



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

**PUBLIC WORKS BOARD MEETING**  
**May 03, 2013**  
Department of Commerce (Olympia, WA)

Board Members		Guests Present:	Staff Present:
Present:	Absent:		
Stan Finkelstein, Chair	Tom Fitzsimmons	Mark Barkley, Department of Commerce	John LaRocque, Executive Director
Kathryn Gardow, Vice Chair	Scott Hutsell	Brian Bonlender, Director, Dept. of Commerce	Bruce Lund, Manager, Regional Services
Frank Abart		Alison Helberg, Association of Washington Cities	Myra Baldini
JC Baldwin (by phone)		Karen Klocke, Dept. of Health	Cindy Chavez
Jerry Cummins		John Kounts, Washington Public Utilities District Association	Terry Dale
Ed Hildreth		Karen Larkin, Dept. of Commerce	Dawn Eychaner
Don Montfort		Steve Lindstrom, Sno-King Water District Coalition	Christina Gagnon
Mark "Bubba" Scott		Chris McCord, Dept. of Health	Cecilia Gardener
Darwin Smith		Dan McConnon, Dept. of Commerce	Isaac Huang
Steve Stuart		Peter McMillan, USDA Rural Development	Lynn Kohn
Larry Waters		Steve Misuriak, City of Gig Harbor	Matt Ojennus
		Jeff Nejedley, Dept. of Ecology	Rodney Orr
		Cathi Read, Small Communities Initiative	Jacki Skaught
		Pete Rogalsky, City of Richland Public Works Director	Kenny Spain

**Administration**

- 1) Call to order: Chair Finkelstein called the meeting to order at 9:05 a.m.
- 2) Welcome and introductions
- 3) **ACTION: Ed Hildreth moved to approve the agenda, Darwin Smith seconded. MOTION APPROVED 10-0.** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Stuart, Waters)
- 4) **ACTION: Jerry Cummins moved to approve the March 1 Meeting Minutes, Darwin Smith seconded. MOTION APPROVED 10-0** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Stuart, Waters).
- 5) Legislative Updates:
  - John LaRocque explained that the legislature will reconvene in special session May 13. John advised the Public Works Board (Board) that Public Works Board staff have been having



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meetings with legislative staff to discuss reducing the loan list further. John noted he expects early action in the session to move the loan list.

- John LaRocque noted that SB 5895, which redirects tax revenue from PWAA, passed out of the Senate. The House did not move it, but it may be resurrected in the special session. John noted that SB 5399, which requires local governments to be in compliance with GMA at the time of contract execution rather than at time of application, passed both houses and is with the Governor for signature. John thanked the Washington State Association of Counties for sponsoring and promoting that bill. Karen Larkin noted that the bill is not retroactive. John affirmed this and noted that a retroactive clause could be included in the loan list proviso/capital budget.
  - Stan Finkelstein asked about the differences between the senate and house budgets. John reviewed the major differences. Kathryn Gardow asked whether the Board can advocate for the loan list. John explained that the Board will line up with the Governor's office strategy and the Department of Commerce.
- 6) Cecilia Gardener advised members who have terms that are expiring and are interested in reapplying for membership that they need to submit their applications to the Governor's office. JC Baldwin, Jerry Cummins, and Stan Finkelstein noted they have already submitted applications to be reappointed. Frank Abart will not be applying for reappointment.
- 7) Stan Finkelstein introduced Brian Bonlender, Director of the Department of Commerce:
- Brian Bonlender laid out that he will discuss the proposed reorganization of Commerce in terms of management and how the Board fits with that plan. With respect to local government, Brian noted that he has asked John LaRocque, Karen Larkin, Dan McConnon, and other Commerce leadership to assist with this strategy. Brian stated that the Dept. of Commerce will be carrying out the goals of the Governor and is well-positioned to do so. Brian explained that the proposal to merge the Assistant Director of Local Government and Infrastructure Division and Public Works Board Executive Director gives the Board a greater connection to the Governor's office and positions the Board well to tie the PWB work in to economic development and job creation. Brian noted that one of the first issues he's had to defend is maintaining the \$350 million level for the loan list as previously proposed by Governor Gregoire. The agency was successful getting that into Governor Inslee's budget and protecting some of the other funds such as planning and preconstruction. Brian clearly noted that the merger of these positions gives the Board an advocate with him and other decision makers in the Governor's office. Brian acknowledged that there may be concerns that this would diminish the autonomy of the Board and that's not the intent.
  - Brian reviewed plans for Commerce to create an Office of Economic Competitiveness in the Business Services Division. Commerce is trying to get sector lead positions in place during this legislative session. Cross-pollination of work between the Public Works Board and Community Economic Revitalization Board will continue.



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- Stan Finkelstein invited Dan McConnon to make comments. Dan noted that the Local Government Division is not directly in his chain of command, but he is in charge of the operations of the agency such as fiscal offices and programs that make the agency run. He sees his role in supporting the board and staff so there are no obstacles interfering in staff's ability to do their jobs. Dan noted that Commerce's indirect rate is important to this Board and other programs and that at this point there is no plan to change it and the agency is trying to ensure that the management of the agency is as LEAN as possible. The goal is to drive the indirect rate as low as possible without sacrificing service to the programs. Brian Bonlender noted that Commerce is educating colleagues in other agencies, including recent conversations with the Governor's Chief of Staff.
- Don Montfort noted that PWB sees itself as collaborative and in the past the Board has not appreciated the sense of being dictated to rather than collaborated with and that the PWB should be respected by Commerce due to the success of its work. Don noted that the Board has been defensive in the past and some of that has been due to Commerce's relationship with the Board.
- Stan Finkelstein noted the success of the Board, no loan defaults in its history, and the Board has been well staffed by a very gifted staff and the Board is a bit uneasy because John is leaving and Commerce is going through a transition merging the two management positions and that there is a true advantage in the access to the Governor and agency leadership. Stan expressed his appreciation for Brian and Dan's openness with the executive committee and board.
- Brian Bonlender noted that it is still the plan to work with the original consulting firm to fill the position and that Commerce remains committed to input from the Board in the filling of the position. John LaRocque noted that he's been in touch with potential candidates who have come forward for informational interviews due to the consultant reaching out to them and the quality of those folks is very high.
- Kathryn Gardow followed up on her question about the legislative session and where the agency sees negotiations going. Brian Bonlender noted that the two sides are very far apart and aren't even talking at this point, noting that the House put forward a compromise budget, the Governor backed that, and the Senate hasn't really responded. Brian noted that when the special session convenes things can get risky because deals are being made and expedited. Brian said the question is how to respond if any of the parties decide to come after the PWB dollars and that we should be ready with who is on the end of the list, be ready to activate those communities to contact their legislators and move quickly. Knowing who in leadership is on that list would be helpful. Brian noted the next question is what to do about the planning money and how to defend that because it may be targeted. Be ready to answer hard questions, like if they want to take a certain dollar amount (\$50 million for example) be prepared with how the Board will respond to that. Kathryn expressed appreciation for Brian's level of knowledge.



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- Brian committed to the Board that he will reach out to the Board if he sees something like that coming down the pike.
- John Kounts asked for more information about the merger of John LaRocque's position and what the other position is that is being merged. Brian explained that the positions currently held by Karen Larkin and John LaRocque would be merged. John LaRocque noted the importance of connectivity with local government and the new Assistant Director (AD) would act as a strategist in this sense. Karen Larkin remarked on the importance of this position assisting local governments utilizing local financing tools and strengthening those local and state level programs.
  - Don Montfort noted that the combination of the positions is advantageous but the question of who directs the staff remains, particularly whether the Board directs the work of the new AD and if there is a conflict between what the Board and Commerce wants in terms of that direction. Brian Bonlender responded that functionally there is little difference with what currently exists. Brian noted that functionally the Board is part of Commerce and that Commerce recognizes the Board's desire for independence and its mission to represent local governments first. Brian stated that Commerce has the power to place whomever they wish in that position but that the agency is invested in maintaining the primary purpose and mission of the Board. Dan noted that Commerce has made a commitment to meet with the Board's executive committee on a quarterly basis and that it's all about the people. If we get the right people in the chairs it can make all the difference in the world.
  - Larry Waters expressed concern that if the Board makes a decision that the new AD would have to check with Dan McConnon and Brian Bonlender to see if the decision can be implemented. Brian responded that he wishes to empower management and has no desire to micromanage the Board.
  - Stan Finkelstein thanked Brian and Dan for coming to the meeting and commented that in the selection process there will be a representative of the Public Works Board and the Community Economic Revitalization Board to help make recommendations to the Boards in the selection of the position.
  - Stan Finkelstein thanked Larry Waters for his service to the Board and expressed appreciation for his participation. John LaRocque added his thanks as well.

