



AGENDA
Thursday, September 8, 2016

8:00 a.m. – 9:00 a.m.	<i>Breakfast</i>
9:00 a.m. – 10:00 a.m.	Welcome and Introductions, JC Baldwin, Vice Chair Public Works Board Cecilia Gardener, Executive Director, Public Works Board Setting the Stage for the Day, Anita Paige, Facilitator Review Annual Policy Retreat Agenda Goals and Objectives Process for the achieving objectives
10:00 a.m. – 10:15 a.m.	<i>Break</i>
10:15 a.m. – 12:00 p.m.	<i>REVIEW INITIATIVES - DIGEST – DISCUSS - DECIDE</i> A. PWB 2.0, Infrastructure Problem Statement, Principles for Infrastructure Investment Reform B. Establishing a Commission C. Financing Tools D. New Program Development E. New Technical Assistance Development
12: 00 p.m. – 1:00 p.m.	<i>Luncheon</i>
1:00 p.m. – 2:30 p.m.	<i>CONTINUE REVIEW OF INITIATIVES - DIGEST – DISCUSS - DECIDE</i>
2:30 p.m. – 2:45 p.m.	<i>Break</i>
2:45 p.m. – 4:45 p.m.	<i>CONTINUE REVIEW OF INITIATIVES - DIGEST – DISCUSS - DECIDE</i>
4:45 p.m. – 5:00 p.m.	Recap the Day – Set Stage for Day Two
5:30 p.m.	<i>Dinner – Group Dinner – On your own</i>

AGENDA

Friday, September 9, 2016

8:30 a.m. – 9:00 a.m. Breakfast

9:00 a.m. – 9:30 a.m. Recap of Previous Day's Work.

Today's Objectives

9:30 a.m. – 10:30 a.m. Stakeholder Input /Participation

10:30 a.m. – 10:45 a.m. Break

10:45 a.m. – 12:00 a.m. Develop Long Short Strategy (All)

Roles/Responsibilities

12:00 p.m.-1:00 p.m. Lunch

1:00 p.m. – 2:00 p.m. Continue - Develop Long Term Strategy (All)

Roles/Responsibilities

2:00 p.m.–2:15 p.m. Break

2:15 p.m. – 2:30 p.m. Recap Strategies

2:30 p.m.– 3:00 p.m. Develop Action Statement for Board Adoption

3:30 p.m. – 4:30 p.m. Business Meeting

4:30 p.m. Adjourn

- Mission
- Vision
- Core Principles

Washington State Public Works Board

MISSION

The mission of the Public Works Board is to provide financial and technical assistance to Washington communities for critical public health, safety, and environmental infrastructure that supports economic vitality.

VISION

The Washington State Public Works Board stewards a nationally recognized infrastructure funding program that is a model for progressive, sustainable, and affordable funding strategies meeting public health, safety, environmental, economic development, and essential needs of Washington communities.

CORE VALUES

Stewardship – We are stewards of the Public Works Board programs. We preserve, grow, and maximize the monies entrusted to us, providing financial and technical assistance to local communities for future generations. We efficiently and effectively administer the programs for critical infrastructure projects.

Advocacy

- Providing sustainable infrastructure funding at the local, state, and federal levels.
- Collaborating with our clients, stakeholders and other funding programs.
- Maintaining local infrastructure systems that are self-reliant and sustainable.
- Educating the public and policy makers about infrastructure and infrastructure financing.

Affordability

We are committed to providing affordable infrastructure financing. Local governments and communities are able to construct, repair, replace, and rehabilitate their infrastructure systems through our low-cost programs.

Responsiveness

We are responsive to our clients, stakeholders, state officials, and public by providing fair and equitable access to a simple-to-use, flexible, and stable source of funds for local infrastructure projects. We value respectful communication and customer service with all of our partners.

Accountability

We are accountable to the people of Washington State, protecting public health, safety, and environment by addressing critical infrastructure needs of local communities.

TAB 2

- Public Works Board 2.0 Straw Proposal
- Infrastructure Investment Problem Statement
- Principles for Infrastructure Investment Reform

**Renewing the Public Works Trust Fund:
Community Infrastructure Investment for the Next 30 Years
A New Vision and Straw Proposal for the PW Trust Fund 2.0
(provided by the Sustainable Infrastructure Work Group)**

PROPOSAL:

The Association of Washington Cities has asked the Center for Sustainable Infrastructure to develop a straw proposal and solicit feedback from a broad range of partners and stakeholders on various Trust Fund 2.0 policy concepts, for example:

Support and incentivize a smarter infrastructure investment discipline that delivers more value, multiple benefits, better asset and risk management, and improved cost-effectiveness for every dollar we spend on infrastructure.

Build on the best of the original Public Works Trust Fund

- Ease of paperwork and flexibility.
- PWTF 2.0 will not impose *unfunded mandates*, but may require *conditions of aid* on local jurisdictions
- It will provide local communities that need help with the technical assistance to take advantage of best practices and new innovations in infrastructure planning, design, and investment.

STRATEGY:

- 1) Developing core principles for how the state and local governments will partner to provide infrastructure to our joint constituents, and then reevaluating the state's infrastructure programs in light of those principles. Starting with public works assistance and moving forward into other programs such as centennial clean water, the federal revolving funds, and others. A commission is established to undertake 5-7 year plan to review state infrastructure programs and evaluate their need for reform and refocusing to align with adopted principles. Especially in light of legislative interest in streamlining and minimizing investments in certain areas we need to ensure that sufficient capacity exists across the system.
- 2) Redirecting state infrastructure resources: The time has come to reevaluate how resources previously associated with the PWTF are deployed. Resources are roughly \$200m per biennium in the short term from loan repayments and \$115m per biennium in revenues set to return in July 2019. We propose a new focus:
 - a) \$250m per biennium for a smarter PWTF 2.0
 - b) \$65m per biennium dedicated to the Centennial Clean Water program to provide grant funding for the most important water and sewer projects for financially distressed communities facing great rate burdens.
- 3) Reforming the PWTF: Smaller and more targeted, better ranking, new responsibilities for applicants and different benefits for different communities.

- Board would be required to prioritize and rank all projects, with amended criteria to encourage cost effectiveness, long term resilience and multiple benefits.
- New responsibilities for the applicants that result in smarter, strategic long-term investment and management best practices.
 - Requirement to undergo ‘Value planning’ at the crucial pre-design project level, where the greatest productivity gains and cost savings can be found. This will ensure that investments are right-sized and all opportunities for efficiencies have been considered. This value planning process is funded with PWTF resources.
 - Applicants for rate-supported utility infrastructure must show that rates are officially adopted and projected to cover costs over the long term and that appropriate fiscal management of utilities is in place. The state is supporting but not supplanting local effort.
 - Sustainable Asset management best practices must be in place to ensure preservation of state and local investments over the long term.
- Different Benefits for Different Communities. We have heard the legislature that they prefer to support small and financially distressed communities. Rather than providing access to the same subsidy for all communities, low interest loans will be provided on a sliding scale and board is given direction to provide preference to smaller communities with limited capacity to assemble complex financing deals.
 - Smaller communities and financially distressed utilities that need state assistance to afford substantial infrastructure investments will be the priority focus of PWTF 2.0. In exchange for this assistance they will commit to the best practices detailed above. In addition to accessing the low interest loans under PWTF they will have access to a newly reinforced centennial clean water program and a debt pooling program.
 - Larger communities whose economic and real estate activities generate the bulk of tax income will remain eligible for a different set of benefits. Smaller, less generous low-interest loans will still be offered to provide a stable funding source for utility based infrastructure – but those will be pegged much closer to market rate. Non-utility supported infrastructure would see more attractive subsidies in recognition that general fund capacity remains strained across sizes of jurisdictions.
- a) Green infrastructure and watershed restoration strategies that complement the local system’s hard infrastructure assets will be fully eligible for grants and loans under Trust Fund 2.0 when they can demonstrate that they reduce overall system costs, broaden the value of the investment, and help advance solutions to key regulatory drivers. We need to be flexible enough to fund innovative, outside the box solutions when they achieve real results.
- b) Develop a suite of targeted investments with a small portion of PWTF revenues and loan repayments to build local capacity for smart, cost-effective, locally-tailored innovation and investment. These could include:
 - Circuit Riders: Similar to the Cooperative Extension Service, regionally based Circuit Riders will provide education and technical assistance to infrastructure managers that most need help. Circuit Riders would bring vital, practical, evidence-based science, technology and management expertise, and financial strategies for pooling or bundling projects.

