been reviewed through the Attorney General's Office. The Board requested changes consistent with House Rule 3547 be incorporated into the boilerplate and handbook. **ACTION: Kathryn Gardow moved to approve the 2013 Municipal and Non-municipal Contract Boilerplates including amendments. Pam Carter seconded. MOTION APPROVED 10-0.** (Baldwin, Carlson, Carter, Cummins, Gardow, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott)

## POLICY & PROGRAM DEVELOPMENT

- 1) 2016 PWAA Loan Terms: Cecilia Gardener presented recommended construction loan terms listed on pages 20 – 21 of the February meeting packet. Discussion included maximum loan amount per jurisdiction per biennium, local match requirement, interest terms and rates for non-financially distressed and financially distressed applicants. Public Works Board loan terms history was reviewed. The Department of Health's Drinking Water State Revolving Fund and Department of Ecology's Clean Water State Revolving Fund programs reviewed their current and recent loan terms. **ACTION: Scott Hutsell moved to amend the maximum loan amount per jurisdiction per biennium to \$5,000,000. Kathryn Gardow seconded.** Discussion followed. **Jerry Cummins moved to amend the maximum loan amount to \$8,000,000. JC Baldwin seconded the motion as amended. MOTION FAILED 4-5.** (Yes – Baldwin, Carlson, Cummins, and Scott. No – Carter, Hildreth, Hutsell, Pottinger, and Rasmussen.) **ACTION: Pam Carter moved to amend the maximum loan amount per jurisdiction per biennium to \$7,000,000. Ted Carlson seconded. MOTION APPROVED 7-2.** (Yes – Baldwin, Carlson, Carter, Cummins, Hildreth, Pottinger, and Scott. No – Hutsell and Rasmussen.) **ACTION: Matt Rasmussen moved to approve the no local match requirement and interest terms and rates as presented for non-financially and financially distressed applicants. Pam Carter seconded. MOTION APPROVED 9-0.** (Baldwin, Carlson, Carter, Cummins, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott.)

- 2) 2016 PWAA Draft Application: Cecilia Gardener reviewed the draft application. The application questions have not changed. Managerial and financial reviews will still be required. The only changes are related to the Proviso requirements. Board action on terms and threshold requirements will be included. **ACTION: Scott Hutsell moved to approve the 2016 PWAA Application as presented, including any changes necessary based on board action. Jerry Cummins seconded. MOTION APPROVED 9-0.** (Baldwin, Carlson, Carter, Cummins, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott.)
- 3) 2016 PWAA Application Threshold Requirements: Cecilia Gardener provided background for threshold requirements and proposed threshold criteria for the 2016 Public Works Assistance Account Construction Loan cycle as presented on pages 23-24 of the February meeting packet. Threshold would include applications submitted in whole by May 16, 2014; a signed resolution addressing debt service requirements; applicants fully funded through Ecology or Health State Revolving Loan Fund programs are ineligible; and one-time “grandfathering” in the water, sewer, and storm projects from the 2014 Construction Loan funding list, which have already been partially reviewed by the SRF programs. **ACTION: Ed Hildreth moved to approve all threshold requirements as presented. Diane Pottinger seconded. MOTION APPROVED 9-0.** (Baldwin, Carlson, Carter, Cummins, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott.)
- 4) Allocation of Biennial (2015-17) Resources: Cecilia Gardener presented options to distribute the allocation of loan funds for the 2015-17 biennium. Based on current information, the Board will have approximately \$206.8 million available for appropriation. This conservative estimate reflects the subtractions for State Revolving Fund matching dollars and Board administrative costs. Up to 15% may be used to fund non-construction loan programs. The Board reviewed non-construction and construction loan programs. The Board discussed options, history, strategy, education, and need. **ACTION: Kathryn Gardow moved to approve Option A to allocate \$31 million to fund non-construction loan programs and the remaining \$176 million (approximate) for the 2016 Construction Loan cycle in the first year of the biennium. Ed Hildreth seconded. MOTION APPROVED 10-0.** (Baldwin, Carlson, Carter, Cummins, Gardow, Hildreth, Hutsell, Pottinger, Rasmussen, and Scott.)

