



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

Agenda Item	Action	Page	Time
<b>A) ADMINISTRATION</b>			
1. Call to Order: <i>Stan Finkelstein</i>			9:00
2. Welcome and Introductions			9:02
3. Approve Agenda: <i>Cecilia Gardener</i>	Action	1	9:10
4. Meeting Minutes for July 9, 2015: <i>Barbara Smith</i>	Action	5	9:15
5. Re-Evaluate 2015 Board Meeting Dates: <i>Cecilia Gardener</i>	Action	7	9:20
6. Review Board Standing Committees: <i>Cecilia Gardener</i>	Action	9	9:30
7. Organization Chart for Board Dedicated Staff: <i>Cecilia Gardener</i>		15	9:50
8. Executive Director Update: <i>Cecilia Gardener</i>		23	10:00
9. Department of Commerce Update: <i>Mark Barkley</i>	Verbal		10:10
<b>BREAK</b>			
<b>B) CONTRACTING</b>			
1. DWSRF Quarterly Contract Report: <i>Mark Barkley</i>	Report	27	10:30
2. PWTF Quarterly Contract Report: <i>Jacquie Andresen</i>	Report	29	10:35
<b>C) POLICY &amp; PROGRAM DEVELOPMENT</b>			
1. Possible Request for Formal Attorney General Opinion: <i>Cecilia Gardener</i>	Action	33	10:45
2. Possible Supplemental Budget Request: <i>Cecilia Gardener</i>	Action	35	11:45
<b>LUNCH</b>			
<b>C) POLICY &amp; PROGRAM DEVELOPMENT, <i>continued</i></b>			
3. Strategic Planning Committee Report: <i>Cecilia Gardener</i>	Discussion	39	12:30
<b>D) OUTREACH ACTIVITIES</b>			
1. Small Communities Initiative Annual Report: <i>Cathi Read</i>	FYI	65	1:30
<b>E) INFORMATION &amp; OTHER ITEMS</b>			
1. Board Committee Updates			
a. Executive Committee: <i>Stan Finkelstein</i>	Verbal		1:40
2. Board Member Updates	Verbal		1:50
<b>C) POLICY &amp; PROGRAM DEVELOPMENT, <i>continued</i></b>			
4. Online Training Presentation: <i>Heather Winfrey, SBCTC</i>	Action		2:00

**Note: Anticipated time of Adjournment is 3:00 p.m.**

**NEXT BUSINESS MEETING SCHEDULED: August 21, 2015, Dept. of Commerce, 1011 Plum ST SE, Olympia, WA 98501**

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

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

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# TAB A Administration





**Washington State  
Public Works Board**

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

**PUBLIC WORKS BOARD BUSINESS MEETING MINUTES  
July 9, 2015**

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

Board Members		Guests Present:	Staff Present:
Present:	Absent:		
Stan Finkelstein, Chair	Mary Margaret Haugen	Steve Lindstrom, Snohomish-King Water-Sewer District Coalition	Jacquie Andresen
JC Baldwin			Mark Barkley
Pam Carter		Anita Paige, Retreat Facilitator, The Edge Advisory Group	Carrie Calleja
Jerry Cummins			Ann Campbell
Ed Hildreth			Cindy Chavez
Scott Hutsell			Cecilia Gardener
Diane Pottinger			Isaac Huang
Matt Rasmussen			Jill Nordstrom
Bubba Scott			Rodney Orr
Lisa Wellman			Jacki Skaught
			Barbara Smith

**ADMINISTRATION**

- 1) Call to order: Stan Finkelstein called the meeting to order at 8:30 am.
- 2) Welcome and Introductions.
- 3) **ACTION: Ed Hildreth moved to approve the agenda as presented. Lisa Wellman seconded the motion. MOTION APPROVED 9-0** (Baldwin, Carter, Cummins, Hildreth, Hutsell, Pottinger, Rasmussen, Scott and Wellman).
- 4) **ACTION: Pam Carter moved to approve the May 8, 2015, meeting minutes as presented. Jerry Cummins seconded the motion. Discussion:** Barbara Smith noted that the minutes handed out reflected modifications from those emailed out a week ago. Pam Carter had submitted some minor grammar and syntax revisions that were incorporated into the minutes presented at the meeting. **MOTION APPROVED 9-0** (Baldwin, Carter, Cummins, Hildreth, Hutsell, Pottinger, Rasmussen, Scott and Wellman).

**CONTRACTING**

- 1) DWSRF Contracts Completion Extension Request: Jill Nordstrom presented a DWSRF time extension request from Marion Water Company. The process of hiring a new engineering firm took longer than anticipated. The reservoir has been completed. The water main is out for bid with the start of construction scheduled for early July. The project is 50% complete. This is a 2009 contract that has had three time extensions already, but the client feels confident they can complete by this final extension. Their current closeout date is August 17, 2015. They are requesting an extension to February 28, 2016. **ACTION: Jerry Cummins moved to approve the extension request as presented. Pam Carter seconded the motion. MOTION APPROVED 9-0** (Baldwin, Carter, Cummins, Hildreth, Hutsell, Pottinger, Rasmussen, Scott and Wellman).



**Washington State  
Public Works Board**

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- 2) DWSRF Interest Rate Adjustment: Jill Nordstrom presented a DWSRF interest rate change for Port Townsend. This load was approved at the December 2014 Public Works Board meeting, and revised at the January 2015 meeting. After reviewing the list and the Department of Health loan criteria, an administrative error on this particular loan was identified. Based on Port Townsend's affordability index and the application of subsidy to this loan the loan rate should be 1.0%, rather than the 1.5% that was originally approved. **ACTION: Scott Hutsell moved to approve the interest rate change as presented. Diane Pottinger seconded the motion. MOTION APPROVED 9-0** (Baldwin, Carter, Cummins, Hildreth, Hutsell, Pottinger, Rasmussen, Scott and Wellman).

**ACTION: Business Meeting Adjourned at 9:00 am. Board moved immediately into Administrative Review Meeting.**

DRAFT



DATE: July 29, 2015  
TO: Public Works Board  
FROM: Cecilia Gardener, Executive Director  
SUBJECT: 2015 Board Meeting Calendar Review

Earlier in the year, the Board requested that the Board Meeting Calendar for 2015 be reviewed after legislative session.

The Board traditionally meets once a month, with the exception of July when there is no meeting, and August when there are two meetings. The remaining meetings for 2015 are as follows:

August 21, 2015  
September 11, 2015  
October 22, 2015 (in Wenatchee at IACC Conference)  
November 6, 2015  
December 4, 2015

As an outcome of the legislative session and budget reductions, this would be the time to evaluate if the Board wants to keep the existing schedule, or adjust. Staff request direction from the Board on this matter.





DATE: July 30, 2015

TO: Public Works Board

FROM: Cecilia Gardener, Managing Director  
Policy and Program Development

SUBJECT: Public Works Board Standing Committees

**BACKGROUND**

The Board’s by-laws - Article II: Officers, Duties, and Committees, lays out the Officers and Committee of the Board. There have been four standing committees that were established in 2008 to take on subject related issues outside of the full Board. The purpose of this was to empower each committee to research and develop materials around issues and bring to the full Board for review and possible adoption. Currently the four standing committees in place are:

- 1. Executive Committee
- 2. Policy and Program Development
- 3. Technical Assistance
- 4. Communications and Outreach

Each Committee has a charter that establishes the roles and responsibilities of the committee.

It is time to re-establish committee participation. Charters for each committee are on the following pages. The optimal situation is to have full representation from each of the jurisdictional/membership group (City, County, and Special Purpose District). We still have two member positions that are not filled at this time (City PW Director, and County elected). The Governor will be making appointments in the future.

**Staff Recommends the Following Committee Structure: (Bold denotes Chair of Committee) since we are short two members, there is some overlap**

Executive		Policy	Communications	Technical Assistance
Board Chair, ex-officio	<b>Stan Finkelstein, Chair</b>	Stan Finkelstein	Stan Finkelstein	Stan Finkelstein
Board Vice-Chair (General Public Representative)	JC Baldwin		<b>Lisa Wellman, Chair</b>	
County Representative	Scott Hutsell	<b>Scott Hutsell, Chair</b>		Matt Rasmussen
City Representative	Jerry Cummins	Ed Hildreth	Ed Hildreth	<b>Jerry Cummins, Chair</b>
Sewer/Water District /PUD Representative	Mark (Bubba) Scott	Pam Carter	Diane Pottinger	Mark (Bubba) Scott

## Executive Committee Charter

### A Purpose of the Committee

#### Primary Functions

The primary function of the Executive Committee is to:

- Have a means to address issues on a very short notice, when it is not practicable for the whole Board to meet. Action taken on behalf of the Board is to be ratified at the next Regular or Special Meeting of the Board.
- Meet weekly during Legislative session to review activities that are relevant to the Board and respond accordingly.

### B Committee Membership

#### Membership

Each standing committee Chairs sit on the executive team – this would require that the chairs of each committee be representative of the stakeholder groups

- Board Chair, ex-officio
- Board Vice-Chair (General Public Representative)
- County Representative
- City Representative
- Sewer/Water District Representative

#### Staff to the Committee

The Executive Committee will be supported by the following staff members:

- **Executive Director**
- **Policy and Program Development Manager \***
- **Technical Assistance Manager \***
- Board Liaison

*\*These positions no longer exist.*

### C Committee Meetings

#### Meeting Schedule and Process

- The Committee will set a monthly schedule prior to a business meeting to review and set agenda
- The Committee will hold weekly meeting during legislative session (as needed)
- The Committee Chair will facilitate the Committee meetings. Decisions will be made through consensus of the Committee.

# Policy and Program Development (PPD) Committee Charter

## D Purpose of the Committee

### Primary Functions

The primary function of the Policy and Program Development Committee is to:

- To work with staff to draft proposals regarding Public Works Board bylaws, policies, procedures, and related issues for Public Works Board discussion and approval;
- To work with Department of Commerce, Department of Health, and others as required to establish clear rights, roles, and responsibilities regarding the working relationship between the Public Works Board and the respective agency.

## E Key Activities and Responsibilities

With assistance from staff, the Policy and Program Development Committee will:

- At the Public Works Board's direction, undertake key tasks to be completed in the area of Policy and Program Development during the year.
- Create an annual work plan for the Committee.
- Meet as scheduled as a Committee to discuss the status of work items, issues being faced, and options for addressing those issues.
- Regularly update the Executive Committee on the status of the work items being done by the Committee.
- Establish and maintain strong positive working relationships with other state and federal agencies, associations, and other stakeholder groups.
- Follow-up on Public Works Board Initiatives related to policy and program development developed at the annual Public Works Board policy retreat or other Public Works Board meetings.

