



Meeting Location: **Confluence Technology Center, 285 Technology Center Way, Wenatchee, WA 98801**

Agenda Item	Action	Page	Time
A) ADMINISTRATION			
1. Call to Order: <i>Stan Finkelstein</i>			12:30
2. Welcome and Introductions			12:31
3. Approve Agenda: <i>Cecilia Gardener</i>	Action		12:35
4. Meeting Minutes for September 11, 2015: <i>Barbara Smith</i>	Action	5	12:40
5. Executive Director Update: <i>Cecilia Gardener</i>	Verbal		12:45
6. Department of Commerce Update: <i>Mark Barkley</i>	Verbal		12:50
7. Public Works Board Calendar 2015-2016: <i>Cecilia Gardener</i>	Action	15	12:55
8. Public Works Bylaws Changes: <i>Cecilia Gardener</i>	Action	17	1:00
9. Outreach Efforts on media : <i>Cecilia Gardener</i>			1:10
B) CONTRACTING			
1. DWSRF Contract Extension – Greater Bar: <i>Mark Barkley</i>	Action	27	1:20
2. DWSRF Contract Extension – City of Longview: <i>Mark Barkley</i>	Action	27	1:30
3. Contract Extension – City of Raymond: <i>Mark Barkley</i>	Action	27	1:40
4. DWSRF Agreement – Hideaway Mobile Home Park: <i>Joe Crossland</i>	Action	29	1:50
C) POLICY & PROGRAM DEVELOPMENT			
1. Updated Strategic Plan: <i>Cecilia Gardener</i>	Action	35	2:00
2. Strategic Planning Subcommittee Structure: <i>Cecilia Gardener</i>	Action	55	2:15
3. Review & Removal of Policy Legislation: <i>Cecilia Gardener</i>	Action	57	2:30
D) INFORMATION & OTHER ITEMS			
1. Board Committee Updates			2:50
2. Board Member Updates	Verbal		2:55
3. Small Communities Initiative Quarterly Update	Informational	61	

Note: Anticipated time of Adjournment is 3:00 pm.

NEXT BUSINESS MEETING SCHEDULED: December 4, 2015, at the Department of Commerce.

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

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

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TAB A Administration



**Washington State
Public Works Board**

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

**PUBLIC WORKS BOARD BUSINESS MEETING MINUTES
September 4, 2015**

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

Board Members		Guests Present:	Staff Present:
Present:	Absent:		
Stan Finkelstein, Chair	JC Baldwin, Vice Chair	Blair Burroughs, Washington Association of Sewer & Water Districts	Cecilia Gardener, Executive Director
Mary Margaret Haugen	Pam Carter		Jacquie Andresen
Ed Hildreth	Jerry Cummins	Dave Dunn, Department of Ecology	Mark Barkley
Scott Hutsell		John Kounts, Washington Public Utility Districts Association	Carrie Calleja
Diane Pottinger		Steve Lindstrom, Sno-King Water District Coalition	Ann Campbell
Bubba Scott			Cindy Chavez
Matt Rasmussen		Stephen Misiurak, City of Gig Harbor	Isaac Huang
Lisa Wellman		Jeff Nejedly, Department of Ecology	Jill Nordstrom
			Rodney Orr
			Barbara Smith

A. ADMINISTRATION

- 1) Call to order: Stan Finkelstein called the meeting to order at 9:00 am.
- 2) Welcome and Introductions.
- 3) **ACTION: Ed Hildreth moved to approve the agenda as presented. Scott Hutsell seconded the motion. MOTION APPROVED 7-0** (Haugen, Hildreth, Hutsell, Pottinger, Scott, Rasmussen, and Wellman).
- 4) **ACTION: Ed Hildreth moved to approve the August 7, 2015, meeting minutes as amended. Lisa Wellman seconded the motion. MOTION APPROVED 7-0** (Haugen, Hildreth, Hutsell, Pottinger, Scott, Rasmussen, and Wellman).
- 5) **ACTION: Scott Hutsell moved to approve the August 21, 2015, meeting minutes as presented. Matt Rasmussen seconded the motion. MOTION APPROVED 7-0** (Haugen, Hildreth, Hutsell, Pottinger, Scott, Rasmussen, and Wellman).
- 6) Executive Director Update: Cecilia Gardener provided the Board with an update. Gardener was out for three weeks on vacation, and has just returned. Staff and Board members continue to develop the Strategic Plan. Staff are settling in to their new roles since the reorganization.

Stan Finkelstein asked about how the workload is going with fewer bodies. Gardener replied that the workload has shifted, and so far everyone seems comfortable. She asked Jill Nordstrom to speak to this from her side of the Division. Nordstrom agreed that everyone seems to be coming along. The Drinking Water section is the one with the heaviest workload. They're learning the ropes and coming on board quickly. The group is working well together and forming a nice, cohesive team.

Stan Finkelstein expressed concern about training. He noted there are no academies scheduled. He asked when the new training component will be implemented. Cecilia Gardener replied that we will



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have to review what Heather Winfrey develops for the online training initiative for unmet needs and then figure out what staff can do to fill those needs. But first, we need to identify what is necessary to enact the Strategic Plan over the next 12 months. Once that is identified, we will know what capacity we have remaining to do trainings. As the contract load dwindles, staff capacity for implementing trainings will increase.

The Board expressed its support for hosting more academies in the future.

- 7) Department of Commerce Update: Mark Barkley provided the Board with an update on the fires. The Department participates in a weekly call with other state agencies to coordinate the fire response effort and to support local governments in the area of impact. One of the big points in our supplemental budget request is for emergency dollars. We are pushing that forward and will need you to help push that legislatively this winter. We need a big effort there. Jill Nordstrom is spearheading an application for a grant from HUD to support resiliency. It's based off lessons learned from Hurricane Sandy. How can we build in resiliency? How can we address barriers? It's a two year project that the Department of Ecology is working on to study and recommend options.

Lisa Wellman stated that she attended the Puget Sound Resiliency Challenge meeting and did not hear a consistent definition of "resiliency." There are many different ideas as to what it means.

Mark Barkley replied that in our area, we're looking at infrastructure damage and prevention. Can we make things more fire proof? As we build things, we need to think about incorporating fire proof design aspects. What about earthquakes? The latest report scared everyone. As we push forward with the supplemental budget requests, we want to help the communities repair and then build in resilient infrastructure.

Stan Finkelstein asked if there is a federal or multi-state force to fight fires? Mark Barkley replied that we have discussed this during our weekly phone calls. One of the biggest problems is the dead timber from last year's fire; no one cleaned up after last year's fire. Now there's a discussion about getting logging companies to clear out the half burned trees that might make good firewood. This could help prevent worse fires in the future. Scott Hutsell shared that the tribes do a good job of cleaning up their private land. The Spokane Tribe did a lot of work last year. It's the national forest that is the real problem. Barkley responded that the immediate need to address is regarding livestock, because of burned out grass and fencing loss. The State is looking for somewhere to move the cattle. Can we build temporary cattle lots to receive cattle from burned out areas? And there's a huge issue with fisheries and potential runoff impacts. There is a lot of dialog about the various issues.

Diane Pottinger stated that throughout the Seattle region we're doing Cascadia Rising on June 6-10, 2016. This is addressing emergency preparedness. Lots of info should come out of that.

Cecilia Gardener responded that we are making a \$20 million request for emergency funding. We would not be limited to system or applicants. The fires have caused a lot of issues. What happens when the rains come and the landslides start? There appears to be support for it.

Mark Barkley replied that so many of these small towns can't absorb the economic impact of being



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shut down for 2-3 months during fire season. How do you retain employees? There are many more issues to be addressed.

John Kounts asked if that \$20 million request is for grants administered by the Board? Cecilia Gardener replied that since it's out of bonds it would be up to the Board to decide whether to offer grants or loans.

Stan Finklestein asked about FEMA funding. Jill Nordstrom replied that currently the Emergency Management Department (EMD) is out in field with FEMA doing an assessment, which informs the Presidential declaration of emergency. This is likely to be sent to the feds soon, and the feds should make a determination shortly thereafter. It will most likely be November before they start releasing funds. There are 674 square miles burned at this time.

Mark Barkley responded that if the Board had dollars and put in emergency dollars and then FEMA came back on the same issue; our dollars would be reimbursed with federal dollars. We don't have to feel constrained. Jill Nordstrom responded that would work only so long as the federal funding requirements were followed while using the Board's money (e.g., Section 106, NEPA, etc.).

B. CONTRACTING

- 1) DWSRF Contract Extension - Napavine: Jill Nordstrom presented a one-time extension request for the City of Napavine. They are requesting additional time to complete the Local Improvement District (LID) process. Construction is complete and the project was approved for final acceptance on August 25, 2015. The proposed closeout date is November 30, 2015. **ACTION: Lisa Wellman moved to approve the extension request as presented. Matt Hutsell seconded the motion. Discussion:** Rasmussen asked where the client is in their LID process. Nordstrom replied that they are very close, and they took it to their City Council last month. They've told us that they are in the final stages of getting their LID established. Rasmussen expressed concern that they don't have enough time, based on this closeout date. Stan Finkelstein asked if we could we extend the closeout date to December? Would they oppose a longer extension? Nordstrom replied that staff has already pushed them out to November 30 from their original ask of November 15. **MOTION APPROVED 7-0** (Haugen, Hildreth, Hutsell, Pottinger, Scott, Rasmussen, and Wellman).

C. POLICY & PROGRAM DEVELOPMENT

- 1) Attorney General Formal Opinion "Question": Cecilia Gardener stated that this is more of an update on the topic, rather than an action item. She stated that Ann Campbell has done a lot of research on this, and has drafted a context letter that lays out a framework. That letter is now with the Executive Committee for their review and input. After that, it goes to the Attorney General, and then back to the Executive Committee, and then to the full Board in November for a final approval and possible movement towards a formal request. We are not taking any action today, but Campbell is available to answer any questions.

Ed Hildreth asked if they found in any surprises in this process. Ann Campbell replied that yes, some anecdotal things. The Parole Board is the only Board whose statutory authority specifically identifies



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that the Governor can circumvent the Board's decisions by revoking paroling, granting pardons, and commuting sentences. All other state boards, all they speak to is the Governor's authority to appoint people to the board, not circumvent actions of the board.

Stan Finkelstein stated that he wants to express appreciation for Campbell's research and efforts on this. We've met with Kathryn Wyatt, the board's Assistant Attorney General, and she's educated us on this. If you seek an opinion in November, in all likelihood we won't get an opinion back until after session, presuming the normal session length. It is a very lengthy process.

Ann Campbell stated that the Attorney General posts requests for formal and informal opinions on their website. For example, there's one where a legislator wants to know if Snohomish County can make their own Public Works Board style revolving fund. It's very interesting to read these. Scott Hutsell responded that Snohomish County asked for an endorsement from the Washington State Association of Counties to start this. Hutsell opposed the endorsement and got Counties to not endorse it. He thinks there was not a lot of thought behind this. They didn't get it started nor did they get the money, but it's now back again. Stan Finkelstein replied that it's a home rule county. They may have different rules. They may have much broader authority.

- 2) Strategic Plan: Cecilia Gardener presented the revised Strategic Plan. She stated there was little feedback at the last meeting because people were still processing the information. The Strategic Planning Committee met and talked about modifications. We need to emphasize that this will be draft for a long while. On Page 5, "Our Values," we narrowed the definition. Nothing of great substance or surprise there. When we talk about advocacy, being the voice of local governments, what does that mean? We need to be more specific. Is that only for infrastructure, or what? We need to work more closely and join forces with other groups and share the same voice; there's more power in that. I think we need to work on that. Affordability is something the Board is going to have to address. Currently, the statute does not allow for much flexibility on rates for clients who are financially challenged. There is some, but it fails to provide recourse for those who are in severe financial straits.

Diane Pottinger pointed out that no training is listed. She proposed putting it under Advocacy, Cecilia Gardener proposed putting training under "Creating Self Reliance at the Local Level;" and Stan Finkelstein suggested putting it under "Responsiveness."

Stan Finkelstein stated that we need a glossary of terms.

Ed Hildreth asked what was meant by the phrase "Collaboration to better serve." Cecilia Gardener replied that it refers to working with our fellow funding partners. Stakeholders are the associations. Hildreth responded that when he sees "Better Serve" he immediately sees "citizens." How do we better serve the citizens? Scott Hutsell responded that when people see you working together, that's very powerful. Citizens appreciate that when they are aware.

Cecilia Gardener stated that Slide 6, "Authorizing Environment," she changed the title and added some boxes. There is also an adjustment to the illustration.

Stan Finkelstein commented that he is a little uncomfortable putting the federal government at the



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top of what appears to be a pyramid. Public Private Partnerships are not under the federal government. Also, if the Governor is included, then the legislature needs to be included too. Under State Government, should be the Governor's Office and the Legislature.

Lisa Wellman asked the definition of "Authorizing Environment". Stan Finkelstein responded that the original graphic with this new title works better than this graphic.

Cecilia Gardener pointed out Slide 7, "Coordination." There is a perception that the various infrastructure groups don't work together or talk, but we do. There's already been a lot of work to standardize things and streamline approaches for our end users. We will continue this work.

Cecilia Gardener skimmed over Slide 8, "Proposed Initiative 1," as there were no changes to this slide.

Cecilia Gardener moved on to Slide 9, which is a more detailed version of what the report would include. Matt Rasmussen recommended framing it as more of a question than a statement. Stan Finkelstein suggested changing "debt limit" to "resource needs." He then asked if we should address emergency needs. Unforeseen emergencies, unanticipated emergencies, etc.

Lisa Wellman responded that this document has been through several updates, and she would like to see us be thoughtful of public relations, and where can we throw in resiliency? Cecilia Gardener replied that can probably go under "Needs." Stan Finkelstein asked if that is a need or a solution. Gardener replied it could be both.

