



Meeting Location: **La Quinta Inn, 4600 Capitol Blvd SE, Tumwater, , WA 98501**

Agenda Item	Action	Page	Time
A) ADMINISTRATION			
1. Call to Order: <i>JC Baldwin</i>			3:30
2. Welcome and Introductions			3:32
3. Approve Agenda: <i>Cecilia Gardener</i>	Action	1	3:35
4. Meeting Minutes for August 12, 2016: <i>Barbara Smith</i>	Action	5	3:37
5. Department of Commerce Update: <i>Mark Barkley</i>	Verbal		3:40
B) CONTRACTING			
1. DWSRF Extension Request – North City Water District: <i>Jacquie Andresen</i>	Action	19	3:50
2. DWSRF Extension Request – Thurston County PUD #1: <i>Jacquie Andresen</i>	Action	19	4:00
3. DWSRF Extension Request – East Side Liberty Lake: <i>Jacquie Andresen</i>	Action	21	4:10
4. DWSRF Loan Amendment – Hartstene Pointe Water Sewer District: <i>Janet Cherry & Mike Copeland</i>	Action	23	4:20
5. DWSRF Loan Amendment – Kitsap PUD Crystal Springs: <i>Janet Cherry & Mike Copeland</i>	Action	23	4:30
C) POLICY & PROGRAM DEVELOPMENT			
1. PWB Construction Loan Application Update: <i>Carrie Calleja</i>	Informational	27	4:40
2. Retreat Activities: <i>Cecilia Gardener</i>	Action		4:45
D) INFORMATION & OTHER ITEMS			
1. Board Committee Updates	Verbal		4:50
2. Board Member Updates	Verbal		4:55

Note: Anticipated time of Adjournment is 5:00 pm

NEXT BUSINESS MEETING SCHEDULED: October 7, 2016, at the Department of Commerce, Olympia, WA.

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



PUBLIC WORKS BOARD BUSINESS MEETING MINUTES

August 12, 2016

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

Board Members		Guests Present:	Staff Present:
Present:	Absent:		
Stan Finkelstein, Chair	KC Kuykendall	Janet Cherry, Dept. of Health	Cecilia Gardener, Executive Director
JC Baldwin, Vice Chair		Mike Copeland, Dept. of Health	Jacque Andresen
Lisa Ayers		Steve Lindstrom, Sno-King Water Sewer Districts Coalition	Carrie Calleja
Pam Carter		Mara Machulsky, Northwest Solutions	Ann Campbell
Jerry Cummins		Jeff Nejedly, Dept. of Ecology	Cindy Chavez
Mary Margaret Haugen		Anita Paige (via Skype)	Isaac Huang
Scott Hutsell		Ericka Schwender, Dept. of Health	Jill Nordstrom
Steve Misiurak		Bryce Yadon, Futurewise	Rodney Orr
Diane Pottinger			Barbara Smith
Matt Rasmussen (via skype)			Cathi Read
Bubba Scott			Connie Robins
Lisa Wellman			

A. ADMINISTRATION

- 1) Call to order: Stan Finkelstein called the meeting to order at 9:00 am.
- 2) Welcome and Introductions.
- 3) **ACTION: Jerry Cummins moved to approve the agenda as presented. Pam Carter seconded the motion. MOTION APPROVED 11-0** (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).
- 4) **ACTION: Scott Hutsell moved to approve the July 8, 2016, meeting minutes as presented. Jerry Cummins seconded the motion. MOTION APPROVED 11-0** (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).
- 5) Executive Director Update: Cecilia Gardener stated: Loan applications are due on Thursday the 18th. The Request For Proposal for the Board's lobbyist position was posted and applications are also due on the 18th. The lobbyist's first day of employment will be day of the Board Retreat. On a personal note, I'd like to take a minute to congratulate Carrie Calleja on earning her Master's Degree. Scott Hutsell asked: What is the process for hiring a lobbyist? Gardener replied: The process we agreed to is: Staff will screen the applications to make sure they are whole. They will then be dispersed to the Executive Committee. The Committee will pick the top candidates to interview, and those individuals will be interviewed by the Committee. This will occur between August 18th with the Board Retreat starting on the 8th of September.
- 6) Department of Commerce Update: Mark Barkley was unable to attend today's meeting due to being on vacation. Connie Robins gave a report for the Agency. Robins stated: I don't know if the Board is aware that Nick Demerice is leaving the agency on August 19th. He is taking a position with the Northwest Seaport Alliance. He will be their Director of Legislative Affairs and External Relations. We



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are looking at how to fill that position. As an Agency, we have identified three areas of priorities: 1) Affordable housing/homelessness, 2) Resilient communities, and 3) Underserved communities. As we go forward with budget requests, we have our normal mission book of business, and then we are also looking at those three areas of priority. When we have our Executive Team review of the budget on Tuesday and Wednesday, we will pull those together.

Diane Pottinger asked: Are you looking at funding government agencies, or public private partnerships, or a combo of both? Connie Robins replied: We're pulling across the agency and looking at what we could do from a creative kind of way, to identify new approaches we might be able to take.

- 7) Discussion on Retreat Agenda: Anita Paige Skyped into the meeting. Cecilia Gardener stated: Anita (Paige) will be the Retreat facilitator. She will sit in and listen to what we want from the retreat.

Anita Paige responded: I would love to open the floor to any information you think is relevant, as well as any specific outcomes. Cecilia Gardener responded: The PWB 2.0 Technical Committee has been working on reviewing the PWB 2.0 document, editing it, and coming up with additional issues. We've got our financial package ready to roll.

We know we're probably going to need to make some RCW modifications. Staff will present white papers on whatever issue you want to pursue; we can dissect those at the retreat.

Stan Finkelstein responded: When we went through the PWB 2.0 document yesterday, one of the key elements was capacity building. Helping enhance administrative staff to take on those tasks effectively and efficiently. Angie (Sanchez Virnoche from FCS Group) walked through that well at the regional trainings, but only a handful of people took advantage of that training. I'm on the same page as you, Diane. People need to be increasing their rates every year, to keep up with increasing costs. We need to come up with a model. I think we're dealing with a multi-faceted process. We can come up with something that looks great to us, but if the stakeholders don't like it, then we need to go back and figure out how to make it work.

Mary Margaret Haugen asked: Does the 1% rule impact that? Stan Finkelstein replied: A lot of jurisdictions have been so limited by the property tax lid, maybe we suggest a shift of 25 cents per thousand, to help finance infrastructure? Pam Carter responded: The utilities like water and sewer, they are rate based so they aren't limited to that. Finkelstein replied: It's a matter of granting property tax authority to water and sewer. Diane Pottinger responded: I'd like to encourage, particularly for the smaller jurisdictions, other funding sources. We've done three presentations at a number of different organizations that there is a separate revenue source available in their antennas.