## F Committee Membership

### Membership

The Policy and Program Development Committee will consist of the following Public Works Board members:

- **Scott Hutsell, Committee Chair**
- Pam Carter
- Ed Hildreth
- Stan Finkelstein, ex-officio

Stakeholders may be invited, at the Committee's discretion, to participate in any subcommittees developed as a result of this Committee's work.

### Staff to the Committee

The Policy and Program Development Committee will be supported by the following staff members:

- **Cecilia Gardener, Committee Lead Staff**
- Ann Campbell
- Cindy Chavez
- Isaac Huang

Other Public Works Board and Department of Commerce staff will support the Committee as needed.

## G Committee Meetings

### Meeting Schedule and Process

The Committee will meet monthly or as required to keep track of issues and the progress of project development. Every effort will be made to schedule Committee meetings immediately before or after Public Works Board meetings. Some Committee meetings may occur via conference call or Internet (web-based live meetings).

The Committee Chair will facilitate the Committee meetings. Decisions will be made based on consensus of the Committee.

# Communications Committee Charter

## A Primary Functions

The primary function of the Communications Committee is to:

1. Develop Public Works Board (Board) messages
2. Create the means of communicating those messages to the Governor, the legislature, stakeholders, partners, and clients.

## B Key Activities and Responsibilities

With assistance from staff, the Communications Committee will:

- Identify reports, documents and other communications materials essential for the Board to produce throughout the year
- Prioritize its work and that of the Board's staff in preparing the items identified above
- Submit ideas on what the material should contain and how it is presented
- Work with staff to prepare the material, including editing and providing comments on drafts
- Approve the final versions of the material or approve the drafts and recommend approval by the Board
- Develop and improve the Board's electronic communications, including the PWB web site and social media outreach efforts.
- Promote Board members' outreach efforts,

## C Committee Membership

### Membership

The Communications Committee will consist of the following Public Works Board members:

- **Lisa Wellman, Committee Chair**
- Diane Pottinger
- Ed Hildreth
- Stan Finkelstein, ex-officio

Stakeholders may be invited, at the Committee's discretion, to participate in any subcommittees developed as a result of this Committee's work.

### Staff to the Committee

The Communications Committee will be supported by the following staff members:

- **Barbara Smith, Committee Lead Staff**
- Ann Campbell
- Rodney Orr

Other Public Works Board and Department of Commerce staff will support the Committee as needed.

## D Committee Meetings

### Meeting Schedule and Process

- The Committee will meet monthly or as required to keep track of issues and the progress of project development. Every effort will be made to schedule committee meetings immediately before or after Public Works Board meetings. Some committee meetings may occur via conference call or web-based live meetings.
- The Committee Chair will facilitate the Committee Meetings. Decisions will be made based on consensus of the committee.
- Committee meeting agendas will be approved in advance by the Committee Chair.
- Staff will take Committee meeting notes at each meeting. These notes will be provided to the full Board with the Committee's regular monthly update. The monthly update will be given by the Committee Chair, with support from staff, at each regularly scheduled Public Works Board meeting.

# Technical Assistance Committee Charter

## A Primary Functions

The primary function of the Technical Assistance Committee is to:

- Oversee implementation of the Board's technical assistance programs
- Recommend additional technical assistance initiatives for the Board to consider pursuing
- Periodically review technical assistance efforts and update and revise as needed
- Other duties as the Board may define

## B Key Activities and Responsibilities

With assistance from staff, the Technical Assistance Committee will:

- Develop and agree upon Committee Charter
- Develop and agree upon annual work plan
- Review and Discuss current issues and perceptions regarding technical assistance
- Review current technical assistance program
- Review and revise performance targets
- Attend TA activity with CSR to get better sense of value of TA effort

## C Committee Membership

### Membership

The Technical Assistance Committee will consist of the following Public Works Board members:

- **Jerry Cummins, Committee Chair**
- Ed Hildreth
- Matt Rasmussen
- Mark (Bubba) Scott
- Stan Finkelstein, ex-officio

Stakeholders may be invited, at the Committee's discretion, to participate in any subcommittees developed as a result of this Committee's work.

### Staff to the Committee

The Technical Assistance Committee will be supported by the following staff members:

- **Ann Campbell , Committee Lead Staff**
- Jacquie Andresen
- Carrie Calleja
- Isaac Huang

Other Public Works Board and Department of Commerce staff will support the Committee as needed.

## D Committee Meetings

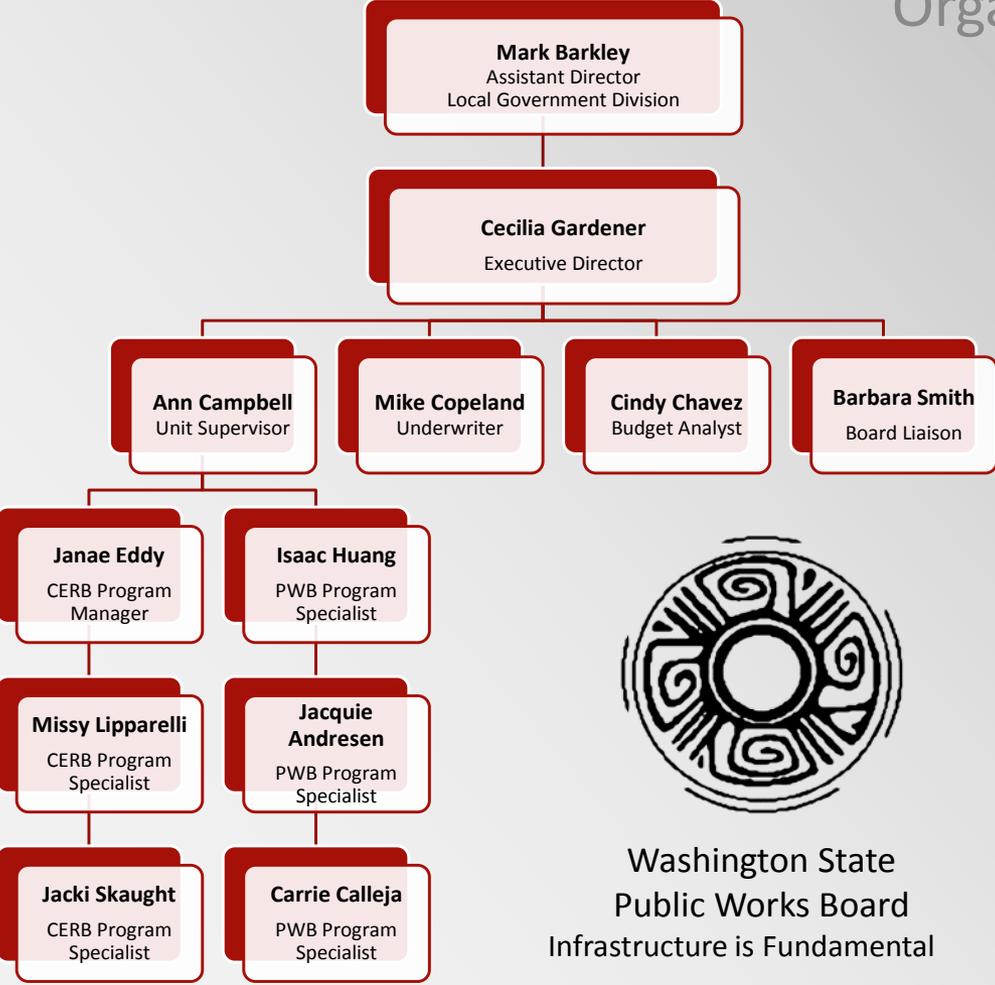
### **Meeting Schedule and Process**

- The Committee will meet monthly or as required to keep track of issues and the progress of project development. Every effort will be made to schedule committee meetings immediately before or after Public Works Board meetings. Some committee meetings may occur via conference call or web-based live meetings.
- The Committee Chair will facilitate the Committee Meetings. Decisions will be made based on consensus of the committee.
- Committee meeting agendas will be approved in advance by the Committee Chair.
- Staff will take Committee meeting notes at each meeting. These notes will be provided to the full Board with the Committee's regular monthly update. The monthly update will be given by the Committee Chair, with support from staff, at each regularly scheduled Public Works Board meeting.



# Local Government Division Board Unit

## Organizational Structure



Washington State  
Public Works Board  
Infrastructure is Fundamental



INVESTING IN  
WASHINGTON'S ECONOMIC FUTURE



# Roles and Responsibilities of

## Cecilia Gardener, Executive Director

The Executive Director of the Public Works Board and CERB (BOARD) reports directly to the Assistant Director of the Local Government Division (LGD). The Executive Director is responsible for ensuring that the BOARD meets its statutory requirements (RCW 43.155, 70.119A, and 43.160) in respect to any and all programs administered by the BOARD. At a minimum this necessitates:

- Securing the maximum amount of resources both capital and operating for these programs each year.
- Oversees the development and implementation of policies, procedures, and business practices associated with the BOARD.
- Maximizing and managing over a portfolio of \$2.6 billion loans.
- Participates as a member of the LGD Management Team and Department's Management Team.
- Representing the BOARD with the division's and the department's interests and issues with stakeholders, the Legislature, federal agencies, and other state entities.
- Oversee a staff of approximately 12 FTEs.
- In addition, provides leadership for the department's strategic initiatives related to addressing the financing of local governments' infrastructure needs.



# Roles and Responsibilities of

## Ann Campbell, Unit Supervisor

This position reports to the Executive Director, and is responsible for guiding the staff dedicated to the Public Works Board and CERB. Provides guidance and leadership in professional level project management, policy development, and training and education. Supervises a team of six Commerce Specialist 3s.

Responsible and accountable for administering and managing the Public Works Board and CERB Programs . Provide oversight and supervision to a team of professional staff (Commerce Specialists COM3) that are responsible for :

- ✓ Applications, project selection, and underwriting
- ✓ Managing the contract development, execution, management, financial functions, and close out of assigned programs.
- ✓ Policy Development
- ✓ Technical Assistance, Training, and Education.
- Represent the Executive Director at state and local government and agency meetings as assigned/needed.
- Maintain a collaborative working relationship with the Board, funding partners, and clients.
- Provide technical assistance to clients.
- Member of the Public Works Assistance Account predictive model team.