- Job training: offer apprenticeship, technical certification, and other talent pipeline-building programs to prepare and equip the next generation infrastructure workforce in communities across the state.
 - Innovation grants would fill gaps where smart, innovative approaches may disqualify a local jurisdiction from a key funding source. These grants would be targeted at local jurisdictions applying new, advanced strategies locally for the first time. Grants would fund feasibility studies on regionalization opportunities or pay the 'risk premium' for projects that implement and test promising new proof-of-concept project approaches.
- 4) \$65m per biennium of revenues previously dedicated to PWTF are directed to provide dedicated funding to the Centennial Clean Water Program for grants to low income communities for critical waste-water and other water quality projects. These funds would restore predictability for struggling communities, who in recent years have seen the program lose its dedicated funding source and receive widely varying funding levels. This investment would recognize the legislative desire to focus assistance in the communities that need it most.
- 5) A program to enable communities with poor debt ratings to access the private bond market. Pass Senator Keiser's SB 5624 to develop a new program through the treasury to allow communities access to the private bond market without affecting the state's debt rating.

1. Some communities have infrastructure needs their population cannot afford.
2. Funding programs often assume local agencies know what infrastructure they need, including technology and scale, even when they do not.
3. Funding is often driven by the “Hunt for Money” instead of community needs and priorities
4. Funding programs tend to treat all sizes of agencies the same even though they have different risk and capacity considerations.
5. Infrastructure commonly overlaps multiple disciplines (e.g. sewers and streets) but programs function mainly in silos.
6. We lack clear strategic purpose and objectives across funding programs, which encourages silos and missed opportunities for efficiency, greater value, and leverage where projects can deliver more benefits for multiple programs.
7. Insufficient incentives for value planning result in inefficiency and higher costs.
8. Assessing the impact of potential infrastructure failure is often insufficient and does not adequately inform funding decisions.
9. Misguided incentives impair value (e.g. spending all the grant money supersedes best pricing).
10. Population in certain parts of the state is expected to grow dramatically in the decades ahead, but there is no integrated infrastructure planning to consider how to best serve this growth.
11. Anticipated impacts from climate change are not adequately understood or addressed.
12. Best practices and innovations that can improve financial, resilience, and environmental performance are not readily adopted by many communities due to constraints in capacity, culture, and funder incentives.

Infrastructure proves the physical capacity to grow and sustain our communities, culture, economy and environment. Our quality of life depends on affordable access to clean, abundant water, reliable energy, a livable environment and mobility for people and goods. As we consider how to build and maintain affordable infrastructure, we see challenges and opportunities that deserve to be explored. We believe now is the time to formulate a thoughtful, systemic approach to infrastructure investment across Washington state. We advocate the following principles for infrastructure investment for the coming years, to enable and sustain an affordable and desirable quality of life.

- 1) **Build the right thing.** We can't afford to let program silos, unwise financial incentives, or a one-size fits all approach force us to build the wrong things. Let's enable innovation and sharing knowledge to maximize value and minimize costs. This means breaking down silos, managing demand (not just use), addressing multiple regulatory drivers when possible, and forming regional partnerships. It means utilizing natural systems when they work better and save money compared to traditional hard infrastructure. It means ensuring capacity for locally-tailored innovation. And it means anticipating and building for the environmental, technological, economic, and populations changes coming at us.
- 2) **Take good care of what we build.** Let's use "sustainable asset management" best practices to ensure the resilience and public value of infrastructure investments over the long term. Before we build, applicants for utility rate-supported infrastructure should identify feasible, long-term financial and asset management approaches.
- 3) **Provide the right tools for the right communities.** Different communities have different needs, risks, capacities and circumstances. Infrastructure programs should provide support appropriate to communities' unique financial, planning and management capacities, to meet their unique needs.
- 4) **Provide stability and predictability for infrastructure funding programs.** Infrastructure planning, funding and construction happen over multi-year periods, and should support communities for decades. Without predictable investment options, communities are often forced into short-term "chase the money" approaches, where meeting criteria for funding can conflict with – and trump – community needs. Stability in funding enables smart, long-term planning
- 5) **Establish smart, clear goals for Washington's infrastructure investment programs.** Without overarching goals and strategies, we encourage programmatic siloes that make it harder for communities to get maximum value for scarce infrastructure dollars. By bringing strategic planning to infrastructure investment programs, we can get more bang for limited bucks. And by establishing the means to refresh that purpose over time, we can anticipate and adapt to changes in the landscape.
- 6) **Leverage private investment.** In a time of constrained public funding and growing infrastructure needs, we should engage with private sector partners to maximize project delivery efficiencies and preserve projects' value to the public.

- Initiative Proposals
 - Establishment of a Commission
 - Financing Tools
 - Grants
 - Public Private Partnerships
 - Interest Rate Buy-Down
 - Bond Pooling – SB 5624
- Reforming the PW Programs
- New Responsibilities for Clients
- Tiered Capacity building

1: Establishment of a Commission

Activity for Consideration:	A commission is established to undertake the creation of a 5-7 year plan to review state infrastructure programs and evaluate their need for reform and refocusing to align with adopted principles
Origin:	PWB 2.0 Straw Proposal
Title:	Developing core principles for how the state and local governments will partner to provide infrastructure to our joint constituents
Authority:	No
RCW:	RCW Modification Needed – NO
WAC:	WAC Modification Needed - NO
Policy:	Policy modification Needed - NO

This should be a broad bi-partisan effort, with wide participation. The Board should have a seat at the table. The timeline is somewhat concerning. The group should work with the Associations.

2. Financing Tools

Activity for Consideration:	Alternate Financing Tools
Origin:	PWB 2.0 Straw Proposal / Board Staff
Title:	Financing Tools
Authority:	No
RCW:	RCW Modification Needed-YES
WAC :	WAC Modification Needed - YES
Policy:	Policy Modification Needed - YES

The current political and economic environment has taken a toll on the PWAA, and the Legislature clearly wants more options for funding infrastructure.

Staff recommends development of multiple alternate financing tools other than what is currently within their authority. Currently the Board only has authority for Loans and Loan Guarantees. New financial tools could include:

- A. Grants
- B. Public Private Partnership (3Ps)
- C. Forgivable Loans
- D. Forgivable Principle
- E. Interest Rate Buy-down
- F. Bond Pooling

(See Attachments)

Offering a variety of options for the local governments to access could be an advantageous tool for them.

More strategic investments and options that are not a burden on the state budget are needed. The following pages include multiple financing tools for the Board to consider.

The PWB 2.0 document recommends funding the Centennial Fund with PWAA resources. An amount of \$65M per biennium was suggested: (*assumptions of the PWB 2.0 document are that all revenues come back in 2019*)

“The time has come to reevaluate how resources previously associated with the PWTF are deployed. Resources are roughly \$200M per biennium in the short term from loan repayments and \$115M per biennium in revenues set to return in July 2019. We propose a new focus.”