Stan Finkelstein responded: We need to focus on what is the outcome for the Retreat. I think, looking at the proposal, we need to move away from business as usual, and be innovative, and look at 3Ps and other strategies to address infrastructure financing. Lisa Wellman responded: I want to share with you that there is so much on every level about McLeary, that I worry about getting heard above the noise. They're all making noise that all kinds of revenues will be involved. It would seem to me "how can we play the game with them," rather than come up with something that will be discarded.



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Pam Carter responded: Which brings up the lobbyist. We want to work with the lobbyist, get their input, and get their evaluation of the landscape out there. Scott Hutsell responded: I think we're headed into this new realm with the lobbyist. I think during this retreat, we need to lay out some guidelines of how we interact with the lobbyist and direct their actions. Having that communication process in place will be very important. Cecilia Gardener responded: The Board has better access than staff does on the hill. Having a lobbyist during session will be very valuable. I recommend we work with them very closely leading up to session, and then during session. You really need to make a connection with this individual at the retreat. It might ease the capital budget a little, if they have come to the point where they recognize they need to raise new revenue.

Mary Margaret Haugen responded: My issue is that we need to have some stories we can tell. Gardener responded: Due to Diane's (Pottinger) efforts, we have received numerous letters from water sewer districts about why they are not applying to us, and the burden on them to apply. That is a story that we can package. I think it will be a useful story. Haugen replied: There are not many water sewer districts in eastern Washington. You need to come up with some cities. Diane Pottinger responded: Are we going to figure out how to get involved with our associations? I think that's been missing here. Finkelstein replied: Stakeholders is the word you're looking for. Gardener replied: It's been challenging to have a strategy without revenue. This year might be a little different. Haugen replied: How do you tell the story about people who aren't in the package? The need is there, and here are stories about that. Carter replied: They had done work to show each legislative district, this much has been spent in the past in your district, and this is the outcome. It's important to show that historical spending.

Cecilia Gardener stated: The other piece we need to address is that there are federal resources for water and sewer systems. I was thinking of coming up with some sort of methodology to identify systems that cannot currently assume debt. Pam Carter responded: Included in that is "you're a small district and you don't know how to administer this, so you should hire an engineering firm to do it". We need to have an answer to that.

Mary Margaret Haugen asked: Scott (Hutsell), how do we get counties to use this fund more? Scott Hutsell replied: Smaller counties have this thing against taking on debt.

Stan Finkelstein stated: We need to get back to making a list of topics to discuss at the Retreat. I suggest we put Best Practices on the list. Finkelstein responded: What else do we want to accomplish at the retreat? Diane Pottinger responded: We need to figure out and train us how to go back and speak to other people in the communities, how to sell the story. Gardener replied: After the retreat and you've developed your package, we can hire a marketing person. We need to work on our product and strategy.

Pam Carter asked: Do we want to propose to change the structure of the board: Add legislators, etc.?

Stan Finkelstein asked: Anita (Paige) have we given you some food for thought? Anita Paige replied: Yes. We've talked about a lot of outcomes. I would like to connect with some of you one-on-one. I'd



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like to hear from the Technical Team. I'd like to see the white papers. Finkelstein replied: The Technical Team is meeting Friday the 26th, you can join us if you'd like.

Anita Paige asked: Can I repeat back what I have?

- Dialogue around comprehensive package
 - The Board's Living Document
 - Stakeholders must buy-in
 - Must be innovative and address public/private partnerships
 - All members must be comfortable with the proposal
- Establish lobbyist guidelines
 - Communication
 - Strategy
 - Leverage Opportunities
 - Understanding of:
 - Who we are
 - What we want
 - Outcomes and goals for this session
- Discuss involvement of Board Members in legislative process
- Federal Resources (water and sewer)
 - Impact of Federal dollars
 - Jurisdiction readiness
- Ways to incentivize good behaviors, strategy, partnerships, contract management and best practices.
- How do we communicate?
 - Message
 - Method
- Board restructure

B. CONTRACTING

- 1) PWAA Quarterly Contract Report: Jacquie Andresen presented the PWAA Quarterly Report: This is purely informational. It is a snapshot of the last quarter's contract activity. The status quo is still 0, with no new contracts coming in. The ones that are in open status are dwindling. We're closing out 5-10 per quarter. Even though they are dwindling, we are very busy with other work. We're working on the current application process, doing marketing and outreach, and working with our partners, and doing policy and research work. We had 9 contracts close. 3 of the 15 were Board contracts.
- 2) DWSRF Quarterly Contract Report: Jill Nordstrom presented the DWSRF Quarterly Contract Report: In the last quarter we've executed 6 contracts. This will increase in the next quarter. Open contracts have dropped down to 102; this will increase next quarter. We closed 21 contracts, 12 were the Green River contracts. We had a higher than anticipated quarter in some ways. Diane Pottinger responded: I appreciate that you're using "Green River" to reflect the coordination of all the different entities in this project.
- 3) DWSRF Time Extension Request – Camas: Jill Nordstrom presented a request for time extension from Camas, Contract No. DM12-952-089, for their 544 Foot Pressure Zone Surface Water Supply project. The original closeout date was August 27, 2016. They are asking for an extension to January



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31, 2018. The reason for the request is that the project has been delayed due to a lengthy permitting process and higher than anticipated project costs. The Department of Health has approved two 2016 DWSRF loans totaling \$6 million for Camas to complete the remaining elements of the project, but the loans have not yet been executed. Additional time is needed to execute the 2016 loans and complete construction. Project is 74% complete. Staff recommends the Board approve the time extension request.

Pam Carter asked: I assume those permits were in the charge of other agencies that weren't in their control? Jill Nordstrom replied: Yes. Bubba Scott asked: Isn't the permit process started before the project starts? Nordstrom replied: Usually, but this project had a test phase, so they couldn't go through the full permitting process until that test phase was completed and successful. They might have had a change, due to the slow sand filter. Janet Cherry responded: They had some really unique issues and extensive pilot testing. They are also looking at some new mains, and some new raw water intake, which takes a long time to negotiate with the private timberland owners. Scott Hutsell responded: So it looks to me like they needed another \$6 million to finish this thing. Do you think they can get it done by then? Is that a cost overrun? Is this going to expand even more over the next two years? Nordstrom replied: It should not expand. We have granted them additional dollars. The regional engineer and Janet (Cherry) think this is sufficient time to finish the contract. Jerry Cummins asked: Is that still a slow sand filter, or was that just a trial? Cherry replied: It's going forward.