# Roles and Responsibilities of

## Public Works Board Dedicated Program Specialists

Dedicated staff to the Board are responsible for a full array of duties associated with implementing the programs and responsibilities of the Board. Responsibilities related to client service are done on a regional basis. These include but are not limited to:

- Contract management
- Application review
- Technical assistance / coordination between programs



Jacque Andresen  
(360) 725-3089  
Jacque.Andresen@commerce.wa.gov

Carrie Calleja  
(360) 725-3015  
Carrie.Calleja@commerce.wa.gov

Isaac Huang  
(360) 725-3162  
Isaac.Huang@commerce.wa.gov



# Roles and Responsibilities of Public Works Board Dedicated Program Specialists

## Jacquie Andresen

Jacquie has over 19 years experience in state government, and most recently comes to us from the Contracts Administration Unit, where she was the lead for Public Works Board contracts. This is a return trip for Jacquie, she worked for the Board several years ago.

## Carrie Calleja

Carrie is relatively new to state government – she has been with the agency since 2008, and most recently comes to us from the Contracts Administration Unit. She recently graduated with her BA, and is now working on her Masters degree. She has extensive knowledge regarding contracting, and our internal systems.

## Isaac Huang

Isaac has been with the Board since the beginning of the program in 1985. He brings with him significant knowledge about the Board, its programs, technical assistance, and he is the resident historian. He is the one that reminds us to: Keep it Simple!



# Roles and Responsibilities of Public Works Board Dedicated Operational Staff

## Barbara Smith – Board Liaison (360) 725-2744

Barbara is Liaison to both the CERB and PWB – responsibilities include:

- Maintain communications between the Board, its partners, staff, and authorizing organizations.
- Coordinating with Governor's office on Board Member appointments,
- Participate as a member of the Board Executive Committees.
- Ensures monthly reimbursement for Board member expenses.
- Lead for all logistics for all Board events

## Michael Copeland – Underwriter – (360) 725-3152

Mike is new to state government, and comes to us from the banking industry. Mike has extensive experience working with clients and assisting them with their financing needs. His technical skills make him the lead for all underwriting, risk management, and loan restructuring. He is part of the team that manages the Public Works Assistance Account Predictive Model. He is also developing tools to assist staff in the field when working with clients.



# Roles and Responsibilities of Public Works Board Dedicated Operational Staff

## Cindy Chavez – Budget Analyst – (360) 725- 3154

Cindy has over 14 years experience in the state doing budgeting and accounting. She is responsible for all things budget and accounting. She handles all loan billings, accounting, DWSRF accounting and reporting. She is also part of the team that manages the Public Works Assistance Account Predictive Model. One of our behind the scenes powerhouses.

## Rodney Orr– IT Specialist– (360) 725-3164

Rodney has been with the Board since 1999. He is responsible for PWeB, data systems, communications, and all around idea man. Another one of our behind the scenes powerhouses.







STATE OF WASHINGTON  
OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

July 27, 2015

**TO:** Brian Bonlender, Director  
Department of Commerce

**FROM:** David Schumacher  
Director

**SUBJECT: AUTHORIZATION FOR TEMPORARY CASH DEFICIENCY IN THE  
PUBLIC WORKS ASSISTANCE ACCOUNT (058)**

I received your July 8, 2015, memorandum to request authorization for the Department of Commerce's Public Works Assistance Account (Account 058) to be in a temporary cash deficiency of up to \$90 million in the 2015-17 biennium.

The appropriated Account 058 was created to make loans and give financial guarantees to local governments for public works projects. I understand that the negative balance carried over from the 2013-15 biennium is largely due to the warm and relatively dry winter that allowed for an extended construction season throughout the state, in turn accelerating the loan draws from Account 058 through the end of fiscal year 2015. I understand that this condition is expected to continue into the 2015-2017 biennium and, combined with appropriated transfers, will result in a deficit cash balance through much of the current biennium. However, the cash balance is expected to return to a positive cash balance in June 2017. I hereby grant the authorization you seek, pursuant to RCW 43.88.260(2)(b). This authorization expires June 30, 2017.

If Account 058 does not return to a positive cash balance by June 30, 2017, or if after that date the agency anticipates that the account could return to a deficit cash position, you will need to submit another request to OFM. Please contact Steve Nielson, Senior Financial Consultant, at (360) 725-0226 or [Steve.Nielson@ofm.wa.gov](mailto:Steve.Nielson@ofm.wa.gov), or Myra Baldini, Capital Budget Assistant, at (360) 902-0525 or [Myra.Baldini@ofm.wa.gov](mailto:Myra.Baldini@ofm.wa.gov), should you have any questions.

cc: Bryon Moore, Senate Ways and Means Committee  
Brian Sims, Senate Ways and Means Committee  
Charlie Gavigan, House Appropriations Committee  
Meg Van Schoorl, House Capital Budget Committee  
Keenan Konopaski, Joint Legislative Audit and Review Committee  
Stan Finkelstein, Public Works Board  
Steve Nielson, Office of Financial Management  
Myra Baldini, Office of Financial Management



# TAB B

Contracting





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DATE: July 16, 2015  
TO: Public Works Board  
FROM: Jill Nordstrom, Section Manager  
SUBJECT: DWSRF and Direct Appropriation Contract Status Report

This memo provides a quarterly status update to the Public Works Board and offers a snapshot of activities carried out by the DWSRF and Direct Appropriation Program Staff.

**Number of Contracts Received from PWB from 4/1/2015 – 6/30/2015**

DWSRF	14
Direct Appropriation	<u>0</u>
Total	14

**Number of Contracts in Open Status as of 6/30/2015**

DWSRF	135
Direct Appropriation	<u>15</u>
Total	150

**Number of Contract Closed 4/1/2015 – 6/30/2015**

DWSRF	11
Direct Appropriation	<u>5</u>
Total	16

**Dollars distributed to Clients 4/1/2015 – 6/30/2015**

DWSRF	\$22,880,070
Direct Appropriation	<u>\$1,981,678</u>
Total	\$24,861,748





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DATE: July 16, 2015  
TO: Public Works Board  
FROM: Jacquie Andresen, Programs Specialist  
SUBJECT: PWAA Contract Status Report

This memo provides a quarterly status update to the Public Works Board and offers a snapshot of activities carried out by the PWAA Program Staff.

**Number of Contracts Received from PWB from 4/1/2015 – 6/30/2015**

PWAA 0

**Number of Contracts in Open Status as of 6/30/2015**

PWAA 89

**Number of Contract Closed 4/1/2015 – 6/30/2015**

PWAA 10

**Dollars distributed to Clients 4/1/2015 – 6/30/2015**

PWAA \$21,933,408



# TAB C

## Policy & Program Development





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DATE: July 16, 2015  
TO: Public Works Board  
FROM: Cecilia Gardener, Executive Director  
SUBJECT: Request to Official AG Opinion

At the July 10, 2015, Retreat, Kathryn Wyatt, AAG for the Board, presented an interpretation on roles, responsibilities, and authorities of the Board. In that presentation, it became clear that the Board had more authority than originally thought.

In light of the new information, it would be prudent for the Board to request formal “opinion” on this specific area.

**What we know so far:**

1. If the Board chooses to move forward with the formal opinion, the Board Chair has the authority to request this formal opinion directly with the Attorney General.
2. It takes approximately 3-6 months to get a formal opinion.
3. There is no set cost associated with the formal opinion. The Board’s designated AAG Kathryn Wyatt will provide research and assistance to the Deputy Solicitor General, and will bill us accordingly.
4. The AAG will assist the Board in developing the “question”.
5. Once submitted, it will be posted on the web for input from any interested parties.
6. It will then go through the internal AG review process prior to a formal opinion being released.

**Pros to requesting an “opinion”:**

- Clear roles and responsibilities
- Clear boundaries
- Clear expectations

**Cons to requesting an “opinion”**

- Perception of going out of bounds

Staff will need a formal action to move forward with this effort.





DATE: July 29, 2015  
TO: Public Works Board  
FROM: Cecilia Gardener, Executive Director  
SUBJECT: Supplemental Budget and Policy Requests

Although the Legislature went home just a few short weeks, it is already time to plan for the next session.

OFM has set the dates for submission but we have not received the Agency timelines yet. All decision packages will need to be in the OFM system by September 21, 2015. This would be for the 2016 Supplemental Session. We will need to build in time for the agency internal process also. That being said, the Board will need to identify what they want to submit, and direct staff to follow through.

There are two types of request:

1. Budget requests
  - a. Identify what you want to fund
  - b. Identify how you will fund
  - c. Identify why you want to fund
2. Policy requests
  - a. The Board has its own RCW, which identifies the authorities, roles, and responsibilities. Would need to be modified if the Board wanted to change any parameters.
  - b. Stakeholder work
  - c. Justification/need

Staff requests direction from the Board on what they would or would not want to submit.





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July 16, 2015

**TO:** Agency Directors

**FROM:** Miguel Perez-Gibson, Executive Director  
Legislative Affairs Office

**SUBJECT:** 2016 Agency Request Legislation

With the 2015 Legislative Session finally over, we can breathe a sigh of relief, and begin the work of the new biennium. I sincerely thank you and your staff for your extraordinary work during the challenging legislative session.

I know it's hard to believe, but it is now time to begin the 2016 agency legislative request and review process. **The due date for all submittals is Monday, September 21, 2015. Only requests submitted through the Bill Analysis and Tracking System (BATS), including all [required elements](#), will be considered.** Proposed agency request legislation may be forwarded to the Legislature only after being approved through this process. After approval, each agency is responsible for securing legislative sponsors.

As always, agencies are encouraged to focus on legislation that promotes the Governor's priorities and to only advance proposals that are well developed, timely and important. The [Results Washington Goals](#) will remain a priority of the Governor. However, given the short 2016 Legislative Session, the Governor expects a sharply focused and well-defined agenda.

Please make time to discuss agency request proposals with your contacts in the Governor's Policy Office and the OFM Budget Division. If you have questions concerning the process, don't hesitate to call me.

cc: Legislative Liaisons  
Matt Steuerwalt, Policy Director  
Roselyn Marcus, OFM Legal and Legislative Affairs Assistant Director



## Agency Request Legislation – 2016 Legislative Session

### REQUIRED ELEMENTS CHECKLIST

Legislative proposals will not be reviewed until a complete package is received in BATS.

Agency heads must review and approve each legislative proposal prior to submittal. Proposals requiring commission or advisory committee endorsements should be presented well in advance to ensure submittals meet the deadline.