Diane Pottinger asked if this is the right place to make reference to how this report is different from the 2008 Office of Financial Management (OFM) report. Cecilia Gardener clarified that the draft table of contents outlining what the report would include was handed out earlier. In that is a review of previous reports. Pottinger replied that she disagrees with this. There has been a huge negative response to that report, and we need to show that. Stan Finkelstein stated that was due to the economic downturn.

Stan Finkelstein asked about the "1986 Public Works defining issues." What is that? 1983 is the report that gave rise to the Public Works Board. Gardener replied that she has about 20 items still to add to #2.

Lisa Wellman stated that one of the things that was very useful, on any multimillion dollar project; we'd look at the percentages related to any outcome. So if a project died, it would have such an impact on the population. I think there is uncertainty there that is not adequately addressed. Cecilia Gardener responded that there will be a visual of all the funding streams, and show a trend. For example CDBG is down to an 11 million dollar allocation this year.

Stan Finkelstein added that he thinks demographics need to be addressed. And the local revenue authority. Or system development charges.

Cecilia Gardener stated that the Strategic Planning Committee will continue to work on the table of contents.



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Cecilia Gardener returned to Slide #9 and asked are there any other opportunities? Economic opportunities and cost savings? Steve Lindstrom responded by asking if there is any way to look at coordinating, building one upon another: coordination and interdependence.

Lisa Wellman stated that Mike Hamilton is doing a review of many of our infrastructure systems regarding cyber security. It's scary to hear about the vulnerability of our systems from that perspective. I think we should include cyber security in some way. Cecilia Gardener replied that yes, we can incorporate that data into this project. Stan Finkelstein asked if we should talk to the Department of Information Systems about this. Wellman replied that Mike Hamilton is contracted by the State to do this review. I can talk to him about addressing the Board. It was decided that Wellman will coordinate this with Gardener to find a date when Hamilton is available to talk to the Board.

Cecilia Gardener went onto Slide #10 "Why the Board". There are no changes there.

Mary Margaret Haugen stated that you need to put bridges on slide #11.

Cecilia Gardener stated that they added Citizenry as a bullet on Slide #12. Mary Margaret Haugen responded that you should add media as part of the audience on Slide #12. Stan Finkelstein recommended adding partners and stakeholders to the audience on Slide #12

Cecilia Gardener moved onto Slide #13 "What should it cover?" She stated that she handed out a draft table of contents to the Board, and there are no significant changes. Diane Pottinger asked why the last 6 years were chosen. Gardener replied that it reflects 3 biennia. A six year window is the norm. It's a good data point. Pottinger asked when the last study was done. Stan Finkelstein replied there was an OFM study done in 1998. Lisa Wellman responded that the Berk report was published in December 2005.

Cecilia Gardener moved onto Slide #15 "The Process." We'll need to develop a master group and then subgroups, based on the table of contents. I'd like the Board members to think about if there is a particular topic they want to dig in to and join the subcommittee working on that. We need to strongly craft the questions. Diane Pottinger replied that she wants to join the group that deals with educating the locals. Stan Finkelstein recommended including outside experts like Lloyd Halverson and Katy Isaksen on these committees.

Mary Margaret Haugen suggested asking MRSC what kinds of questions that people are asking them.

Dave Dunn suggested fleshing out what "oversee initiative" means. Stan Finkelstein replied that this group is working collaboratively to implement the initiative, not just overseeing it. Dunn responded that "overseeing" is vague.

Stan Finkelstein asked if this is only under Initiative 1 or both initiatives. Cecilia Gardener replied that it is just under Initiative 1. Finkelstein replied that it should be under both.



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Cecilia Gardener moved on to Slide #19. She stated that there are different things to be included under these strategies. We need to put up a framework. There are not a whole lot of changes to the product as of now. What I would like from the Board is to set up the actual committees and a timeline. Stan Finkelstein replied that we have a Strategic Planning committee comprised of himself, JC Baldwin, Ed Hildreth, Scott Hutsell and Lisa Wellman. Do you all want to continue serving on this committee? The response was affirmative. Finkelstein then asked what is the optimal size of such a group? Gardener replied it must be below a quorum of the full Board, or we trigger the Open Public Meetings Act. We have talked about modifying the Board's bylaws so instead of our quorum just being stated as 7, it's based on the currently filled seats. So today that would be 6. Finkelstein asked if anyone else wanted to serve on the Strategic Planning Committee. No one volunteered. Gardener replied that if you're fine with it being an open public meeting, and we advertise it as such, we can have as many people on it as you like. We should probably identify some sub-committees. And they could be working concurrently.

Scott Hutsell responded that this runs into how often do we have Board meetings? You couple them together, for those of us that drive a little ways, how far into the future are you talking? Cecilia Gardener replied that next month we would normally bring you a draft of the proposed 2016 calendar. At this point, staff is going to recommend that the full Board not meet monthly. The initiative committees can do the drafting of the product, and meet more frequently. I don't think we need to meet more than every other month or even quarterly, right now.

Diane Pottinger responded that she thinks it's a great opportunity to do things we all like to do.

Stan Finkelstein stated that we need an actual proposal by staff that lays out membership of the whole body, the definition of sub committees, and a timeline. Cecilia Gardener responded that the Strategic Planning Committee needs to set another meeting, and then she will bring these items to that meeting, and then to the full Board in October. Finkelstein asked staff to do an online poll of the Committee members, shooting for possibly meeting two weeks from now.

Diane Pottinger asked about the deadline: May of 2016? Cecilia Gardener replied August 2016. To be ready for fall 2016. One possibility is to strike the RCW and make significant modifications.

Lisa Wellman asked if staff is familiar with the Berk report? How is that a template for the work to be done? Cecilia Gardener replied that she's not that familiar with it. Wellman responded that she thinks it's very comprehensive. I think everyone should review this, and identify what's missing. It also identifies where the information came from, which I think is extremely helpful. I would also like to see the tests we've developed before we start gathering information and having committees work. Gardener replied that she is not committed to recreating the wheel if there's a framework out there already. The Berk report will be emailed to the Board members.

Dave Dunn asked if the Board has worked up a budget and a timeline and a staff commitment to write the report. Cecilia Gardener replied our capacity has been significantly limited, but I don't believe staff has an option to do otherwise. We don't have the finances to farm this out. Dunn asked if 5 people can do the scope you've laid out in 8-9 months. Gardener replied that failure is not an option. Lisa Wellman asked if the report is solely the work of the staff. Diane Pottinger replied that the Board needs to step into this. Wellman responded that this cannot be only done by staff.



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Gardener replied that it's a huge undertaking. And this table of contents I gave you today is only just a brain dump out of me. We can expand this, limit it, whatever the Board wants. Stan Finkelstein replied that to a certain extent we will be relying on outside practitioners to provide input.

Lisa Wellman responded that at the end of the day, my bet is that we could produce a 300 page report that won't be read by anybody. One thing we need to commit to do is the marketing of the essence of this report. Stan Finkelstein replied that we will need synopsis material for the legislature.

Rodney Orr responded that the Berk Report was not about jurisdictions' needs. It was about the funding programs. It only went into a few programs that CTED controlled. It was based on what the State had available for funding. Lisa Wellman thanked Orr for his comments.

Steve Lindstrom stated that something that complicates the timing, and might provide some opportunities, is to keep an eye on the election cycle. There will be candidates with local government background, some of whom might have some good ideas, some of whom might criticize this without knowing anything about it. Maybe do an education program with candidates. Could be an opportunity for some media coverage. I think there may be a teaser that comes out in May or June.

Cecilia Gardener stated the #1 problem is to decide how to launch this at IACC. That's in one month. The #2 problem is: are we going to try to get a work session up on the hill?

Diane Pottinger replied that she is meeting with all 6 legislators. Why don't we consider having TVW at one of our Board meetings, and make this the discussion? Could you try to get TVW? If we know that in January this is going to be our kick-off meeting, could we then approach TVW to film it? Stan Finkelstein replied that we might want to invite TVW at that time, since we will then have a preliminary report and something of interest to the viewers. The average citizen might be interested when they find out their rates might increase. Cecilia Gardener replied that we'd have to hold the Board meeting on the Capitol Campus, not here. Steve Lindstrom replied that he will help you with his contacts there.

- 3) Elect Chair for Online Training Initiative: Stan Finkelstein presented the need to replace Ted Carlson as Chair of the Online Training Initiative Committee. Cecilia Gardener responded that if the Board approves the proposal in October, there will be less work for that committee to do. **ACTION: Diane Pottinger moved to nominate Bubba Scott as Chair of the Online Training Initiative Committee. Scott Hutsell seconded the motion. Discussion:** There were no further nominees. **Mary Margaret Haugen moved to close the debate and cast a unanimous ballot. Ed Hildreth seconded the motion. MOTION APPROVED 6-0-1** (Yays: Haugen, Hildreth, Hutsell, Pottinger, Rasmussen, and Wellman; nays: 0; abstain: Scott).

D. INFORMATION & OTHER ITEMS

- 1) Executive Committee Update: Stan Finkelstein reported that the Executive Committee met this morning before the Board meeting. We discussed elements of the Strategic Plan and we're still



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dealing with a work in progress. One of the issues is the AG opinion request. Ann Campbell did an extraordinary job on this. The Question will be presented to the full Board at their October 22 meeting.

- 2) Board Member Updates: Scott Hutsell reported that on Monday he is meeting with Chris Cargill from the Washington Policy Center; he wants to talk about the Public Works Board and the PWAA for a possible article. He asked for some direction. Should he represent the Board or just his role as a Lincoln County Commissioner? Board members asked who the Washington Policy Center was. Steve Lindstrom offered that they are a private, non-profit, right of center think tank and lobbying organization. They've been around for about 10 or 15 years. They have quite a stake in education and transportation. They have a pretty decent reputation, although they are branded as conservative. Diane Pottinger responded that as long as Hutsell is meeting with them, I would like to see us on the talk radio shows, and strategically place us in various locations. Stan Finkelstein asked if Pottinger wanted that as an agenda item for the October 22nd meeting. Pottinger replied yes, I think we should look into this on a state-wide level. Cecilia Gardener responded that we need to educate the legislature and the public. They are hearing inaccurate information.

- 3) Other Items: Lisa Wellman wanted to discuss IACC. There is an open session, and we need to discuss what we're going to do there. We should be there, we should be very visible. Cecilia Gardener replied that most Board members will be there. We'll have the Board meeting at the conference as usual. Diane Pottinger responded that the Strategic Planning Committee should sit as a panel at the open session to discuss the ideas, brainstorm a bit, and gather input. Stan Finkelstein suggested a roundtable discussion that is orchestrated by the Strategic Planning Committee members, dividing up the responsibilities amongst the members. We have 45 minutes. Each person would have 7 minutes and then time for questions. Pottinger asked if we could also have a short handout on how the audience can get involved. Wellman said this will encourage them and get them to contribute their input. Finkelstein replied that we'll dissect and cover this at the next Strategic Planning Committee meeting to determine the message. Pottinger replied that she would love to have other board members hand out papers during the session. "Here's a box, leave us your input now." Pottinger asked Ed Hildreth to encourage legislators who are attending IACC to attend our session. Steve Lindstrom suggested that we need to have a show and tell of facilities that survived fire because of exceptional design. Those that were threatened, but didn't need to be replaced. Take advantage of the spin on the fires. We could collect anecdotes. We could just ask "Did your water system make it or not? What saved it? Was it a buried garden hose or what?" Mary Margaret Haugen suggested bringing up air quality. This season, air quality has been a huge issue, affecting both sides of the state.

Mary Margaret Haugen asked if staff are worried that the appropriation might be taken away in the reconvening due to the Education fines. Ann Campbell replied that the state would have to make those contracts whole. Even though we have applicants who haven't drawn much, cancelling the contract will not net the state millions of dollars. We've been very strongly educating budget staffers on that fact. It is a very real concern.

ACTION: Diane Pottinger moved to adjourn the meeting. Lisa Wellman seconded the motion. MOTION APPROVED 7-0 (Haugen, Hildreth, Hutsell, Pottinger, Scott, Rasmussen, and Wellman). Meeting was adjourned at 11:43 am



Date: October 1, 2015
 To: Public Works Board
 From: Cecilia Gardener, Executive Director
 Subject: Proposed 2015-2016 Board Meeting Dates

The Public Works Board is required to submit to the Code Reviser the annual calendar of business meetings.

It is that time again. The Board has been discussed in the past modifying the frequency of the business meetings, due to the reduction in action items. Below are two options for the Board to consider. Option I the standard schedule of business meetings and the historical “activities” associated with the meeting date. Option II is a reduced calendar of every other month and the “activities” associated with the meeting date. These dates are on the first Friday of the month, unless otherwise stated.