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

- 1) Small Communities Initiative: Cathi Read provided background on the Small Communities Initiative and reviewed the 2012-2013 annual report. Cathi Read presented a “Summary of Some Grant and Loan Programs for Drinking Water and Wastewater Projects.” Technical assistance is provided to small communities to assist with sustainable projects and maximize resources. The annual report is available upon request.
- 2) Funding Webinar: Chris Gagnon provided an update on the Funding Programs Webinar. Approximately 100 clients registered for the webinar held on February 10. Multiple people attended with each registration. The next webinar will be coordinated with Community Development Block Grant program.

## INFORMATION & OTHER ITEMS

- 1) 2014 Legislative Update: Cecilia Gardener provided a bill tracking update and reviewed bills that may impact the Public Works Board. The Board debriefed regarding their legislative meetings held during the 2014 legislative session. The Board will continue to work with staff to develop a plan for the 2015 legislative session.
- 2) Board Committee Updates: The Board provided updates for the standing committees.
  - a) Executive Committee: Stan Finkelstein stated the Executive Committee has agreed to meet weekly via conference call to discuss any time-sensitive issues, legislative reviews, and approve meeting agendas, as needed during legislative session.
  - b) Policy and Program Development Committee: Scott Hutsell will provide an update at the next Board meeting.
  - c) Communication Committee: Kathryn Gardow identified the top three focus areas as agreed upon by the committee. The three areas include: identify the Board's importance; develop a legislative message for the next session; and provide information about the Board's resources.
  - d) Technical Assistance Committee: Jerry Cummins reviewed the committee focus on sustainability without duplicating efforts, education, asset management, training and education, and collaboration. The committee will continue to work with staff regarding technical assistance.
- 3) Board Member Updates: Diane Pottinger inquired on the Public Works Board's budget. The Board currently has approximately \$3 million administrative costs and 10.95 FTEs. Pam Carter requested business cards for board members. The Board discussed legislative meeting follow-up. Kathryn Gardow proposed a mission statement review for the upcoming May retreat. Board members will contact the Executive Committee with suggested retreat discussion items. The Board retreat is currently scheduled for May 8 & 9, 2014.

**ACTION: JC Baldwin moved to adjourn the meeting. Jerry Cummins seconded the motion.  
MOTION APPROVED.**

Adjourn: 11:55 a.m.

Meeting materials available at [www.pwb.wa.gov](http://www.pwb.wa.gov) or (360) 725-2744.

**TAB 2**

**Contracting/**

**Financing Opportunities**





DATE: February 28, 2014  
 TO: Public Works Board  
 FROM: Mark Barkley, Contracts Administration Unit, Managing Director  
 SUBJECT: Project Completion Extension Request

**BACKGROUND**

The client has requested an extension to their project completion date. Staff evaluated the request through a staff peer review process.

**STAFF RECOMMENDATION:**

Staff recommends extending the contract project completion date as follows:

Program	Client	Contract No.	Project	Loan/Grant Amount	Available to Draw	Original Closeout Date	Current Closeout Date	Proposed Closeout Date
PWTF - Construction	City of Yakima	PC08-951-052	Railroad Grade Separations- Lincoln Ave/MLK Jr. Blvd.	\$3,000,000	\$150,000.00	06/02/12	06/02/14	12/31/14

**Reason for Extension Request:** The Lincoln Avenue Underpass phase of this project is complete. Additional time is needed to complete the construction of the Martin Luther King Jr. Boulevard Underpass phase due to design modifications and Burlington Northern Santa Fe (BNSF) Railroad construction delays. Project is 75% complete.