A complete package includes:

- A statement that explains why you need the bill, what problem the bill is designed to correct, and how it is tied to a Governor's priority.
- A summary of major provisions in the draft bill and impacts on current law.
- Irrespective of whether a bill has a fiscal impact, a completed fiscal note from each of the affected state agency(s), including local government (coordinate with Department of Commerce).
- The official Code Reviser draft of the proposed legislation containing Z-draft number. (if revisions are made during the review process, submit the requisite copy in BATS as soon as it is available).
- Agency's budget decision package (if the legislation is tied to a budget request).

The following information must be entered in the Agency Contacts field in the Bill Analysis and Tracking System (BATS). Include position titles, agency names, entity names, phone numbers and any other pertinent information in the "Description" field.

- Names, titles, and phone numbers for subject matter experts in your agency who are available to answer policy and fiscal impact questions related to the proposed bill.
- The agency's Assistant Attorney General who reviewed the proposed bill draft.
- All state and local government agencies affected by the proposed bill, their positions, and each agency's representative (and contact information) who may speak to the issue(s).
- Stakeholder work is required prior to submittal. Proposals without adequate stakeholder work and analysis will be rejected. Stakeholders (e.g., constituent groups, legislators, tribal governments) must be entered into the system. Provide contact person name, entity name, their position and any concerns.



**PUBLIC WORKS BOARD**  
*INFRASTRUCTURE IS FUNDAMENTAL*



# How We Got Here

The Public Works Board is a nationally recognized body that has overseen a tremendously successful program for 30 years.

Invested in over 1300 projects, totaling over \$2.3 billion, with no defaults.

If the Board and the Public Works Assistance Account is so successful, then what happened?

**The ever changing winds of time...**

When the Winds of Change Blow; Some people build Walls, While Others Build Windmills.

*~ Ancient Chinese Proverb*

Remember we cannot change the direction of the wind, But we can always adjust our sails...

# Mission and Purpose

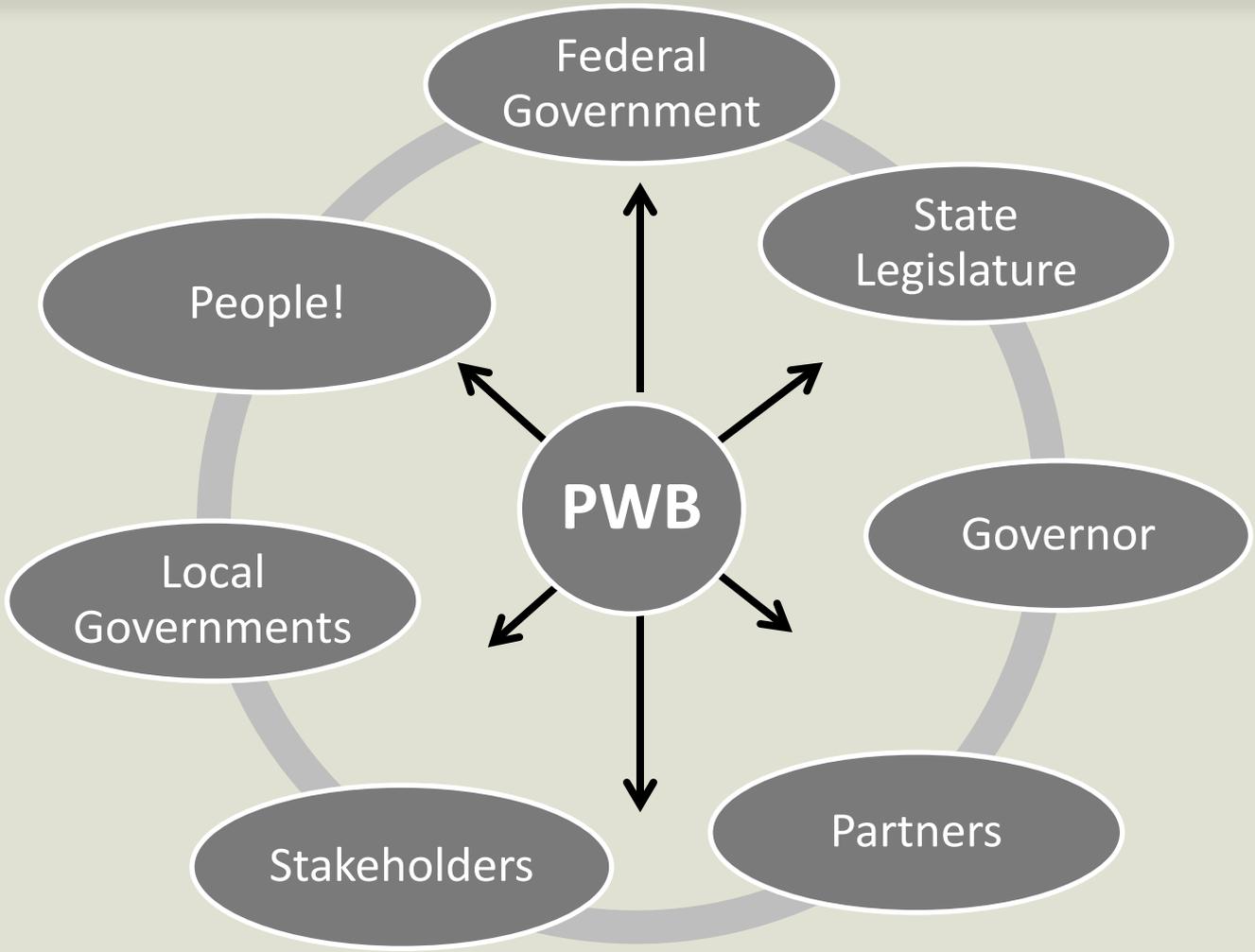
The Public Works Board addresses the needs of Washington residents by adoption and implementation of policies and programs to support public health and safety as well as economic and community development related to the funding and management of public infrastructure.

The Board serves as a resource for state and local governments by providing education, policy development, advocacy, training, capacity building, and infrastructure financing assistance.

The Public Works Board provides a collaborative process that enables every county, city, and specified special purpose districts the ability to access affordable infrastructure resources to address the needs of their communities.

- Advocacy
- Responsiveness
- Affordability
- Accountability
- Collaboration
- Partnership

# Infrastructure Universe

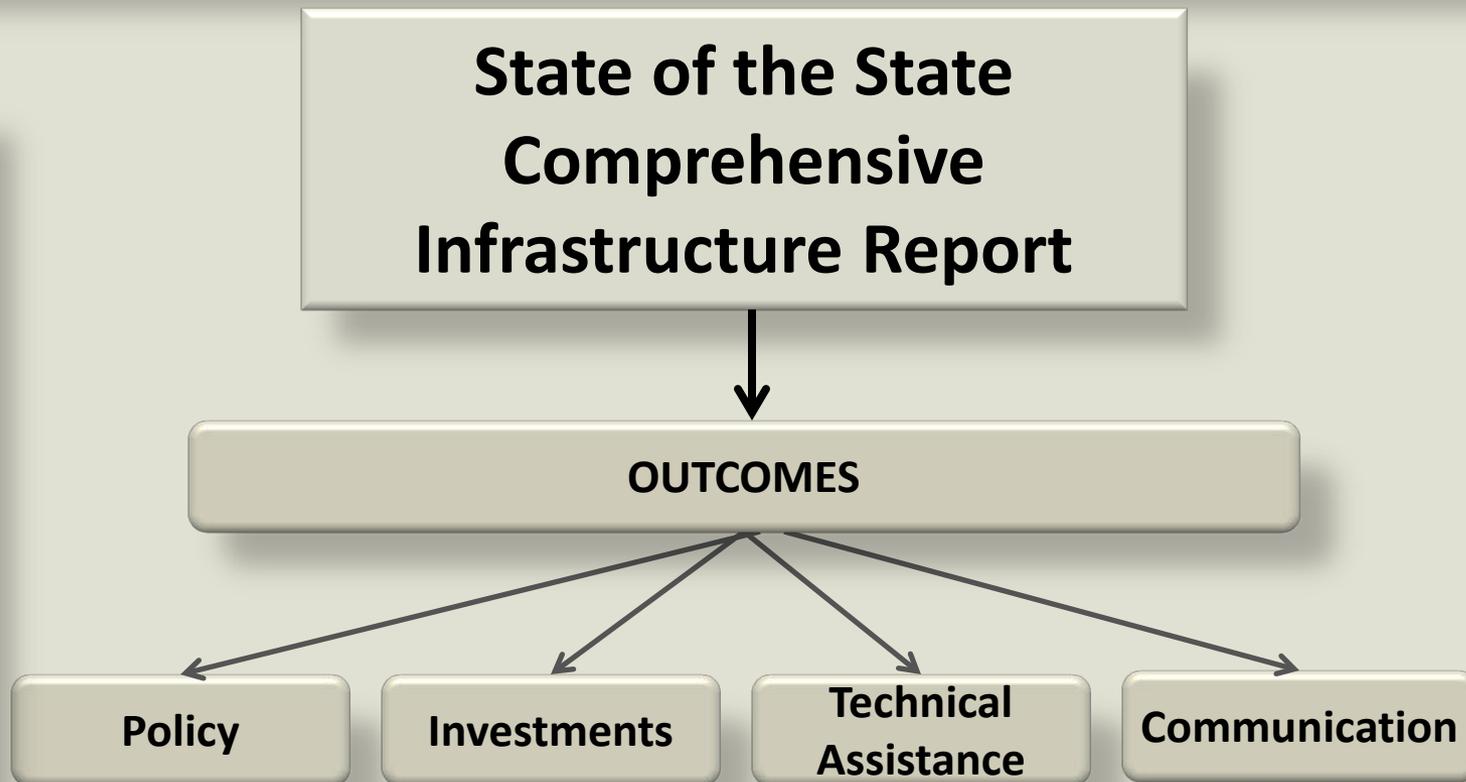


## **What's been done to Standardize Processes Across Agencies?**

- NEPA/SEPA
- IACC
- 05-05/106 (Interagency workgroup)
- Tech Teams – Finding the Funding
- Maximizing Resources Group
- Outreach (Webinars)

**What could be done...**

## Champions for Infrastructure Re-Energizing State and Local Partnerships



Alignment

Convening

# Proposed Initiative 1

**Develop** a report to the Governor, the Legislature, and key stakeholders that identifies the:

Needs

Challenges

Barriers

*and Solutions*

For local governments regarding the development of sustainable infrastructure to support community development while driving economic development.