### **Committee Reports**

1) Executive Committee: Stan Finkelstein

- Stan Finkelstein reported that the Executive Committee met on April 25 and discussed the retreat noting their desire for the Policy and Technical Assistance committees to work on this too. The Executive Committee discussed the selection for John's replacement and reorganization and how this will unfold over the next three months. The committee discussed the Senate proposal to permanently redirect tax revenue from the Public Works



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- Assistance Account. Stan noted the original plan was to hold the retreat on June 6-7 and the Executive Committee discussed that it may not make sense to hold the retreat prior to the new AD coming in to their position and doesn't have the opportunity to participate in the decision making. Stan proposed the retreat be postponed until early autumn. John noted that staff will survey the Board for dates that work for everyone.
- John LaRocque noted that the June 7 meeting is still needed to approve the low risk Drinking Water State Revolving Fund (DWSRF) funding list.
- 2) Communication Committee: Kathryn Gardow
- Kathryn Gardow reported on the draft social media policy and the committee reworking of that policy to remove staff responsibilities from the draft. Kathryn noted that the Board has the ability to use Facebook and Twitter now and that they are useful tools for communicating the Board's work. Kathryn requested a motion to empower the staff. Steve Stuart moved and Ed Hildreth seconded that the Board approve staff's use of social media pending modifications of the draft policy. John LaRocque noted that state government has boundaries and rules that govern public use of these tools and that the Board will be responsible to adhere to these rules. Cecilia Gardener noted that the Board waited until Commerce's social media policy was finalized so that the Board's social media policy was in alignment. Jerry Cummins asked if there is capacity among the staff to do this. John LaRocque noted yes, the staff can do this. Steve Stuart noted that any document that is created is a public document, including every tweet and post. Steve noted that it is crucial that the information shared via this method be timely and refreshed or it's irrelevant.  
**ACTION: Steve Stuart moved and Ed Hildreth seconded that the Board approve staff use of social media pending modifications of the draft policy. MOTION APPROVED 10-0** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Stuart, Waters).
  - Kathryn added that the Communications Committee supports the idea of a newsletter as put forward by the TA committee.
- 3) Policy Committee: Don Montfort
- Don Montfort noted the Policy committee did not meet. Don stated that the Policy committee still supports the idea of a Memorandum of Understanding with Commerce. Don stated that the committee could continue to work on bylaws if the Board is interested in that. Don acknowledged that Ann Campbell has begun work on policy redraft of existing policies. Don noted that the committee has now been assigned the retreat agenda.
- 4) TA Committee: Steve Stuart
- Steve Stuart noted that last year the Board instructed staff to enhance technical assistance and that over the past 9-10 months the progress has been incredible. Steve noted that the Southeast Regional Academy is coming up and registration is going great, that there's a great list of speakers and a number of Board members are planning to attend on May 22.
  - Steve noted that technical assistance partnerships are being worked on with other programs such as the Small Communities Initiative and Community Development Block Grant, and one



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of the ways the committee is working on this is through the concept papers that lay out six methods, priorities, and/or activities that individual staff members are leading. Steve asked that the concept paper be shared with the entire Board.

- Steve noted in terms of budget the enhanced TA costs money and that associations will continue to push on the operations budget associated with the PWB because if those resources are not available then these resources are not available to the clients.
  - Steve acknowledged the great work by Cathi Read on the City of Morton and their progress towards system sustainability.
- 5) Stan Finkelstein noted his understanding that staff was going to send out the agenda packet physically in advance of the meeting so members have the opportunity to review it prior to the meeting. Stan reiterated the desire of the Board that the agenda packet be sent out so members receive it several days in advance of the meeting. Darwin Smith noted that receiving the packet by email in advance is fine with him and that it's important to acknowledge the extra burden on staff to get the information to the Board.

**BREAK 10:20 – 10:48 a.m.**

**Contracting**

1. Mark Barkley directed the Board to page 65 of the Board packet which lays out the contract activity for the quarter (*attachments page 1*).
2. Mark Barkley reviewed the staff recommendation for project completion extension (*attachments page 2*) requests for 3 DWSRF projects.
  - a. **ACTION: Jerry Cummins moved to approve City of Longview extension, Darwin Smith seconded. Approved 10-0** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Stuart, Waters).
  - b. **ACTION: Darwin Smith moved to approve Knights of Columbus extension, Kathryn Gardow seconded. Approved 10-0** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Stuart, Waters).
  - c. **ACTION: Larry Waters moved to approve Whatcom County Acme Water District extension, Kathryn Gardow seconded.** Kathryn asked if this would free up additional funds for the project to use and why. Chris McChord, Department of Health, explained how the project changed. **Approved 10-0** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Stuart, Waters).
3. Mark Barkley reviewed the notice to proceed extensions for DWSRF on page 67 of the packet (*attachments page 3*), noting that both projects will remain within their contract period.
  - a. Clallam County PUD #1: Kathryn Gardow asked if this is the same project that was discussed at the last meeting. John LaRocque replied no, that this is the same jurisdiction but a different project. **ACTION: Moved by Darwin Smith, seconded by Jerry Cummins to approve. Approved 10-0** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Stuart, Waters).



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- b. Basin City Water District: **ACTION: Ed Hildreth moved to approve, Darwin Smith seconded the motion. Approved 10-0** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Stuart, Waters).
4. Public Works Trust Fund:
- a. Clark County Extension Request (*see attachment page 4*): Mark Barkley reviewed the extension request from Clark County which is tied to the work of the Washington State Department of Transportation (WSDOT). Steve Stuart spoke in favor of the project, noting that the county's portion of the project is complete but it is a partnership with WSDOT and the county is tied to WSDOT's timeline. **ACTION: Darwin Smith moved to approve, Frank Abart seconded.** Steve Stuart recused himself from the vote due to a conflict of interest. **Approved 9-0** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Waters).
  - b. City of Richland Pre-Construction Loan Extension (*see attachment page 5*): Mark Barkley reviewed the request from City of Richland for an extension due to a full environmental assessment now being required. Mark introduced Pete Rogalsky, the Richland Public Works Director. Mr. Rogalsky addressed the Board, explaining the background of the project and how the environmental review process changed during the course of the project because federal agencies became involved in the project and environmental requirements have changed, noting that all three federal agencies involved have signed off on the environmental review process. Jerry Cummins spoke in favor of the project. **ACTION: Darwin Smith moved to approve, Steve Stuart seconded. Approved 10-0** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Stuart, Waters).
  - c. Clallam County PUD Assignment Request (*see attachment pages 6-18*): Matt Ojennus reviewed the handout requesting loan reassignment from Clallam PUD to Clallam County, noting that the inter-local agreement is in place. **ACTION: Larry Waters moved to approve, Frank Abart seconded.** Darwin clarified with staff that they are satisfied that the requirements put in place at the March meeting have been met. Matt Ojennus replied in the affirmative. **Approved 10-0** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Stuart, Waters).

### **Financing Opportunities**

DWSRF 2013 Preliminary List: Chris McCord

- Chris McCord distributed three handouts to the Board (*see attachments pages 19-23*) outlining the proposed preliminary Drinking Water State Revolving Fund (DWSRF) recommendations and the Department of Health's (DOH) strategy for funding those recommendations. Chris reviewed the (DOH)'s recommendation to add projects from the 2012 applicant pool that were not funded to the 2013 pool due to less of a demand this year. Chris advised the Board that the (DOH) is working on a process to include more flexibility for water system plan requirements to reduce barriers to (DOH) funding. Chris noted that the legislature is looking at options for moving capital funding around and that the (DOH) is looking at options for water projects they



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might be able to take on if those projects are not funded through the Public Works Assistance Account.