<u>Option I</u>		<u>Option II</u>	
<u>2015</u>		<u>2015</u>	
December 11	(Approval of the DWSRF Prioritized funding list-Moved from the 4th to the 11th by DOH request)	December 11	(Approval of the DWSRF Prioritized funding list-Moved from the 4th to the 11th by DOH request)
<u>2016</u>		<u>2016</u>	
January 22	(Legislative Days – Moved to accommodate legislative session)	January 22	(Legislative Days – Moved to accommodate legislative session)
February 6	(Legislative Session)	March 6	(Legislative Session, Application Workshops)
March 6	(Application Workshops)	May 8	(End of Session/Budget Development Decision Packages/Applications Due – Moved to Second Friday due to Memorial Day Holiday)
April 3	(End of Session/Budget Development)	July 10	(Retreat, Application Review Moved to Second Friday due to Independence Day Holiday)
May 8	(Decision Packages/Applications Due – Moved to Second Friday due to Memorial Day Holiday)	September 11	(Review preliminary Loan List , Approve Final Loan List , Moved to Second Friday due to Labor Day Holiday)
June 5	(Retreat, Application Review)	October 2	(Historically this meeting is at IACC and coincides with their last day)
July 10	(Moved to Second Friday due to Independence Day Holiday)	December 4	(Assembly Days – may vary)
August 7	(Review preliminary Loan List)		
August 21	(Approve Final Loan List)		
September 11	(Moved to Second Friday due to Labor Day Holiday)		
October 2	(Historically this meeting is at IACC and coincides with their last day)		
November 6	(Assembly Days – may vary)		
December 4	(Assembly Days – may vary)		



Date: October 7, 2015

To: Public Works Board

From: Cecilia Gardener, Executive Director

Subject: Proposed Changes to the By-Laws regarding the definition of a “Quorum”

Per the Board’s request, attached are modifications to the current By-Laws of the Board. The last By-Laws adopted in 2006 are in need of some updating. Staff requests that the Policy Committee review and update the By-Laws in their entirety.

However, for expediency, one element requires modification immediately. Since the Board has had multiple positions vacant on the Board for some time now, it is necessary to redefine “Quorum”. Attached is a copy of the By-Laws. Staff has provided two options for the Board to consider.

OPTION 1:

- A. **A quorum of the Board will be comprised of the majority of seated voting members. No votes will be taken on Board business unless a quorum is present. The quorum refers to the number of voting members present, not to the number actually voting on a particular question. Should a voting member choose to recuse him or herself, the quorum is not affected. For purposes of establishing a quorum, the Chair will be counted as a voting member.**

OPTION 2:

- A. **A quorum of the Board will be comprised of fifty percent plus one of seated voting members. No votes will be taken on Board business unless a quorum is present. The quorum refers to the number of voting members present, not to the number actually voting on a particular question. Should a voting member choose to recuse him or herself, the quorum is not affected. For purposes of establishing a quorum, the Chair will be counted as a voting member.**



[Washington State
Public Works Board](#)
1011 Plum ST SE / PO Box 42525
Olympia, Washington 98504-2525

**PUBLIC WORKS BOARD
BYLAWS**
~~June 26, 2006~~ October 22, 2015

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Article I - Purpose

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The Washington State Public Works Board will carry out the provisions of RCW 43.155 (Public Works Board Enabling Legislation), RCW 70.119A.170 (Drinking Water State Revolving Fund), Title 399 WAC and Chapter 42.30 RCW (Open Public Meetings Act) as now or hereafter amended, and will perform the duties and functions as therein prescribed.

Article II – Officers, Duties, and Committees

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- A. The officers of the Board will consist of the Chair and the Vice-Chair.
- B. The office of Chair will be appointed by the governor as one of the general public members of the Board, as prescribed in RCW 43.155.030 and WAC 399-10-010(2). The term of the chair will coincide with the term of the governor. The duties of the chair will consist of convening and overseeing all Board meetings, conferring with staff on administrative and programmatic matters, providing reports or information to various organizations, representing the Board at functions and events, and carrying out tasks and functions as assigned by the Board, including, but not limited to, those responsibilities specifically assigned or implied in the Memorandum of Understanding with the Department of Community, Trade, and Economic Development. The Board may, by adopted Resolution, delegate authority to sign legal instruments approved by the Board.
- C. The Vice-Chair will be a member of the Board from the general public, elected to the office by members of the Board. The Vice-Chair will replace the Chair whenever the Chair is unavailable to perform one or more duties.
- D. The Executive Committee will be a standing committee of the Board. The Executive Committee will be selected by Board members and will be comprised of the Board Chair, Vice-Chair, a member representing cities, a member representing counties, and a member representing special purpose districts. The specific duties and responsibilities of the Executive Committee will be developed and affirmed by the Board. The Committee will make a written report to the Board at the next following Regular Meeting on all matters that come before it. The Committee will not take action beyond that which is assigned to it by the Board, and Committee action will be deemed final only when

ratified by action of the Board. Selected members will serve on the Executive Committee until their Board terms expire, or as otherwise determined by action of the Board.

- E. The Board may create Ad Hoc Committees to meet specific needs of the Board. The membership, duties, and duration of appointment of an Ad Hoc committee will be specified through a motion passed by the Board during a Regular or Special Meeting. Ad Hoc committees will be authorized to carry out only those duties and functions expressly authorized by official action of the Board. An action taken by an Ad Hoc Committee will not be construed as an action of the Board until approved or ratified by the Board in a Regular or Special Meeting.
- F. Members of the Board are appointed in accordance with RCW 43.155 and carry out the duties and functions outlined in that statute and in other statutes that affect the Public Works Board specifically.
- G. The Board may from time to time enact Board Policies to govern the affairs of the Board. Board Policies will be kept for reference under separate cover at the offices of the Board. Board Policies will continue in full force and effect until amended, revised, or repealed by an affirmative majority vote of Board.

Article III – Meetings

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- A. The Public Works Board will conduct its affairs in general accordance with Robert’s Rules of Order, 10th Edition, or as hereafter amended.
- B. Board meetings that may include conference calls will be scheduled and held in accordance with WAC 399-10-020, or as otherwise scheduled in accordance with Washington State administrative requirements. The Board will normally hold Regular Meetings on the first ~~Tuesday~~ ~~Friday~~ of each month. In the month of August, meetings will normally be held on the first and third ~~Tuesdays~~ ~~Fridays~~. Notice of the times and places of Regular and Special Meetings will be published in the Washington State Register and will be posted on the Board’s website. The schedule of Regular Meetings, Special Meetings, Executive Sessions, continuances, and adjournments will be conducted in accordance with Chapter 42.30 RCW.
- C. An agenda for each meeting will be published and distributed to Board members and interested parties one week before the meeting. It will also be available on the Board website.
- D. The Vice Chair will conduct the meeting in the absence of the Chair. In the absence of both the Chair and Vice-Chair, an Acting Chair will be designated from among the attending Board members.
- E. In conformance with Roberts Rules of Order (10th ed.) p. 392, the Chair “can (but is not obliged to) vote whenever (her)his vote will affect the result---that is, (she)he can vote either to break or to cause a tie...”, but may choose not to vote and thus deny a majority.

Article IV – Quorums

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~~A. A quorum of the Board will be comprised of seven voting members.~~

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OPTION 1.

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A. A quorum of the Board will be comprised of the majority of seated voting members. No votes will be taken on Board business unless a quorum is present. The quorum refers to the number of voting members present, not to the number actually voting on a particular question. Should a voting member choose to recuse him or herself, the quorum is not affected. For purposes of establishing a quorum, the Chair will be counted as a voting member.

OPTION 2.

A. A quorum of the Board will be comprised of fifty percent plus one of seated voting members. No votes will be taken on Board business unless a quorum is present. The quorum refers to the number of voting members present, not to the number actually voting on a particular question. Should a voting member choose to recuse him or herself, the quorum is not affected. For purposes of establishing a quorum, the Chair will be counted as a voting member.

B. A quorum of the Executive Committee will be comprised of any three committee members.

Article V – Minutes

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All actions of the Board will be recorded on tape and transcribed in a summary as minutes for submittal to the Board for approval at the next meeting. After approval by the Board, the minutes will be kept at the office of the Board and posted on the Board website. The public record for the meeting will be the taped recording. Tapes will be kept at the office of the Board.

Article VI – Ethics

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- A. Board members will abide by rules of conduct as outlined in RCW 42.52 Ethics in Public Service, and WAC 399-50 (Ethics Standards for Public Works Board Members).
- B. When testifying before legislators on the record, or in intergovernmental communication outside formal proceedings, Board members must clearly state whether or not they are representing the Board. In order to ensure that an accurate record is kept in compliance with Public Disclosure requirements, Board members must inform the Executive Director when and where they appeared as a representative of the Board, and what position they took. Nothing in this section is intended to prevent or restrict a Board member from expressing individual views when clearly stated as such.



Date: October 1, 2015
To: Public Works Board
From: Cecilia Gardener, Executive Director
Subject: Outreach efforts

At the last Board meeting in September, the Board requested staff to look into possible opportunities to participate in radio shows as part of our outreach efforts. Below is a listing of some of the possible stations and shows to consider. Staff is recommending that this Communications Committee be tasked with this topic to further work on, and bring back to the full Board.

1. Austin Jenkins broadcasts on several NPR affiliates, and has a TVW show.
<http://nwnewsnetwork.org/people/austin-jenkins>
2. Northwest Public Radio has several affiliates throughout the state. They are repeater stations. NWPR bases out of WSU.
<http://nwpr.org/frequencies-map>
3. <http://kuow.org/>
4. KIRO is one of the leading conservative radio channels:
<https://www.facebook.com/kiroradio>
5. KOMO is the other one:
<http://www.komonews.com/radio>
6. KREM TV is Spokane's TV station.
<http://www.krem.com/>
7. NW Cable News is a conglomerate, run by KING 5 TV – Covers WA, OR, and ID –<http://www.nwcn.com/>
8. A listing of radio stations in WA State with format:
<http://streamingradioguide.com/radio-station-list-by-state.php?state=WA>

TALK FORMATS:

Talk Variety:

9. <http://www.kxro.com/>
10. <http://www.kelaam.com/>
11. <http://klck1400.com/>
12. <http://www.610kona.com/>
13. <http://klay1180.com/>
14. <http://www.kgtk.com/?kgtk=home>
15. <http://www.konp.com/>

Conservative Talk:

16. <http://kgmi.com/>
17. <http://kbkw.com/>
18. <http://www.inlandnwbroadcasting.com/radio-products/kmax/>
19. <http://www.kedoam.com/>
20. <http://newstalk870.am/>
21. <http://www.pullmanradio.com/about-us/>

Progressive Talk:

22. <http://930kbai.com/>

TAB B

Contracting



DATE: October 6, 2015
 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 date as follows:

Program	Client	Contract No.	Project	Loan/Grant Amount	Available to Draw	Original Closeout Date	Current Closeout Date	Proposed Closeout Date
DWSRF	Greater Bar Water District	DM11-952-013	Compliance and Consolidation Project	\$2,722,800	\$1,715,862.28	1/25/16	1/25/16	1/24/17
<p>Reason for Extension Request: Construction of Phases 1-3 has been completed. Due to longer than anticipated land acquisition negotiations, Phase 4 of the project has been delayed. The wildfires coinciding with the bid opening also factored into the Phase 4 delay causing the need for project to be re-bid. Project is 62% complete.</p>								
DWSRF	City of Longview	DM07-952-014	Water Supply and Treatment	\$8,080,000	\$2,372,335.80	10/28/11	12/31/15	12/31/16
<p>Reason for Extension Request: Project is experiencing water quality issues. Pilot trials are scheduled and a feasibility study is planned. Additional time is needed to evaluate water supply options and recommend a preferred alternative. Project is 90% complete.</p>								
DWSRF	City of Raymond	DM10-952-029	Water Treatment Plant Disinfection	\$3,234,000	\$319,618.58	4/5/15	10/31/15	4/30/16
<p>Reason for Extension Request: Scheduling issues delayed the project. Additional time is needed to complete lighting installation and punch list items. Project is 90% complete.</p>								

BACKGROUND - The client has requested an extension to their project completion date. Staff evaluated the request through a staff peer review process. DOH has been consulted and agrees with extending the DWSRF project.



Date: October 7, 2015

To: Public Works Board

From: Joe Crossland, Finance Director – Department of Health, Office of Drinking Water

Subject: Hideaway Mobile Home Park LLC #DP09-952-044

ACTION:

The Public Works Board is asked to approve the negotiated agreement between the Department of Health, City of Spokane, and Hideaway Mobile Home Park LLC.

NEGOTIATED AGREEMENT:

The Department of Health, Public Works Board staff, the City of Spokane, and bankruptcy trustees for Hideaway Mobile Home Park LLC (HMHP) agree to the following:

The City of Spokane agrees to combine the outstanding principal debt from HMHP’s 2007 DWSRF loan with the City’s existing drinking water loan in exchange for an interest rate reduction of 0.3%

	Borrower	Loan Number	Loan Balance	Interest Rate	Term (years)
Original Loans	City of Spokane	DW13-952-123	\$5,549,000	1.50%	24
	Hideaway Mobile Home Park LLC	DP07-952-044	\$91,000	1.50%	20
Final, Proposed Loan	City of Spokane	DW13-952-123	\$5,640,000	1.20%	24

BACKGROUND:

In spring 2007, the Department of Health (DOH) and the Public Works Board (PWB) approved drinking water loan DP07-952-044 for \$101,000 in order to connect Hideaway Mobile Home Park to the City of Spokane’s water system. HMHP was a privately held, for-profit mobile home park.

Initially, HMHP was owned by an LLC organized in the State of Oregon. Mid-way through the initial loan application process, HMHP was sold to another investor, HMHP LLC, whose principal owner resided in the Seattle area.

On December 4, 2007, DOH issued a bilateral compliance order against HMHP. The order directed HMHP to connect to the City of Spokane's water supply and decommission its current well by September 1, 2008. The project was completed; however, it came in over budget partly due to unforeseen environmental challenges. The owner's cash flows were negatively impacted due to multiple personal issues and the loss of tenants during the construction period.

The cash flow issues contributed to the owner declaring Chapter 7 bankruptcy in February 2012 at which point in time PWB staff and the Department of Health started evaluating options to recover the outstanding debt. By this time, the City of Spokane was collecting rates from HMHP residents and had neither a mechanism in place to recoup the outstanding loan debt nor plans to create such a mechanism.

At the December 2012 Public Works Board meeting, staff presented the above information. The Board directed staff to pursue a legal opinion from the Assistant Attorney General, Kathryn Wyatt, on what options the Board has to recover the debt. Ms. Wyatt ultimately determined that staff had diligently pursued all existing debt recovery options available.