ACTION: Scott Hutsell moved to approve time extension request for Camas as presented. Jerry Cummins seconded the motion. MOTION APPROVED 11-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).

- 4) DWSRF Time Extension Request – Clallam County PUD #1: Jill Nordstrom presented a time extension request from Clallam County PUD #1, Contract No. DM12-952-117, for their Fairview Water Supply Replacement Well project. Their original closeout date was October 22, 2016. They request an extension to December 31, 2017. The reason for the request is that last year's drought caused significant project delays. Due to the drought, the PUD was directed to complete a pumping project prior to continuing with this Replacement Well Project. Also, while the drought was occurring, there was very high fire danger, conservation measures were enacted for homeowners, and fish requirements prohibited the PUD from drawing additional water. Additional time is needed to complete the upgrade to the pipeline and a pressure-regulating-value vault. The project is 45% complete.

Scott Hutsell asked: So they're going to a groundwater source now, going away from a surface water source? Janet Cherry replied: They have multiple sources. They have surface water intake, and then two new groundwater sources. They are reconfiguring their wells. They did this as an emergency measure last year, but now they realize they need to make that permeant, to pump their wells all the way to the top.

ACTION: Pam Carter moved to approve the time extension request for Clallam County PUD #1 as presented. Lisa Wellman seconded the motion. MOTION APPROVED 11-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).



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- 5) DWSRF Loan Modification – Windolph Association: Jill Nordstrom presented a staff recommendation for Windolph Association, loan number MD16-952-037, to have their loan term revised from 20 years to 24 years. The contract for this project has not been executed and the project has not started. The DWSRF Loan List was approved at the March 18, 2016, Public Works Board meeting. After reviewing the client’s terms and the Department of Health loan criteria, an administrative error on this particular loan was identified. Windolph Association’s board approved term is currently 20 years. Based upon their receiving a 30% subsidy, their loan term should be 24 years, in accordance with the DOH 2015 Construction Loan Guidelines. Staff recommends revising the loan term from 20 years to 24 years.

ACTION: Scott Hutsell moved to approve the loan term revision request for Windolph Association as presented. Jerry Cummins seconded the motion. MOTION APPROVED 11-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).

- 6) DWSRF Loan Modification – City of Port Townsend: Janet Cherry presented a request to modify the loan terms for City of Port Townsend contract number DM15-952-034. The DWSRF Program received an audit finding for insufficient subsidy awards in federal fiscal years 2013 and 2014. DWSRF is required to award at least 20 percent of its capitalization grant as principal forgiveness each year. DWSRF is working with EPA to rectify this situation and has reviewed all past loans to determine if additional subsidy can be awarded to projects. DWSRF has identified the existing City of Port Townsend loan as having been eligible for 30% principal forgiveness based on the guidelines in effect at the time of loan application. The following changes are proposed for the City of Port Townsend loan contract: 1) Reverse the loan origination fee and modify the loan amount from \$6,896,007 to \$6,827,730 to reflect the remove of the loan origination fee. 2) Apply 30% principal forgiveness to the revised loan amount for a subsidy amount of \$2,048,319. 3) Revise the interest rate from 1.5% to 1.0%. 4) Revise the loan term from 20 years to 24 years. The additional subsidy award of up to \$2,048,319 will be credited to federal fiscal year 2013 using the process identified by EPA in an effort to address the subsidy shortfall for this year.

Board Member Recusals: No Board member recused themselves.

Scott Hutsell asked: Why the interest rate change? Janet Cherry replied: It’s due to getting a subsidy.

Pam Carter asked: Is there anything you’re looking at so you won’t be in this position again? Mike Copeland replied: We identify likely candidates for that and include that in our subsidy projection.

Jill Nordstrom responded: We are going to see less of this, people pulling out from the construction phase, because of their preconstruction projects. Janet Cherry responded: Mike’s developed a third criterion – Debt Service Coverage Ratio – so we can keep going down the list. Copeland responded: It gives us another criterion, if they don’t meet the first two. Scott Hutsell responded: I want to commend you for doing the work that you do with this. These things happen. It’s not your fault.

ACTION: Diane Pottinger moved to approve the loan modification request for City of Port Townsend as presented. Pam Carter seconded the motion. MOTION APPROVED 11-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).



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C. POLICY AND PROGRAM DEVELOPMENT

- 1) Emergency Consideration Policy: Isaac Huang stated: Please turn to page 47 of your packet. This is a policy proposal from the Policy Committee. For the past few years there have been jurisdictions suffering losses from natural disasters, such as the Oso landslide, the windstorms last year, wildfires, etc. These communities need some financial assistance to rebuild or regain their damaged infrastructure. The Policy Committee has been working on this for the past few months. One idea they came up with is to offer special considerations for this year's loan application cycle. Offering extra points to these communities so they can compete better. Page 49 is the final version of this. We've incorporated all the Board's thoughts and suggestions. So now we're asking for your comments and guidance. Bubba Scott asked: Can drought be included on that list? Scott Hutsell replied: Yes, if it's a declared natural disaster, declared either by the Governor or President. JC Baldwin asked: What about the economic impact of disaster? Ruined crops, lack of business, etc. Hutsell replied: Yes, that also falls under the declaration. Diane Pottinger asked: JC (Baldwin), so the city or county would be asking for money for the road repair, so that the private property owners could harvest their crops? Hutsell responded: I want to thank Isaac (Huang), Ann (Campbell), Mary Margaret (Haugen) and Pam (Carter) for their work on this.

ACTION: Mary Margaret Haugen moved to adopt the proposed language as presented. JC Baldwin seconded the motion. MOTION APPROVED 11-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).