- Stan Finkelstein asked what interest rate DOH charges for DWSRF. Chris McCord replied 1.5%. Stan questioned the feasibility of Stevens PUD requesting an \$18,000 loan for a population of 42, noting that it is not necessary to respond to the question, clarifying that this is an editorial comment. Chris noted that Myra Baldini is in the midst of completing the affordability analysis for the 2012 clients and that there are several on the list who may be taking on unrealistic debt. Chris explained that DOH is required to post the list in advance of bringing it to the Board for approval and that this is preliminary and a draft.
- Don Montfort asked about Karen Klocke beginning the Section 106 process earlier, which Chris McCord had mentioned previously and whether 05-05 would take place earlier as well. Chris replied that all the DWSRF projects are required to plan under Section 106 as it is federal funding. Don asked if PWB can piggyback on expediting 05-05 for the PWB list also. John LaRocque replied that the locals can choose to do preliminary work on their own at any time, but that it is risky because we don't know the status of the loan list with the legislature.

### **Program Development/Implementation Updates**

Energy/Water Efficiency (EWE): Bruce Lund

- Bruce Lund presented the (EWE)Loan update handout (*see attachment pages 24-25*), requesting the Board take action to approve funding for five additional projects due to six loan withdrawals which left a gap in funding. Bruce noted that staff explored several options for allocating the newly available funds, explaining that staff looked at other programs that had unfunded projects which were EWE related that would be good fits for the program.
- Bruce noted that Black Diamond Water District and King County had been previously approved by the Board but have increased project costs.
- **ACTION: Kathryn Gardow moved to approve staff recommendation, Jerry Cummins seconded. Approved 10-0** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Stuart, Waters).

### **Information and Other Items**

1. Predictive Model Update: Myra Baldini reviewed the status of the Public Works Assistance Account and projections/forecast for the predictive model (*see attachments page 26*). Kathryn Gardow commended Myra for her work.
2. Academy Update: Lynn Kohn added to Steve Stuart's initial report on the Southeast Academy in May, noting that the Central Washington Academy is planned for August 28 and the subsequent academy will be at IACC.

Stan Finkelstein noted that this is likely Frank Abart's last meeting, thanking Frank for his service and expressing appreciation.



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Terry Dale advised the Board that the \$3 million in pre-construction projects will be under contract shortly and he will update the Board at the next meeting.

**ACTION: Jerry Cummins moved to adjourn, seconded by Darwin Smith. Approved 10-0** (Abart, Baldwin, Cummins, Gardow, Hildreth, Montfort, Scott, Smith, Stuart, Waters).

**Meeting adjourned at 11:39 a.m.**



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DATE: April 16, 2013  
TO: Public Works Board  
FROM: Mark Barkley, CAU Managing Director  
SUBJECT: CAU Contract Status Report

Beginning October 2012, we began providing a quarterly report to the Public Works Board that offers a snapshot of common activities carried out by CAU. We hope this gives the Board a better understanding of the work that occurs after contract execution.

**Number of Contracts Received from PWB from 1/1/2013 – 3/31/2013**

PWTF	13
DWSRF	2
Other PWB Programs	<u>1</u>
Total	16

**Number of Contracts in Open Status as of 3/31/2013**

PWTF	160
DWSRF	113
Other PWB Programs	<u>17</u>
Total	290

**Number of Projects Completed 1/1/2013 - 3/31/2013**

PWTF	10
DWSRF	6
Other PWB Programs	<u>1</u>
Total	17

**Dollars distributed to Clients 1/1/2013 - 3/31/2013**

PWTF	\$30,804,969
DWSRF	\$11,600,946
Other PWB Programs	<u>\$ 179,369</u>
Total	\$42,585,284



DATE: April 16, 2013  
 TO: Public Works Board  
 FROM: Mark Barkley, CAU Managing Director  
 SUBJECT: Project Completion Extension Requests

**STAFF RECOMMENDATION**

Staff recommends extending the contract project completion dates as follows:

Program	Client	Contract No.	Project	Loan/Grant Amount	Available to Draw	Original Closeout Date	Current Closeout Date	Proposed Closeout Date
DWSRF	Longview	DM07-952-014	Water Supply and Treatment	\$8,080,000	\$3,886,817.08	10/28/11	4/28/13	12/31/13
Reason for Extension Request: Delays encountered during equipment performance testing. Additional time needed to complete punch list items and system testing. Project is 95% complete.								
DWSRF	Knights of Columbus Inter-Council Association	DP09-952-023	Water System Source of Supply & Distribution System	\$499,950	\$101,082.98	6/18/12	2/28/13	8/31/13
Reason for Extension Request: Delays with compliance requirements and scheduling the A-133 Audit. Additional time needed to complete the audit and resolve labor standards issues. Project is 98% complete.								
DWSRF	Whatcom Co (Acme) Water District No. 18	05-96300-001	Arsenic Removal	\$309,508.20	\$130,503.26	2/28/10	8/30/11	9/15/14
Reason for Extension Request: DOH has requested Commerce extend the contract and allow the remaining loan funds to be used to determine best course of action to resolve unanticipated copper/lead issues which arose after startup of the new treatment process. The original scope is 100% complete. The extension will allow the District to resolve the new issue.								

**BACKGROUND**

The clients have requested extension to their project completion dates. Staff evaluated the requests through a staff peer review process. DOH has been consulted and agrees with extending the DWSRF projects.



DATE: March 19, 2013  
 TO: Public Works Board  
 FROM: Mark Barkley, CAU Managing Director  
 SUBJECT: Notice to Proceed Extension Requests

**STAFF RECOMMENDATION**

Staff recommends extending the contract Notice to Proceed date as follows:

Program	Client	Contract No.	Project	Loan/Grant Amount	Available to Draw	Current NTP Date	Proposed NTP Date
DWSRF	<b>Clallam County PUD 1</b>	DP10-952-010	Fairview New Water Supply Project	\$2,047,525	\$1,406,220.60	<b>9/17/12</b>	<b>1/31/14</b>
<p><b>Reason for Extension Request:</b> Delays due to difficulty in locating well site and impacts to environmental review; project is now proceeding to construction.</p>							
DWSRF	<b>Basin City Water District</b>	DM10-952-012	Basin City Water Tower	\$1,152,500	\$1,034,704.87	<b>9/30/12</b>	<b>6/30/13</b>
<p><b>Reason for Extension Request:</b> Experienced challenges in reaching negotiation process for the property to construct the new water tank. Project projected to go to bid March 2013.</p>							

**BACKGROUND**

The clients have requested an extension to their Notice to Proceed date. The requests have been reviewed with the clients and evaluated through a staff peer review. DOH has been consulted and agrees with extending the DWSRF projects.



Date: March 19, 2012  
To: Public Works Board  
From: Mark Barkley, CAU Managing Director  
Subject: Clark County, PWTF Extension Request

**STAFF RECOMMENDATION:** Recommend 27-Month Extension Request Approval  
(4/1/13 to 7/1/15)

**Project Description:** I-5/Salmon Creek Interchange & Other Improvements  
Contract Number PC08-951-008

**Budget:**

PWTF:	\$ 10,000,000
WSDOT/Others:	\$131,000,000

**Project Status:**

This project is a partnership between Clark County, Washington State Department of Transportation (WSDOT) and Legacy Health Systems. Components completed to date are the park and ride, county/state roads, and environmental mitigation area.

The scope of work for the board's loan includes elements funded by WSDOT. The final component, funded by WSDOT (the NE 139th Street bridge structure over the freeways), is currently under construction and scheduled for completion by the summer 2015. Clark County has completed the board's portion of the contract and has requested and obtained permission from the Executive Director to request reimbursement for the contract balance of \$500,000.

**Describe the issue(s) that are leading to the extension request:**

The PWTF portion of the contract is completed, but the scope of work is written in such a way that the project cannot be closed until the WSDOT portion is completed – Summer 2015.

**Timeline:**

Completion of Construction of I-5/Salmon Creek Interchange is scheduled for Summer 2015. The Board's portion of the project is 100% complete, but the WSDOT's portion is 55%.

**Request:**

The city is requesting a 27-month extension to allow WSDOT's portion of the project to complete construction.