At this point in time collecting the debt was outside of Commerce staff control. PWB and DOH staff began working with the City of Spokane on the possibility of assuming the loan balance as the city had assumed control of the water system once it was connected with the city's system.

An option of adding HMHP's existing principal debt to the City of Spokane's existing Drinking Water State Revolving Fund Loan was reviewed. The city's ability to assume the additional debt and the impacts of such were reviewed. Ultimately, the current proposal was agreed upon: In exchange for a 0.30% interest rate reduction for its current loan, the City of Spokane agrees to assume the HMHP's \$91,000 outstanding debt.

On August 24, 2015, the Spokane City Council voted to approve this proposal as identified in Spokane Resolution 2015-0092.

RESOLUTION No. 2015-0092

A Resolution authorizing a State Revolving Fund loan of approximately \$91,000 to assist the Hideaway Mobile Home Park connect to City water following a failing water well.

WHEREAS, the water well serving Hideaway Mobile Home Park, located on S. Cheatham Road, failed in 2009, and

WHEREAS, the Department of Health Office of Drinking Water loaned money to the Hideaway Mobile Home Park to help the Park connect to City of Spokane water, and

WHEREAS, approximately \$91,000 of that loan is now non-performing, and

WHEREAS, the City of Spokane currently has a 20-year State Revolving Fund loan # DM 13-952-123 for approximately \$5.5 million and at an interest rate of 1.5%, and

WHEREAS, the Department of Health has proposed to decrease the rate of interest on that loan from 1.5% per annum to 1.2% per annum in return for the City assuming the non-performing part of the DOH loan to the Mobile Home Park, and

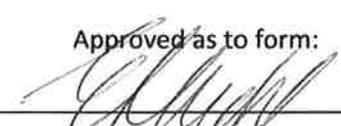
WHEREAS, the decrease in interest rate will decrease the annual payment to the Revolving Fund by approximately \$4,332, saving the City more than \$177,000 over the life of the loan –

NOW, THEREFORE, be it resolved by the City Council of the City of Spokane:

The City Administration is hereby authorized to amend necessary documents and take whatever action is necessary for the City to assume the non-performing amount of the State loan to Hideaway Mobile Home Park in an amount of approximately \$91,000 in return for which the State has agreed to decrease the interest rate on the City's existing 20-year State Revolving Fund loan.

PASSED the City Council this 24th day of August 2015.


City Clerk

Approved as to form:

Assistant City Attorney



August 1, 2015

To: Joe Crossland, Chris McCord – DOH

Fr: Mike Copeland, Commerce

Re: Hideaway Mobile Home Park / City of Spokane

The following information is proposed to incent the City of Spokane to take on the debt of the above mentioned non-performing contract. The existing contract to Spokane #DM 13-952-123 has a current interest rate of 1.50%, a balance of about \$5,549,000 and will be amortized for 20 years. The annual payment on this debt will be about \$323,205. Total interest paid over the life of the loan is about \$915,111.

If we modify the interest rate on the above loan from the current rate of 1.50% and drop it to 1.20%, annual loan payment drops to about \$313,728. The savings on the annual payment over the life of the loan (\$9,477. per month X 20 = \$189,540) The total interest savings by reducing the rate over the term of the loan goes from the above mentioned \$915,111 to about \$725,559 or a reduction on total interest of \$189,552.

If we add the existing loan balance of the non performing mobile home park loan (approx. \$91,000) to the existing Spokane contract balance (\$5,549,000) we arrive at a new loan balance of about \$5,640,000. If we use that as our new loan amount at an interest rate of 1.20% amortized for 20 years, we arrive at our new loan payment amount of about \$318,873 annually. Total interest over the life of the loan is about \$737,458.

SUMMARY:

Existing contract #DM 13-952-123: Interest rate of 1.50% 20 year am. Payment = \$323,205 .

New proposed loan of \$5,640,000 (added \$91,000) 1.20% 20 year am. Payment = \$318,873.

Annual payment savings = \$ 4,332.

Total interest charge over life of contract at original interest rate and loan term = \$915,111.

Total interest charge over life of loan at proposed amount, rate and term = \$737,458.

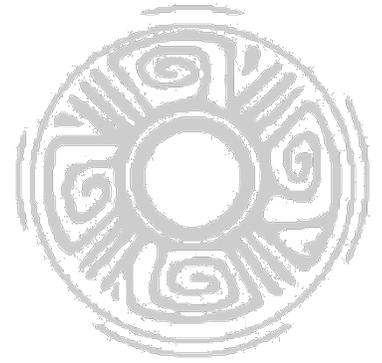
Total proposed interest savings = \$177,653.

TAB C

Policy & Program Development



DRAFT



PUBLIC WORKS BOARD

Infrastructure is Fundamental

Draft Strategic Plan FY 2015-2019

October 22, 2015

Stan Finkelstein, Chair
Cecilia Gardener, Executive Director

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

Mission and Purpose

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

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

Vision

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

How We Got Here

•••

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

The Board has invested in over 1,300 projects, totaling over \$2.6 billion, with no defaults.

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

The ever changing winds of time...

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

~ Ancient Chinese Proverb

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

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 - We advocate for sustainable infrastructure funding at the local, state, and federal levels by collaborating with our clients, stakeholders and other funding programs; maintaining local infrastructure systems that are self-reliant and sustainable; and educating the public and policy makers about infrastructure and infrastructure financing.



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



RESPONSIVENESS - We are responsive to our clients, stakeholders, state officials, and the public by providing access to a simple-to-access, flexible, and stable source of funds for local infrastructure projects. We address emerging issues by having emergency resources available to address public health and safety issues of the citizens. We value respectful communication and customer service with all of our partners.



COLLABORATION & PARTNERSHIP - We work with Partners to better serve the citizenry and maximize use of all resources and achieve optimal outcomes



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.

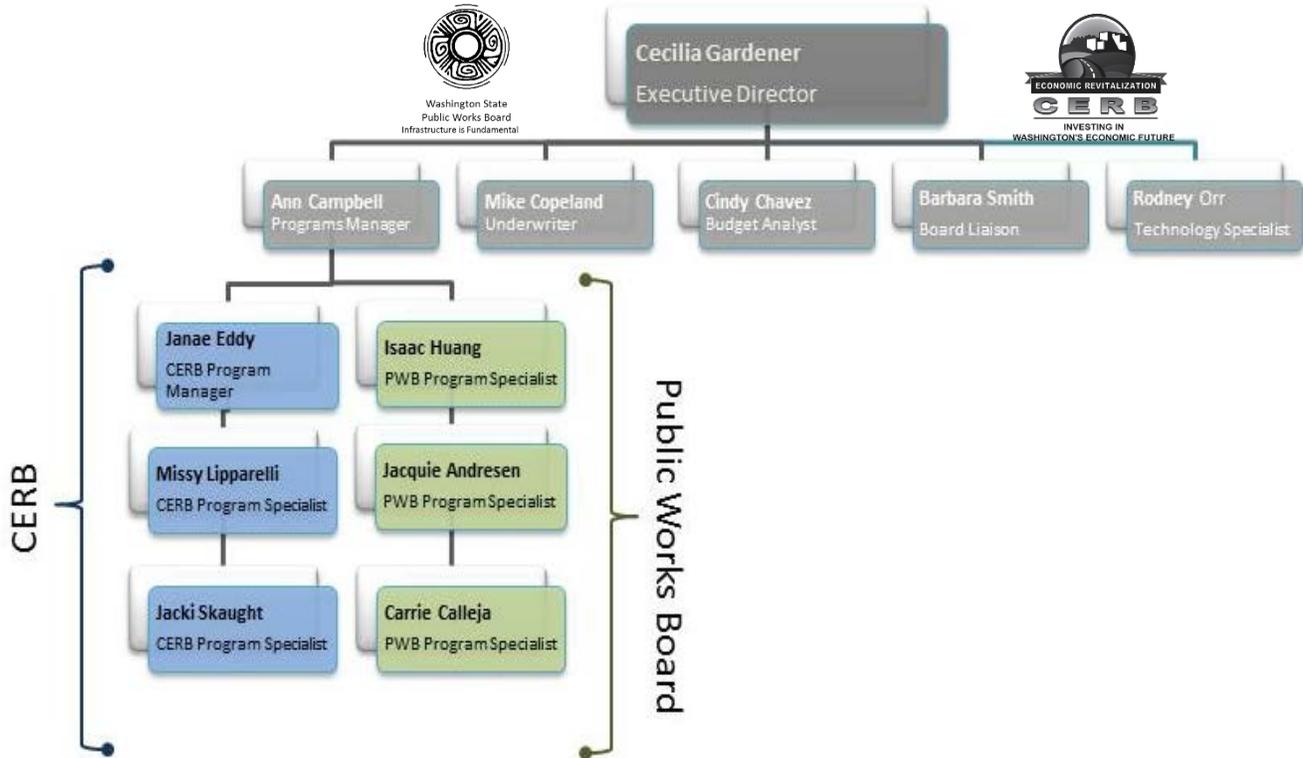
GUIDING PRINCIPLES

For the next 20 years, the Public Works Board programs will be:

1. Addressing the critical infrastructure needs of local governments.
2. Encouraging local self-reliance.
3. Kept simple.
4. Easy to access by local governments.
5. Easy to administer for local governments.
6. Flexible and responsive to the changing needs of local governments.
7. Providing comprehensive services to local governments.
8. Innovative and creative.
9. Exercising stewardship of the funds.
10. Self-supporting and sustainable.
11. Collaborative and encouraging partnerships with other organizations.
12. Enhancing communication between the Board and its constituents.
13. Seamless across the programs that it administers.
14. Rewarding good management practices at the local level.
15. Delivered in the most efficient and cost effective manner possible.
16. Helping to avoid the proliferation of small, "specialty" infrastructure financing programs.
17. Easy to administer at the state level.

STAFFING

The Public Works Board is an independent Board with dedicated staff housed in the Department of Commerce, within the Local Government Division. The chart below identifies the dedicated staff. The Executive Director also oversees both the Public Works Board and the Community Economic Revitalization Board within the Boards Unit.



Executive Director

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

- Securing the maximum amount of resources both capital and operating for these programs each year.
- Oversees the development and implementation of policies, procedures, and business practices associated with the BOARD.
- Maximizing and managing over a portfolio of \$2.6 billion loans.
- Participates as a member of the LGD Management Team and Department’s Management Team.
- Representing the BOARD with the division’s and the department’s interests and issues with stakeholders, the Legislature, federal agencies, and other state entities.
- Oversee a staff of approximately 12 FTEs.

Unit Supervisor

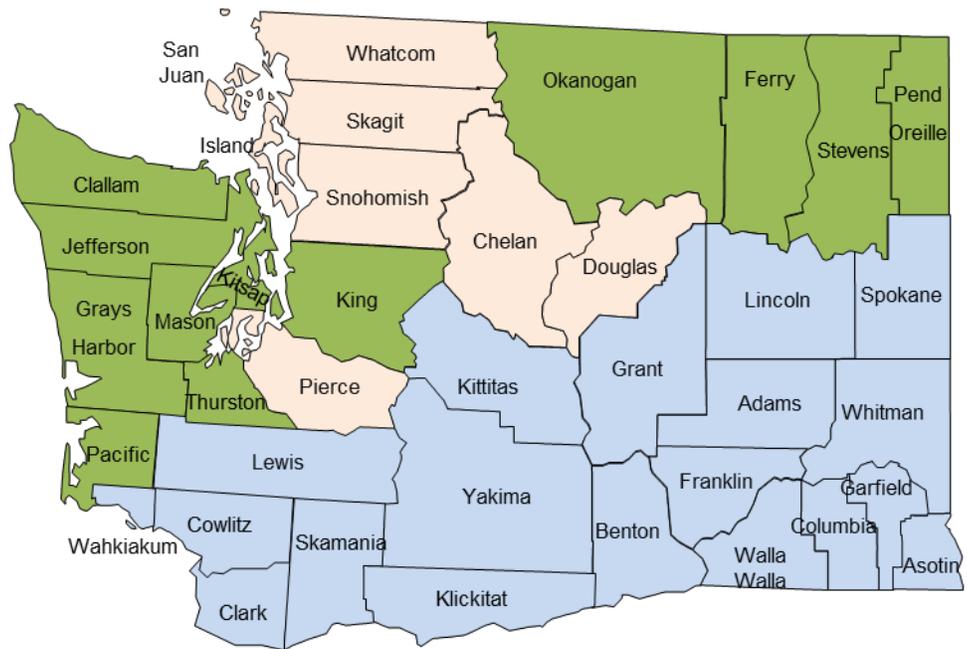
This position reports to the Executive Director, and is responsible for guiding the staff dedicated to the Public Works Board and CERB. Provides oversight and supervision to the team that are responsible for:

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

STAFFING

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

- Contract management
- Application review
- Technical assistance / coordination between programs
- Training and Education



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Appraisal of External Environment

Program History

The Legislature instituted the Public Works Assistance Account (PWAA) Construction Loan Program in 1985. In 1988, the Legislature authorized the PWAA Emergency Loan Program and in 1989, the PWAA Planning Loan Program. The Timber and Natural Resource Loan Programs began in 1991 and terminated in 1998. The PWAA Pre-Construction Loan Program began in 1995. The Drinking Water State Revolving Fund was instituted in 1997. In 2003, the Legislature authorized the Water System Acquisition and Rehabilitation Program.

The 1985 Legislature authorized counties, cities, and special purpose districts to have access to PWAA resources. (Ports and school districts were excluded by citation). Private water systems may access the Drinking Water State Revolving Fund.

