

Douglas County Sewer District No. 1
692 Eastmont Avenue
East Wenatchee, WA 98802

July 28, 2016

Elected Official or Candidate

RE: Public Works Trust Fund Program

Dear Elected Official or Candidate:

As you may be aware, the Public Works Trust Fund (PWTF) has historically been an economical source of funding for state infrastructure projects. The Douglas County Sewer District has been able to utilize four PWTF loans in the past 20 years which have funded preconstruction engineering services, an upgrade to our wastewater treatment plant, and a sewer extension to an industrial park area to promote local economic growth. These loans have allowed important projects to be constructed at a lower cost to our ratepayers.

Because of legislative budgetary decisions in the last two budget cycles, this wonderful program now seems to be gasping its last breath. The Board of the Douglas County Sewer District and I want to express how important we feel this program is and illustrate the financial impact of the loss of this funding on our local ratepayers.

Attached you will find an exhibit which compares the costs for three different funding sources; the Public Works Trust Fund, the Clean Water State Revolving Fund, and the Bond market. This chart is based on actual numbers from our recent bond in May of this year. As you can see, the cost to our ratepayers for bond funding is three times more expensive than the cost of a Public Works Trust Fund loan, resulting in additional costs of 2.3 million dollars. Those costs, of course, must be passed on to our ratepayers in the form of rate increases.

As a government entity, we are tasked with providing dependable and reliable service in the most fiscally responsible way possible, to make the most out of available resources. The Public Works Trust Fund has been a valuable tool in that effort.

We would like to encourage any action you can take to maintain and support this vital program.

Thank you for your time and consideration.

Sincerely,



Bernita Landers
District Manager

Enclosure

Debt Financing Cost Comparison

Douglas County Sewer District No. 1

Funding Criteria

Principal Amount	\$11,850,000
Term in Years	20
Equivalent Residential Units Billed	9,480

	Bond	Clean Water State Revolving Fund	Public Works Trust Fund
Interest Rate	2.44%	1.5%	1.0%
Interest Cost	\$3,503,441	\$1,954,239	\$1,283,430
Additional Costs			
Underwriters Fee	74,063		
Bond Legal Counsel	34,500		
Rating Agency Fee	18,500		
Document Costs	4,500		
Escrow CPA	2,500		
Escrow Management	2,450		
Parity Certificate	2,000		
Total Costs of Debt	\$3,641,953	\$1,954,239	\$1,283,430
Costs as % of Principal	31%	16%	11%
Monthly Rate Increase to Cover Costs	\$1.60	\$0.86	\$0.56