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## PWTF LOAN EXTENSION REQUEST AND TERM EXTENSION

Name of Jurisdiction: **Richland**  
 County: **Benton**  
 Address: **840 Northgate Drive**  
**Richland**  
**WA 99352**

Board Action Date: **May 3, 2013**

### Public Works Trust Fund Loan Proposed Extension Information

Loan Number:	<b>PR08-951-107</b>	<b>STAFF RECOMMENDATION:</b> 1 year extension of contract and loan term
Loan Execution Date:	<b>10/22/2008</b>	
Current Project Completion Date:	<b>6/30/2013</b>	
Proposed Extension Completion Date:	<b>7/1/2014</b>	
Loan Amount:	<b>\$1,000,000.00</b>	

Project Title: **Pre Construction of Duportail Bridge**

#### Brief Project Description:

Design for a four-lane (900ft) bridge over the Yakima River connecting 5-lane road between Queensgate Drive and SR-240 includes environmental assessment, right-of-way plans and development of bid documents.

#### Background

The NEPA environmental review changed from a Documented Categorical Exclusion (DCE) to a full Environmental Assessment (EA). The DCE was completed June 2010. However, a full (EA) was the lowest common level of NEPA documentation required by all three federal agencies (FEMA, FHWA and Corps of Engineers) involved in the project.

#### Current status of project

Preliminary design and engineering has been completed, as is the EA document. Final environmental decisions by FHWA, Corps of Engineers, and FEMA are pending and expected soon. Richland hired a real estate appraiser to develop a true cost estimate of right of way plans. The estimated cost of right-of-way has increased since contract issued from \$130,000 to \$1,240,000, primarily due to better project definition through preliminary design and more accurate valuation by the appraiser. The city has received additional funding from the regional transportation planning organization to complete the EA and right-of-way acquisition. The city would, with PWB approval, take their final draw of \$250,000.00 later this summer to complete the EA and Right of Way acquisition.

#### Request

Richland is requesting a one year extension of project completion and loan repayment period to July 1, 2014. This will allow them to take their final draw in order to complete the EA and Right of Way acquisition. Richland would make final loan repayment July 1, 2014.



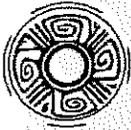
DATE: April 30, 2013  
TO: Public Works Board  
FROM: Matt Ojennus, Regional Service Coordinator  
SUBJECT: Assignment of Clallam County PUD loan PC12-951-067 Carlsborg Wastewater

Clallam County PUD is requesting that its loan for the construction of a wastewater system for the Carlsborg area be assigned to Clallam County. The County will be responsible for the construction, operations, maintenance, & debt service of the facility.

At its March 1, 2013 meeting the Board approved the execution of the contract with Clallam County PUD. One of the stipulations was that an interlocal agreement be executed by the PUD and County to govern the assignment at the local level. The due date for the execution of this agreement was March 28, 2013. The agreement was executed on March 19.

The PUD & County are working on the further details of the assignment in anticipation of the Board approving the request.

Staff recommends that the Public Works Board approve Clallam County PUD's request to assign this loan to Clallam County.



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## Assignment Change Request

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<b>Client Name (Requestor):</b>	Clallam County PUD 1
<b>Loan Number:</b>	PC12-951-067
<b>Project Title:</b>	Carlsborg Wastewater Treatment and Water Reuse
<b>Loan Amount:</b>	10,000,000.00

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The following is the information provided to us in your request for assignment change.

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<b>New Client Accepting Loan Obligation:</b>	County of Clallam
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**Describe the circumstances or reason for this assignment change:**

Clallam County (the "County") intends to design, construct, own, operate, maintain and repair the wastewater collection, treatment and reuse system (the "System") that will be constructed with the PWTF Loan (the "Loan") funds. Clallam County Public Utility District No. 1 (the "District") and the County have entered into an interlocal agreement (the "Agreement") that confirms that the County will be solely responsible for all System planning, design, permitting, construction, ownership, operation, maintenance and repair, and all costs associated therewith, including the repayment of all Loan funds expended in the construction of the System, and that further confirms that the sole function of the District will be to make the Loan funds available for the construction of the System by executing the Loan contract (the "Contract"). Based upon the foregoing, the assignment by the District to the County of the District's interest in the Loan Contract will allow for the efficient and economical administration of the Loan.

72  
3/19/13

## INTERLOCAL AGREEMENT FOR THE CARLSBORG WASTEWATER SYSTEM

This Interlocal Agreement (the "Agreement") is made and entered into pursuant to Chapter 39.34 of the Revised Code of Washington (the "RCW") by and between CLALLAM COUNTY, WASHINGTON, a Washington municipal corporation (hereafter the "County"), and PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY, a Washington municipal corporation (hereafter the "District") (the County and the District are hereafter sometimes referred to individually as "Party" and collectively as the "Parties").

### WHEREAS,

The Washington legislature has appropriated \$10,000,000 for a loan (the "Loan") to the District through the Public Works Trust Fund (the "PWTF"), to fund the design and construction (the "Project") of a new wastewater collection, treatment and reclaimed water reuse system (the "System") for the Carlsborg Urban Growth Area in Clallam County. Repayment of the Loan was initially proposed through a local improvement district that was subsequently determined to be infeasible to set up.

The County has obligations under Washington's Growth Management Act to plan for development in unincorporated areas of the County. To that end in 2008 the Western Washington Growth Management Hearings Board ruled that the County was required to provide wastewater service to maintain Carlsborg's designation as a UGA. And so therefore the County is willing to repay the PWTF Loan from Opportunity Fund revenues.

The County has so far spent approximately \$638,000 for project planning and associated studies.

Since 2006, the County and the District have worked in coordination with one another to investigate the feasibility of building and funding a wastewater treatment and water reuse system for the Carlsborg Urban Growth Area. The County desires to design, construct, own, operate, maintain and repair the System.

The District is the eligible recipient of the Loan monies that have been allocated by the Washington Legislature.

At the time of the execution of this Agreement, the District contemplates entering into a PWTF Construction Loan Contract (the "Contract") with the Washington State Public Works Board (the "PWB") and intends, with the approval of the PWB, to assign the Contract to the County. Upon assignment of the Contract to the County, the debt will become a general obligation of the County.

The County has already established the Carlsborg Sewer Fund, the balance for which is currently approximately \$4,300,000, to otherwise assist in financing the Project.

The County will commit any other and additional funds that may be required in order to fully reimburse the PWTF for funds received under the Contract.

In entering into this Agreement, it is the intent of the Parties to confirm that the County will be solely responsible for all Project and System planning, design, permitting, construction, ownership, operation, maintenance and repair, and all costs associated therewith, and that the sole function of the District hereunder will be to make the Loan funds available for the Project by executing the Contract and thereafter participating as required in facilitating Loan reimbursements to the County and Loan repayment installments by the County.

THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

## **I. EXECUTION AND ASSIGNMENT OF PWTF CONTRACT**

1.1 Upon execution of this Agreement, the District will execute the PWTF Construction Loan Contract. Thereafter, upon the District's receipt of written authorization by the PWB to assign the Contract to the County, the District will forthwith surrender and assign to the County, and the County will accept the surrender and assignment from the District of, all of the District's right, title and interest in, to and under the Contract. The County will thereupon assume and agree to be bound by and perform all of the obligations, terms, covenants and conditions of the Contract.

1.2 Upon receipt of confirmation that the PWB will consent to the assignment of the Contract to the County, the District's assignment and the County's assumption of the Contract will be memorialized in a manner and form acceptable to the PWB and each of the Parties. The assignment and assumption agreement shall be executed before any Project cost is charged against the Loan.

1.3 This Agreement shall be of no force and effect without the PWB's written consent to the District's assignment and the County's assumption of the Contract.

## **II. ADMINISTRATION OF LOAN**

2.1 The PWTF Loan funds shall not be obligated, expended, or otherwise disbursed by either party until or unless the Contract has been assigned to the County. Thereafter, all use and administration of the Loan will be the responsibility of the County, subject to the terms and conditions of the Loan Contract.

2.2 The County shall be solely responsible for all Loan repayment installments due under the Contract, and for all administrative requirements of the Loan except as may otherwise be required by the Washington State Department of Commerce ("Commerce").