In 1985, the Legislature identified five (5) systems as being eligible for PWAA financing:

- Domestic Water Systems;
- Sanitary Sewer Systems;
- Storm Sewer Systems;
- Road/Street Systems; and
- Bridges.
- *In 1996, the Legislature made Solid Waste and Recycling Systems eligible for PWAA financing.*

The 1985 Legislature authorized six sources of revenue for the PWAA programs. The original six sources were:

1. Real Estate Excise Tax;
2. Water Utility Tax;
3. Sewer Utility Tax;
4. Garbage Tax/Solid Waste Collection;
5. Loan Principle and Interest Repayments; and
6. Interest Earnings on PWAA Account (Redirected to the General Fund in 1992)

In 1985, the Legislature created the 13-member; Governor-appointed Public Works Board (Board) and assigned membership as follows:

- Three members, two of whom shall be elected officials and one shall be a public works manager, appointed from cities.

- Three members, two of whom shall be elected officials and one shall be a public works manager, appointed from counties.
- Three members from the Public Utility Districts and the Water-Sewer Districts.
- Four members appointed from the general public, one of whom shall be appointed as chair.

In 1985, the Legislature emphasized financing for projects that protected the health and safety of people and the durability of the systems. In 1991, the Legislature earmarked a portion of the PWAA to promote economic development. In 2001, the Legislature declared the PWAA to be a "...environmental resource agency..." and gave prominence to projects that protected the environment.

In 1985, the Legislature required local governments to impose a one-quarter of one percent Real Estate Excise Tax, to have a capital facility plan, and to use all resources reasonably available for financing public works. In 1991, the Legislature required that local governments planning under the Growth Management Act (GMA) need to be in conformance with GMA in order to be eligible for PWAA financing. In 2001, the Legislature required PWAA contractors to develop performance measures for their projects.

The Legislature initially limited the program to financing the rehabilitation of existing infrastructure. However, with the advent of GMA and a commitment to finance planned growth, the Legislature and the Board expanded the eligibility in 1996 to allow growth that meets the jurisdiction's 20-year projections.

Since its inception, Board staff and programs have resided within the Department of Commerce. Board staff works closely with other Commerce program staff on projects that need funding from multiple sources. Board staff also works closely with the Commerce budget and fiscal offices to follow state processes and meet the requirements for budget development, requests, and implementation, as well as the processing of payment requests and payment receipts.

From 1985 through 2008, the annual lists of potential construction loan recipients were introduced as legislation separate from the capital budget. The bills, historically, were passed by the legislature and signed into law by the Governor. An appropriation for the loan funds was included in the capital budget, sourced from the PWAA. In the 2009-2011 biennium, the PWAA construction loan resources were used for non-PWB related items and there were no construction loan lists during these years.

In the last two biennia, the Legislature has had significant impact on the Board's programs, and the resources dedicated to the Public Works Assistance Account. Beginning in 2012, the historical loan list funding process changed. A bill was not submitted and the Legislature adopted a new process of using a LEAP list model.

In state fiscal years 2014 and 2015, the historical source of funding for Public Works Board loan products, the PWAA, was once again used for non-PWB related items; and no loans were made during these years. Despite the lack of loans, the 2013-2015 Capital Budget directed the Public Works Board to present to the legislature a list of competitively selected construction projects for funding consideration (Section 7032, Engrossed Substitute Senate Bill 5035). This list of projects would be for State Fiscal Year 2016 ("2016 Loan List"). A

prioritized list of projects was submitted to the Governor and the Legislature, but the funding resources were once again redirected.

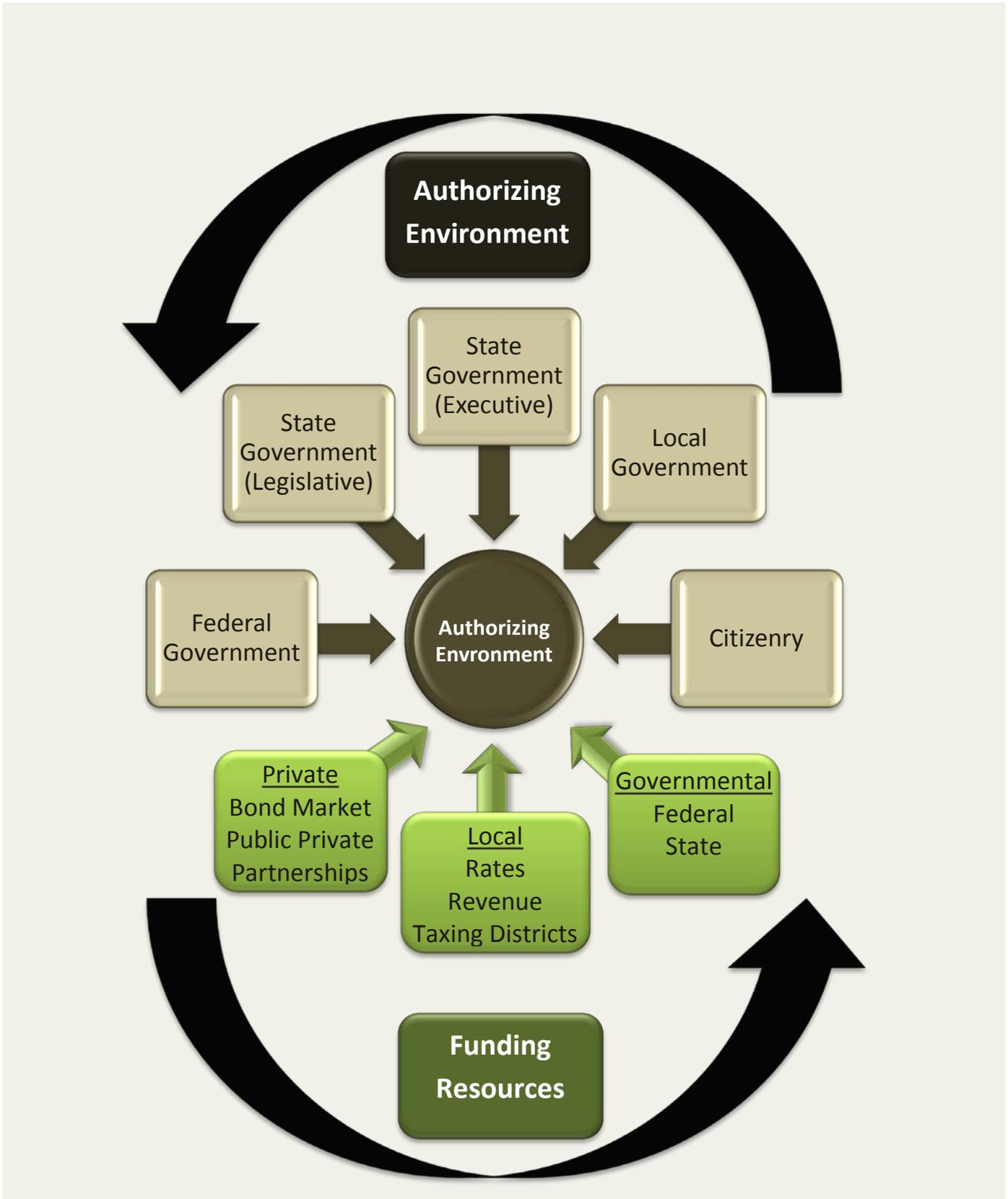
The PWAA is a revolving loan fund. Using its resources for non-loan activities leaves fewer resources to meet prior years' commitments. As a result, the Board has had to request formal approval to have the PWAA in a negative balance for the 2015-2017 biennium. This request was approved.

For the 2015-17 biennium, the PWAA will have a negative balance for most of the biennium. This has caused a lack of faith in the fund's stability, and the ability of the Board to continue to meet the needs of local governments as it has done for 30 years.

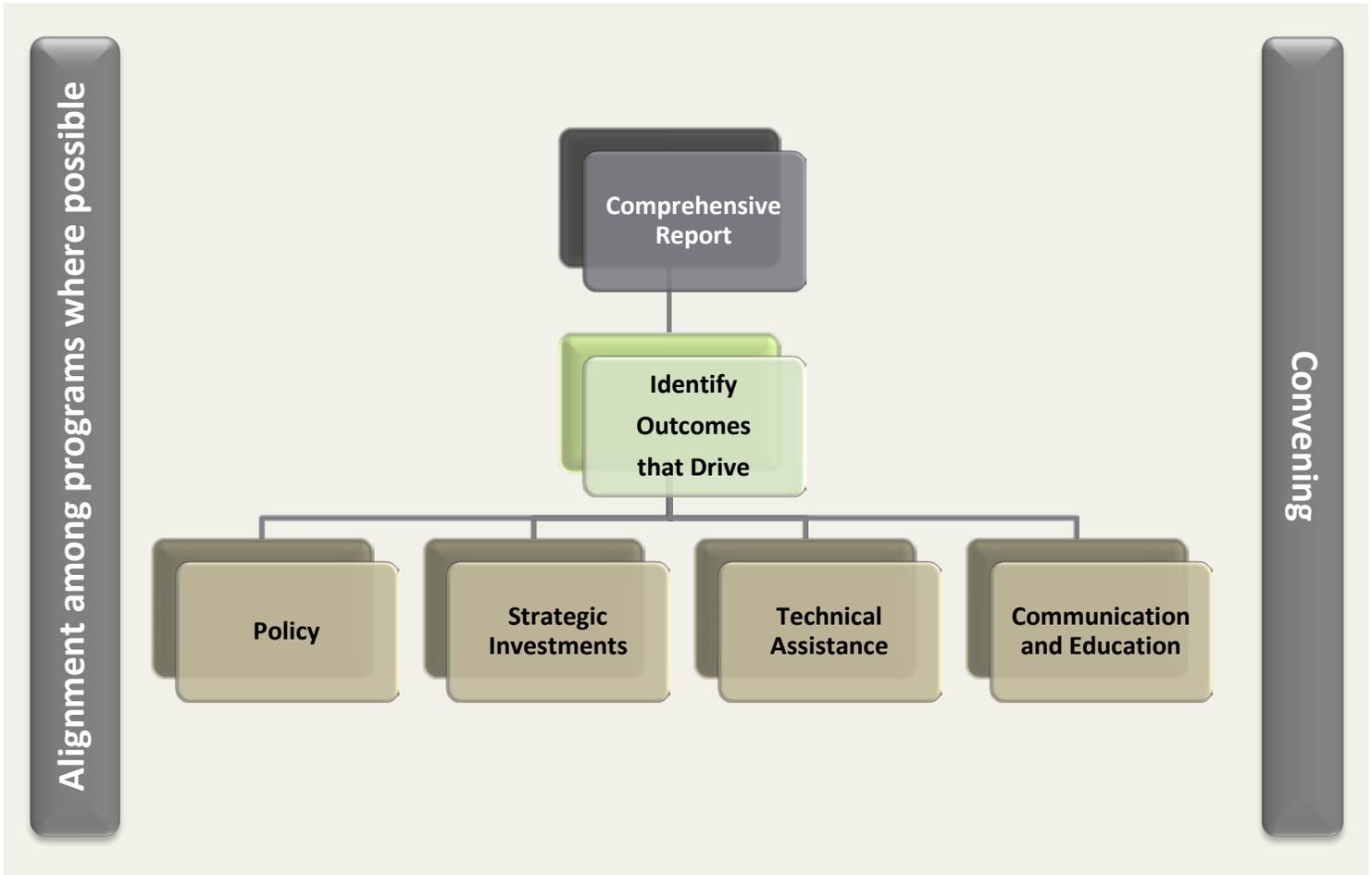
The current situation has made the Board take a serious look at its mission and purpose, re-evaluating the future of the Board, the fund, and the programs.

During the 2015 Policy retreat, the Board identified and adopted two distinct initiatives that enable them to determine the best way to move forward with assisting local governments in meeting their infrastructure related needs. The following pages explain the two initiatives and how they will be implemented.