The Centennial Fund is used to subsidize loans for distressed communities for wastewater projects. These may take the form of a full grant, or partial grant. Traditionally the Centennial Fund is funded with Bonds or, more recently, the Model Toxics Control Act (MTCA) account, which has been hit with the reduction of gas taxes.

If all revenues come back to the PWAA, then the Board would have adequate resources to consider this option. But if not, than the PWAA would not be able to withstand this amount.

Grant Program Proposal

Background:

As the Public Works Board defines itself and its services, a modest amount of grants should be considered. This document lays out the framework for a new grant proposal.

Statutory authority will be needed for grants/forgivable loans/forgivable principle. The current Proviso includes language that allows for this tool, but the original statute does not. The Board's Administrative Codes (WAC) has not been modernized to reflect programmatic and legal challenges in more than 5 years. The WAC will need to be updated to reflect programmatic, policy, and legal changes.

1. PURPOSE:

- a) Enable and encourage the elimination of barriers to federal/state funding resources (pre-construction activities; capacity building)
 - i) Example: Development of a "System" plan
 - ii) Training and Education
- b) Pre-construction activities completed may allow a jurisdiction to be more competitive for federal resources; (e.g. ready to proceed).
- c) Assist those who can't afford a loan for pre-construction activities in order to secure construction funding.
- d) Leverage and expedite federal resources from the two SRF programs, and USDA-RD.
- e) Provide limited grants for construction for those jurisdictions that are unable to afford a loan for a variety of reasons, e.g. inadequate population base.

2. OUTCOME:

- a) Maximize, leverage, and accelerate the use and access to federal funds.
- b) Establish self-reliance at the local level by providing relevant training, and capacity enhancement

3. WHO WOULD BE ELIGIBLE:

- a) Any "financially distressed" local government (County, City, Special Purpose District, excluding schools, ports, and tribes) – *RCW 43.155.020(5)*
 - i) Would need statutory authorization for any additional jurisdictions
- b) Jurisdictions that have experienced a "Natural Disaster" (Governor or Presidential declarations) may be eligible. Linked to new emergency policy under development.

4. WHAT INFRASTRUCTURE SYSTEMS WOULD BE ELIGIBLE?

(Current proviso language excludes pre-construction from system restrictions)

- a) Water, Sewer, Storm, Solid Waste/Recycling, Roads/Bridges – *RCW 43.155.020(6) and (7)*
 - i) Any other systems would require statutory authority

5. CRITERIA TO DETERMINE “FISCALLY DISTRESSED” AND WHO SHOULD BE ELIGIBLE TO RECEIVE RESOURCES:

- a) Using a formulaic methodology to identify affordability – Population/AI/DSCR?
 - i) Affordability Index (AI) – Personal impact on rate-paying households. A measure of a population's ability to afford to purchase a particular item, indexed to the population's income. An AI uses the value of 100 to represent the position of an entity earning a population's median income, with values above 100 indicating that an item is less likely to be affordable and values below 100 indicating that an item is more affordable. *This is also known as measuring “Percent MHI” – the total residential customer's bills for one year ÷ median household income of all customers.*
 - ii) Debt Service Coverage Ratio (DSCR) used for non-rate based systems (roads, bridges, storm) – Community Impact.
 - (1) Debt-Service Coverage Ratio (DSCR) is a measure of the cash flow available to pay current debt obligations. The ratio states net operating income as a multiple of debt obligations due within one year, including interest, principal, sinking-fund and lease payments. A DSCR greater than 1 means the entity – whether a person, company or government – has sufficient income to pay its current debt obligations. A DSCR less than 1 means it does not.
- b) Inadequate local capacity to borrow funds, regardless of funding source (private, state, federal, market)
 - i) Training may be required for basic elements in order to qualify for a grant
 - (1) Consultant Selection & Contracting Best Practices
 - (2) Project Management
 - (3) Asset Management
 - (4) Rate Setting
 - (5) Life Cycle Planning, etc.
 - ii) Include contract requirements that support “Good Management/Best Practices”.
- c) Working with DOH/DOE, develop criteria to identify communities lacking the managerial and/or financial capacity to take on a federal grant/loan at that time.
- d) Working with DOH/DOE/USDA-RD to identify jurisdictions that could benefit from the program. Example: jurisdictions that are red tagged, have new administration, etc. that need to do work, but have not planned for capital projects.

Would be ideal for the Board to convene a group that could work on developing a uniform application of the methodology to determine “fiscally distressed”

This has been a point of frustration for locals. It may mean agreeing on the most stringent methodology.

6. FINANCING

- a) The amount of grant resources available for a biennium would be based on what the PWAA could support without eroding the base.
- b) Pre-Construction – *Sample maximum project amount of \$1M*
 - i) Grant amount – jurisdictional/biennial cap
 - (1) Includes all activities short of digging dirt
 - ii) Smaller grants for activities like development of a water system plan, etc.
 - iii) 24-Month completion window

- c) Construction – *extremely limited access*
 - i) Extremely fiscally distressed
 - ii) Urgent public works need-natural disaster
 - iii) Health and safety issue
 - iv) Imminent loss of major community employer
 - v) Roadway connectivity(e.g., the SR 530 landslide blocked the primary access route to the city of Darrington)
 - vi) Rates and term based on level of fiscal distress
 - (1) Combination of grant / loan
 - (2) Forgivable loan
 - (3) Loan terms based on ability to repay and life of asset investment

Public Private Partnerships (PPP)

“Expanding infrastructure investment through the strategic use of financial and operational tools”

Purpose:

Incentivize sustainable, environmentally responsible, and cost-effective fundamental infrastructure through the use of Public Private Partnerships (3Ps).

Background:

What are Public-Private Partnerships (3Ps)?

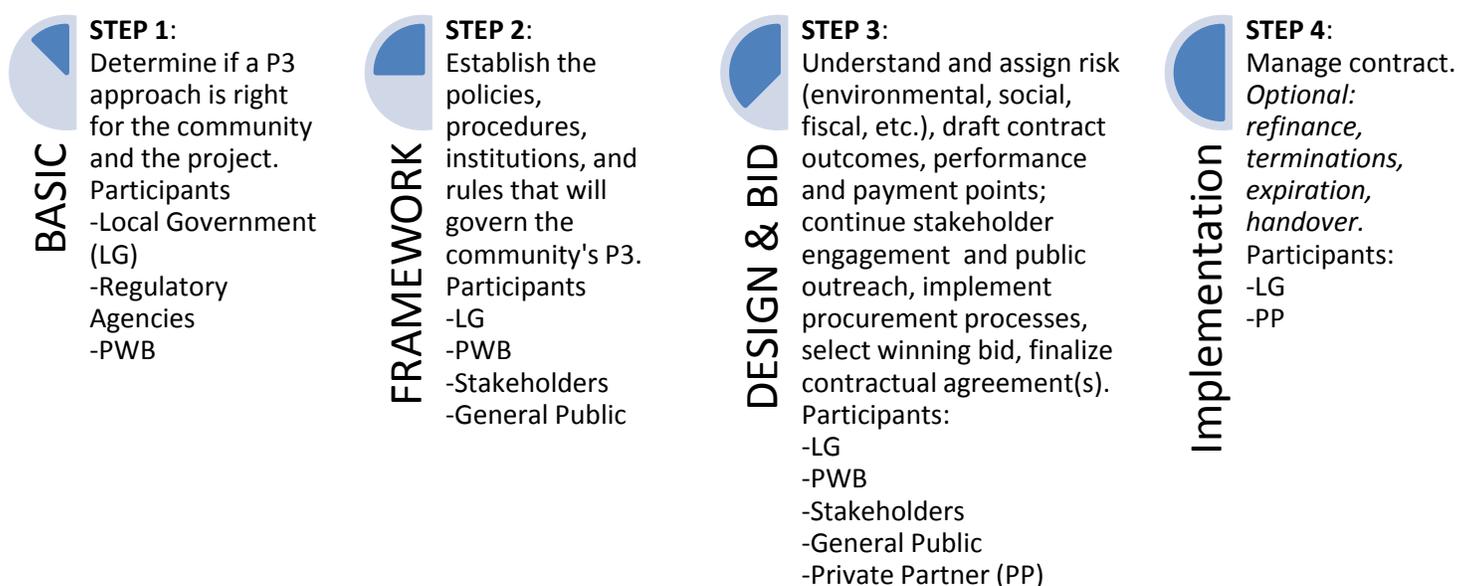
For the purposes of this proposal, 3Ps are major capital projects impacting publically-owned infrastructure undertaken in partnership between local governments and the private sector.