- 2) DWSRF Transition Committee: Cecilia Gardener stated: This is an update on the DWSRF program transfer. The Board authorized a committee to oversee this effort, and the committee has met once. These are the minutes from this meeting. The Department of Health is in the process of hiring a person to oversee the transition. Janet Cherry responded: It's gone to our Human Resources folks to put the rating on it. Gardener responded: So maybe it might come on board in maybe a month and a half. What the committee as a whole agreed to is a committee structure that will oversee general topic areas. There is an Executive Group that will work on the Memorandum of Understanding, and get that in place. That will be done by December 2016. The other remaining groups also have specified activities underneath. A lot of emphasis will be put on communication to make this transparent and seamless to our clients. On the last page is a list by committee of the key contact people from each agency. The biggest challenge right now is Health's IT system. Cherry responded: We should have a contractor in place within the next two to three weeks. Gardener responded: That's a key piece. They need a system to do loans and billings. Mary Margaret Haugen asked: This will be in place by next biennium? Cherry replied: July 1, 2018, is the date for the final transfer. Thank you Cecilia (Gardener) for doing your PowerPoint presentation. The Department of Health folks thought you did a very good job.
- 3) Discussion on Small Communities Initiative New FTE and Grant Money: Cecilia Gardener stated: I need clarification on the use of grant dollars. The way it's written now, the grants would be open to anybody. My understanding is that the intent was to only let those communities needing assistance apply. Pam Carter asked: What meeting was it that we discussed this at? Gardener replied: At both the June and July Board meetings. It's about \$250 thousand. It's a small pot of money. It would be utilized to let very small jurisdictions get over the hump. To maybe do a rate study, that sort of thing. I would like clarification before the decision packages are submitted. Stan Finkelstein asked: So the maximum would be \$15 thousand per jurisdiction? Is this for emergency funding? Gardener



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replied: No. Finkelstein asked: These are just for technical assistance for small jurisdictions that wouldn't have the skill set inherent to do these tasks? Gardener responded: Jeff (Nejedly), since you're on the Small Communities committee, can you speak to this? Jeff Nejedly replied: It makes the most sense to only give it to those jurisdictions we're already working with. It makes the most sense to me. To at least prioritize the funds to those jurisdictions. Gardener responded: I recommend that it be very targeted to those communities already receiving the intensive technical assistance from the Small Communities Initiative. Carter asked: If they are already getting technical assistance, what would the money be used for? Nejedly responded: They could contract with someone to do a rate study or asset management, etc. Finkelstein responded: The actual technical assistance will not be provided by Jon (Galow, Cathi (Read) or the new person, but rather by a contracted third party? Gardener replied: It could. The quarter million dollars is for an FTE. The other \$250 thousand was for small grants to assist low capacity jurisdictions. Carter responded: So our people will be helping them, but occasionally there is need for additional technical assistance, and this would help pay for that? Janet Cherry replied: Yes. Nejedly replied: Exactly.

Cecilia Gardener stated: The current staff can only work on water and sewer projects. The Board's new FTE could broaden their base to all 6 systems. There is an advisory group, and the Board will have a seat on that group. Janet Cherry responded: I don't think you'd fund private entities, so could that funnel through the local government? There are so many systems that were founded 40-50 years ago, and the people are now retiring, and there are all kinds of issues. Diane Pottinger responded: Valley View had 7 different systems not contiguous in Pierce County; they didn't even know one of the operators had passed away until they didn't get their annual report. Stan Finkelstein responded: You can't use state or local funds to subsidize private entities. That's a gift of public funds. Jeff Nejedly responded: We pass money through conservation districts and non-profits to fund private entity projects, under the Attorney General's authority. It's a protection of public health at the broader level. It's used broadly throughout the state. And we use federal and state money. As long as you can make that connection. Also financial hardship fits within this as well.

ACTION: Pam Carter moved to target the funds to the 17 entities as presented. JC Baldwin seconded the motion. MOTION APPROVED 11-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).

- 4) Discussion on Hiring a Lobbyist: Cecilia Gardener asked: Can the Executive Committee meet the week of August 22 to conduct lobbyist interviews? The afternoon of the 26th? (Everyone agreed to that). Gardener responded: Staff will send out an email with further details.

**The Board broke for lunch at 11:17 AM
The Board returned to meeting at 11:45 am**

- 5) Update on PWB 2.0 Technical Team: Stan Finkelstein stated: We've had two meeting so far of the PWB 2.0 Technical Team. We dissected the Straw Man Proposal from the Future of Washington's Infrastructure group. Yesterday we analyzed the proposal that diverts \$65 million of public Works assistance account (PWAA) funding to the Centennial Clean Water fund each biennium. What's anticipated is that we would get the entire repayments and revenue back. We spent a lot of time yesterday walking through some of the proposals, trying to winnow down the list to a more workable level. We're meeting again on August 26th to further refine the proposal then have a



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meeting with the stakeholders. Bubba (Scott), Diane (Pottinger), and Scott (Hutsell), do you have anything to add? [No]

Cecilia Gardener stated: The Cities did some work with their constituents and it was pretty clear that this was their highest priority – get PWAA funding back, and sustain the fund. Diane Pottinger responded: The water and sewer association (WASWD) is chomping at the bit on this. They want to know more and get going on this. Stan Finkelstein responded: After our meeting on the 26th, we'll develop something to bring to the retreat.

Cecilia Gardener stated: The other piece we worked on yesterday was a proposal for a grant program. The Centennial Fund only does clean water projects, but a proposal from the Board could encompass all six systems. And that proposal will come to the Board at the retreat. Stan Finkelstein responded: As I recall a grant program would be limited to financially distressed communities and those affected by natural disasters. Gardener replied: Correct, only those communities would be targeted. We've heard that direction clearly from the hill.

Lisa Wellman responded: When the Board did the emergency preparedness thing, did you look at any actuarial analysis like insurance companies are doing? Wellman responded: I'm thinking in terms of climate change, which leads to more severe drought occurrences, more severe wildfires. Have you done your homework about this, like the insurance companies have? Stan Finkelstein replied: Have we started to look at the incidence of foreseeable natural disasters in the future to try to gauge the demand for this money? Is that what you're asking? Wellman replied: Yes and no. I'm not asking us to do it, but there are insurance people who do this for a living. It might give us more weight to this program. It's so easy for the legislature to say "we'll answer that cause when we need it." But if the insurance industry is looking at this in the future, that might help our case. Lisa Ayers responded: Are you talking about showing preparations so we have a better product to show the legislature? Wellman replied: Yes, I am. Ann Campbell responded: Yes, I have been reading up on what the insurance companies are doing specifically in light of climate change issues, and the anticipated impacts of more severe weather events, and the national conversation they're having, to help spread the risk and ensure sufficient coverages. I haven't found a nexus for us yet.