2.3 In the event Commerce requires the District to participate in the administration of the Loan, the District may charge the County an administrative fee, at a rate and in a manner to be negotiated by the Parties.

### **III. ROLE OF PARTIES**

3.1 The County shall be solely responsible for all Project planning, design, permitting, and construction, and, upon completion of the Project, shall own, operate, maintain and repair the System, and shall be solely responsible for all matters related to the cost of service. The County shall be solely responsible for all costs associated with the Project and the System.

3.2 The District shall participate in the administration of the Loan as required by Commerce. The District shall not be deemed to be a party, express or implied, to any contract for consultation or design services for, or construction of, any phase of the Project, and shall not be liable for any costs associated with the Project or the System. The District shall provide information on future water supply needs for the Carlsborg UGA, to be used by the County to evaluate water-use mitigation costs to future water customers in the UGA, to full build-out of the UGA.

### **IV. SCOPE OF WORK REVISION**

4.1 At the time of the execution of this Agreement, the scope of work for the Project is the construction of a sanitary sewer collection system and a sanitary sewer treatment and water reclamation system within the Carlsborg Urban Growth Area (the "UGA"). It is within the contemplation of the Parties at the time of the execution of this Agreement, however, that the County intends to revise the Project scope of work to the extent that sewage treatment and water reclamation and reuse will occur at the Sequim Water Reclamation Facility (the "SWRF") rather than in the UGA. (The treatment of sewage and the reclamation and reuse of water at the SWRF will hereafter be referred to as the

“Sequim Alternative.”) As used throughout this Agreement, the term “Project” shall also include any consultation, design, permitting and construction work associated with the Sequim Alternative, regardless of whether the Sequim Alternative is chosen.

4.2 As set forth in the County’s Carlsborg Sewer System Work Plan, revised February 19, 2013, the County will engage a consultant, at County expense, to evaluate the feasibility and cost-effectiveness of the Sequim Alternative. The consultant’s study and report shall include an evaluation of the effect reclamation and reuse outside the UGA would have on water-use mitigation costs to future water customers in the UGA, to full buildout of the UGA.

4.3 With respect to the Sequim Alternative, and for the sole purpose of keeping the District informed, the County shall (1) include the District in all County correspondence to the consultant, (2) provide the District timely notice of and the opportunity to participate in meetings with the consultant, and (3) provide the District with copies of all correspondence and reports from the consultant relating to the effect reclamation and reuse outside the UGA would have on water-use mitigation costs to future water customers in the UGA, to full buildout of the UGA.

4.4 The County shall exercise due diligence in evaluating the feasibility and cost-effectiveness of the Sequim Alternative in relation to the preferred alternative of the June, 2012, Facilities Plan to build a new wastewater collection, treatment and reclaimed water reuse system in the UGA, with particular consideration given to the effect the Sequim Alternative would have on water-use mitigation costs for future development in the UGA. The County’s due diligence requirement shall include providing a copy of the consultant’s report to the Washington State Department of Ecology water resource division for its review and comment as to the effect the Sequim Alternative would have on water-use mitigation costs to future water customers in the UGA, at full buildout of the UGA.

4.5 In the event the County proceeds with the Sequim Alternative and water-use mitigation costs to future water customers in the UGA are thereby adversely affected, the County will purchase or otherwise procure for the District additional existing water rights to supply water for full buildout of the area outside the District's current local utility district water service areas within the UGA, in a quantity sufficient to offset any adverse effects.

4.6 The District's participation in the evaluation of the Sequim Alternative, including any communication the District may have with the consultant hired by the County, shall not be deemed to render the District a party, express or implied, to any contract for consultation or design services for, or for construction of, any phase of the Project.

4.7 The roles of the Parties as set forth herein are based upon the Parties' shared expectation that the Project's scope of work may be revised to reflect sewage treatment at the SWRF. In the event, for any reason, the scope of work is not so revised, and sewage treatment is to occur within the UGA, this Agreement may be modified in whole or in part by agreement of the Parties.

## V. INDEMNIFICATION

5.1 The County shall at all times indemnify and save the District harmless from and against all liability, loss, damages, costs, and expenses, including counsel fees, which the District may for any cause at any time sustain or incur by reason of having entered into the Contract and by reason of having assigned the Contract to the County. The County shall cause payment to be made to the District on account of any such liability, loss, damages, costs, or expenses before the District is compelled to make any payment on account thereof.

5.2 If any legal action is taken against the District under the Contract, either jointly with the County or alone, the County shall defend such action at its own expense, and the District shall cooperate with the County in the defense thereof.

5.3 Each Party agrees to indemnify, defend, and hold harmless the other Party from and against third-party claims for damages for personal injury or loss, including death, and property damage connected with the Project or the System and arising out of the negligence of the indemnitor's employees, officers, and agents. This duty to indemnify, defend, and hold harmless shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the indemnitee or its agents or employees. Each Party's duty to indemnify, defend, and hold harmless the other for liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of both parties or their agents or employees shall apply only to the extent of negligence of the indemnitor or its agents or employees. Each party specifically and expressly waives any immunity that may be granted it under the Washington State Industrial Insurance Act, Title 51 RCW. Further, the indemnification obligation under this Agreement shall not be limited in any way by any limitation on benefits payable to or for any third party under the workers' compensation acts.

5.4 Each Party's duty to defend, indemnify and hold harmless shall include direct costs, reasonable attorney fees, court costs and all other claim-related expenses. Each party shall be responsible for their own personnel-related costs.

5.5 The District and the County hereby certify that the terms and conditions of the indemnity provisions in this Section V are the subject of mutual negotiation by the Parties and are specifically and expressly agreed to in consideration of the mutual benefits derived under the terms of this Agreement.

5.6 The indemnification provisions, 5.1 through 5.5 above, shall survive the termination of this Agreement.

## VI. GENERAL PROVISIONS

6.1 Effective Date of Agreement: This Agreement shall be effective as of the date last written below.

6.2 Entire Agreement/Amendment: This Agreement is the entire agreement between the Parties and shall not be modified or amended in any manner except by an instrument in writing executed by the Parties. No prior agreement, correspondence, or portions thereof shall be used to interpret, modify, or explain the terms of the Agreement in the event that a dispute arises with respect to the Agreement.

6.3 Supplemental Agreements: The Parties agree to complete and execute all supplemental documents necessary or appropriate to fully implement the terms of this Agreement.

6.4 Waiver: No waiver of any breach of any covenant or agreement contained herein shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either Party of any covenant, agreement or undertaking, the non-defaulting Party may nevertheless accept from the other any performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults that were in existence at the time such performance was accepted by it. The exercise of any remedy provided by law or the provisions of this Agreement shall not exclude other consistent remedies.

6.5 Dispute Resolution: Any dispute that arises out of the interpretation, performance, enforcement, or any other aspect of this Agreement shall be resolved by submitting the same to binding arbitration, which shall proceed according to the Washington arbitration act, Chapter 7.04A RCW, and shall be conducted within Clallam County, Washington; PROVIDED, however, that each Party shall select a nominating person within ten (10) days of notice of the dispute from one Party to the other. The District shall elect one nominating person, and the County shall elect one nominating person. The two nominating persons shall then meet and promptly select the arbitrator. If, within thirty (30) days of the notice of the dispute, the nominating persons do not select a person who agrees to serve as arbitrator, the arbitrator shall be selected by a Superior Court Judge of Clallam County. The Parties shall require a written decision by the

arbitrator as a condition of the selection of the arbitrator. The prevailing Party as determined by the arbitrator shall be entitled to its reasonable attorney fees and costs associated with the arbitration. The Parties shall share equally the cost of the arbitration proceeding. Venue for any action brought on the arbitration award, including enforcement of such award, shall be in the Superior Court of Clallam County, and such action shall be governed by application of the laws of the state of Washington. The prevailing Party in any such action on the arbitration award shall be entitled to its reasonable attorney fees and costs associated with such action.

6.6 Severability: If any provision of this Agreement is deemed by law to be void, invalid or inoperative for any reason, or any phrase or clause within such provision is deemed by law to be void, invalid or inoperative, that phrase, clause or provision shall be deemed modified to the extent necessary to make it valid and operative, or, if it cannot be so modified, then such phrase, clause or provision shall be deemed severed from this Agreement with the remaining phrases, clauses and provisions continuing in full force and effect as if the Agreement had been signed with the void, invalid or inoperative portions so modified or eliminated. In addition, a phrase, clause or provision shall be substituted which is consistent with the intent of this Agreement and the severed phrase, clause or provision.