Assumptions:

- Infrastructure remains publically owned.
- Outcome based contracting:
 - Creation of a new system, or
 - Repair / Replacement of existing system.
- Projects shall include Design and Build (DB).
- Projects may include:
 - Financing,
 - Operations, and /or
 - Maintenance.

Outcomes:

The following graphic is adapted from the PPP Knowledge Lab graphic located at <https://pppknowledgelab.org/ppp-cycle>. This graphic outlines the basic 3P process and players using the above assumptions.



The following are three scenarios in which the Public Works Board (Board) could support the use of the P3 model for infrastructure investment:

Scenario A: Assuming community with low levels of P3 experience.

The Board would provide both technical assistance and funding to the local government:

- Working in coordination with the community, the Board would help incorporate (examples):
 - Contract deliverables – *regulatory required outcomes; desired outcomes,*
 - Timeframe(s),
 - Roles / Responsibilities,
 - Stakeholder / Community outreach,
 - Procurement processes, and / or
 - Etc.
- The Board would provide project funding.

Scenario B: Assuming community with greater levels of P3 experience.

The Board would provide limited technical assistance and financing to the local government:

- Working in coordination with the community, the Board would help incorporate (examples):
 - Contract deliverables – *regulatory required outcomes, desired outcomes,*
 - Timeframe(s),
 - Stakeholder / Community outreach,
 - Etc.
- The Board’s financing assistance could include non-construction funding, loans, loan guarantees, interest rate buy-downs, and / or forgivable loans:
 - Pre-construction forgivable loan – *loan forgiven upon award and construction start of P3 project (e.g., end of Step 3, start of Step 4),*
 - Deferred loan payment strategies – *repayments from realized cost savings,*
 - Loans,
 - Pooled bonding – *assuming passage of SB 5624; and / or*
 - “Buy-down” the interest rate between that offered by the bond market, or the private company, to that which is offered by Ecology (for sewer projects), or Health (for water projects), or USDA-RD (for other types of projects).

Example of interest rate buy-down:

- 20 year GO Bonds sold for 2.84% on August 25, 2016 (*Source: Bond Buyer Index*).
- Ecology has 20 year loans at 1.5%.

$$2.84\% - 1.5\% = 1.34\% \text{ difference in interest.}$$

★ A \$50M bond at 2.84% would pay out \$16.2M in interest for the duration of the bond (assuming the full 20 years’ bond payments).

★ A \$50M loan at 1.5% would pay out \$8.2M in interest over the life of the loan.

The Board would “Buy-Down” the 1.34% interest rate difference by providing the community with a grant of \$8.2M.

Scenario C: Assuming community with advanced levels of P3 experience.

The Board would reserve a small pool of funding to be used solely by experienced communities, or groups of communities creating a regionalized project, to promote environmentally sustainable, innovative, cost effective, and socially responsible infrastructure projects.

The Board would provide contemporary financing necessary to bring the project from concept to concrete:

- Interest rate buy-downs,
- Pre-construction forgivable loan,
- Access to pooled bonding – *savings would be in cost of capital, not necessarily in interest rate,*
- Deferred loan payment strategies – *repayments from realized cost savings, and / or*
- Low interest loans.

Cost:

The potential costs to implement the above scenarios are within the Public Works Assistance Account's (PWAA) abilities regardless of the return of tax revenues.

The actual cost will depend on the depth and breadth the Board chooses to pursue and implement the initiative.

Process:

The Board would convene an ad hoc committee to explore steps necessary to create a 3P program.

- a. Convene stakeholders, Subject Matter Experts (SME), and potential users
- b. Inform / Educate the Executive and Legislative branches
- c. Finalize program considerations
- d. Implement

Timeframe:

September – November:

- Ad Hoc Committee Creation
- Subject Matter Expert / Stakeholder work
- Begin Executive / Legislative work

November – February:

- Ongoing SME / Stakeholder work
- Ongoing Executive / Legislative work
- Identify and draft program considerations
 - Draft legislative language changes necessary to implement

February – May:

- Ongoing SME / Stakeholder work
- Ongoing Executive / Legislative work
- Begin potential user outreach
- Edit program considerations

May – July:

- Ongoing SME / Stakeholder work
- Ongoing Executive / Legislative work
- Ongoing potential user outreach
- Finalize program considerations

July 1, 2017: LAUNCH!

P3 – Future Opportunities

Municipal Enterprises –

Support the creation of joint ventures between local governments and private entities with mutually beneficial goals and desired outcomes.

Private Financing, Operating, and Maintaining –

Expanding the use of 3Ps to include all aspects of operating and maintaining the infrastructure asset.

Research Resources:

<http://www.ncppp.org/resources/case-studies/>

<http://community-wealth.org/strategies/panel/municipal/index.html>

<http://aiai-infra.info/>

http://www.unescap.org/ttdw/ppp/ppp_primer/index.html

http://www.unescap.org/sites/default/files/ppp_guidebook.pdf

Interest Rate Buy-down

In 2008 the Legislature appropriated \$10 million for an “Interest Rate Buy-Down Grant pilot program” (2007-09 appropriation in Section 1004 of Engrossed Substitute House Bill 2765).

It was a one-time program, and never used again. Below are the criteria for the past program as a basis for a future program.

What Is the Buy-Down Grant Program?

This \$10 million pilot grant program was designed to assist PWB construction loan applicants in paying for high interest rates that they would incur by taking on other types of debt in order to finance their infrastructure construction projects.

Who Is Eligible?

The following are the criteria for eligibility:

1. The jurisdictions must have applied for a PWTF construction loan in May 2007 and did not receive funding.
2. All of the application threshold requirements have been met (e.g., GMA, REET, etc.).
3. The application score must have been 75 or higher.
4. The project has not started construction yet.

What Are Contracting Requirements?

1. The jurisdiction provides written documentation that debt has been secured for the project. Such documentation can be a resolution, bank/private loan documents, etc.
2. Debt should be secured between September 1, 2008 and June 1, 2009.
3. Eligible debt is defined as bonds, bank or private loans, interdepartmental loans, federal loans, but **NO state** agency funded loans. An interdepartmental loan is defined as a loan between funds within the same jurisdiction, documented with a resolution by a city council or county commissioners.
4. The grant amount will be 37% of what was requested in the 2007 PWTF construction loan application. If for any reason the project costs have decreased and the secured debt is for a lesser amount than the requested PWTF loan amount, the grant will be 37% of the secured debt amount. At project completion, there will be a recalculation of the actual eligible project costs and/or actual eligible project debt, and the grant amount may be adjusted downward if needed.