- 6) Update on Governor's Directive on Lead: Janet Cherry stated: All of you are aware that the Governor issued a directive on lead. The portion that Erika (Schwender), Cecilia (Gardener) and I have been working on is about identifying systems and lead components, such as goosenecks. Within the next 15 years all water systems must remove all lead components. Diane Pottinger asked: I have three questions: Do districts and cities know and believe that they have lead components in their water system? Cherry replied: Yes. One committee has developed a survey that will go out in October to get a better sense of what water systems know or don't know. Pottinger asked: If so, how extensive are these lead components? Are you asking about goosenecks, the whole service line? Schools? Day Cares? Or Just the district? Ericka Schwender responded: Our funding is only to address Group A water systems. To include everything up to the private residence. The loans are addressing up to the meter. We are making funding to replace the lines between meter and private residence. Pottinger responded: What about the gift of public funds issue? Schwender replied: I can't give you a real explanation why, but the interpretation is no, because it's part of the public water system project. Stan Finkelstein asked: Erika (Schwender), are you using federal funds? Schwender replied: We are using SRF funds. We may use federal or state money.



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Diane Pottinger asked: What kind of information are you expecting to get from the utilities? Erika Schwender responded: We don't just want to hand out money to projects that aren't really lead replacement. If it turns out that less than 50% is lead replacement, we are not going to reimburse those costs. We are still figuring out what we will pay for. Such as potholing, which is very expensive and disturbing. Water testing isn't the best, either. It has potential, but it's not defined. Pottinger asked: How do I find out who is sitting on this group? No one at our water association meeting had heard about this. Schwender responded: We're working with the federal funding agencies, not the water districts. The other group that works with public water systems for the long term removal and replacement, they have reached out to at least 10 to 15 different water systems throughout Washington state and invited them to participate in this group. And we've had two phone calls, and we've had great feedback, a lot of information was exchanged. And they were instrumental in the development of the survey that will be sent out. Pottinger asked: Can I get a list of who those are? Schwender replied: Yes. Pottinger asked: Do the utilities have plans in place to replace those lead components within the next 15 years? Schwender replied: That is something we're still trying to identify how to go about that. Whether 15 years is a realistic approach or not? We want to address it as quickly as possible, but on the other hand, to put an undue financial strain on someone isn't the best idea.

- 7) PWB Construction Loan application Update: Ann Campbell stated: We are getting a lot of phone calls. Want to give a big thank you to Jeff Nejedly, Dave Dunn, Janet Cherry, and Karen Klocke, for dropping everything and answering clients' phone calls. Today alone I've fielded three different inquiries from three different system types. We're answering questions about applications due next Thursday.

D. INFORMATION & OTHER ITEMS

- 1) Board Member Absentee Policy: Cecilia Gardener stated: There has been some discussion about the policy the Board adopted several years ago. I recommend that this issue be taken up by the Policy Committee for review to determine if modifications need to be made. And then when they are done, they bring any changes to the full board for consideration. Scott Hutsell responded: As Policy committee chair, could we direct Isaac Huang and Ann Campbell to take a look at the existing policy and if there's anything in there that needs to be word-smithed, do that before our committee meeting on September 9?

Diane Pottinger responded: There is one issue that Jerry (Cummins) brought up, about setting the dates for meetings. Scott Hutsell responded: Yes, that's the primary driver of this. Jerry Cummins responded: You said at the last meeting you'd bring back a revised proposal at the retreat. Cecilia Gardener responded: Staff will need to review it and get it to the Policy Committee. If we do that in time, you'll have it in September.

ACTION: Jerry Cummins moved that the Board's attendance policy be suspended until a new policy is in place. Mary Margaret Haugen seconded the motion. MOTION APPROVED 11-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).



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Public Works Board**

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- 2) Board Committee Updates: There were no Board Committee Updates.
- 3) Board Member Updates: Barbara Smith gave an update about the purchase of Public Works Board embroidered shirts for the Board. Our vendor needs a minimum of 12 items, and they must be similar items – i.e., all upper body garments – to make that minimum. That said, we could do the same button down shirts, or polo shirts, or vests, or jackets, etc. Barbara will continue working on this project and get back to the Board about this later in the fall. Lisa Wellman asked: Is there a policy about where and when to wear our shirts? Ann Campbell responded: No, there isn't, but the Board could make a policy.

Scott Hutsell stated: I met with Chris Cargill from the Washington Policy Center two weeks ago, and they are putting together more information to do an article on PWB for the WPC. Maggie Douglas is who I'm working with.

Steve Misiurak stated: The City of Gig Harbor is having their ribbon cutting for their wastewater treatment plant. I'll send out the email to you. It's happening at the end of August. It was a \$30 million project.

Cathi Read stated: The IACC Conference is happening October 18-20 this year. Registration opens August 22. We have over 55 sessions lined up. We have Sandy Doughton is our keynote speaker. We are making some changes and refinements to the tech team request process. We might have more than one opportunity available to communities. For those that maybe just need more help prioritizing their infrastructure needs over all, we will be holding a special event on Wednesday. So we're making a few changes, and look forward to seeing you there.

ACTION: Diane Pottinger moved to adjourn the meeting at 12:41 pm Jerry Cummins seconded the motion. MOTION APPROVED 11-0 (Ayers, Baldwin, Carter, Cummins, Haugen, Hutsell, Misiurak, Pottinger, Rasmussen, Scott, and Wellman).

TAB B

Contracting



DATE: August 29, 2016
 TO: Public Works Board
 FROM: Jill Nordstrom, Drinking Water Program Manager
 SUBJECT: Project Completion Extension Requests

STAFF RECOMMENDATION

Staff recommends extending the contract project completion dates as follows:

Program	Client	Contract No.	Project	Loan/Grant Amount	Available to Draw	Original Closeout Date	Current Closeout Date	Proposed Closeout Date
DWSRF	North City Water District	DM12-952-131	North City Pump Station	\$3,498,640	\$346,399.83	10/16/16	10/16/16	4/30/17
<p>Reason for Extension Request: The project has been delayed due to a change in sub-contractor mid-stream. Since this was the structural steel contractor, this affected the material delivery. Additional time is needed to install the steel. Project is 60% complete.</p>								
DWSRF	Thurston Co PUD #1	DM12-952-113	Consolidation of Lew's 81st and two Group B Water	\$370,725	\$37,072.50	9/6/16	9/6/16	2/28/17
<p>Reason for Extension Request: The project has been delayed due to cost over runs. In July, the 2016 DWSRF loan #DM16-952-034 was executed for \$185,252 for Thurston Co PUD 1 to complete the remaining elements of the project. Project is 95% complete.</p>								

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



DATE: August 29, 2016

TO: Public Works Board

FROM: Jill Nordstrom, Drinking Water Program Manager

SUBJECT: Notice to Proceed Extension Requests

STAFF RECOMMENDATION

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

Program	Client	Contract No.	Project	Loan/Grant Amount	Available to Draw	Current NTP Date	Proposed NTP Date
DWSRF	East Side Liberty Lake Improvement Club	DP15-952-041	ESLLIC - Source Upgrade Project	\$905,465	\$896,500	12/16/16	12/31/17

Reason for Extension Request: This contract is evolving into a consolidation project with Liberty Lake Water and Sewer District 1. Based on East Side Liberty Lake Improvement Club's (ESLLIC) bylaws, they are required to have a vote on acceptance and perform public outreach. At this time, they have already received preliminary approval from their Board. Additional time is needed to get through this process and start construction.