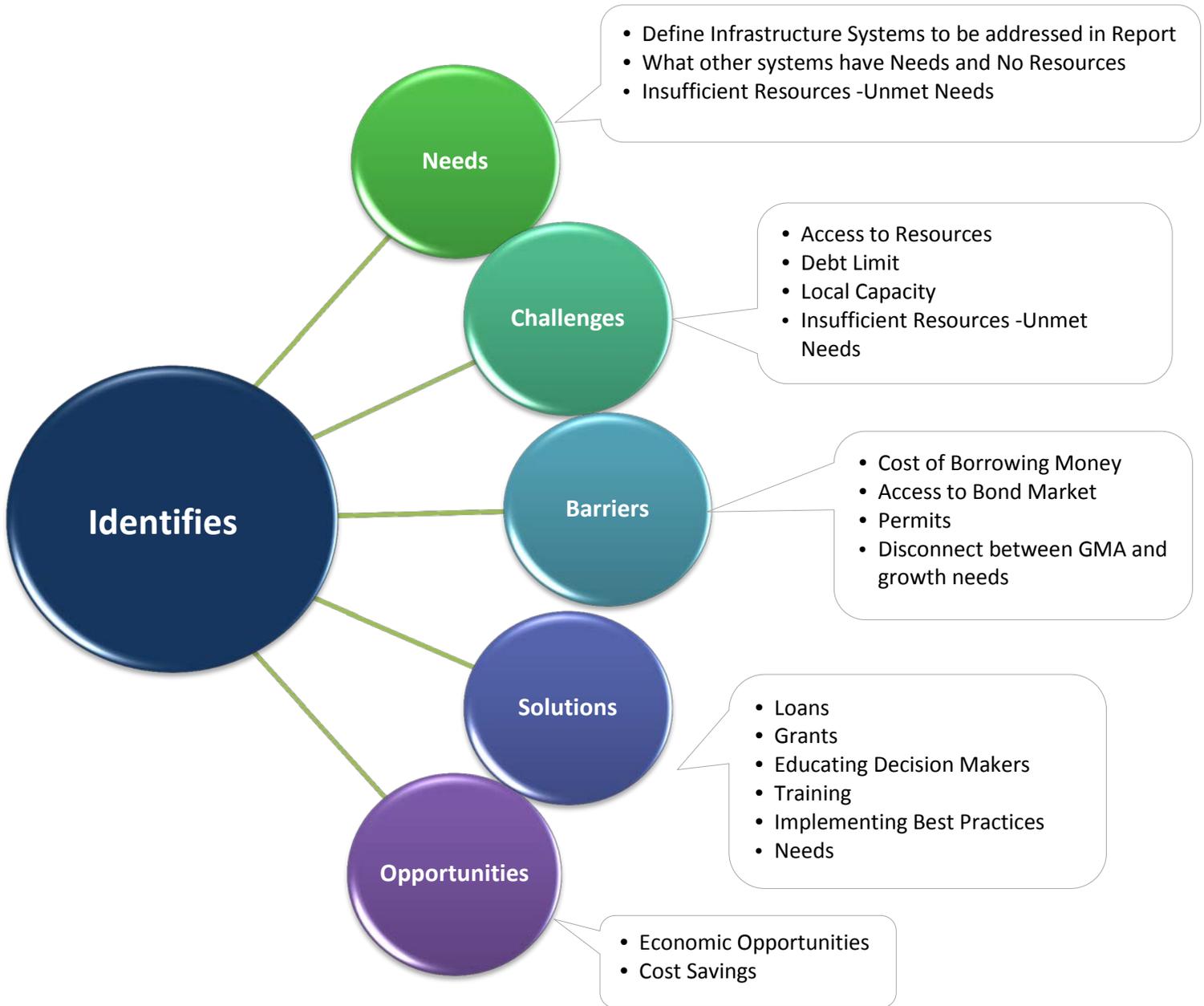
Initiative I: Comprehensive Report on Infrastructure in Washington State



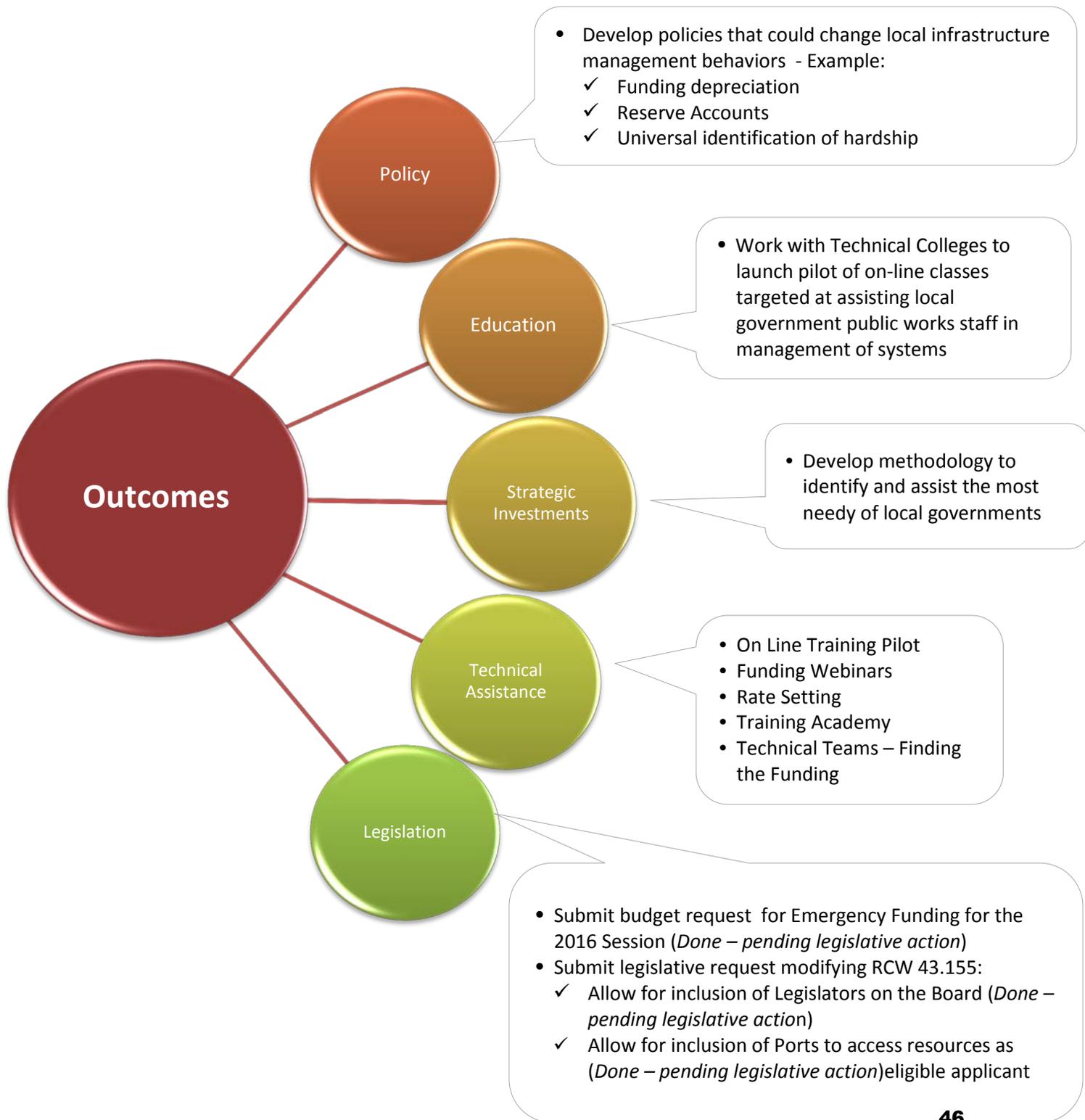
Initiative I: Comprehensive Report on Infrastructure in Washington State



The Board will develop a report for the Governor, Legislature, and key stakeholders that identify the following for local governments regarding the development of sustainable infrastructure to support community development while driving economic development.



As a result of the report development process, outcomes will become apparent. Below are samples of things that may come out.



Why the Public Works Board?

The Public Works Board is in a unique position as it is the only state body that has statutory authority to address multiple infrastructure systems.

- Domestic Water
- Sanitary Sewer
- Storm Sewer
- Roads/Streets/Bridges
- Solid Waste – Recycling

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

RCW 43.155.040: General Powers of the Board

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

There are several state agencies that fund these systems in silos with different drivers and purposes.

- Transportation Improvement Board (TIB) (Transportation Budget) – Roadways
- WSDOT Highways and local programs – Roadways
- County Road Administration Board (CRAB) – Roadways
- Dept. of Health – Domestic Water
- Dept. of Ecology – Sanitary Sewer, Storm Sewer, Solid Waste, and Recycling
- Community Economic Revitalization Board (CERB) – Multiple systems

Who is the audience?

This comprehensive report will be useful for:

- Citizenry
- Practitioners
- Decision Makers
- Policy Makers
- Budget Writers

What should it cover?

- There is no other report that ties together all the systems. Communities make decisions based on all their systems' information. They are intertwined. Their challenges need to be resolved in a holistic, integrated manner. Providing this information creates an educational tool for decision makers- Empowerment through understanding.
- A snapshot of resources invested in infrastructure over the last six years – federal, state, and local funds.
- Unmet need – what did not get funded.
- The next six years – needs driving local government decisions.
- Barriers – Financial, psychological, political, and physical.
- State of Washington versus the rest of the country
- Impacts of financing options – the obvious as well as hidden factors.
- Case Studies. Provide examples of how communities are managing their systems from their decision makers to their operators – the proactive and the reactive; the creative and the imaginative.
- Best Practices – Consolidate the best practice recommendations from the national organizations and tailor them to the needs of Washington's communities.
- Research other reports – Identify timeless themes from the 1980s to the present.
- Addressing behavior with policy – Carrot vs. Stick

How

- Develop Ad-Hoc Committees to oversee Initiatives
 - Makeup of each committee:
 - ⇒ Board Members
 - ⇒ Partner Agencies
 - ⇒ Stakeholders

Collaborate with partner agencies and stakeholders

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

The following pages list major tasks by identified groups, by month. This calendar will be a living document, and will expand as the process expands.

September 2015	October 2015	November 2015
<p><u>9/29 -Strategic Planning Committee</u> Meeting Olympia</p> <ul style="list-style-type: none"> • Develop IACC Presentation • Discuss options to implement needs assessment 	<p><u>Strategic Planning Committee</u> Meeting Olympia</p> <ul style="list-style-type: none"> • Meet with stakeholders and partner agencies to develop clear understanding and support for the project 	<p><u>Strategic Planning Committee</u> Meeting Olympia</p> <ul style="list-style-type: none"> • Meet with stakeholders and partner agencies to develop clear understanding and support for the project
	<p>10/22 – <u>IACC Conference</u> PWB Session. Launch Initiatives</p>	<p><u>Editorial/Communications Committee</u></p> <ul style="list-style-type: none"> • Develop message for initiatives • Develop message delivery strategy
	<p>10/22 – <u>PWB Business Meeting</u> at IACC Conference in Wenatchee</p> <ul style="list-style-type: none"> • Approve Committee Structure • Approve Timeline for Project 	<p><u>Research Committee</u></p> <ul style="list-style-type: none"> • Establish tasks, and make assignments for : <ul style="list-style-type: none"> ✓ Chapter VI: Barriers & Challenges ✓ Chapter IX: How other states address infrastructure financing ✓ Chapter X: Risk Management
	<p><u>Needs Assessment Committee</u> meeting</p> <ul style="list-style-type: none"> • Establish who will do the survey • Establish Methodology • Establish team to develop survey questions 	<p><u>Board Staff</u></p> <ul style="list-style-type: none"> • Start: <ul style="list-style-type: none"> ✓ Chapter I: PWB ✓ Chapter II: History of previous reports ✓ Chapter III: Myth Busters ✓ Chapter IV: How does Washington State Fund Infrastructure ✓ Chapter V: Funding Options ✓ Chapter XI: Services Provided by PWB ✓ Chapter XII: Case Studies ✓ Chapter XIV: Appendices
	<p><u>Editorial/Communication Sub-Committee</u></p> <ul style="list-style-type: none"> • Develop final structure for report and its contents • Identify and disperse assignments to other committees and staff, including timelines and due dates 	

December 2015	January 2016	February 2016	March 2016
<p><u>PWB Business Meeting</u> December 11, 2015</p>	<p><u>PWB Business Meeting</u> January 22, 2016</p> <ul style="list-style-type: none"> Legislative meet and greets for Board members 	<p><u>Needs Assessment Sub-Committee</u></p> <ul style="list-style-type: none"> Establish timeline and set meetings to review results from survey Identify how to present data and outcomes – handoff to Editorial/Communications Sub-Committee 	<p><u>PWB Business Meeting</u> March 6, 2016</p>
<p><u>Editorial/Communications Sub-Committee</u></p> <ul style="list-style-type: none"> Leg Days 	<p><u>Core Strategic Planning Committee</u></p> <ul style="list-style-type: none"> Possible opportunity to present at work sessions in policy and budget committees 	<p><u>Editorial/Communications Sub-Committee</u></p> <ul style="list-style-type: none"> Receive data from Needs Assessment Sub-Committee Develop material to display outcomes 	<p><u>Core Strategic Planning Committee</u></p> <ul style="list-style-type: none"> Work with Needs Assessment and Editorial/Communications Sub-Committees to analyze and finalize the “Needs Assessment”
<p><u>Outside Group</u> Conduct Survey</p>	<p><u>Outside Group</u></p> <ul style="list-style-type: none"> Complete Survey Make recommendations to the Needs Assessment Sub-Committee 	<p><u>All sub-Committees continue work on assignments</u></p>	<p><u>All sub-Committees continue work on assignments</u></p>
	<p><u>Needs Assessment Sub-Committee</u></p> <ul style="list-style-type: none"> Receive raw data from survey Review recommendations of Outside Group Analyze raw data and determine how to present outcomes 		<p><u>Legislative Session</u></p> <ul style="list-style-type: none"> Short Session scheduled to end March 11th (60 day session)
	<p><u>Legislative Session Begins</u></p>		
	<p><u>All sub-Committees continue work on assignments</u></p>		

April 2016	May 2016	June 2016	July 2016
<p><u>Core Strategic Planning Committee</u></p> <ul style="list-style-type: none"> Work with Needs Assessment and Editorial/Communications Sub-Committees to analyze and finalize the “Needs Assessment” 	<p><u>PWB Business Meeting</u> May 8, 2016</p>		<p><u>PWB Business Meeting</u> July 10, 2016</p> <ul style="list-style-type: none"> Staff will present to full Board any (activities/changes) recommendations as a result of the report development: (Broad terms –need enough to know if it will be in final report) Policy Programmatic Budgetary Legislation Full Board will identify and approve recommendations to be included in final report Possible Policy Retreat
<p><u>All sub-Committees continue work on assignments</u></p>	<p><u>Core Strategic Planning Committee</u> Work with Needs Assessment and Editorial/Communications Sub-Committees to analyze and finalize the “Needs Assessment”</p>		<p><u>Board Staff</u></p> <ul style="list-style-type: none"> Compile report based on Board recommendation and committee submittals Coordinate with Editorial/Communications Sub-Committee for review.
	<p><u>All sub-Committees continue work on assignments</u></p>		