Example: PWTF construction application requesting a \$1,000,000 loan.

- Scenario A: The jurisdiction demonstrates secured debt of \$1,000,000 by selling bonds. The buy-down grant amount will be \$370,000 (or 37% of the requested PWTF loan amount).
- Scenario B: The jurisdiction demonstrates secured debt of \$800,000 by taking a private loan. The buy-down grant amount will be \$296,000 (or 37% of \$800,000).
- Scenario C: The jurisdiction demonstrates secured debt of \$1,500,000. The buy-down grant amount will still be \$370,000 (or 37% of the requested PWTF loan amount).
- Scenario D: The jurisdiction receives grants or Washington state loans for \$1,000,000. They are not qualified for the buy-down grant program.
- Scenario E (project completion calculations): The jurisdiction demonstrates secured debt of \$1,000,000 and a contract is signed for a buy-down grant amount of \$370,000. At the time of project completion, the actual project cost is \$900,000, which is less than the amount estimated in the contract. The buy-down grant amount will be adjusted to \$333,000 (or 37% of the eligible project cost).

Engrossed Senate Bill 5624 - Essential Infrastructure

Sections 205 through 208 establish a bond guarantee program to assist with financing essential local government infrastructure projects and an alternative consolidated bonding program for some of those projects. In the event that the State Treasurer determines that a local government cannot meet ongoing debt service obligations for bonds issued under the guaranteed bond program, the Legislature is required to make specific appropriations in each and every biennial appropriations act sufficient to meet the debt service obligations or in an amount sufficient to annul or retire the delinquent bonds.

Section 302 requires the Public Works Board to review and approve essential public infrastructure projects that meet the criteria established under section 304.

Section 303 removes the authority of the Legislature to place bond proceeds into the public works assistance account, adds the water pollution control account as a recipient of moneys from the public works assistance account for use as state matching funds, removes the existing fifteen percent limit on the expenditure or obligation of the appropriation for non-construction loan programs, removes capital facility planning as an authorized loan purpose, and authorizes the appropriation of funds from the public works assistance account for the administration of the essential public infrastructure project program and to offset or reduce fees charged by the State Treasurer to administer the program and issue bonds under that program.

Section 304 provides that an essential public infrastructure project must be necessary to: (1) provide safe and adequate drinking water; (2) collect, manage, and treat wastewater and storm water; (3) provide safe and efficient transportation; (4) provide or renovate recreational facilities; (5) provide flood plain control; (6) provide water supply improvements; (7) provide or renovate criminal justice facilities; (8) provide or renovate fire protection or emergency medical service facilities; (9) provide industrial development facilities; or (10) provide or renovate public libraries.

The Public Works Board is required to determine if a local government essential public infrastructure project would significantly benefit from financing assistance through net savings in financing costs and if the taxpayers and rate payers of the local government might be unable to pay for the project without the financing assistance of the state. The board is required to adopt rules establishing eligibility criteria for applicants and projects. The board must work with the State Treasurer to determine the amount and timing of financial assistance to be provided annually based on interest and acceptance by the capital markets. The board must submit a prioritized and approved list of eligible projects within the established estimated amounts of financial assistance to the Treasurer for financial eligibility verification using the financial criteria established by the State Finance Committee.

Section 401 provides that this act is effective only if the voters approve a constitutional amendment at the 2015 state general election authorizing this form of guarantee for financing assistance to local governments.

Sections 205 through 208

ASSUMPTIONS: The Public Works Assistance Account (PWAA) is one source of funding that the Legislature may utilize for the administration of the essential infrastructure project program, to offset or reduce fees charged by the state treasurer to issue bonds under this program, and to: (1) cover delinquent payments under section 205; (2) cover failures to reimburse the state treasurer for payments of principal, interest, or fees under section 206; or (3) to cover the defeasance on a bond or obligation under section 207. The fiscal impact of these sections to the public works assistance account is indeterminate because: (1) the extent to which the Legislature would choose to use funding from the public works assistance account instead of other available sources cannot be predicted and (2) the impact on future account balances in the public works assistance account due to variations in the level of draws on existing loan contracts and the level of loan repayments on existing and new projects cannot be predicted.

Sections 302 through 304

ASSUMPTIONS: Based on data supplied by the State Treasurer, the Public Works Board assumes there will be approximately seventy-five (75) local public works projects each fiscal year that seek financing assistance under this act beginning in FY17. The board assumes that it will require approximately eighty (80) staff hours for each application to provide technical advice to local governments that want to apply for financing assistance for essential infrastructure projects and to assemble the information on the financial history of the requesting jurisdiction needed to determine: (1) if a local government essential public infrastructure project would significantly benefit from financing assistance through net savings in financing costs and (2) if the taxpayers and rate payers of the local government might be unable to pay for the project without the financing assistance of the state. As a result, the review and approval process for applications in each fiscal year will require approximately 6000 total staff hours (75 applications times 80 hours each), or 3.0 staff years (6000 hours divided by 2070 hours per FTE per year). The fiscal impact described here is based entirely on this assumption of seventy-five applications each fiscal year provided by the State Treasurer about workload for these new programs. Although some jurisdictions that would otherwise apply for loans from the existing public works program under chapter 43.155 RCW may choose instead to apply for financing assistance through this bill, the level of administrative support for the existing loan programs is dependent on the appropriations for those purposes in the capital and operating budgets and is independent of any fiscal impact associated with this bill.

3A. Reforming the Public Works Board Programs

Activity for Consideration:	Reforming the Public Works Board Programs
Origin:	PWB 2.0 Straw Proposal
Title:	Prioritization of Projects
Authority:	No
RCW:	RCW Modification Needed – YES
WAC:	WAC Modification Needed - YES
Policy:	Policy Modification Needed - YES

Board would be required to prioritize and rank all projects, with amended criteria to encourage cost effectiveness, long term resilience and multiple benefits.

ACTIONS NECESSARY FOR IMPLEMENTATION:

Modifications to RCW 43.155.070: Criteria have been modified significantly over several years, and need to be cleaned and rewritten.

Options:

1. Perhaps the “Commission” Identified in Initiative 1 could undertake this effort.
2. The Board could convene a group to develop new criteria. Could consist of legislators, leg staff, OFM, etc.

RCW 43.155.070

Eligibility, priority, limitations, and exceptions.

(4) The board must develop a priority process for public works projects as provided in this section. The intent of the priority process is to maximize the value of public works projects accomplished with assistance under this chapter. The board must attempt to assure a geographical balance in assigning priorities to projects. The board must consider at least the following factors in assigning a priority to a project:

- (a) Whether the local government receiving assistance has experienced severe fiscal distress resulting from natural disaster or emergency public works needs;
- (b) Except as otherwise conditioned by RCW 43.155.110, whether the entity receiving assistance is a Puget Sound partner, as defined in RCW 90.71.010;
- (c) Whether the project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310;
- (d) Whether the project is critical in nature and would affect the health and safety of a great number of citizens;
- (e) Whether the applicant's permitting process has been certified as streamlined by the office of regulatory assistance;
- (f) Whether the applicant has developed and adhered to guidelines regarding its permitting process for those applying for development permits consistent with section 1(2), chapter 231, Laws of 2007;
- (g) The cost of the project compared to the size of the local government and amount of loan money available;
- (h) The number of communities served by or funding the project;
- (i) Whether the project is located in an area of high unemployment, compared to the average state unemployment;
- (j) Whether the project is the acquisition, expansion, improvement, or renovation by a local government of a public water system that is in violation of health and safety standards, including the cost of extending existing service to such a system;
- (k) Except as otherwise conditioned by RCW 43.155.120, and effective one calendar year following the development of model evergreen community management plans and ordinances under RCW 35.105.050, whether the entity receiving assistance has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030;
- (l) The relative benefit of the project to the community, considering the present level of economic activity in the community and the existing local capacity to increase local economic activity in communities that have low economic growth; and
- (m) Other criteria that the board considers advisable.