6.7 No Third Party Beneficiaries: This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and permitted assigns. No other person or entity shall have any right of action or interest in this Agreement based upon any provision of the Agreement.

6.8 Notices: All communications, notices and demands of any kind which either Party requires or desires to give to the other Party shall be in writing and either served on the following individuals or deposited in the U.S. Mail, certified mail, postage prepaid, return receipt requested, and addressed as follows:

Clallam County Administrator  
223 East 4th St., Suite 4  
Port Angeles, WA 98362

General Manager  
PUD No. 1 of Clallam County  
PO Box 1090  
Port Angeles, WA 98362

6.9 Compliance with Laws: All Parties shall comply with all applicable federal, state and local laws, regulations and rules in performing this Agreement.

6.10 Interlocal Cooperation Act: The performance of the obligations of this Agreement shall be in compliance with the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Parties agree that no separate legal administrative entity is necessary in order to carry out this Agreement. There shall be no "joint board" as that term is used in RCW 39.34.030(4)(a).

6.11 Administration and Management: For purposes of RCW 39.34.030(4)(a), the County Administrator and the District General Manager, or their successors, shall serve as the co-Administrators responsible for administering the joint and cooperative undertaking set forth herein.

6.12 Counterparts: This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.13 Recording: This Agreement will be filed with the County Auditor pursuant to RCW 39.34.040 within five (5) days of the date of execution of this Agreement. All fees related to such recording shall be paid by the County. The District agrees to execute a release or other appropriate instruments as shall be necessary to certify compliance with the terms of this Agreement upon full and complete satisfaction of the terms of this Agreement.

6.14 Duration/Term: This Agreement shall terminate upon the earlier of (1) written agreement of the Parties or (2) complete repayment of the PWTF Loan.

6.15 Modification: This Agreement may be modified upon the agreement of the Parties.

6.16 Headings: The headings used in this Agreement are for general reference only and are not part of the Agreement.

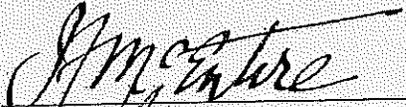
CLALLAM COUNTY, WASHINGTON

APPROVED this 19<sup>th</sup> day of March, 2013.

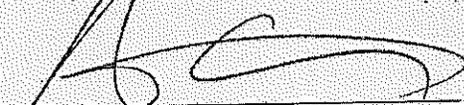
BOARD OF CLALLAM COUNTY COMMISSIONERS:



Michael C. Chapman, Chair



Jim McEntire



Howard V. Doherty, Jr.

ATTEST:



Clerk of the Board

PUD NO. 1 OF CLALLAM COUNTY

DATED this 18<sup>th</sup> day of March, 2013.

By: 

Doug Nass, General Manager  
P.O. Box 1090  
Port Angeles, WA 98362-1090

Approved as to form only by:



Mark Nichols  
Chief Deputy Prosecuting Attorney  
Clallam County

## The Draft 2013 Drinking Water State Revolving Fund list is available!

The Draft Intended Use Plan List is now available and is subject to a 20-day public review and comment period. On April 29, 2013, DOH emailed notices to interested parties, government officials, and applicants stating that the Draft IUP list was available for public review. Comments and a public hearing on the Draft DWSRF list will be held June 3, 2013 from 1:00 p.m. – 2:00 p.m. at the DOH Town Center 3 building, Room 265, in Tumwater, Washington. The deadline to submit written comments to the DOH is May 28, 2013.

If you wish to comment on the draft DWSRF funding list, please contact Karen Klocke at [karen.klocke@doh.wa.gov](mailto:karen.klocke@doh.wa.gov), or mail her directly at PO Box 47822, Olympia, WA 98504-7822.

In addition, DWSRF staff will post legal notices in four newspapers on May 5, 2013 (The Olympian, Seattle Times, Yakima Herald, and Spokesman-Review) advertising the availability of the 2013 Draft Intended Use Plan List and the date and time of the public hearing.

### Draft 2013 Drinking Water State Revolving Fund List

DWSRF #	ID#	Name	County	Population	\$ Request
2013-054	18750	Delta Water Association	Whatcom	420	\$1,975,300
2013-009	24550	Fall City Water District	King	2776	\$910,000
2013-013	86800	City of Tacoma Water	Pierce	315772	\$12,000,000
2013-001	60665	North Lopez Service	San Juan	86	\$1,625,000
2013-006	77050	Seattle Public Utilities	King	830700	\$12,000,000
2013-025	15650	Beacon Hill Water/Sewer District	Cowlitz	10237	\$1,132,000
2013-010	14446	Rumbolz Sunset Water Association	King	88	\$167,038
2013-039	15300	Town of Coulee City	Grant	802	\$1,226,000
2013-014	23600	City of Enumclaw	King	15288	\$3,465,006
2013-031	95910	Lake Whatcom Water/Sewer District	Whatcom	9898	\$985,000
2013-015	47350	Town of Lind	Adams	618	\$622,200
2013-026	79500	Public Utility District No. 1 of Skagit County	Skagit	65000	\$9,905,000
2013-055	43400U	Town of LaCrosse	Whitman	297	\$1,530,700
2013-058	8300	City of Brewster	Okanogan	3167	\$727,545
2013-057	3350	City of Auburn	King	51185	\$1,900,000
2013-003	4629	Rocky Point Community Club	Island	320	\$1,440,830
2013-004	47350	Town of Lind	Adams	618	\$126,720
2013-011	4397	Public Utility District No. 1 of Thurston County	Thurston	4466	\$2,250,623
2013-021	83100	City of Spokane	Spokane	214600	\$3,324,000
2013-023	41150	King County Water District No. 90	King	18000	\$1,370,200
2013-034	69750	City of Prosser	Benton	5894	\$881,500

## Draft 2013 Drinking Water State Revolving Fund List

DWSRF #	ID#	Name	County	Population	\$ Request
2013-036	83100	City of Spokane	Spokane	214600	\$1,209,000
2013-037	54850	City of Millwood	Spokane	1720	\$443,770
2013-038	28970	City of Grandview	Yakima	10862	\$900,900
2013-040	90250	City of Union Gap	Yakima	4023	\$1,209,450
2013-041	88150	Three Lakes Water Association, Inc.	Snohomish	1932	\$435,000
2013-043	95910	Lake Whatcom Water/Sewer District	Whatcom	9898	\$2,375,000
2013-045	58100	Town of Naches	Yakima	2365	\$95,000
2013-044	58100	Town of Naches	Yakima	2365	\$144,920
2013-046	81600	Town of South Cle Elum	Kittitas	541	\$116,550
2013-047	77400	City of Selah	Yakima	11868	\$707,750
2013-048	97750	Town of Winthrop	Okanogan	440	\$1,681,506
2013-050	88850	City of Toppenish	Yakima	8950	\$1,667,310
2013-052	4397	Public Utility District No.1 of Thurston County	Thurston	4466	\$9,749,377
2013-060	05535A	Bayview Beach Water District	Island	971	\$495,000
2012-019	50500	Malaga Water District	Chelan	1172	\$269,560
2012-075	06900	City of Bingen	Klickitat	1413	\$554,400
2012-034	95904	Birch Bay Water/Sewer District	Whatcom	8842	\$1,125,000
2012-028	00367	Stevens PUD - Addy	Stevens	251	\$49,000
2012-032	91130	Stevens PUD- Waitts Lake	Stevens	1175	\$39,500
2012-035	95450	Stevens PUD - Westshore	Stevens	488	\$49,000
2012-039	93380	Stevens PUD - Deer Lake	Stevens	2806	\$54,000
2012-041	02590	Stevens PUD - Echo	Stevens	75	\$27,500
2012-055	83100	Spokane	Spokane	214600	\$5,549,000
2012-065	96601	Whitworth Water District #2	Spokane	25,608	\$1,593,800
2012-077	15550	Town of Coupeville	Island	3626	\$153,590
2012-078	15550	Town of Coupeville	Island	3626	\$178,500
2012-122	95700	Whatcom Co WD #2	Whatcom	1353	806,000
2012-129	01300	Alderwood Water & Waste D	Snohomish	167,635	\$10,300,000
2012-134	07301	Copalis Rocks Mutual Ben.	Grays Harbor	15	\$287,360
2012-036	07813	Stevens PUD-River Park	Stevens	42	\$18,000
<b>TOTAL</b>					<b>\$101,849,405</b>