BACKGROUND

The client has requested an extension to their Notice to Proceed date. The request has been reviewed with the client and evaluated through a staff peer review. DOH has been consulted and agrees with extending the DWSRF project.



DATE: August 30, 2016

TO: Public Works Board

FROM: Janet Cherry & Mike Copeland, Office of Drinking Water, Drinking Water State Revolving Fund (DWSRF) Program

SUBJECT: Requests for Additional Funding to Allow Construction Completion

STAFF RECOMMENDATION

Staff respectfully requests the following actions from the Public Works Board (PWB):

1. Individual confirmation of recusal status:

Board Member	Recusal (No, or Applicant Name)
Stan Finkelstein, Chair	
Janet (JC) Baldwin, Vice Chair	
Lisa Ayers	
Pam Carter	
The Honorable Jerry Cummins	
Mary Margaret Haugen	
Scott Hutsell	
K.C. Kuykendall	
Steve Misiurak	
Diane Pottinger	
Matthew Rasmussen	
Mark (Bubba) Scott	
Lisa Wellman	

2. Requests for Additional Funding to Allow Construction Completion

The DWSRF program has developed a program to allow additional funds to be awarded to existing DWSRF loan recipients for construction completion. The recently approved Intended Use Plan identified \$1.5 million dollars to be available this fiscal year for this purpose, with a \$300,000 maximum award per loan contract. The following process was developed in order for loan recipients to qualify for this additional funding:

- Bid tabs must be provided.
- The construction contractor must be identified along with the final negotiated construction contract amount.
- An explanation of why the bids exceeded the funding amount must be provided.

- Amount of money needed to complete construction must be identified. The additional money cannot result in an exceedance of the allowed funding limit established at the time of contract execution.
- The scope of the project must remain the same.

Following are two recently received requests for additional funding to allow completion of construction:

a. Hartstene Pointe Water Sewer District loan amendment for contract DM12-952-126.

Hartstene Pointe Water Sewer District recently bid their water treatment plant improvement project and the bids exceeded the funding amount. Hartstene Pointe had budgeted \$700,000 for construction in their 2012 loan application and the low bidder provided a construction cost of \$912,821. Construction cost estimates developed in 2012 have not been adequate to meet 2016 construction bid costs. Hartstene Pointe is requesting \$192,420 of additional funding to complete the construction project. If approved, the additional funds would be provided by amending the existing loan.

b. Kitsap PUD Crystal Springs loan amendment for contract DM16-952-043.

Kitsap PUD has recently bid their Crystal Springs project and due to a change in the connection location of Crystal Springs water system to South Bainbridge water system, additional money is needed for construction. Kitsap PUD had budgeted \$226,391 for construction in their 2015 loan application and the low bidder provided a cost of \$318,064. Kitsap PUD is requesting \$91,673 of additional funding to complete the construction project. The existing loan terms include 50% principal forgiveness since this project is a consolidation project. If approved, the additional funds would be provided by amending the existing loan or executing a new loan contract to allow better tracking of subsidy.

TAB C

Policy & Program Development



WASHINGTON STATE
Public Works Board

Infrastructure funding and beyond. . .

Construction Loan Program

Preliminary Ranked List Process



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- 5) Board Deliberations
- 6) Legislative Requirements
- 7) Board action requested for October 7, 2016, meeting

OVERVIEW

The Board received 34 applications from 21 jurisdictions requesting a total of \$106 million with an additional \$363.4 million in other funds.

ANNUAL CONSTRUCTION LOAN PROGRAM TIMELINE

Since the program requires legislative approval, the cycle starts almost one year from the time the legislature will approve a list of projects. The following are key dates in the Construction Loan Program process:

Construction Loan Program timeline	
July – August	Application Webinars held.
August 18, 2016	Applications due.
August – October	Rating and Selection Team read and rank projects. Rating and Selection Team have consistency meetings.
October	Prepare preliminary ranked list.
October 7, 2016	Final list of recommended projects approved by the Board.
October	Prepare Legislative Report and draft loan list bill to recommend projects to the Legislature and the Governor.

Construction Loan Program timeline	
November 1, 2016	Legislative Report presented to the Legislature.
April 2017	Loan list approved by the Legislature and signed by the Governor.
May 2017	Contracting process starts.
July 1, 2017	Funds available to be drawn on executed contracts.

RATING AND RANKING:

The rating and ranking of applications is done by a team, consisting of these staff members:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Ann Campbell – Lead • Isaac Huang • Carrie Calleja | <ul style="list-style-type: none"> • Jacquie Andresen • Connie Rivera |
|--|---|

Team responsibilities include:

- Each staff person reads and scores each application individually,
- Then the team comes together to reach consensus on the scores, including documentation as to why an application did not receive full points for any individual question. This information is used by Regional Service Coordinators to debrief clients on their applications and assist them in submitting a successful application for the next cycle.
- Once all applications are reviewed and scored, a preliminary ranked list is generated for Board deliberations.

APPLICATION:

The Construction application has been updated from its last use. The application is broken into three sections:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1) General Applicant Information – <i>Not Scored</i> <ol style="list-style-type: none"> a) Project information b) Project description c) Scope of work d) Project schedule e) Project costs f) Project funding | <ol style="list-style-type: none"> 2) Financial and System Management Efforts <ol style="list-style-type: none"> a) Financial management = <i>30 points</i> b) Local managements = <i>10 points</i> 3) Project Need and Solution <ol style="list-style-type: none"> a) Ready to Proceed = <i>5 points</i> b) Project need = <i>55 point</i> |
|---|---|

THRESHOLD:

Staff reviews each application as it comes in to determine if they have met the following threshold requirements:

1. Eligible Applicant – *City, Town, County, Special Purpose Districts, Water/Sewer Districts, and Public Utility Districts.*
2. Eligible System – *Domestic water, sanitary sewer, storm water, solid waste, recycling, roads, streets, or bridges.*
3. If the applicant is a City or County, that they have adopted the optional Real Estate Excise Tax (REET).
4. All application materials in by the August 18, 2016, due date. “In” being defined as by submittal via email, mail, hand delivery, express mail, etc.
5. Drinking Water and Sanitary Sewer Projects Only – *Cannot be eligible for Clean Water or Drinking Water SRF program funding.*