---

DATE: March 7, 2014  
TO: Public Works Board  
FROM: Mark Barkley, Contracts Administration Unit, Managing Director  
SUBJECT: Non-Municipal Insurance Coverage Update

**BACKGROUND:**

Over the past year, concerns with Cristalina LLC, a non-municipal (private) water system management association have been brought to the attention of the Public Works Board (PWB). Cristalina LLC was issued a DWSRF loan, contract number DP09-952-034, on May 21, 2009 in the amount of \$555,500 with an interest rate of 1.5% to provide system improvements. The project was certified complete on August 5, 2010. Cristalina LLC encountered issues resulting in their inability to make last year's (2013) annual loan repayment in the amount of \$36,692.23.

**ISSUE:**

PWB Chair asked the Contracts Administration Unit (CAU) staff to research and present to the Board the current insurance coverage outlined in the DP09-952-034 (Cristalina) contract as well as current non-municipal boilerplates.

DP09-952-034 (Cristalina) contract provides for the following coverage and loan security.

- Section 1.38. Insurance
  - Commercial General Liability Coverage - \$1M per occurrence/\$5M aggregate.
  - Property Coverage. Amount to cover all risks of physical damage or loss for term of loan.
  - Proof of General Liability Coverage was obtained June 18, 2009 and included in the contract file.
- Section 1.12. Loan Security
  - Collateral. Loan shall be secured by liens on contractors accounts.
  - Security shall be evidenced by promissory note, commercial security agreement, and UCC-1.
  - DP09-952-034 (Cristalina) includes a fully executed Commercial Security Agreement; dated May 21, 2009 (Attachment IX).

Current 2013 non-municipal boilerplates contain the same provisions for insurance and security as identified above.

**STAFF RECOMMENDATION:**

Continue to work with Public Works Board staff for additional options to secure PWB contracts.

**TAB 3**

**Technical & Impact  
Assistance**





DATE: March 17, 2014  
 TO: Public Works Board  
 FROM: Bruce Lund, Managing Director, Technical and Impact Assistance Unit  
 SUBJECT: PWB Technical Assistance Services Update

**BACKGROUND:**

This is an update to the Board’s technical assistance service plan that it adopted at its January, 2014 Board meeting. A portion of that plan incorporated outcome measures, and we are pleased to share with you some additional information in that area. We will be assessing our work in three key areas:

- Training and Education
- Client Contacts and Outreach
- Sustainability of local infrastructure

The Technical Assistance Sub-Committee will be reviewing our progress periodically. If the assessments indicate that we need to adjust a service that we are providing, the Sub-Committee will be seeking authorization from the full Board to implement the recommendation.

**1) Training and Education**

- a. Conduct two Regional Academies in 2014
- b. Develop and offer a training curriculum that supplements but does not duplicate existing offerings

Measure Name	Measure Calculation	RANGE			Data Collection Frequency	Data Source
		Baseline	Target	Current Level		
<b>Outcome 1A: Increase local govt. participation in PWB training and education offerings by 10%</b>						
<b>1A1. Local govt participation</b>	Number of local govts. that participate in Board training offerings	116	127		Semi-Annual	Attendance at Board trainings
<b>Outcome 1B: Increase infrastructure asset management awareness and training by 5%</b>						
<b>1B1. Asset Mgmt. Training</b>	Number of people participating in infrastructure asset management trainings	320	350		Semi-Annual	Board Asset Management trainings
<b>Outcome 1C: Increase access to infrastructure-related training among local governments by 5%</b>						
<b>1C1 Trainings made available to local govt.</b>	Number of persons participating in group and one on one trainings	588	619		Semi-Annual	Attendance at Board trainings

**2) Managing Client Relationships**

- a. Messaging to local governments
- b. Understanding local needs
- c. Advocating for local government clients