(5) For the 2015-2017 fiscal biennium, in place of the criteria, ranking, and submission processes for construction loan lists provided in subsections (4) and (7) of this section:

- (a) The board must develop a process for numerically ranking applications for construction loans submitted by local governments. The board must consider, at a minimum and in any order, the following factors in assigning a numerical ranking to a project:
 - (i) Whether the project is critical in nature and would affect the health and safety of many people;
 - (ii) The extent to which the project leverages nonstate funds;
 - (iii) The extent to which the project is ready to proceed to construction;
 - (iv) Whether the project is located in an area of high unemployment, compared to the average state unemployment;
 - (v) Whether the project promotes the sustainable use of resources and environmental quality;
 - (vi) Whether the project consolidates or regionalizes systems;
 - (vii) Whether the project encourages economic development through mixed-use and mixed income development consistent with chapter 36.70A RCW;

Blue Area
indicates
Proviso
until 2019.

- (viii) Whether the system is being well-managed in the present and for long-term sustainability;
- (ix) Achieving equitable distribution of funds by geography and population;
- (x) The extent to which the project meets the following state policy objectives:
 - (A) Efficient use of state resources;
 - (B) Preservation and enhancement of health and safety;
 - (C) Abatement of pollution and protection of the environment;
 - (D) Creation of new, family-wage jobs, and avoidance of shifting existing jobs from one Washington state community to another;
 - (E) Fostering economic development consistent with chapter 36.70A RCW;
 - (F) Efficiency in delivery of goods and services, public transit, and transportation;
 - (G) Avoidance of additional costs to state and local governments that adversely impact local residents and small businesses; and
 - (H) Reduction of the overall cost of public infrastructure; and
- (xi) Other criteria that the board considers necessary to achieve the purposes of this chapter.

(b) Before November 1, 2016, the board must develop and submit to the appropriate fiscal committees of the senate and house of representatives a ranked list of qualified public works projects which have been evaluated by the board and are recommended for funding by the legislature. The maximum amount of funding that the board may recommend for any jurisdiction is ten million dollars per biennium. For each project on the ranked list, as well as for eligible projects not recommended for funding, the board must document the numerical ranking that was assigned.

(6) Existing debt or financial obligations of local governments may not be refinanced under this chapter. Each local government applicant must provide documentation of attempts to secure additional local or other sources of funding for each public works project for which financial assistance is sought under this chapter.

3B. Reforming the Public Works Board Programs

Activity for Consideration:	Reforming the PWB Programs
Origin:	PWB 2.0 Straw Proposal /Staff
Title:	New Responsibilities for the applicants
Authority:	Yes
RCW:	RCW modification Needed - No
WAC :	WAC Modification Needed - YES
Policy:	Policy Modification Needed - YES

- A. **New responsibilities for the applicants** that result in smarter, strategic, long-term investment and management best practices.
- A. Requirement to undergo **‘Value Planning’** at the crucial pre-design project level, where the greatest productivity gains and cost savings can be found. This will ensure that investments are right-sized and all opportunities for efficiencies have been considered. This value planning process is funded with PWTF resources.
 - B. Applicants for rate-supported utility infrastructure must show that **rates are officially adopted and projected to cover costs over the long term** and that appropriate fiscal management of utilities is in place. The state is supporting but not supplanting local effort.
 - C. **Sustainable Asset management** best practices must be in place to ensure preservation of state and local investments over the long term. **(See Attachment 2: Tiered Technical Assistance)**
 - i) **Job training:** offer apprenticeship, technical certification, and other talent pipeline-building programs to prepare and equip the next generation infrastructure workforce in communities across the state.
 - ii) **Innovation grants** would fill gaps where smart, innovative approaches may disqualify a local jurisdiction from a key funding source. These grants would be targeted at local jurisdictions applying new, advanced strategies locally for the first time. Grants would fund feasibility studies on regionalization opportunities or pay the ‘risk premium’ for projects that implement and test promising new proof-of-concept project approaches. **(See Attachment 1: Grant Proposal)**

ACTIONS NECESSARY FOR IMPLEMENTATION:

This initiative lines up with the Board’s “Tiered Capacity Building” to assist and encourage self-reliance at the local level. **(See Attachment 2: Tiered Technical Assistance)**

Additional Pre-Construction resources would be needed. Currently no more than 15% of appropriation can be used for non-construction activities. Staff recommends modifying RCW 43.155.050 to state “not more than 25%”.

We are not engineers, nor are we experts in new technology – partnering with regulatory agencies will be important. Need to define how the state could pay for ‘risk premium’. Possible opportunity for a P3.

(See Attachment 2: P3 – Public Private Partnerships – Senerio 3)

3C. Tiered Capacity Building

Activity for Consideration:	Reforming the Services Provided by the Board
Origin:	PWB 2.0 Straw Proposal / Staff
Title:	Tiered Capacity Building
Authority:	Yes
RCW:	RCW Modification Needed – No
WAC:	WAC Modification Needed - No
Policy:	Policy Modification Needed - Yes

The board has the authority in its statute to provide technical assistance. Traditionally, this has been in the form of educating on how to apply for funding to the Board or participating in a “Tech Team” to identify a jurisdictions project and next steps for funding.

The Board has entered a new environment, and it is time for a new approach to technical assistance to be developed. Some work was done with previous board staff, but as you know, the budget was cut and we are left with administrative capacity.

PWB 2.0 references:

- (1) **Circuit Riders:** Similar to the Cooperative Extension Service, regionally based Circuit Riders will provide education and technical assistance to infrastructure managers that most need help. Circuit Riders would bring vital, practical, evidence-based science, technology and management expertise, and financial strategies for pooling or bundling projects.
- (2) **Job training:** offer apprenticeship, technical certification, and other talent pipeline-building programs to prepare and equip the next generation infrastructure workforce in communities across the state.

Attached is the framework for a Tiered Capacity Building.

A great deal of work has been done at the state level in multiple programs, on community development, technical assistance, and capacity building. Staff recommends that a review be done on those efforts and a selection of the best attributes of each combine into a PWB Technical Assistance and Education arm – again.

Staff has developed an approach similar to what the On-Line Training proposal could have done.

Types of Technical Assistance

There are many gradations of TA, from shadow staffing to debriefing unfunded applications. The Board at one time had a total of 7 FTEs dedicated to this effort. After Budget cuts this biennium, we now have only staff necessary to perform basic administrative functions, such as: contract management, website, etc. Below are what has been done by the Board and others.