# Proposed Initiative 1

## Why the Public Works Board?

- The Public Works Board is in a unique position as it is the only state body that has statutory authority to address multiple infrastructure systems:
  - *Domestic Water*
  - *Sanitary Sewer*
  - *Storm Sewer*  
*Roads/Bridges*
  - *Solid Waste - Recycling*

There are five state agencies that do these systems in siloes

- Transportation Improvement Board (TIB) – *Roads*
- WSDOT Highways and local programs – *Roads*
- County Road Administration Board (CRAB) – *Roads*
- Dept. of Health – *Domestic Water*
- Dept. of Ecology – *Sanitary Sewer, Storm Sewer, Solid Waste, and Recycling*

# Proposed Initiative 1

## What Should it cover

- All systems. There is no other report that ties together all the systems. *Communities make decisions based on all their systems' information. They are intertwined. Their challenges need to be resolved in a holistic, integrated manner.* Providing this information creates an education tool for decision makers-  
*Empowerment through understanding*
- A snapshot of resources invested in infrastructure over the last six years – *federal and state funds*
- Unmet need – *what did not get funded*
- The next six years – *needs driving local government decisions*
- Barriers – *Financial, psychological, political, and physical*
- State of Washington versus the rest of the country

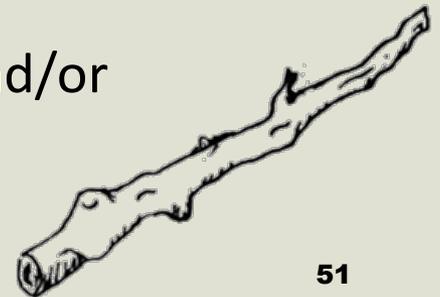
# Proposed Initiative 1

## What Should it cover – Continued

- Impacts of financing options – *the obvious as well as hidden factors*
- Case Studies. Provide examples of how communities are managing their systems from their decision makers to their operators – *the proactive and the reactive; the creative and the imaginative.*
- Best Practices – *Consolidate the best practice recommendations from the national organizations and tailor them to the needs of Washington's communities.*
- Research other reports – *Identify timeless themes from the 1980s to the Moss Report.*
- Addressing behavior with policy:



and/or



# Proposed Initiative 1

## How

- Develop Ad-Hoc Committees to oversee Initiatives – *Makeup of the committee:*
  - Board Members
  - Partner Agencies
  - Stakeholders
- Local Government Participation

# Proposed Initiative 1

## How –Continued - Collaborate with partner agencies

- Best practices development
- Utilize existing data
- Research to identify:
  - ☞ Needs, barriers, and opportunities related to Community Development and Infrastructure
  - ☞ Financial and social impacts
  - ☞ Priorities – *recurrent themes*
  - ☞ Demand for services – *managing growth*
  - ☞ Form versus Function – *best approaches*
  - ☞ Rational approaches – *opportunities and challenges*
  - ☞ Other states' methods to address infrastructure need

# Proposed Initiative 2

## Champions for Infrastructure Re-Energizing State and Local Partnerships

**Why:** The relationship between the State and Local Governments has declined over the last ten years.

**Who:** Washington State (Executive and Legislative Branches), Department of Commerce, Partner Agencies, Stakeholders, Counties, Cities, Towns, and Special Purpose Districts.

**How:** By representing the interest of local governments as they relate to infrastructure to the Legislature

**“Be the Voice of Local Governments”**

**When:** Develop timeline in sync with legislative sessions

## Proposed Initiative 2

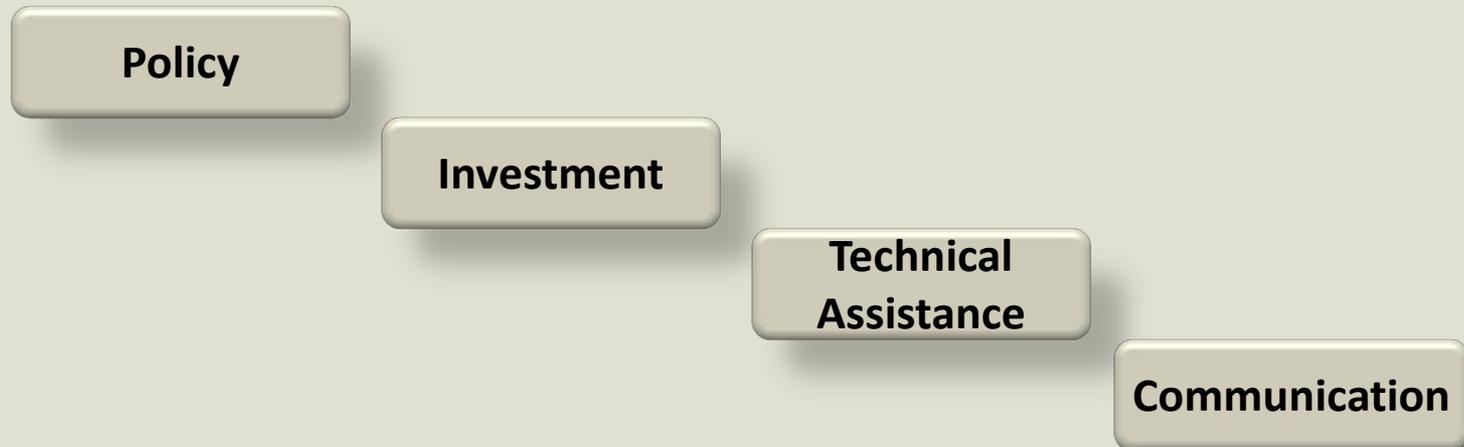
The Board has the statutory authority to do all things necessary to address the needs and barriers that local governments experience.

### *RCW 43.155.040: General Powers of the Board*

1. Accept from any state or federal agency, loans or grants for the planning or financing of any public works project and enter into agreements with any such agency concerning the loans or grants;
2. Provide technical assistance to local governments;
3. Accept any gifts, grants, or loans of funds, property, or financial or other aid in any form from any other source on any terms and conditions which are not in conflict with this chapter;
4. Adopt rules under chapter [34.05](#) RCW as necessary to carry out the purposes of this chapter;
5. **Do all acts and things necessary or convenient to carry out the powers expressly granted or implied under this chapter.**

As part of the State of the State: A Comprehensive Infrastructure Report, analysis will be done that identifies actions that the Board should take to improve local governments' ability to meet their infrastructure needs.

Such as:



## Policy Development:

- Develop policies that could change local infrastructure management behaviors
  - Example: Funding depreciation
  - Reserve Accounts
  - Universal identification of hardship

## Strategic Investments

- Develop methodology to identify and assist the most needy of local governments

## Provide Targeted Technical Assistance

- On Line Training
- Funding Webinars
- Rate Setting
- Academies
- Technical Teams – Finding the Funding
- Capacity Building

## Develop a Communication Plan that relies on:

- Strategies to find and build champions in the Legislature
- Building coalition
- Education on the Public Works Assistance Account
- Voice for local governments...
- Web based

# Alignment

## Alignment with:

- Partner Agencies
- Best Practices
- Collective Impact
- Infrastructure that supports GMA

# Convening

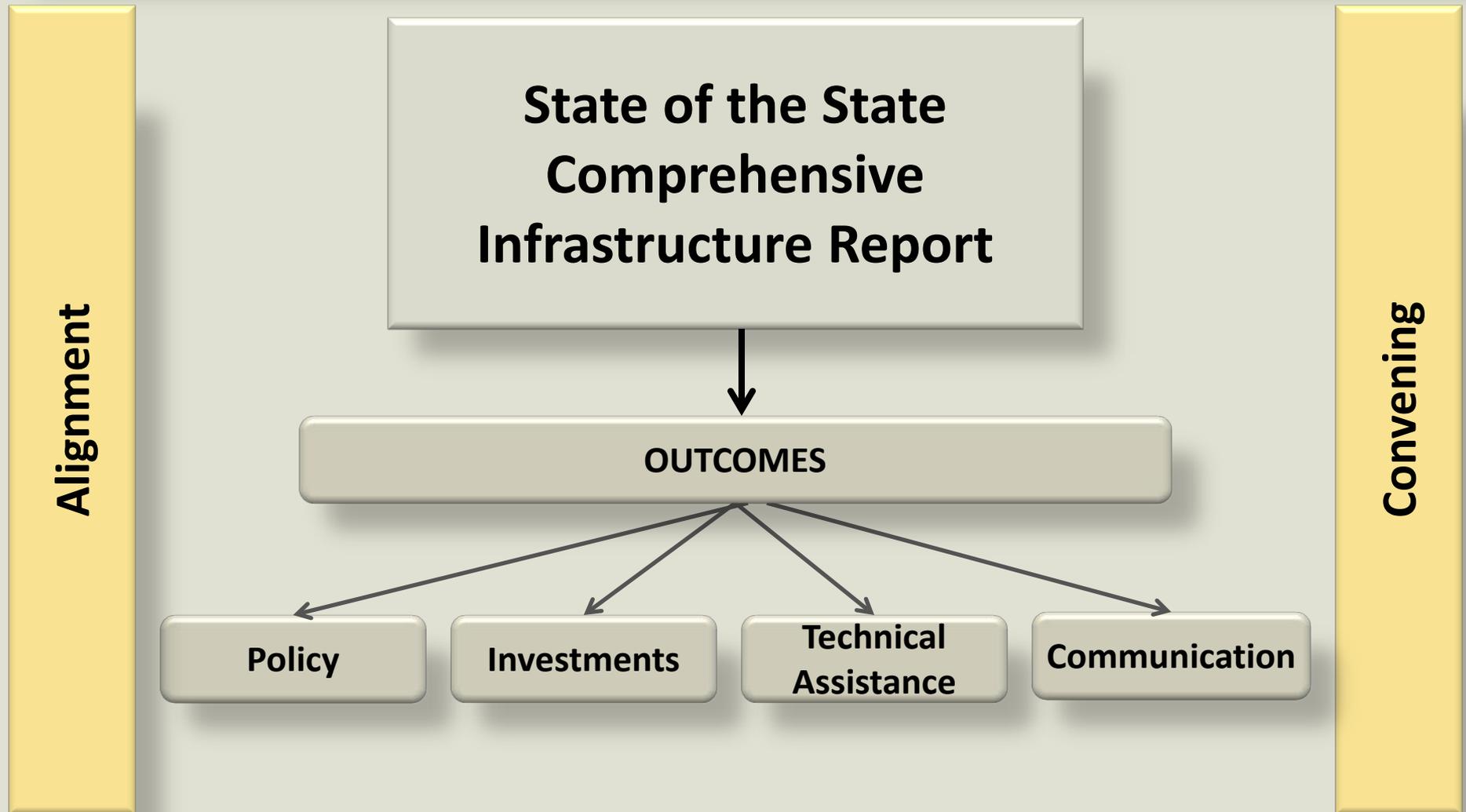
## How to Achieve Alignment:

- Outreach
- Board in a Coordinating Role



# Champions for Infrastructure

## Re-Energizing State and Local Partnerships



# TAB D

## Outreach Activities



# SMALL COMMUNITIES INITIATIVE ANNUAL REPORT

## JULY 2014 – JUNE 2015



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

# SMALL COMMUNITIES INITIATIVE ANNUAL REPORT

## JULY 2014 – JUNE 2015

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

Since 1999, the **Small Communities Initiative (SCI)** has been assisting small (usually under 3,000 population), rural cities and towns, unincorporated communities and counties, utility districts, and water associations in developing more focused projects, making strategic investments, and identifying and accessing appropriate fund sources. Over 45 communities have secured more than **\$162 million** in state and federal funding, resulting in safer drinking water, environmental protection, and infrastructure that can serve community and economic development activities.