2013 Preliminary Loan List for DWSRF

May, 2013

	DWSRF Loan Number	Name	County	Population	Loan Request	Sub Totals
1	2013-054	Delta Water Association	Whatcom	420	\$1,975,300.00	
2	2013-009	Fall City Water District	King	2776	\$910,000.00	
3	2013-013	City of Tacoma Water	Pierce	315772	\$12,000,000.00	
4	2013-001	North Lopez Service	San Juan	86	\$1,625,000.00	
5	2013-006	Seattle Public Utilities	King	830700	\$12,000,000.00	
6	2013-025	Beacon Hill Water and Sewer District	Cowlitz	10237	\$1,132,000.00	
7	2013-010	Rumbolz Sunset Water Association	King	88	\$167,038.00	
8	2013-039	Town of Coulee City	Grant	802	\$1,226,000.00	
9	2013-014	City of Enumclaw	King	15288	\$3,465,006.00	
10	2013-031	Lake Whatcom Water and Sewer District	Whatcom	9898	\$985,000.00	
11	2013-015	Town of Lind	Adams	618	\$622,200.00	
12	2013-026	Public Utility District No. 1 of Skagit County	Skagit	65000	\$9,905,000.00	
13	2013-055	Town of LaCrosse	Whitman	297	\$1,530,700	
14	2013-058	City of Brewster	Okanogan	3167	\$727,545.00	
15	2013-057	City of Auburn	King	51185	\$1,900,000.00	
16	2013-003	Rocky Point Community Club	Island	320	\$1,440,830.00	
17	2013-004	Town of Lind	Adams	618	\$126,720.00	
18	2013-011	Public Utility District #1 of Thurston County	Thurston	4466	\$2,250,623.00	
19	2013-021	City of Spokane	Spokane	214600	\$3,324,000.00	
20	2013-023	King County Water District NO. 90	King	18000	\$1,370,200.00	
21	2013-034	City of Prosser	Benton	5894	\$881,500.00	
22	2013-036	City of Spokane	Spokane	214600	\$1,209,000.00	
23	2013-037	City of Millwood	Spokane	1720	\$443,770.00	
24	2013-038	City of Grandview	Yakima	10862	\$900,900.00	
25	2013-040	City of Union Gap	Yakima	4023	\$1,209,450.00	
26	2013-041	Three Lakes Water Association, Inc.	Snohomish	1932	\$435,000.00	
27	2013-043	Lake Whatcom Water and Sewer District	Whatcom	9898	\$2,375,000.00	
28	2013-045	Town of Naches	Yakima	2365	\$95,000.00	
29	2013-044	Town of Naches	Yakima	2365	\$144,920.00	
30	2013-046	Town of South Cle Elum	Kittitas	541	\$116,550.00	
31	2013-047	City of Selah	Yakima	11868	\$707,750.00	

## 2013 Preliminary Loan List for DWSRF

May, 2013

DWSRF Loan Number	Name	County	Population	Loan Request	Sub Totals
32	2013-048 Town of Winthrop	Okanogan	440	\$1,681,506.00	
33	2013-050 City of Toppenish	Yakima	8950	\$1,667,310.00	
34	2013-052 Public Utility District #1 of Thurston County	Thurston	4466	\$9,749,377.00	<b>2013 list</b>
35	2013-060 Bayview Beach Water District	Island	971	\$495,000.00	\$80,795,195.00
36	2012-019 Malaga WD	Chelan	1172	269,560	
37	2012-075 City of Bingen	Klickitat	1413	554,400	
38	2012-034 Birch Bay W&S	Whatcom	8842	1,125,000	
39	2012-028 Stevens PUD - Addy	Stevens	251	49,000	
40	2012-032 Stevens PUD- Waitts Lake	Stevens	1175	39,500	
41	2012-035 Stevens PUD - Westshore	Stevens	488	49,000	
42	2012-039 Stevens PUD - Deer Lake	Stevens	2806	54,000	
43	2012-041 Stevens PUD - Echo	Stevens	75	27,500	
44	2012-055 Spokane	Spokane	214600	5,549,000	
45	2012-065 Whitworth Water District #2	Spokane	25,608	1,593,800	
46	2012-077 Town of Coupeville	Island	3626	153,590	
47	2012-078 Town of Coupeville	Island	3626	178,500	
48	2012-122 Whatcom Co WD #2	Whatcom	1353	806,000	
49	2012-129 Alderwood Water & Waste D	Snohomish	167,635	10,300,000	
50	2012-134 Copalis Rocks Mutual Ben.	Grays Harbor	15	287,360	<b>From 2012 list</b>
51	2012-036 Stevens PUD-River Park	Stevens	42	18,000	\$21,531,210.00
	<b>Total 2013 funding year</b>			\$101,849,405.00	

# 2013 DWSRF Preliminary Funding list and Proposed Strategies



## *Overview– May 2013*

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### **2013 funding cycle preliminary list:**

Today, Department of Health is presenting the preliminary DWSRF funding list from the 2013 loan application cycle. Following the recommendations from last year’s Lean process, we will be formally submitting the split (Low risk and High risk) lists to the Board in June and August respectively.

### **Addition of unfunded 2012 eligible projects to the 2013 list:**

Using the acceleration model on the DWSRF repayment funds, DOH originally advertised \$100 million available for this year’s loan cycle. However, the eligible applications that we received did not reach that amount. As a result of available funding, we have contacted eligible projects from the 2012 list that went unfunded, to determine if they are interested in being added to this year’s list.

Last year we had approximately \$35 million dollars worth of approved projects that were offered funding, withdraw from the loan program. We did not develop an alternates list last year, and the systems we are contacting now, were eligible projects that were below the “funding line” and would have ideally made-up the “alternates” list had we developed one. Readiness to proceed is a key factor that we are evaluating in bringing the 2012 systems onto the 2013 funding list.

### **Proposing a Fall Loan Cycle:**

We are also in communication with EPA and other partners to try and develop another loan cycle in the fall. Prior to ARRA, our normal application period was in the fall. When we ran two cycles during ARRA, we moved the normal DWSRF cycle to the current winter (Jan-Feb application period). By returning to a fall application period and implementing the processes established from the Lean effort, we hope to be able to increase the amount of money we can get out to communities prior to the following construction season. We plan to stay on the fall cycle into the future.

At this point we intend to run this initial fall cycle differently from our traditional cycles. We are now working with PWB staff to determine the amount of funding we have available for the fall cycle. We anticipate approximately \$60 million for this fall cycle and we will develop our funding and marketing strategies based on that amount.

We are also waiting for the completion of the state budget development process to determine if we will be directed to target “eligible” projects that are currently on the PWAA loan list.



Date: April 17, 2013  
 To: Public Works Board  
 From: Steve Dunk  
 Subject: **Energy/Water Efficiency Loan Update**

**Background**

In the 2012 legislative session, the legislature appropriated \$5,000,000 to the Public Works Board to implement the Energy & Water Efficiency loan program to local governments. A competitive application process resulted in the Board receiving 12 applications for funding. One project withdrew their application because they received a grant for their project. At the November 2, 2012 Public Works Board meeting, 11 energy & water efficiency projects totaling \$4,605,966 were approved for funding, leaving \$244,034 unobligated for future spending.

Since that time, four more local governments have withdrawn their loan requests. Reasons given include receiving alternative funding and city councils that ultimately decided not to take on additional debt.

The five projects that withdrew their energy/water loan applications left a loan surplus of \$1,737,734 available for funding. Staff then initiated a search for worthy projects that could take advantage of the available surplus. Staff looked to our partner agencies and programs to find solid projects not selected for funding through their programs. Through this process, four unfunded projects have been identified from the Community Development Block Grant (CDBG) program, Capital Programs, Unfunded Energy Grants, and the Community Economic Revitalization Board (CERB).