Agency/Program	Activities
PWB	<ol style="list-style-type: none"> 1) Training and Education <ol style="list-style-type: none"> a. Webinars b. Academies c. Application Workshops d. IACC Conference Sessions 2) Managing Client Relationships 3) Helping Communities to Access Resources <ol style="list-style-type: none"> a. Establishing a catalog of resources b. Linking them with other funding
SCI	<p>The Small Communities Initiative provides customized project development assistance for targeted water and sewer projects to communities under 3,000 populations, usually for a period between 2-8 years. Communities that are assisted are either unable to meet or soon will be unable to meet compliance requirements set forth by regulatory agencies, and communities to be assisted are selected by those agencies. This is a high staff intensive approach. The Board has supported financially in the past, and is again supporting by providing resources for an additional FTE to be directed by the Board but imbedded in SCI team.</p>
DOE/DOH/TIB	<p>These agencies have two things in common</p> <ul style="list-style-type: none"> • Regional outstation staff • Engineers <p>They are able to provide high level TA on the development of their systems. None of which the Board has ever had. The Board has always looked at itself as a banker, and generalist.</p>
RCAC/ERWOW	<p>RCAC- Rural Community Assistance Corporation provides both technical and financial assistance</p> <ul style="list-style-type: none"> • Building Rural Economies • Local and regional economic development • Leadership Development <p>ERWOW-Evergreen Rural Water of Washington</p> <ul style="list-style-type: none"> • Following our mission ERWOW provides training and technical assistance to water and wastewater systems throughout the state. • The staff works directly with systems to solve operational, regulatory, administrative and financial challenges faced by water systems. • Evergreen Rural Water works independently of state agencies; however we do work closely with Department of Health, Department of Ecology, USDA Rural Development, the Environmental Protection Agency, local health districts and other agencies that provide help in solving rural water problems.

New Approach to Technical Assistance – Tiered Capacity Building

There is no one size fits all when it comes to TA/CB.

PWB 2.0: We have heard the legislature that they prefer to support small and financially distressed communities. Rather than providing access to the same subsidy for all communities, low interest loans will be provided on a sliding scale and board is given direction to provide preference to smaller communities with limited capacity to assemble complex financing deals.

- 1) **Smaller communities** and financially distressed utilities that need state assistance to afford substantial infrastructure investments will be the priority focus of PWTF 2.0. In exchange for this assistance they will commit to the best practices detailed above. In addition to accessing the low interest loans under PWTF they will have access to a newly debt pooling program.
- 2) **Larger communities** whose economic and real estate activities generate the bulk of tax income will remain eligible for a different set of benefits. Smaller, less generous low-interest loans will still be offered to provide a stable funding source for utility based infrastructure – but those will be pegged much closer to market rate. Non-utility supported infrastructure would see more attractive subsidies in recognition that general fund capacity remains strained across sizes of jurisdictions.

One of the Board’s statutory directives is to provide TA, and to encourage self-reliance. As part of the approach that not all jurisdictions need the same approach, staff has framed out a “Tiered Capacity Building and Financing” structure as laid out below.

Tiered Capacity Building		
TIER 1	TIER 2	TIER 3
“Give them a fish”	“Teach them to fish”	“Self-Reliant”
These communities have the lowest capacity to take on a large infrastructure project. Both financially, and managerially.	The next tier will be able to take on not only the project, but debt.	This tier is for those who are capable of accessing capital resources, and need minimal monitoring.
No access to private financing.	Ready to access state/federal funding programs.	Ready to access the Bond Market.
<ul style="list-style-type: none"> • Will require significant TA and training to bring them up to good business practices both managerially and financially. • Also will require special terms and conditions in contracts to ensure that they are implementing best practices (reserve accounts, funding depreciation, setting rates appropriately). 	<ul style="list-style-type: none"> • Will require a lower level of TA and training. • Also will require special terms and conditions in contracts to ensure that they are implementing best practices (reserve accounts, funding depreciation, setting rates appropriately). 	Will need only minimal TA, mostly on how to access funding sources.

Tiered Financing for Communities		
TIER 1	TIER 2	TIER 3
Communities under 3000	Communities under 10,000	Communities under 20,000
Grant	Partial Grant	Loan
	Forgivable Loan	Private Market/Bond Market
	Loan	

Although this is very simplified content, the theory is there, and the Board would assist in its development.

Decision Points

	Yes	No	Comments/Edits
Mission			
Vision			
Principles			
Initiative Proposals			
Establish a Commission			
Financing Tools:			
▪ Grants			
▪ Public Private Partnerships			
▪ Interest Rate Buy-Down			
▪ Bond Pooling			
Selection Criteria			
New Responsibilities for clients			
Tiered Capacity Building			

Tab 4

- Next Steps
 - Stakeholder Input
 - Policy Bill Including Decision Points
 - Public Works Board Lobbyist
 - Legislative Strategy – Short Term
 - Legislative Strategy – Long Term
- Reforming the PW Programs
- New Responsibilities for Clients
- Tiered Capacity Building

	Yes	No	Comments/Edits
Mission			
Vision			
Principles			
Initiative Proposals			
Establish a Commission			
Financing Tools:			
▪ Grants			
▪ Public Private Partnerships			
▪ Interest Rate Buy-Down			
▪ Bond Pooling			
Selection Criteria			
New Responsibilities for clients			
Tiered Capacity Building			

August 18, 2016

Ms. Cecilia Gardener, Executive Director, RFP Coordinator
Public Works Board
1011 Plum Street, N.E.
Olympia, WA 98504

Dear Ms. Gardener:

We are writing to express interest in providing lobbying services for the Public Works Board. Enclosed is our response to RFP 16-64120250-001, in quadruplicate as requested. Our partnership looks forward to interviewing and, hopefully, securing a contract with you. We are mindful of the separation between the PWB and the Department of Commerce staff, and will take care to keep your components separate.

We have the experience, presence, access, and enthusiasm to represent the Public Works Board in a professional, knowledgeable, friendly, and effective manner. We have more than forty combined years of lobbying experience in the Washington State legislative arena.

Experience in infrastructure, water-sewer districts, local government, licensing & regulation, human services, transportation, economic development, fiscal and tax matters, higher education, law & justice, and environmental affairs top the list of areas within the legislative and regulatory processes where we have demonstrated successful representation on behalf of clients.

We have examined our current list of clients, their current legislative agendas, and the actual or surmised future legislative involvement of the Public Works Board, and do not find any actual or perceived conflicts of interest.

We have extensive knowledge of state government regulatory and fiscal policies from within and outside of the system. We have worked on a regular and collaborative basis with the Department of Health; the Board of Health; Department of Ecology; Department of Commerce; the Office of Financial Management; local governments; special districts, and, many other public bodies.

We are intimately familiar with the workings of the state legislature and the legislative process through our work in the legislative arena as lobbyists, government employees, and association executives. We have access to the membership and leadership of each of the four caucuses, the Governor's Office, and those who speak for state agencies. We are not partisan, and are trusted by both sides of the aisle.

We have successfully drafted legislation, amendments, testimony, correspondence and supportive documentation, and presented them in formal and informal venues during legislative sessions, interim meetings, and to other stakeholder organizations such as state

agencies. We have drafted testimony for, coached, and augmented the testimony of clients. We have established talking points and strategies with legislators and staff before session, helping to gather intelligence and develop positions. We have met with and arranged meetings for clients with legislators, key staff, the Governor and members of his staff, state agency representatives, and other parties interested in legislation important to our clients. We are well acquainted with the actual and potential impact of legislative action on local governments, the Public Works Board, and special districts through budget actions.

We are issue-oriented, not personality-oriented. We will work each issue to our client's best advantage, whether in support of or in opposition to specific policy or budgetary legislative activity or proposals. We diligently pursue coalitions and other productive working relationships with stakeholders and other lobbyists. Such coalitions—focused on the issues—may devolve and be re-formed with new faces to pursue the next issue, with no hard feelings.

In addition to the communications tools available to us in the Legislative Message Center, we maintain offices one block from the capitol campus at which we have a landline, facsimile, message service, computer, and electronic mail equipment. We are accustomed to providing written reports to clients which detail recent legislative activities, the status of legislation and other proposals, and estimates of what may occur in coming days.

In addition to written reports, we are accustomed to communicating on a more frequent basis by telephone, e-mail, and in person with clients as issues move, change, or mature rapidly. We also enjoy traveling to meet with client groups when the pace of legislative activity permits (or requires).