PROCESS FOR ADDRESSING PUGET SOUND PARTNERSHIP (PSP)

RCW 43.155.070(4)(b) and (c) directs the Board to implement a preference process for storm water and sanitary sewer projects that are designed to impact the Puget Sound. The process below outlines the way staff have applied the Board’s “Preference Factors”:

1. Board rating criteria are consistent with the Puget Sound Action Agenda.
2. Any project that is in conflict with the Action Agenda will be declared ineligible, and not reviewed.
3. All sanitary sewer and storm sewer applications will be scored using the same criteria regardless of their locations.
4. PSP applicants will be compared to other PSP applicants, not against other applicants.
 - A PSP applicant would not be able to bump a non PSP applicant.
5. After applications are rated and ranked, those PSP relevant applications would receive additional factors for the PWB to consider during deliberation.
6. A PSP applicant may receive up to 3 preference points.
 - *One point if project is consistent with PSP Action Agenda.*
 - *One point if project is on the Action Agenda Priority List.*
 - *One point if applicant is a Puget Sound Champion.*

These preference points are identified in the ranked list under the column titled: Project Consistent with Puget Sound Partnership Agenda.

Staff used the criteria below to make this determination.

PUBLIC WORKS BOARD PUGET SOUND PARTNERSHIP PREFERENCE FACTORS		
		Maximum preference points = 3
1.	Project is in conflict with Action Agenda	INELIGIBLE
2.	Project is consistent with Action Agenda	1 point
3.	Project is on the PSP Priority List	1 point
4.	Applicant is a Puget Sound Champion	1 point

Consistent with Action Agenda:

- Which of the following Action Agenda priorities or near term actions is supported by this project, and how:
 - Protect intact ecosystem processes, structures, and functions.
 - Restore ecosystem processes, structures, and functions.
 - Reduce or prevent sources of water quality degradation.
- Eligibility Screen -In conflict with Action Agenda?
- Will the completed project result in any water quality degradation in Puget Sound?

The projects that were screened through this process will be identified at the October 7th Board meeting.

BOARD SELECTION PARAMETERS

The Board is given the authorities and responsibilities in RCW 43.155 to administer the Public Works Assistance Account (PWAA) and the programs funded from this account.

For the 2017-19 biennium, the Board is operating under special conditions referred to as the Proviso. The Proviso temporary changes items 4 and 7 in the Board's "Eligibility, priority, limitation, and exceptions" statute, RCW 43.155.070. These sections reflect the items that the Board must take into consideration when selecting projects to recommend for funding.

The following excerpt from the Board's statute includes these temporary conditions:

The highlighted sections are new to this cycle; all others are part of the Board's normal processes.

RCW 43.155.070(5) For the 2017-2019 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 [Growth Management Act];*
 - 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.*
 - xi. Other criteria that the board considers necessary to achieve the purposes of this chapter.*

OTHER PROJECT SELECTION CONSIDERATIONS

RCW 43.155.075: in providing loans for public works projects, the board shall require recipients to incorporate the environmental benefits of the project into their applications, and the board shall utilize the statement of environmental benefits in its prioritization and selection process.

WAC 399-030-040-(e) The board may adjust the ranked list in consideration of the following factors:

- (i) Geographical balance;*
- (ii) Economic distress;*
- (iii) Type of projects;*
- (iv) Type of jurisdiction;*
- (v) Past management practices of the applicant, including, but not limited to, late loan payments, loan defaults, audit findings, or inability to complete projects within the time allowed by loan agreement;*
- (vi) Other criteria that the board considers advisable.*

RECUSALS – ETHICS IN PUBLIC SERVICE

Board members are required by WAC 399-50 to recuse themselves if they have an interest in a project. The WAC below outlines the requirements.

399-50-010 – Definitions

- (1) Unless another definition is given, words used in this chapter have the same meaning as in chapter 42.52 RCW, Ethics in public service.*
- (2) "Annual construction roster" means the prioritized list of projects recommended for funding, which is developed and submitted to the legislature before November 1 of each year under RCW 43.155.070(4).*
- (3) "Beneficial interest" means the right to enjoy profit, benefit, or advantage from a contract or loan agreement or other property and also has the meaning given to it in Washington case law. Ownership interest in a mutual fund or similar investment pooling fund in which the owner has no management powers does not constitute a beneficial interest in the entities in which the fund or pool invests.*
- (4) "Project" means public works project as defined in RCW 43.155.020(6).*

399-50-020 - Interest in contracts or loan agreements, projects, or loans.

- (1) When a member of the public works board is beneficially interested, directly or indirectly, in a loan agreement, project, or loan that may be made by, through, or under the supervision of the board, in whole or in part, or when the member accepts, directly or indirectly, any compensation, gratuity, or reward from any other person beneficially interested in such loan agreement, project, or loan, the member shall:
 - (a) Recuse him or herself from board discussion regarding the specific loan agreement, project, or loan;*
 - (b) Recuse him or herself from the board vote on the specific loan agreement, project, or loan; and*
 - (c) Refrain from attempting to influence the remaining board members in their discussion and vote regarding the specific loan agreement, project, or loan.**
- (2) The prohibition against discussion set forth in subsection (1) (a) and (c) of this section shall not prohibit the member of the board from using his or her general expertise to educate and provide general information on the subject area to the other members.*
- (3) Under subsection (1) of this section, "any other person" has a beneficial interest in a loan agreement, project, or loan when the other person bids, applies for, or otherwise seeks to be awarded the loan agreement, project, or loan.*

399-50-030 - Interest in transactions

- (1) When a member of the public works board either owns a beneficial interest in or is an officer, agent, employee or member of an entity or individual engaged in a transaction involving the board, the member shall:
 - (a) Recuse him or herself from board discussion regarding the specific transaction;*
 - (b) Recuse him or herself from the board vote on the specific transaction; and*
 - (c) Refrain from attempting to influence the remaining board members in their discussion and vote regarding the specific transaction.**
- (2) The prohibition against discussion and voting set forth in subsection (1) (a) and (c) of this section shall not prohibit the member of the board from using his or her general expertise to educate and provide general information on the subject area to the other members.*

(3)(a) "Transaction involving the board" means a proceeding, application, submission, request for a ruling or other determination, loan agreement, project or proposed project, loan, claim, case, or other similar matter that the member in question believes, or has reason to believe:

(i) Is, or will be, the subject of board action; or

(ii) Is one to which the board is or will be a party; or

(iii) Is one in which the board has a direct and substantial proprietary interest.