August 2016	September 2016	October 2016	November 2016
<p><u>Board Staff</u></p> <ul style="list-style-type: none"> • Make final modifications to the report based on Board input • Start development of any budgetary requests as an outcome of the report • Start development of any policy changes to RCW 43.155 • Start development of any recommended programs as an outcome of the report 	<p><u>PWB Business Meeting</u> September 11, 2016</p> <p>Approve final Draft of Report for submittal and production</p>	<p><u>PWB Business Meeting</u> October 2, 2016 (pending announcement of IACC conference date – date of meeting will change)</p>	<p><u>Core Strategic Planning Committee</u> Release report to Stakeholders, Partners, etc.</p>
	<p><u>Board Staff</u></p> <ul style="list-style-type: none"> • Submit Budget requests • Submit Policy Package 	<p><u>Core Strategic Planning Committee</u></p> <ul style="list-style-type: none"> • Present Report to OFM, Governor’s Office and Legislative Committees 	

December 2016	January 2017	February 2017	March 2017
<p><u>PWB Business Meeting</u> December 4, 2016</p>	<p><u>PWB Business Meeting</u> January 9, 2017 Legislative meet and greets for board members</p>	<p><u>Needs Assessment Sub-Committee</u></p> <ul style="list-style-type: none"> • Establish timeline and set meetings to review results from survey • Identify how to present data and outcomes – handoff to Editorial/Communications Sub-Committee 	<p><u>PWB Business Meeting</u> March 6, 2016</p>
<p><u>Editorial/Communications Sub-Committee</u></p> <ul style="list-style-type: none"> • 	<p><u>Legislative Session Begins</u></p> <ul style="list-style-type: none"> • January 9, 2017 • Long Session (105 Days) • Estimated end of session April 23, 2017 		
	<p><u>Core Strategic Planning Committee</u></p> <ul style="list-style-type: none"> • Shepard any bills that were submitted through the legislative process. • Request work session at policy and budget committees 		



Core Strategic Planning Committee	
Membership	Staff Support
Stan Finkelstein, Chair	Cecilia Gardener
JC Baldwin	Ann Campbell
Ed Hildreth	Barbara Smith
Scott Hutsell	
Lisa Wellman	
Purpose	
Oversee implementation of the Board’s strategic planning initiatives for the 2015-17 biennium: <ul style="list-style-type: none"> • Development of a comprehensive report, and • Re-energizing state and local partnerships • Oversee sub-committees 	

Editorial / Communications Sub-Committee	
Membership	Staff Support
Lisa Wellman - Chair	Ann Campbell -Lead
Pam Carter	Jacque Andresen
Ed Hildreth	Barbara Smith
Diane Pottinger	Rodney Orr
	Cecilia Gardener
Purpose	
EDITORIAL: Review/Edit final report prior to submission to the Legislature <ul style="list-style-type: none"> • Develop final structure of the report and its contents • Write Executive Summary for final report • Review of final report 	COMMUNICATIONS: To establish a means to present the Board’s message (an outcome of the comprehensive report) to the Governor, Legislature, stakeholders, partners, and clients. <ul style="list-style-type: none"> • Develop message in response to the comprehensive report, • Develop delivery mechanisms, • Develop materials, and Review PWB materials, website, and outreach methods to determine if messages are being set to the appropriate interests in a creative and accessible way.

Needs Assessment Sub-Committee	
Membership	Staff Support
Diane Pottinger - Chair	Carrie Calleja
Stan Finkelstein	Rodney Orr
Jerry Cummins	Cecilia Gardener
Bubba Scott	
Purpose	
Oversee gathering the data <ul style="list-style-type: none"> • Develop methodology • Develop survey • Identify group to conduct survey • Review and approve data analysis • Infrastructure Needs Assessment – Write chapter 	

Research Sub-Committee	
Membership	Staff Support
Scott Hutsell - Chair	Cindy Chavez - Lead
Stan Finkelstein	Rodney Orr
JC Baldwin	Cecilia Gardener
Mary-Margaret Haugen	
Matt Rasmussen	
Purpose	
Oversee the research and development the following: <ul style="list-style-type: none"> • How other states address infrastructure financing – Write chapter • Risk Management - Write chapter • Barriers and Challenges –Write chapter 	



Date: October 1, 2015
To: Public Works Board
From: Cecilia Gardener, Executive Director
Subject: Review and Withdrawal of Policy Decision Package

During the 2015 Policy Retreat, the Board directed staff to submit four decision packages.

1. Emergency Resources for \$20 million
2. RCW 43.155 modification regarding membership (legislators)
3. RCW 43.155 modification regarding eligible entities (ports)
4. RCW 43.155 modification regarding interest rates and eligibility

All four-decision packages have been submitted on time, and are now at OFM. Staff is requesting the Board review the fourth request regarding interest rates and eligibility.

In light of the Board's initiative to develop a comprehensive report, staff is recommending that the Board pull the request for now, and resubmit next year after the completion of the report. The Board can then review the RCW and make comprehensive modifications based on the outcomes of the report.