We are based in Olympia, so we can attend meetings, session, and other business matters without the vagaries and uncertainties of frequent traffic and weather problems. Our client load is such that we have ample capacity in our work schedule to facilitate and promote the interests of the Public Works Board.

Regarding the draft contract and Scope of Work, we must work quickly and collaboratively to balance the legislative interests of the Public Works Board with our State's budget. We are confident that we will reach solutions.

On a more broad note, we believe it is important that you are able to confirm a working relationship with those who are loyal, dependable, tireless, and accurate—upon whom you can place your trust without worrying if the work will be done well and on time. We firmly believe we are those persons.

In conclusion, we are extremely well qualified and positioned to represent the Public Works Board before the Washington Legislature and state agencies. Our knowledge of issues, people, and processes, coupled with our abilities to collaborate with other business and association supporters would promote your policy and fiscal interests effectively.

We look forward to the opportunity to discuss this opportunity further with you at your earliest convenience. If you have questions or need additional information, please call. We can be reached at (360) 705-1167 (Steve) or (360) 485- 9680 (Mara).

Thank you for your kind attention.

Sincerely,

Stephen R. Lindstrom, Managing Partner

Attachments

STEPHEN LINDSTROM RESUME
(Doing business as Merlin Advocates, LLC)

Professional Experience:

- 1991-2013 Contract Lobbyist. Provide full service lobbying in Washington state legislative and regulatory arenas for a variety of clients, including special districts, water-sewer districts, resource stewardship, environmental protection, professional associations, judiciary interests, health care providers and advocates, non-profit arts and social betterment, local government, higher education interests, and others. Tax & fiscal matters, advocacy, monitoring, legislation-crafting, testimony, reporting, coalition building, grass roots development, and client education since 1987. Expertise in tax and fiscal policy, infrastructure loans, environmental quality issues, credentialing, law & justice, education, health care, non-profit advocacy, legislative process, business development, transportation, resource development, and rule-making. Mentored college-aged lobbyists. Chaired Wednesday Night Study Group (health care lobbyist group). Active member of the Heritage Caucus. Advised students.
- 1987-1991 Executive Director, Washington State Transit Association. Managed association, budget, small staff, membership development, and legislative agenda. Helped coordinate the work of other transit, environmental, and transportation lobbyists. Served on ancillary boards and committees, including Women's Transportation Seminar.
- 1979-1984 Executive Vice President, Pacific Northwest Waterways Association. Managed regional association of private and public members on various water-related infrastructure, energy, transportation, environmental, resource enhancement, recreation, and economic development issues before Congress, agencies, and state legislatures. Worked on Mt. St. Helens clean-up.
- 1984-1986 Manager, Port of Morrow, Oregon.
1977-1979 Manager, Port of Umatilla, Oregon. Managed full service port districts on the Columbia-Snake River system. Developed and implemented multi-million dollar budgets; promoted economic development and natural resource protection, worked in public-private partnerships; and operated large utility systems, marina, fuel and supply store, commercial docks, airport, farmland, and industrial parks.

Volunteer Work:

Chair, Capitol Furnishings Preservation Committee (gubernatorial appointment).
Trustee, Museum of Northwest Art 2002-2010, President 2006-2009.
Member, Artist Trust Board of Trustees, 11 years, Secretary 5 years.
Former Member & 5-year President, Patrons of South Sound Cultural Activities.
Co-Founder, Safeplace Rape Relief and Women's Shelter Services Associates Program.

Education:

Bachelor of Science, Eastern Oregon College, Political Science.
Masters of Public Administration, Lewis and Clark College, Course work completed.

8345 Camano Loop, N.E., Lacey, WA 98516, (360) 280-6200, E-mail: s@lindstrom.cc

Mara Machulsky

(360) 485-9680 | arctcsolutons907@gmail.com | 1506 Columbia Street Olympia, WA

QUALIFICATIONS SUMMARY:

10 years administrative and research assistance for federal government, state government, institutions of higher learning, and not for profit organizations.

EDUCATION:

University of Alaska Anchorage (2002-2006) B.A. Political Science/ environmental studies/ honors program
Evergreen State College (2014-2016) Master of Public Administration in tribal governance

Technical Proficiencies: Microsoft Office Suite, Adobe Creative Suite CS6, survey software

Professional Organizations: American Society for Public Administration, Olympia Kiwanis Club

CAREER PROGRESSION:

Assistant to Legislative Director

Office of Judicial and Legislative Relations, Administrative Office of the Courts, State of Washington (2013-2016)

- Scan all introduced legislation and identify court impact at any level. Assign bills to subject matter experts within agency.
- Fiscal note coordinator: oversee drafting and distribution of all agency fiscal notes through OFM.
- Executive assistant to Director of the Office of Judicial and Legislative Relations. Familiar with Capitol, legislators, lobbyists, and the Washington State legislative process.

Assistant Lobbyist

Gillespie & Associates: Governmental Affairs & Lobbying (2011-2013)

- Personal assistant for full-time lobbyist, who has lobbied in Juneau since 1984.
- Heavy legislation tracking. Monitoring: introduction of related bills, bill content, amendments, fiscal notes, weekly committee action/bill status, verbatim transcripts of hearings, compellation of weekly analysis of bills for 8 diverse clients.
- Heavy scheduling for lobbyist and frequent, often overlapping, client visits.
- Familiar with Capitol, legislators, lobbyists, and the Alaska State legislative process.

Special Project Assistant

Ahtna Native Corporation (2011 interim)

- Research and compile financial, statistical, technical and confidential data for reports.
- Organize internal and external meetings. Record meeting minutes. Executive assistant to CEO.
- Create and maintain company directory of Standard Operating Procedures.
- Assist with bid proposal development and assembly/ maintain library of completed proposals.
- Contract compliance/ record keeping and Federal Acquisition Requirements updates.

Campaign Manager

Lupe Marroquin (D) for State House (2010 interim)

- Develop campaign strategy, including media relations, voter, demographics and election laws.
- Assist with marketing campaign, developing literature, and promotional materials.
- Writing copy for newspaper, television, web, and radio advertisements.
- Establish, and strictly follow campaign budget. Identify potential donors to target. Plan and organize fundraising events. Oversee acknowledgement of contributions.
- Oversee all employees and volunteers associated with campaign; including recruitment & selection, scheduling, training, and supervising. Manage candidates' calendar, including all campaign deadlines.
- Voter and issue targeting. Develop positions on key issues with candidate, and research opponents' positions. Organize comprehensive GOTV effort targeting 3,500 voters.

Executive Secretary

Department of Commerce, Community, and Economic Development, State of Alaska (2010 session)

- Secretary to Commissioner of DCCED. Coordinate all travel for Commissioner, legislative liaison, and executive staff.
- Establish, coordinate, and maintain office management tracking systems to follow various priorities. Prepare correspondence, requisitions and similar documents on complex issues.
- Prepare weekly department reports, legislative reports, location reports, and ethics reports.
- Bill tracking: maintain legislative bill tracking spreadsheet, create and update bill files, track hearing schedules and assist with testimony for the legislative liaison.
- Research special projects as assigned.

Executive Assistant

Alaska Center for the Performing Arts (2009)

- Assist President/COO/CFO. Provide administrative support for all executive management.
- Prepare invoices, reports, memos, letters, financial statements and other documents, using word processing, spreadsheet, database, and presentation software. Prepare routine correspondence and presentation materials.
- Coordinate various office support services, including purchasing and facilities management.

Administrative Assistant

Office of Lieutenant Governor Brad Owen, State of Washington (2007-2009)

Legislative Assistant

Office of Program Research, Washington State House of Representatives (2007 session)

Community Capacity Building and Sustainability Intern

Denali Commission (2006)