**Results**

Staff assessed these projects to ensure they met the criteria and goals of the EWE program, and are recommending them to the Board for funding. If the Board approves these projects, the EWE program will commit all of its available resources to worthy projects.

**Action Needed**

Staff recommends that the Public Works Board approve funding for the following four projects:

Port of Willapa	Boiler	Replacement of an old antiquated boiler that is meeting emissions	\$250,000
Douglas County	Hospital	HVAC & Lighting updates to the hospital	\$423,000
Shelton Transit	Transit Station	Complete Refurbishment of a 1950's building - HVAC & Lighting	\$650,000
Black Diamond Water District	Water/Motor	Pumps, pipe and turbine replacement	\$414,734
<b>Grand Total</b>			<b>\$1,737,734</b>

## FY 2013 Energy & Water Project Recipients

Jurisdiction	Client Type	Project Type	Project Title	Loan Request	Total Project Cost
<b>Loan Withdrawals</b>					
Tukwila	City	Swimming Pool	<b>Withdrew Prior to Board Approval of Energy Loans</b>	\$0.00	1,000,000.00
City of Enumclaw	City	Water	2 MG Reservoir Joint Resealing	\$200,000.00	200,000.00
City of Ilwaco	City	Waste Water	WWTP Energy Efficiency Improvements	\$240,700.00	240,700.00
City of Longview	City	Water	Longview Energy & Water Retrofit	\$1,000,000.00	3,910,866.00
City of Montesano	City	Waste Water	WWPT Energy Savings Upgrade	\$53,000.00	90,500.00
				\$ 1,493,700.00	\$ 5,442,066.00
<b>Initial Projects Approved by the Board</b>					
Columbia County	County	Building	Youth Building	\$ 500,000.00	\$ 545,000.00
City of Kittitas	City	Building/Library	Kittitas Library/Community Center Energy Upgrades	\$ 72,275.00	\$ 75,200.00
King County	County	Waste Water	King County's South Plant Agitation Blower Replacement	\$ 668,215.00	\$ 1,000,000.00
City of Goldendale	City	Building	Goldendale Building Energy Upgrades	\$ 162,735.00	\$ 179,000.00
City of Lynden	City	Waste Water	City of Lynden Waste Water Treatment Plant Upgrades	\$ 550,000.00	\$ 1,542,000.00
Spokane County	County	Building	Community Services Chiller and Controls Upgrades	\$ 639,041.00	\$ 692,147.00
City of Sequim	City	Waste Water	Aerobic Digester Energy Efficiency Improvements	\$ 520,000.00	\$ 520,000.00
				\$3,112,266.00	\$4,553,347.00
<b>Unobligated Amount in initial Board Approval</b>				\$244,034.00	
<b>Four Loan Withdrawals above</b>				\$1,493,700.00	
<b>Amount left for additional projects</b>				<b>\$1,737,734.00</b>	
<b>New Projects for Approval</b>					
Port of Willapa		Boiler	Replacement of an old antiquated boiler that is not meeting emission standards	\$250,000.00	\$250,000.00
Douglas County		Hospital	HVAC & Lighting updates to the hospital	\$423,000.00	\$423,000.00
Shelton Transit		Transit Station	Complete Refurbishment of a 1950's building - HVAC & Lighting	\$650,000.00	\$4,100,000.00
Black Diamond Water Dist.		Water/Motor	Pumps, pipe and turbine replacement	\$414,734.00	\$680,000.00
				\$ 1,737,734.00	\$ 5,453,000.00
<b>Total Project Funding of Initial Projects New Projects</b>					
Initial Projects Approved				\$3,112,266.00	
New Projects				\$1,737,734.00	
Funds for Energy/Water Efficiency Construction				<b>\$4,850,000.00</b>	

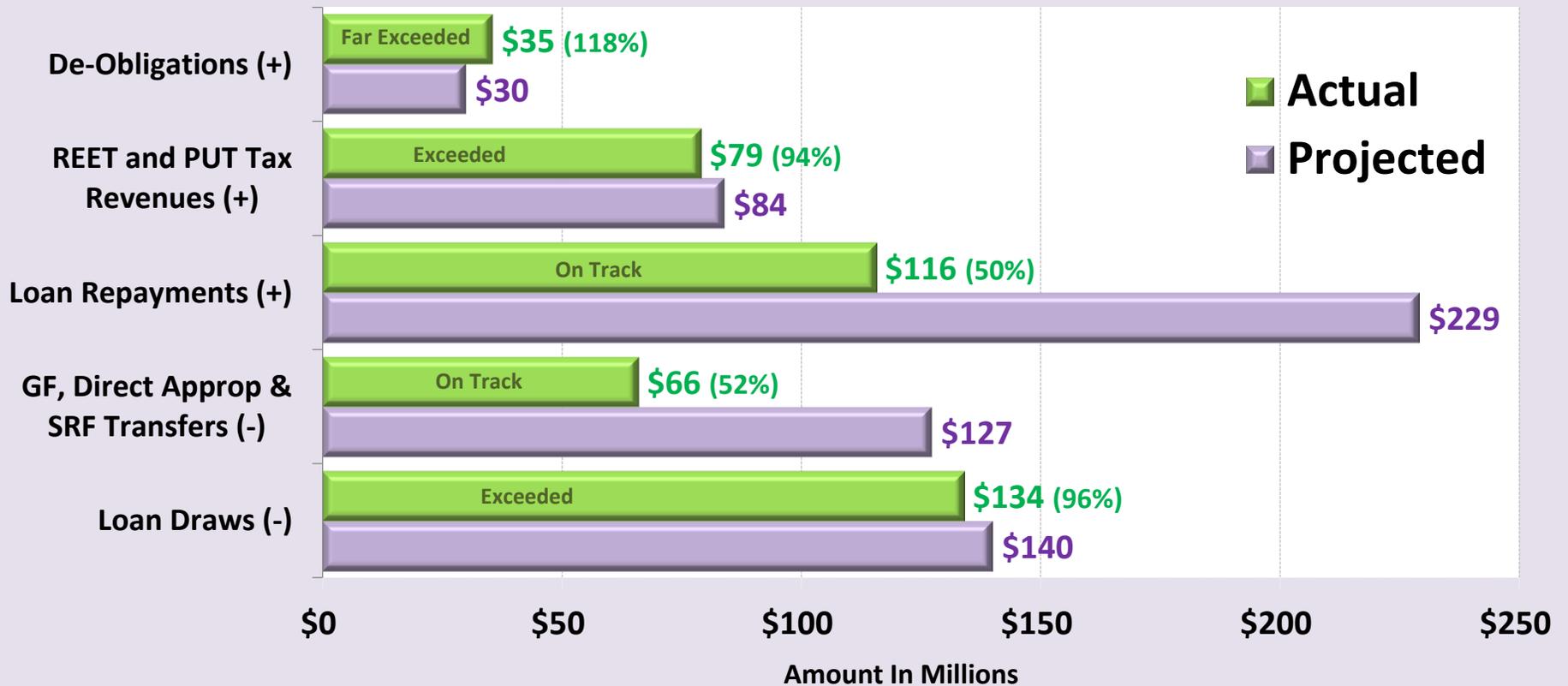
## Public Works Assistance Account Predictive Model Data for 2011-13 Biennium

(Fiscal Years Beginning July 1, 2011 through June 30, 2013)

Model Updated on April 15, 2013

BIENNIAL KEY FACTOR	TYPICAL PROJECTION	OUR NUMBER	ACTUAL 03/31/2013	% (Actual VS Typical)
De-Obligations (+)	\$30,000,000	\$28,000,000	\$35,529,769	118%
Tax Revenues (+)	\$83,970,701	\$79,186,335	\$79,027,380	94%
Loan Repayments (+)	\$229,122,222	\$229,122,222	\$115,690,636	50%
GF, Direct Approp & SRF Transfers (-)	\$127,300,000	\$127,300,000	\$66,002,747	52%
Loan Draws (-)	\$140,000,000	\$151,201,994	\$133,995,812	96%

### Tracking Predictive Model Key Factors: Projected VS. Actual with Four Months Left on the 2011-13 Biennium



**ESTIMATED CASH BALANCE AT THE END OF THE BIENNIUM: \$10,000,000**