Measure Name	Measure Calculation	RANGE			Data Collection Frequency	Data Source
		Baseline	Target	Current Level		
<b>Outcome 2A: Maintain access to Board funding and services for existing clients</b>						
<b>2A1. PWB client exit interviews</b>	Number of exit interviews at project completion	27	27		Semi-Annual	PWB staff
<b>2A2. Contacts made with current clients</b>	Number of clients contacted who have been funded by PWAA in the last 5 years	182	182		Semi-Annual	PWB staff
<b>Outcome 2B: Increase access to Board funding and services for new clients by 5%</b>						
<b>2B1. Contacts made to new clients</b>	Number of clients contacted who have not been funded by PWAA in the last 5 years	354	354		Semi-Annual	PWB staff
<b>Outcome 2C: Maintain / Increase knowledge of local infrastructure needs by 100%</b>						
<b>2C1. Client infrastructure priorities</b>	Number of clients within RSC region visited to obtain information on upcoming infrastructure priorities	0 (To be Established)	270		Semi-Annually	PWB staff

**3) Being Value-Added Partners and Collaborators**

- a. Maintain active participation in the Infrastructure Assistance Coordinating Council
- b. Attend, participate and exhibit at stakeholder conferences

Measure Name	Measure Calculation	RANGE			Data Collection Frequency	Data Source
		Baseline	Target	Current Level		
<b>Outcome 3A: Increase collaboration with other resource providers to maximize services to clients by 15%</b>						
<b>3A1. Assistance strategies to clients and partners</b>	Number of assistance strategies developed jointly by one or multiple agencies	20	25		Annual	PWB Staff
<b>Outcome 3B: Increase access of financial and technical resources to clients by 5%</b>						
<b>3B1. PWB Information distributed</b>	Number of persons provided PWB information at partner and stakeholder events	880	1000		Semi-Annual	PWB Staff

4) **Assisting Communities to Develop Sustainable Projects that Meet Public Safety and Health Needs**

- a. Provide targeted assistance to communities who are developing high priority projects

Measure Name	Measure Calculation	RANGE			Data Collection Frequency	Data Source
		Baseline	Target	Current Level		
<b>Outcome 4A: Increase number of local governments to access resources to move projects forward by 10%</b>						
<b>4A1. Tech Teams offered</b>	Number of tech teams either led or participated in	23	26		Semi Annual	PWB staff
<b>Outcome 4B: Projects move forward by 5%</b>						
<b>4B1. Executed contracts</b>	Number of executed contracts	27	30		Annually	PWB staff
<b>Outcome 4C: Maintain water and/or wastewater rates sufficient to support a sustainable utility compared with last PWAA funding round</b>						
<b>4C1. Special conditions</b>	Number of special conditions in PWAA contracts	6	4		Annually	PWB contracts

5) **Helping Communities to Access Resources**

- a. Establishing a catalog of resources  
 b. Providing local financing training and tools  
 c. Re-establishing a funding database

Measure Name	Measure Calculation	RANGE			Data Collection Frequency	Data Source
		Baseline	Target	Current Level		
<b>Outcome 5A Increase access of financial and technical resources to clients by 5%</b>						
<b>5A1. Client Contacts</b>	Number of client contacts through all mediums	1541	1618		Semi Annual	PWB staff
<b>Outcome 5B: Increase use of PWB website by 15%</b>						
<b>5B1. Website use</b>	Number of website hits on funding and technical assistance pages	500	575		Annually	Analytic software
<b>Outcome 5C: Decrease dependence on Federal and State grant and loan programs by 3%</b>						
<b>5C1. Local Funding of Infrastructure</b>	% local funding of PWAA projects: $\frac{\$ \text{ of local funding}}{\text{Total project amount}}$	26%	29%		Annually	Applicant information



**TAB 4**

**Policy & Program  
Development**





DATE: March 18, 2014  
TO: Public Works Board  
FROM: Cecilia Gardener, Managing Director  
SUBJECT: Public Disclosure Reporting

**BACKGROUND:**

A briefing will be given regarding the Public Disclosure Reporting requirements that the Board will need to participate in this year. Handouts and directions will be provided at the meeting.



**TAB 5**

**Information and  
Other Items**