(b) "Transaction involving the board" does not include the following: Preparation, consideration, or enactment of legislation, including appropriation of moneys in a budget, or the performance of legislative duties by a member; or a claim, case, lawsuit, or similar matter if the member did not participate in the underlying transaction involving the board that is the basis for the claim, case, or lawsuit. Rulemaking is not a "transaction involving the board."

(4) "Board action" means any action on the part of the board, including, but not limited to:

(a) A decision, determination, finding, ruling, or order; and

(b) A grant, payment, award, license, loan agreement, transaction, sanction, or approval, or the denial thereof, or failure to act with respect to a decision, determination, finding, ruling, or order.

For the purpose of deliberating on the Construction ranked list of projects, staff will:

- Ask each Board member to review the list of projects and notify Ann Campbell at Ann.Campbell@commerce.wa.gov of any particular project(s) that they may need to recuse themselves from voting on. At the August 8th meeting, prior to voting on a recommended list, staff will validate, for the record, projects and members that are subject to recusal.
- Staff will then verify recusals with each Board member present, noting in the minutes which members are recusing themselves from which projects.
- The members can then vote on the list as a whole.

BOARD DELIBERATIONS:

The Board will approve a ranked list of projects based on the information provided to them by the staff and the applications.

The Board will meet in **October** to deliberate on the list of projects submitted for funding. The purpose for the meeting is to:

- Review the ranked list
- Ask questions of staff; applications and scoring material will be available.

Procedural elements:

WAC 399-30-040(2)

(f) *Staff will verify critical information on each project as required by the board.*

(g) *In order to ensure fairness to all jurisdictions with applications pending before the board, the board will not accept oral or written testimony from any applicant while deliberating loan priorities, other than specific responses to information requests initiated by the board as provided in (h) of this subsection*

- Make final decisions on which projects to recommend to the legislature for funding.

LEGISLATIVE REQUIREMENTS

The Board is required by statute to submit to the legislature a prioritized list of projects which are recommended for funding.*

RCW 43.155.070(5)(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.

**RCW 43.155.070(5) suspends 43.155.070(7) which requires both a loan list to be submitted on each even numbered year and the requirement for a description of all non-construction loans (e.g., preconstruction, emergency loans) as well as evidence of the fiscal capacity for each jurisdiction seeking loan funding.*

BOARD ACTION REQUESTED FOR OCTOBER 7, 2016, BOARD MEETING

Make final funding decisions for projects to be recommended to the Legislature.

APPLICANT	PROJECT	LOAN AMOUNT	TOTAL PROJECT COST	COUNTY
Aberdeen	Landslide Repairs	\$789,500	\$789,500	Grays Harbor
Birch Bay Water and Sewer District	Automated Meter Reading System	\$1,500,000	\$2,000,000	Whatcom
Bremerton	Ostrich Creek Culvert Improvements	\$4,687,968	\$4,687,968	Kitsap
Bremerton	Pine Basin Watershed Storm Sewer Improvements	\$3,881,330	\$3,881,330	Kitsap
Clark County	NE 10th Avenue (NE 149th to NE 164th St)	\$10,000,000	\$36,060,000	Clark
Colfax	Jennings Water Capacity Improvement & Riverside Main Replacement	\$819,518	\$819,518	Whitman
East Wenatchee Water District	North Baker Water Main Extension	\$1,028,000	\$1,028,000	Chelan
Kenmore, City of	61st/190th Culvert Replacement & Embankment Repair	\$1,500,000	\$1,632,450	King
Kennewick, City of	Kennewick Automated Meter Reading Project	\$6,000,000	\$6,000,000	Benton
Kennewick, City of	US 395/Ridgeline Interchange	\$6,000,000	\$23,750,231	Benton
King County	Cedar Hills Regional Landfill North Flare Station Repairs	\$1,583,050	\$1,583,050	King
King County	Cedar Hills Regional Landfill Pump Station Repairs	\$3,000,000	\$3,000,000	King
King County	Georgetown Wet Weather Treatment Station	\$3,500,000	\$277,843,000	King
Lake Forest Park Water District	McKinnon Creek Wellfield Critical Infrastructure Security Improvements	\$200,000	\$200,000	King
Lake Forest Park Water District	Priority Steel Pipe Replacements Low Zone	\$1,700,000	\$1,856,504	king
Lexington Flood Control Zone District	South Fork McCorkle Creek Stormwater Detention Facility	\$4,700,000	\$5,470,000	Cowlitz
Lincoln County	Tipping Floor Restoration & Safety Upgrades	\$155,650	\$155,650	Lincoln
Quincy	Wastewater Reuse Project	\$10,000,000	\$10,000,000	Grant
Seattle	Fairview Ave N Bridge Replacement	\$10,000,000	\$42,363,000	King
Snohomish County	180th St SE SR 527 Brook Blvd	\$3,000,000	\$9,474,500	Snohomish
Snohomish County	35th Ave SE Phase II SR 524 to 180th St SE	\$3,000,000	\$1,234,000	Snohomish
Spokane, City of	High System Additional Storage	\$4,729,000	\$4,729,000	Spokane
Spokane, City of	Sunset Reservoir Rehabilitation	\$1,412,000	\$1,412,000	Spokane
Thurston Co. PUD No. 1	Decommission of Wells	\$55,315	\$55,315	Thurston
Thurston Co. PUD No. 1	Drilling Replacement Wells	\$199,125	\$199,125	Thurston
Thurston Co. PUD No. 1	Electrical Upgrades	\$129,650	\$129,650	Thurston
Thurston Co. PUD No. 1	Replacement of 5 Pump Houses	\$224,805	\$224,805	Thurston
Thurston Co. PUD No. 1	Replacement of Meters	\$252,025	\$252,025	Thurston

APPLICANT	PROJECT	LOAN AMOUNT	TOTAL PROJECT COST	COUNTY
Thurston Co. PUD No. 1	Replacing Treatment Systems	\$166,810	\$166,810	Thurston
Vancouver	City Street Light Conversion to Light Emitting Diode	\$4,815,500	\$4,815,500	Clark
Walla Walla, City	Isaacs Avenue Improvements - Phase 2	\$3,962,051	\$8,732,641	Walla Walla
Walla Walla, City	Sudbury Landfill Area 7 Cell 3 Construction	\$2,978,197	\$3,355,000	Walla Walla
Wenatchee	Miller Street Re-Alignment And Storm Repairs	\$4,826,089	\$5,770,800	Chelan
Whatcom County	Slater Road/Jordan Creek Fish Passage Project	\$5,000,000	\$5,550,000	Whatcom