This program has been a very good investment of the taxpayers' money. We have only good things to say about the help we have received. We have learned a lot about managing a water system...

*-Everett Timmreck, President, Carrolls Water Association*

**Small Communities Initiative staff Jon Galow and Cathi Read. Staff photo, Fall 2014**

**SCI Staff** are Department of Commerce employees:

### *Olympia Office*

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

### *Spokane Office*

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

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

# SMALL COMMUNITIES INITIATIVE AT A GLANCE

## PARTNERS

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

## SCI PROGRAM FUNDING

Program funding totals for SFY2015:

- Department of Health: \$135,000
- Department of Ecology: \$67,500
- Community Development Block Grant: \$67,500

Projected program funding totals for SFY2016:

- Department of Health: \$120,000
- Department of Ecology: \$120,000
- Community Development Block Grant: \$40,000

When I first started on the City Council, I had NO clue what all of this water stuff was about. [Jon] explained more to us in one workshop than our engineer has explained in five!

*- Councilmember Sharee Beckner, City of Kahlotus*

## STEERING COMMITTEE

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

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

## 2014-15 STEERING COMMITTEE MEMBERS

Bruce Lund, Department of Commerce  
Kaaren Roe, Department of Commerce  
David Dunn, Department of Ecology  
Loralei Walker, Department of Health  
Denise Lahmann, Department of Health  
Stephen Dunk, Public Works Board  
Gene Dobry/Janice Roderick, USDA Rural Development

Jon does a great job out there with the communities, and I always feel that things are in good hands when he's involved... we really appreciate Jon's patience and persistence along with his technical and people skills.

*-Dorothy Tibbetts, Eastern Regional Manager, Office of Drinking Water, Department of Health*

# SMALL COMMUNITIES INITIATIVE AT A GLANCE

## GOALS

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

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

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

## ACCOMPLISHMENTS THIS YEAR

This fiscal year, the number of SCI community projects which:

- Have construction funding secured/ are currently in construction—7
- Have pre-construction funding secured/ are currently in pre-construction—4
- Are applying for pre-construction and construction funding—3
- Are currently planning— 10

## RECOMMENDATIONS FOR NEXT YEAR

- Continue to provide hands-on and written community guidance regarding household income surveys.
- Further develop and expand the offering of council/commissioner infrastructure workshops on the basics of drinking water and wastewater systems, including tours of facilities in their respective communities.
- Offer workshops regarding possible new management structures for water systems.

# SMALL COMMUNITIES INITIATIVE AT A GLANCE

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

The most helpful aspects of the SCI program as reported by community leaders **since the program was created** include assistance with:

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

Helpful aspects of the SCI program as reported by community leaders **this year**:

- For the first time, someone sat down with us, and explained things in the terms that real people understand. —*Councilmember David Wooten, City of Kahlotus*
- ...the Small Communities Initiative Program [has] been absolutely vital in the process of educating our elected officials in infrastructure maintenance and the process of applying for infrastructure funding. —*Keith Cournyer, Public Works Director, City of Morton*
- Her knowledge of what needed to be done, when it needed to be done, and why it needed to be done was exceptional. I had no clue what to do or where to start... I couldn't have asked for a better liaison... - *Julie Brown, District Manager, Lewis County Water District #2*
- I am afraid that if small communities and districts did not have a resource person like [SCI staff] to help them through the multitude of government regulations, RCW's and other necessary steps for a successful community, we would ultimately see many communities fall into ruin and chaos. —*Steve Anderson, Manager, Greater Bar Water District*
- ...the service provided... to our organization over the past couple of years has been priceless. Without her help we would still be struggling... [she] has been the catalyst in keeping us on track and moving forward.—*Everett Timmreck, President, Carrolls Water Association*
- Your direction, motivation, and overall know-how has paved the way for our recovery in both water and wastewater.... You were the missing piece to our puzzle for getting things moving and on the road to recovery.—*Mayor Lonnie Dowell, City of Winlock*
- He did not make any decisions; obviously, he left all of that up to us. He just shone an incredibly bright light, and had the patience and humanity to allow us to make the proper and legal modifications.—*Mayor Patti Hamilton, City of Kahlotus*

# GREATER BAR WATER DISTRICT

## CONSOLIDATION OF THE BRIDGEPORT BAR AREA WATER SYSTEMS

### Project Funding, Goals and Scope

The Greater Bar Water District is using a Drinking Water State Revolving loan (\$2,722,800), Community Development Block Grant (CDBG)(\$1,000,000) and Jobs Act Now grant (\$1,000,000) to consolidate ownership and physically connect or provide service to customers from five small Group A and Group B water systems in Douglas County. Together these water systems serve approximately 135 residences.

The goal of this consolidation project is to eliminate nitrate exceedances and source groundwater under the influence susceptibility, and increase system reliability and redundancy. Major project components include a 240,000-gallon reservoir, a new well and pump house, and approximately five miles of transmission and distribution piping.

### A Long, Complicated History

Water quality and water system capacity issues for water systems in the Bridgeport Bar area date back more than two decades to the mid-1990's. In the late-1990's, USDA Rural Development and the state CDBG program funded source improvement projects for the newly formed Downing Townsite Water District (now Greater Bar Water District). Even after improvements the district continued to struggle with source wells hydraulically connected with surface water and nitrate levels above 10 mg/L.

### Feasibility Studies and Annexation

Feasibility studies, funded by the Department of Health and CDBG in 2005, 2007 and 2008 considered water supply and consolidation options for the district and other area water systems. SCI staff began working with these systems in 2008.



This problematic Bar Development water system well was finally taken out of service in January 2014 as part of the Greater Bar Water District consolidation project.  
Photo by Eric Smith.



# GREATER BAR WATER DISTRICT

## CONSOLIDATION OF THE BRIDGEPORT BAR AREA WATER SYSTEMS

I would like to share some thoughts of how Jon Galow from the Small Communities Initiative Program has provided assistance to the Greater Bar Water District. I have known Jon for several years now and he has always been a fantastic source of knowledge, insight, and most of all, integrity. Jon has been of great assistance to the Commissioners of this small water district. He has been a source of incredible encouragement to all that he comes in contact with. The GBWD has been in the midst of a large construction project and Jon has provided his expertise in helping the Commissioners and the new District Manager to keep the project details in order and moving forward. His knowledge of Federal and State Funding Agency regulations has helped the Commissioners make sound decisions...

As the new District Manager I call upon Jon for advice and guidance because he is always willing to help and he usually has an answer for my many questions concerning small district operations.

I am afraid that if small communities and districts did not have a resource person like Jon to help them through the multitude of government regulations, RCW's, and other necessary steps for a successful community, we would ultimately see many communities fall into ruin and chaos. The cost of failure is too great.

*-Steve Anderson, Manager, Greater Bar Water District*

### **Feasibility Studies and Annexation - continued**

In 2009 and 2010, with support from Douglas County, RCAC (including critical interim loan funding), the Downing Townsite Water District completed a Water System Plan, income survey and water service area annexation which included the Downing Townsite, Rocky Butte, Rick Acres, Bar Development, Whitlam and other water systems. Following this successful annexation, the District changed its name to the Greater Bar Water District.

Between 2008 and 2012, significant commissioner turnover, as well as federal and state environmental and administrative requirements, slowed project progress. Despite these struggles, District commissioners, their consultants, and SCI staff continued to move the project forward. Using CDBG funds, Douglas County facilitated the consolidation of Bar Development and Rich Acres water systems into the District in 2013-2014.

### **2014-2015 Ownership Consolidation and Some Water System Improvements Realized**

Project momentum continued in 2014 and 2015 fiscal year with the ownership consolidation of the Rocky Butte Water system. Additional construction improvements replaced the distribution system and installed service meters in the Downing Townsite area.

### **Looking Forward**

The District intends to complete remaining construction improvements, which include replacing distribution system piping in the Rocky Butte area, installing a new source well, a 240,000-gallon reservoir, and transmission piping to physically connect all District-owned water systems together using the remaining \$2.4 million in project funds.

# CARROLLS WATER ASSOCIATION

## **Carrolls Water Association (Cowlitz) - Drinking Water—System Improvements; Telemetry**

SCI staff has met monthly with the Carrolls Board members and their consulting engineer and operator since Fall 2013, focusing on the many financial, managerial, and technical challenges faced by the system. In early 2014 Carrolls applied for and received a \$100,000 loan from the Rural Community Assistance Corporation (RCAC) for high priority system improvements. This work includes wellhead improvements, distribution system improvements, and telemetry, and will be completed in Summer 2015. Carrolls also received a Source Water Protection Grant from the Department of Health to fund a hydrogeologic assessment, with the goal of finding a sustainable drinking water source. (Please see next page for more details on this work.)

Carrolls Water Association feels that the service provided by Cathi to our organization over the past couple of years has been priceless. Without her help we would still be struggling. Cathi has done an outstanding job and has been the catalyst in keeping us on track and moving forward. She gives very good input on subjects that are important and vital to the daily operation of the water system.

She keeps very accurate notes on what has been talked about at our meetings. She then is able to direct us on what we wanted to do, what we did do, and what we still have to do. She has always been available to listen to us and help with any problems we have during the month... This program has been a very good investment of the taxpayers money. We have only good things to say about the help we have received. We have learned a lot about managing a water system and the programs that are necessary. We still have a lot of work ahead of us and continue to rely heavily on her input and support...

*- Everett Timmreck, President, Carrolls Water Association*



Carrolls Water Association Board members Everett Timmreck and Ed Hughes examine a map showing potential areas for a new well.  
Photo by Cathi Read

## **CARROLLS WATER ASSOCIATION: THE HUNT FOR A SUSTAINABLE WATER SOURCE**

Following several years of water supply challenges, Board members at the Carrolls Water Association have set their sights on a potential solution. They used a \$30,000 Source Water Protection Grant from Department of Health to fund a 'Hydrogeologic Assessment and Report of Groundwater Source Options' (Report) to find a sustainable drinking water source.

Situated on the eastern bank of the Columbia River just south of Kelso-Longview, Carrolls serves 170 residences, a school, and a store. With three primary wells and two supplemental wells, the association can provide only marginally adequate service under sustained high demand, even after it implements customer water restrictions. The aquifer that feeds all of the wells is fractured bedrock, which is highly susceptible to over-pumping and takes extended periods of rest to recharge.

Despite several system improvements, Carrolls experienced severe water shortages in 2012 and 2013. One well was depleted and fecal coliform was discovered in another. The contaminated well supplied a third of their water, so they installed disinfection equipment. However, the well and well house are in a landslide area.

The Board members knew they needed to provide a more reliable water supply to their customers, but they weren't sure where to focus their limited resources: How can we operate the existing wells better to reduce the chance of over-pumping? Should we attempt to 'rehabilitate' the existing wells to increase capacity? Should we try to locate and buy an existing well? Should we look for a new well site? If so, where is the most likely area to drill?

The answers came in November 2014, when the hydrogeologist consultant they hired presented the results from the Report, which suggested:

- Two of the existing wells are not amenable to rehabilitation. A slow landslide is affecting one of the wells and the site's pump house. Fecal contamination of the aquifer at the site appears to be permanent.
- Carrolls can most likely establish safe and dependable source wells in Columbia River sediments. Although water might be high in iron and manganese, there are advantages to such a well. It should be immune to fractured rock-type depletions, be relatively unaffected by changes in precipitation, provide increased resistance to some contaminants by sediment filtering, and have access to more extensive groundwater.

"We were very pleased with the report and felt the process was worthwhile," said Board Treasurer Velia Horrocks after the presentation by the consultant. Now that they know they need a new well site, and where to look, Board members are focusing their limited resources on efforts most likely to supply a sustainable water source. Carrolls has recently been awarded a \$25,000 Pre-Construction Grant from Health for tasks associated with developing a new, sustainable source of water.

# SCI COMMUNITY ACCOMPLISHMENTS THIS YEAR

## CONSTRUCTION FUNDING SECURED/CURRENTLY IN CONSTRUCTION

### **Town of Carbonado (Pierce) - Drinking Water—New Reservoir; Source Water Protection**

Due to higher-than-expected bids, construction on Carbonado's new water reservoir was delayed. However, construction is scheduled to begin in Summer 2015. The Town also completed a Source Watershed Control Plan, which was funded by a Source Water Protection Grant from the Department of Health. Next steps include securing necessary easements from the landowner of the Town's source watershed.

### **City of Everson (Whatcom) - Wastewater—Wastewater Treatment Plant Upgrades**

Due to higher-than-expected bids, construction of Everson's new wastewater treatment plant was delayed. The City is in the process of re-scoping the treatment plant upgrade project and plans to re-bid in Fall 2015. Construction on the effluent outfall relocation project began in Spring 2015.

Jon broke everything down so we all could understand it, even if he had to answer the same question ten times! It was not about how much money was changing hands, it was about understanding why we are doing the things we were doing.

- Councilmember Shirley Ayers, City of Kahlotus

### **City of Ilwaco (Pacific) - Drinking Water—Water Treatment Plant; Backwash Basin**

Department of Health and SCI staff have been meeting regularly with City elected officials, staff, and their consulting engineer for several years. The City received a Drinking Water State Revolving Fund loan for two new reservoirs and backwash basin improvements; a state appropriation for water treatment plant improvements, and a Source Water Protection Grant for culvert replacement in their watershed and to develop a Source Watershed Control Plan. As of June 2015, upgrades to the water treatment plant and backwash basin are nearly complete. The City Council will also soon be adopting a Source Watershed Control Plan.



Ilwaco's drinking water treatment plant upgrades included a new upflow clarifier, a portion of which is shown here during construction.

Photo by Cathi Read

# SCI COMMUNITY ACCOMPLISHMENTS THIS YEAR

## CONSTRUCTION FUNDING SECURED/CURRENTLY IN CONSTRUCTION

### **City of South Bend (Pacific) - Inflow and Infiltration Reduction; Lagoon Decommissioning**

One of the last remaining tasks to be completed for the regional wastewater system project involves decommissioning the City's wastewater lagoons; the decommissioning plan is approved and work is beginning in Summer 2015.

The City also received a Community Development Block Grant to repair an old sewer main; this is expected to greatly reduce inflow and infiltration into the sewer collection system.

### **City of Vader (Lewis) - Wastewater—Collection System Improvements**

The City received a Community Development Block Grant to rehabilitate over 40 manholes and replace side sewer connections on private property for qualifying homeowners. This project is expected to greatly reduce inflow and infiltration into the sewer collection system.

## PRECONSTRUCTION FUNDING SECURED/ CURRENTLY IN PRECONSTRUCTION

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

Several complicating factors prolonged the final design for a new Large On-site Sewage Collection and Treatment system. The project is currently in final design with construction potentially delayed until late 2015 or 2016.

### **City of Winlock (Lewis) —Wastewater Treatment Plant and Collection System Improvements**

The City is on Ecology's draft offer list, with a high percentage of grant funding, for the design and construction of membrane replacement at the wastewater treatment plant, and collection system improvements. However, due to already very high monthly sewer rates, the City cannot afford even a small amount of loan, so they have submitted an application for Community Development Block Grant funding to partner with the Ecology funding.

I would like to thank you for all the hard work that you have done for the citizens of Winlock. Your direction, motivation and overall know-how has paved the way for our recovery in both water and wastewater. You worked diligently with City Staff, our City Engineer, DOE, DOH and Myself to help identify the path we needed to take to qualify for grants in water and wastewater.

Since working with you, we have received [several grants for water and wastewater projects]... You were the missing piece to our puzzle for getting things moving and on the road to recovery.

Your expertise has been invaluable in assisting us to navigate through the processes. I can't thank you enough! - *Mayor Lonnie Dowell, City of Winlock*

# SCI COMMUNITY ACCOMPLISHMENTS THIS YEAR

## PRECONSTRUCTION FUNDING SECURED/ CURRENTLY IN PRECONSTRUCTION

### City of Morton (Lewis) - Wastewater Collection and Treatment System

The City received funding from Ecology for design of wastewater treatment plant improvements and for the design and construction of collection system improvements. Those contracts are now in place and work on both began in Spring 2015. The schedule in the City's Agreed Order with Ecology is also being amended accordingly.

An Industrial User Survey and Sewer Use Ordinance, funded with a Community Development Block Grant, are underway. In Summer 2015 an income survey will be conducted to determine whether the City will continue to be eligible for Community Development Block Grant funding.



As a small community with a history of ignoring infrastructure needs, Cathi Read and the Small Communities Initiative Program have been absolutely vital in the process of educating our elected officials in infrastructure maintenance and the process of applying for infrastructure funding.

*- Keith Courmyer, Public Works Director, City of Morton*

**Morton Public Works Director Keith Courmyer inspects progress on the Fisher Avenue sewer collection system replacement project.  
Photo by Cathi Read**

### Town of Carbonado (Pierce) - Wastewater System Improvements

The Town is on Ecology's draft offer list to receive funding for the design of collection system and treatment system improvements; Ecology's final offer list is expected in July 2015. The Town plans to eventually replace much of its wastewater collection system.

The Town also plans to conduct a wastewater rate study with Rural Community Assistance Corporation later in 2015.

## SCI COMMUNITY ACCOMPLISHMENTS THIS YEAR

### APPLYING FOR PRECONSTRUCTION AND CONSTRUCTION FUNDING

#### **Town of Metaline (Pend Oreille) - Water - Distribution System Improvements**

Metaline unsuccessfully applied for 2014 DWSRF construction loan funding and 2015 Pre-Construction grant funding for proposed transmission line and distribution system work. In 2014, Metaline became ineligible for CDBG area-benefit funding. At their June 2015 meeting, town council authorized resources to conduct an income survey to challenge HUD/US Census Bureau household income data.



**Metaline Mayor and Town Council discuss the details of a proposed water project, including alternative construction methods, project costs and financing.**  
Photo by Jon Galow

We might have gotten this done eventually, but we got it done now, thanks to Jon Galow.  
- John Rogers, Mayor Pro-Tem, City of Kahlotus

#### **City of Kahlotus (Franklin) — Drinking Water–Distribution System Improvements**

Kahlotus unsuccessfully applied for 2014 DWSRF construction loan funding for distribution system work. The city is considering other funding options, such as USDA Rural Development and CDBG. In January 2015, Kahlotus transitioned from a flat monthly water rate with seasonal surcharges to a base-plus-consumption rate structure in order to incentivize conservation and, hopefully, correct a downward revenue trend.

We wish Mr. Galow was our actual engineer! For the first time, someone sat down with us, and explained things in the terms that real people understand. Thank you!  
- Councilmember David Wooten, City of Kahlotus

#### **Royal Water District (Grant) - Water System Storage and Distribution System Work**

Kahlotus unsuccessfully applied for 2014 DWSRF construction loan funding for reservoir and distribution system work. These new system components will increase system capacity and allow the District to lift a moratorium on new connections. SCI staff helped the District complete an income survey, which allowed the District to request Grant County to sponsor a 2015 CDBG General Purpose application. Grant County and the District expect to hear about CDBG funding in late Summer 2015.

# SCI COMMUNITY ACCOMPLISHMENTS THIS YEAR

## PLANNING WORK CONTINUES

### **Bullman Beach Water Association (Clallam) - Develop a sustainable source of water**

The Bullman Beach Water Association is a very small Group A system which relies on a shallow well that is classified as groundwater under the influence of surface water. This designation requires treatment through a combination of filtration and disinfection to reduce the public health risk from exposure to microorganisms found in surface water. The system is disinfecting their water, but have been unsuccessful so far with installing a filtration system, in part due to the expense of such a system. An Agreed Notice of Correction from the Department of Health will be issued in Summer 2015.

The system is interested drilling a new well which would not have the same treatment requirements, if possible, and is using its own funds to drill a test well in Summer 2015. Bullman Beach recently received a \$25,000 Pre-Construction Grant for tasks associated with developing a sustainable source of water—specific tasks will depend on whether a new well is successful or not, but will include preparation of an engineering report, bid documents, and updating the Small Water System Management Program.

**Bullman Beach Water Association Board members, their consulting engineer, Dept. of Health, and SCI staff visit the system's current well. Photo by Cathi Read**



### **Clallam PUD #1 (Clallam) - Provide Reliable Drinking Water for Upper Fairview Area**

For many years the Clallam County PUD #1 has been working on both short-term and long-term solutions to serving the Upper Fairview area of the PUD's water service area during periods of drought; however a solution that is approvable by all stakeholders has not yet been identified. In April 2015 SCI staff began working with staff from the PUD, Ecology Water Resources, Health Office of Drinking Water, and others to facilitate discussions that will result in both short-term and long-term solutions to serve this area.



**Marie Peter and Mike Gallagher of the Department of Ecology Water Resources Program review their notes following a conference call with staff from the Clallam PUD #1, Department of Health Office of Drinking Water, and SCI. Photo by Cathi Read**

# SCI COMMUNITY ACCOMPLISHMENTS THIS YEAR

## PLANNING WORK CONTINUES

... Mr. Galow, aside from his tireless trips back and forth to Kahlotus, and multiple phone calls, emails, long long question answering sessions... helped us to create our new water rate schedule. Which also required an insane amount of explaining – especially to me – until we all totally ‘got it.’ Then, he did not just abandon us; he went with me to the Kahlotus School Board, to help explain their complicated rate structure. He brought enormous amounts of detail to my attention... These are all issues that have been resolved because of the awareness Mr. Galow afforded us... [Jon has helped] me to intricately digest our own codes, and how one installs water service and whose responsibility certain things are. He did not make any decisions; obviously, he left all of that up to us. He just shone an incredibly bright light, and had the patience and humanity to allow us to make the proper and legal modifications.

Let me interject a perhaps off-topic, but crucial, point. Small cities, rural municipalities, whatever you want to call us, have EXACTLY the same problems, needs, requirements, demands, rules, protocols, visions, dreams, hopes, and faith that things will get better – as big cities, urban municipalities, have – except – we don’t have the staff, subsidies, population to support, and just plain MONEY to achieve those goals!

As someone who runs a city of a precious size... We are doing all we can with what we have. So you can see how incredibly important, how divinely critical, your project – and the Mr. Galows of this world are... You, totally, have the right person on the job of helping motivated people find their way to the top for air!

- Mayor Patti Hamilton, City of Kahlotus

### City of Kahlotus (Franklin) — Wastewater-Community Sewer System

The City is considering options for addressing wastewater treatment and disposal needs in the community. Kahlotus is on the Ecology 2016 draft offer list for \$24,000 Pre-construction funding to conduct a feasibility study. The City also received a \$24,000 CDBG grant for this feasibility study work. The City intends to evaluate existing drainfields, identify suitable locations for decentralized subsurface disposal, and evaluate financially viable alternatives.



Kahlotus Council holds a public hearing to consider comments by residents and business owners regarding a proposed sewer feasibility study.

Photo by Jon Galow

# SCI COMMUNITY ACCOMPLISHMENTS THIS YEAR

## PLANNING WORK CONTINUES

### **Lewis County Water District 2 - Onalaska (Lewis) - Water System Planning**

In late Spring 2014, SCI staff began discussions with the District Manager regarding updating their Water System Plan and conducting a consolidation feasibility study to examine connecting an adjacent water system to the District's system. The District Manager and SCI staff developed a preliminary action plan which included conducting an income survey, procuring a consulting engineer, holding a pre-plan meeting with Department of Health, applying for CDBG POG funds, and updating the Water System Plan in the coming year. The first four of those tasks has been completed, the Consolidation Feasibility Study has been completed, and work on updating the District's Water System Plan will begin in Summer 2015.

I started working with Cathi in the middle of 2014. The Water District needed to update our Water System Plan and do a [Consolidation] Feasibility Study.

The first thing that needed to be done was an Income Survey... Her knowledge of what needed to be done, when it needed to be done and why it needed to be done was exceptional. I had no clue what to do or where to start. Cathi literally held my hand and has walked me through almost every step of this project (so far). We still have a ways to go.

Cathi came down to a few of our Commissioner Meetings, and explained the process of how it was all going to work, to my Commissioners and Customers [who attended the meetings]. She is very knowledgeable about a variety of things, and if I had a question, she knew the answer and/or how to get the answer and the result.

I couldn't have asked for a better liaison than Cathi Read. I look forward to working with her through out the remainder of this project and in future as well.

*- Julie Brown, District Manager, Lewis County Water District #2*

### **Town of Metaline (Pend Oreille) - Wastewater - Update General Sewer/Facilities Plan**

Metaline is considering an update to their General Sewer Plan/Wastewater Facilities Plan. Metaline is not currently eligible for CDBG area-benefit funding such as the Planning Only Grant program. Also, due to a relatively high median household income (according to the ACS 2009-2013 5-year estimate), Metaline is not eligible for hardship funding (up to 50% forgivable principal loan) through Ecology's State Revolving Fund pre-construction program. At their June 2015 meeting, the Town Council allocated resources to conduct an income survey to challenge HUD/ ACS household income data.

# SCI COMMUNITY ACCOMPLISHMENTS THIS YEAR

## PLANNING WORK CONTINUES

### **City of Mossyrock (Lewis) - Water System Planning; Consolidation Feasibility Study**

The City received a Department of Health Consolidation Feasibility Study Grant to evaluate the possibility of serving two nearby Group A systems. The Feasibility Study was completed in June 2015, and one of the systems has already been connected to City water. The other system is evaluating options that were presented to them by the City.

The City also received a Department of Health Pre-Construction Grant to update their Water System Plan, and began working on it in June 2015.

### **Community of Packwood (Lewis) - Wastewater—New Centralized Wastewater System**

Lewis County Water District #3 is willing to take over from Lewis County the planning for the envisioned new wastewater collection and treatment system in Packwood, and will ultimately own, operate and manage the system. The procedure for expanding from a water district to a water-sewer district is underway. Lewis County is conducting an income survey for the proposed wastewater service area to determine if it is eligible for Community Development Block Grant construction funding.

### **City of Roy (Pierce) - Drinking Water—Examine Potential New Management Structure**

SCI staff organized and facilitated a workshop in February 2015 for City Council members and staff with five satellite management agencies to learn more about potential new water system management structures for the City. The City will also begin updating its Water System Plan once funding is identified for this effort.

### **City of Vader (Lewis) - Wastewater—Wastewater Facilities Planning**

The City has pre-construction funding from the Department of Ecology to update their Wastewater Facilities Plan. The City is considering a new outfall location, but no decisions have been made yet, and the Facilities Plan is not yet complete. SCI staff has participated in numerous meetings, conference calls, and workshops with City elected officials and staff, their consulting engineer, and Ecology staff during the development of the Facilities Plan.

### **City of Winlock (Lewis) — Drinking Water—Distribution System Improvements**

Winlock recently received a Community Development Block Grant—Planning Only Grant, which along with local water funds, will be used to update the City's Water System Plan.

Thank you for all of the assistance that you have provided to me and the city regarding our options for our ailing water and sewer systems. I am new to this industry and would not have been able to help the city move forward in pursuing necessary funding without your help and expertise.

*- Tedi Curry, Clerk Treasurer, City of Winlock*

# ADDITIONAL COORDINATING/EDUCATIONAL EFFORTS

## Community Development Block Grant (CDBG)

Jon provides application review and other support for the CDBG program. The majority of CDBG Planning-Only Grant (POG) and General Purpose (GP) grant applications are water and sewer infrastructure projects. Jon served on the water team during the 2014 GP application cycle. Jon also assisted CDBG staff during their review and update of CDBG income survey guidelines. Jon's CDBG duties mutually benefit the SCI program because almost all SCI communities eventually use some form of CDBG funding for their water and wastewater projects, resulting in some technical assistance efficiencies between programs.

## Infrastructure Assistance Coordinating Council

SCI staff helped plan for, and participated in, the 2014 IACC Conference, held in Wenatchee in October 2014. Cathi organized 25 tech teams focusing on developing funding packages for drinking water, wastewater, stormwater, and transportation projects. The tech teams were composed of staff from state and federal funding programs, regulatory agencies, technical assistance providers, consultants, and local staff. Jon facilitated three tech team meetings and moderated a panel session. Cathi moderated two panel sessions. Cathi also participates in bi-monthly IACC Board meetings, and is the 2015 Conference Chair.

## 'Maximizing Resources in a Coordinated Manner'

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

## Public Works Board Utility Rate Setting Workshops

Jon participated in the Utility Rate Setting Workshop held in Moses Lake on May 21; Cathi participated in the Workshop held in Mount Vernon on June 3.

Jon is a good person. Most people 'escape' Kahlotus before the meeting is over; he stays to make sure that we got everything, and we know what our next step will be. He also answers every single question, even the stupid ones, like how to attach the meter readings to an e-mail! We were lucky to have time with him!

- Sharon McCaleb, Clerk, City of Kahlotus

## COMMUNITIES PARTICIPATING IN THE SCI PROGRAM SINCE 1999

Regional Office	Department of Health Water system improvement projects	Department of Ecology Wastewater system improvement projects
<b>Southwest</b>	Bullman Beach Water Association Carrolls Water Association Cathlamet Chinook Water District Clallam County PUD 1 Grayland Water District Ilwaco Lewis County Water District 2 (Onalaska) McCleary Morton Mossyrock South Bend Vader Winlock	Carbonado Cathlamet Ilwaco Lewis County/ Community of Packwood* McCleary Morton South Bend/Raymond Vader Winlock Yacolt
<b>Northwest</b>	Carbonado Citizens Water Association Eatonville Lyman Roy	Concrete Everson Skykomish*
<b>Eastern</b>	Clark Addition Water Association Conconully Curlew Water District Greater Bar Water District/Douglas Co Ione Kahlotus Metaline Metaline Falls/ Pend Oreille PUD Outlook/ Yakima County Republic/Pine Grove Royal Water District Steptoe Water and Sewer District Twisp	Curlew Water and Sewer District* Dayton Farmington Ione Kahlotus Kettle Falls LaCrosse Lakeview Sewer District Republic Steptoe Water and Sewer District Wilbur
<b>Central</b>	(Department of Health does not have a Central Regional Office)	Granger Klickitat/Klickitat PUD Lyle/Klickitat PUD Mabton Mansfield Outlook Rock Island Tieton/Cowiche Sewer District

\*Approval authority is now with Department of Health's Large On-Site Sewage System Program.



# TAB E

## Information & Other Items