TAB D

Information and Other Items

**Small Communities Initiative
Quarterly Report
(July-September 2015)**

*Submitted by Cathi Read and Jon Galow
Department of Commerce*

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Bullman Beach Water Association, (pop. ~40) Clallam County <i>(Assist Association with developing a sustainable source of water.)</i></p> <p>SCI involvement per Health SWRO request in late 2014.</p>	<p>Convened and facilitated numerous conference calls with Association members, consulting engineer, and Health regional staff.</p> <p>System received a \$25,000 Pre-Construction Grant for tasks associated with developing a sustainable source of water.</p> <p>System signed Agreed Notice of Correction with Health.</p> <p>Land survey completed.</p> <p>Test well drilling in late September 2015 will determine eventual water source and treatment.</p>	<p>Monthly (at minimum) conference calls to assist system with next steps.</p> <p>Determine treatment for permanent water source.</p>	<p>\$25,000 Health Pre-Construction Grant.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Town of Carbonado (pop. 610) Pierce County <i>(Assist Town with wastewater system planning and assessment; also help as needed with water system)</i></p> <p>SCI re-involvement approved by Ecology SWRO and Health NWRO in 2012</p>	<p><u>Wastewater</u> On Ecology's Final Offer list for \$920,000 for design of system improvements (mostly on the collection system).</p> <p><u>Water</u> New reservoir construction is complete.</p> <p>Advertising in September 2015 for bids to paint existing/old reservoir.</p> <p>Convened and facilitated conference call with staff from Town, Health, RCAC, GeoInstitute, and Commerce on September 28 regarding potential funding sources to help develop and implement a strategy to purchase easement or land swap with school district, which owns the watershed in which the town's water source is located.</p>	<p><u>Wastewater</u> Design work.</p> <p><u>Water</u> Apply for Source Water Protection Grant.</p> <p>Develop action plan for purchasing easement or land swap with school district.</p>	<p><u>Wastewater</u> Ecology 2014 Water Quality Funding for \$100,000 of Ecology pre-construction funding to complete GSP/FP.</p> <p>On Ecology Final Offer List for \$920,000 for collection system improvements design.</p> <p><u>Water</u> (DE-OBLIGATED) DWSRF loan offer of \$111,000 to rehabilitate water reservoir.</p> <p>\$30,000 Source Water Protection Grant from Health for planning work in the watershed.</p> <p>\$525,000 state appropriation from 'Projects for Jobs and Economic Development' for reservoir replacement.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Carrolls Water Association (pop. ~400) Cowlitz County <i>(Assist Association with water system planning and projects)</i></p> <p>SCI involvement per Health SWRO request in 2013</p>	<p>Met with Carrolls Association Board members on July 22, August 19, and September 23. Helped plan for and facilitate Annual Customer Meeting on August 26.</p> <p>Received a \$25,000 Pre-Construction Grant from Health for tasks associated with developing a new sustainable source of water.</p> <p>Board passed monthly rate increase on August 19 (from \$55 to \$65). Water usage/commodity rate will be increased in Spring 2016. On September 23, Board also voted to charge an ‘assessment’ of \$210 per hook-up (to be paid between October 1, 2015-April 1,2016) to help fund test well drilling activities. Board has also implemented some mandatory water use restrictions.</p>	<p>Monthly meetings with Carrolls Board to address operational, technical, and managerial issues.</p> <p>Implement rate increase and assessment.</p> <p>Continue search for new well.</p> <p>High priority water system improvements paid for by RCAC loan must be completed by October 1.</p> <p>Implement Cross Connection Control Program.</p> <p>Begin developing Capital Improvement Program.</p>	<p>\$30,000 Source Water Protection Grant.</p> <p>\$100,000 RCAC loan for priority system improvements.</p> <p>\$25,000 Department of Health Pre-Construction Grant.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Clallam County PUD #1 (Upper Fairview area pop. ~595) Clallam County <i>(Assist PUD with developing plan to serve Upper Fairview area during low flow periods in Morse Creek)</i></p> <p>SCI involvement per Health SWRO request in 2015.</p>	<p>SCI staff convened, facilitated, and documented conference calls and in-person meetings on July 1, 15, 30, and August 12 with PUD, Ecology Water Resources, Health Office of Drinking Water, WDFW, Commerce DWSRF contract manager, and others to develop short-term and long-term solutions to provide reliable drinking water to Upper Fairview area.</p>	<p>PUD will apply for construction funding for long-term, permanent pumping solution.</p> <p>PUD will update Drought Response Plan.</p> <p>Water System Plan Update due in 2016.</p>	<p>PUD funds</p>
<p>Curlew Water / Sewer District (pop. ~118) Ferry County <i>(Develop community wastewater system)</i></p> <p>SCI involvement per Ecology ERO request in 2006</p>	<p>No SCI activity this quarter.</p> <p>DOH LOSS approved plans, specifications, management plan and subject report on August 5.</p> <p>Secured additional grant and loan funding (\$1.033 million) from USDA Rural Development to meet estimated project budget shortfall.</p>	<p>Advertise for construction bids.</p> <p>Following bid opening, amend funding agreements with Ecology - if additional funding needed.</p>	<p>\$24,000 CDBG Planning Grant</p> <p>\$26,000 District funds for preliminary hydrogeo work and land acquisition.</p> <p>\$600,000 CDBG GP Grant \$2,719,891 Centennial grant \$24,904 SRF Forgivable Loan \$455,205 SRF Standard loan \$558,000 USDA RD loan <u>\$475,000 USDA RD grant</u> \$4.833 million total project</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Everson (pop. 2,481) Whatcom County <i>(Wastewater planning; upgrade wastewater system)</i></p> <p>SCI involvement per Ecology NWRO request in 2010</p>	<p><i>No hands-on SCI involvement this quarter.</i></p> <p>Due to higher-than-expected bids, construction of Everson's new wastewater treatment plant was delayed. The City re-scoped the project and re-advertised, and is currently evaluating bids.</p> <p>Construction on the effluent outfall relocation project began in Spring 2015 and is close to completion.</p>	<p>Re-advertise for bids on treatment plant upgrade project in Fall 2015.</p>	<p>CDBG Planning Only Grant - \$35,000 for Wastewater Facilities Plan amendment.</p> <p>PWTF Pre-Construction loan of \$300,000 for design.</p> <p>\$500,000 FEMA Pre-Disaster Mitigation Grant for the outfall portion of the work.</p> <p>\$2,360,000 Ecology SRF loan. \$520,000 City of Nooksack (County EDI Fund Loan) \$260,000 City of Nooksack (County EDI Fund Loan)</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Greater Bar Water District (pop. ~300) Douglas County <i>(Water system consolidation, new source well, reservoir and distribution piping)</i></p> <p>SCI involvement per Health ERO request in 2008</p> <p>Involves the following water systems: Greater Bar Water District Rocky Butte Water Assoc. Rich Acres Water Corp. Bar Development Whitlam Water?</p>	<p>Jon participated in District meetings on July 20, August 26 and September 28.</p> <p>Hired new water system operator in August.</p> <p>Opened construction bids on September 2. District rejected all bids due to higher than expected contractor bids. District is considering re-bidding in fall 2015.</p>	<p>Request funding contract extensions for CDBG and DWSRF.</p> <p>Re-advertise for construction bids.</p>	<p>CDBG \$35,000 POG and DOH Grant(s) for feasibility study(s)</p> <p>\$30,000 Douglas Co. 0.09% 2010 & 2011 funding</p> <p>\$40,000 RCAC interim loan (refinanced with DWSRF loan)</p> <p>\$2,722,800 DWSRF loan (~ 50% forgivable principal)</p> <p>\$1 million CDBG grant (pass-through via Douglas Co)</p> <p>\$1 million Jobs Now Act grant</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Ilwaco (City pop. 936; water service area pop. 2,477)</p> <p>Pacific County <i>(Water system upgrades)</i></p> <p>SCI involvement per Health SWRO request in 2010</p>	<p>Construction of water treatment plant improvements is complete.</p> <p>Council adopted the Source Watershed Control Plan in Summer 2015 (with the contingency that any changes suggested by Health would be incorporated).</p>	<p>Continue meeting periodically (but less frequently) with city elected officials, staff, consulting engineer, Health staff, and others to work on water system issues, as directed by Health.</p> <p>Next meeting scheduled for November 5.</p> <p>City's new clerk-treasurer will be attending 2015 IACC Conference.</p>	<p>\$1,814,000 Drinking Water State Revolving Fund for backwash basin improvements and two new reservoirs.</p> <p>\$940,000 state appropriation for water treatment plant improvements.</p> <p>\$30,000 Source Water Protection Grant for culvert replacement/ improvement in the watershed, and Watershed Control Plan</p> <p>\$837,000 2014 Public Works Trust Fund loan for water line replacement was diverted by the Legislature.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Kahlotus (pop. ~ 195) Franklin County <i>(Upgrade water system and considering community sewer system)</i></p> <p>SCI involvement per Health ERO request beginning in 2014</p>	<p>Jon attended city council meetings on August 19 and September 16.</p> <p><u>Water</u> City implemented water restrictions (irrigation hours) this summer.</p> <p><u>Wastewater</u> City executed agreement with consultant for sewer feasibility study. Council and mayor proposed reduction in scope of work and would like to amend the consultant agreement, which may require amendments to CDBG and Ecology contracts.</p>	<p><u>Water</u> Re-prioritize water system needs and improvement plan. Consider future applications to CDBG, USDA RD or DWSRF for water system funding.</p> <p><u>Wastewater</u> Amend consultant agreement. Begin feasibility study work.</p>	<p><u>Water</u> *\$24,000 CDBG Planning-Only Grant (2010) – SWSMP approved February 2013.</p> <p><u>Wastewater</u> \$24,000 CDBG Planning-Only Grant (2014 funds) \$24,000 SFY 2016 Ecology Pre-construction funds</p> <p>*\$24,000 CDBG Planning Only Grant (2007) – Sewer System Feasibility Study *Funding from prior activities.</p>
<p>Town of Metaline (pop. ~173) Pend Oreille County <i>(Upgrade water system)</i></p> <p>SCI involvement per Health ERO request in 2005</p>	<p>Intermittent communication with Town clerk/treasurer.</p> <p>Town council allocated funds for income survey – survey timeline not yet decided.</p>	<p>Conduct IACC income survey.</p> <p><u>Water</u> Consider water transmission main project for 2016 budget using Town funds.</p> <p><u>Sewer</u> Consider Ecology Preconstruction funding (not currently eligible for hardship) to update General Sewer/Facilities Plan.</p>	<p><u>Prior activities</u> \$1.54 million for Water Treatment Plant, Reservoir and meter project (2008-10). \$24,000 CDBG POG for Water System Plan – WSP approved in January 2014.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Morton (pop. 1,126) Lewis County <i>(Assist City with preparing for wastewater system upgrades and drinking water system upgrades)</i></p> <p>SCI involvement per Ecology SWRO request in 2012 and Health SWRO request in 2014.</p>	<p><u>Wastewater</u> Met with Town elected officials, staff, consulting engineer, and Ecology staff on July 24 to continue implementing action plan for substantial wastewater treatment system improvements.</p> <p>Industrial User Survey and Sewer Use Ordinance is complete.</p> <p>Design of collection system improvements is done, and I&I work is underway. Draft Pre-Design Report submitted to Ecology. Workshop regarding Class A vs. Class B biosolids on September 22.</p> <p><u>Water</u> Selected consultant for work under the CDBG Imminent Threat grant for up to \$75,000 for emergency repairs to the water system.</p> <p>Received a \$25,000 Pre-Construction Grant from Health for pre-construction tasks associated with eventual replacement of reservoir and water line on bridge.</p>	<p><u>Wastewater</u> Continue work on Ecology-funded projects.</p> <p>City will conduct income survey with assistance from Rural Community Assistance Corporation (funded by Ecology).</p> <p>City clerk-treasurer and public works director will be attending 2015 IACC Conference.</p> <p>Next meeting is scheduled for November 20.</p> <p><u>Water</u> Update Water System Plan in early 2016.</p> <p>Apply for DWSRF funding in September 2016 for design and construction of needed upgrades.</p>	<p><u>Wastewater</u> \$180,000 PWTF request for a new fine screen - PWTF funding diverted by Legislature</p> <p>\$40,000 from Lewis County '.09%' fund (2013) for Fisher Ave I&I improvements.</p> <p>SFY 2015 Ecology funding:</p> <ul style="list-style-type: none"> • \$783,000 Design of wwtp improvements. • \$1,162,900 Design and construction of collection system improvements. <p><u>Water</u> \$75,000 CDBG Imminent Threat grant.</p> <p>\$25,000 Health Pre-Construction Grant.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Mossyrock (pop. 500) Lewis County <i>(Update Water System Plan)</i></p> <p>SCI involvement per Health request in 2014</p>	<p>'Consolidation Study Final Report' was completed. Attended customer meeting of nearby water system (Harmony Park Lot Owners Association) with Mayor and consultant on June 13.</p> <p>Conducted conference calls with Mayor, city staff, consulting engineer, and Health staff on August 26 and September 29 to discuss Water System Plan Update.</p> <p>Received a \$25,000 Pre-Construction Grant for Water System Plan Update</p>	<p>Submit Draft Water System Plan Update to Health in Fall 2015.</p>	<p>\$30,000 Department of Health Restructuring Technical Assistance grant.</p> <p>\$25,000 Department of Health Pre-Construction Grant.</p>
<p>Onalaska (Lewis County Water District 2) (pop. 232 ERUs) <i>(Update Water System Plan)</i></p> <p>SCI involvement per Health request in 2014</p>	<p>On behalf of the District, Lewis County applied for and received a \$24,000 CDBG Planning Only Grant for updating the District's Water System Plan.</p> <p>Numerous phone calls and e-mails with District Manager.</p> <p>Met with District staff and consultant on September 23 to discuss Water System Plan Update.</p>	<p>Complete Water System Plan Update.</p> <p>Meet with District staff on November 4 to review Consolidation Feasibility Study and determine next steps.</p>	<p>\$30,000 Health Restructuring Technical Assistance Grant.</p> <p>\$24,000 CDBG Planning Only Grant to Lewis County (LCWD2 is subrecipient)</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Community of Packwood (pop. ~342)/ Lewis County <i>(Investigate feasibility of new community wastewater system)</i></p> <p>SCI involvement per Ecology SWRO request in 2009</p>	<p><i>No hands-on SCI involvement this quarter.</i></p> <p>Local Water District is willing to take over planning for sewer project and ultimate ownership and management of sewer project.</p> <p>Applications for 'Certificate of Necessity' (needed to change from water district to water-sewer district) are in the works.</p>	<p>Apply for design and construction funding as appropriate.</p> <p>Interim financing for some project phases may come from future Distressed Counties .09% funds.</p>	<p>\$35,000 Distressed Counties .09% funds made available by the Rural Economic Development Advisory Committee of Lewis County</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>Town of Riverside (pop. ~280) Okanogan County <i>(Upgrade water system and develop community wastewater system)</i></p> <p>SCI involvement per Ecology HQ in 2015 and CDBG (water) in 2015</p>	<p><u>Water</u> Funding coordination meeting with Town, consultant, and Commerce staff on September 22. Water system work includes service meters, isolation valves, and pipe replacement (Direct Appropriation only).</p> <p><u>Wastewater</u> Both SCI staff participated in conference call with Ecology staff August 11 to discuss financial viability & feasibility of proposed alternative.</p> <p>Town is considering Ecology design loan. Town has also informally requested Ecology funding for property acquisition.</p>	<p><u>Water</u> Finalize project budget, scope of work and execute funding contracts. Begin environmental review followed by preliminary engineering.</p> <p><u>Wastewater</u> Execute (?) Ecology loan contract. Reconsider (?) financial viability & feasibility of proposed alternative. Consider options for land acquisition.</p> <p>Tech team meeting scheduled at IACC Conference.</p>	<p><u>Water</u> \$485,000 State Direct Appropriation</p> <p>\$645,388 CDBG General Purpose Grant</p> <p>\$37,550 Riverside water fund</p> <p><u>Wastewater</u> \$596,000 SFY 2015 Ecology pre-construction funding</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Roy, (population ~875) Pierce County <i>(Update Water System Plan; explore possible transition to a new operating environment)</i></p> <p>SCI involvement per Health NWRO request in late 2014</p>	<p>Mayor moved out of the area.</p> <p>Assisted Clerk-Treasurer with writing an RSQ and consultant selection process for hiring a consultant to assist with updating Water System Plan. A consultant has been selected and City is currently in the process of developing a contract with the consultant.</p>	<p>City Council is still discussing how to proceed following the February workshop with SMAs.</p> <p>Update Water System Plan.</p> <p>Applying for Pierce County CDBG funding for new pump and motor.</p>	<p>Water System Plan Update is being funded with City water funds.</p>
<p>Royal Water District, (population ~ 175) Grant County <i>(Replace reservoir and piping, potential well modifications)</i></p> <p>SCI involvement in January 2015 per Health ERO</p>	<p>No SCI activity with county or district.</p> <p>Grant County received CDBG grant for district water project. Project will correct several water system deficiencies and allow district to add connections.</p>	<p>Attend CDBG management workshop and execute funding contract. Begin environmental review for release of funds.</p>	<p>\$750,000 CDBG General Purpose Grant to Grant County (district is subrecipient)</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of South Bend (pop. 1,637) City of Raymond (pop. 2,882) Pacific County <i>(Upgrade sewer collection system and wastewater treatment plant; upgrade water system; downtown revitalization)</i></p> <p>SCI involvement per Ecology SWRO request in 2003</p>	<p>Finishing punch list items for regional wastewater treatment facility.</p> <p>Contractor was selected for South Bend lagoon decommissioning and site restoration plan. Site de-watering in July; Sludge removal and disposal in August.</p> <p>South Bend received \$677,600 in CDBG funding to repair Central Avenue sewer line to reduce inflow and infiltration. Bids were high when opened in July. The city reduced the scope of work and also received additional CDBG funding.</p>	<p>Complete South Bend lagoon decommissioning.</p> <p>Complete South Bend Central Avenue sewer line project.</p> <p>Mayor will be attending 2015 IACC Conference. City will have a tech team meeting regarding developing a new water source.</p>	<p>\$1 million to each city from PWTF for design</p> <p><u>Phase 1 construction:</u> \$2,531,500 Ecology ARRA forgivable loan \$1,618,500 SRF Loan</p> <p><u>Phase 2 construction:</u> USDA Rural Development ~\$11 million in grant and ~\$17 million in loan, plus additional loan funding in 2015 for cost overruns</p> <p>\$780,000 loan - Additional RD funding received for South Bend lagoon decommissioning</p> <p><u>I&I work:</u> \$485,000 STAG \$1 million State appropriation</p> <p><u>South Bend Central Ave Sewer Line repair:</u> \$750,000 CDBG Grant</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Vader (pop. 621) Lewis County <i>(Upgrade sewer collection system and wastewater treatment plant)</i></p> <p>SCI involvement per Ecology SWRO request in 2001 and Health SWRO request in 2009</p>	<p><u>Wastewater</u> Conference call on July 28 with City elected officials and staff, and Ecology to discuss the Wastewater Facilities Plan Amendment.</p> <p>Facilities Plan submitted to Ecology for review in late September.</p> <p>CDBG-funded collection system improvement work: Bid opening in late September for Phase 2 of side-sewer replacement project.</p> <p>City had a clean Financial Audit in Summer 2015.</p>	<p><u>Wastewater</u> Once FP is approved, initiate tribal consultation.</p> <p>Following consultation process, begin design of selected alternative.</p> <p>Either complete own income survey or use information from a County-funded income survey of the drinking water service area.</p> <p>City clerk-treasurer will be attending 2015 IACC Conference.</p> <p><u>Water</u> City will try to meet requirements (outlined in 'Conditions of Return' section of Transfer Agreement) to eventually get water system back from County.</p>	<p><u>Wastewater</u> CDBG -Planning Only Grant for \$29,500 to update 2004 Facilities Plan in 2009.</p> <p>CDBG – Planning Only Grant for I&I Evaluation in Winlock and Vader.</p> <p>FEMA funding for outfall repairs.</p> <p>Awarded \$900,000 from Ecology for Facilities Plan Amendment and design of selected alternative.</p> <p>Awarded \$716,787 in 2013 CDBG- GP funding for wastewater collection system improvements.</p> <p><u>Water</u> CDBG - \$613,000</p> <p>DWSRF - \$361,281 loan and \$361,281 forgivable loan</p> <p>CDBG grant of \$717,000 to Lewis County for new water reservoir for Vader.</p>

Community	SCI Activity Last Quarter	Next Steps/ Assistance Needed From Agencies	Funding for Current Activities
<p>City of Winlock (pop. 1,350) Lewis County <i>(Water System Plan Update; water system upgrades; wastewater system upgrades)</i></p> <p>SCI involvement per Health and Ecology requests in 2014</p>	<p><u>Water</u> Received CDBG Planning Only Grant application for \$24,000 for Water System Plan Update. (Wellhead Protection Plan and Water Use Efficiency goals will be completed by ERWOW and City staff.)</p> <p><u>Wastewater</u> RCAC completed a wastewater rate study.</p> <p>On Ecology Final Offer List for \$4,989,000 for design and construction of membrane replacement and collection system improvements.</p> <p>Applied for and awarded CDBG General Purpose funding (\$605,883) to replace loan portion of Ecology offer (monthly sewer rates are still very high).</p>	<p><u>Water</u> Complete Water System Plan Update.</p> <p>Mayor will be attending 2015 IACC Conference.</p> <p><u>Wastewater</u> Finalize CDBG and Ecology contracts.</p> <p>Begin design of wastewater system upgrades.</p>	<p><u>Water</u> \$24,000 CDBG POG.</p> <p><u>Wastewater</u> \$4,989,000 SFY 2016 Ecology funding (~92% grant) for design and construction of membrane replacement and collection system improvements.</p> <p>\$605,883 CDBG General Purpose grant (replaces loan portion of Ecology offer).</p>

Inter- and intra-agency coordination

Cathi:

- Convened and facilitated Maximizing Resources meeting on July 7.
- Attended IACC Board meetings on July 9 and September 10.
- As 2015 IACC Conference Chair, convened and facilitated Conference Planning Committee meetings on July 15, August 19, and September 16. Also set up over 20 tech team meetings that will occur at the conference, most of which are for drinking water and wastewater system upgrades for small communities.
- Attended 'Future of Washington Infrastructure' meetings on August 6 and September 3.

Jon:

- Assisted CDBG General Purpose grant program with review of water and wastewater related applications.
- Attended (by phone) Maximizing Resources meeting on July 7.
- Attended (by phone) 'Future of Washington Infrastructure' meetings on August 6 and September 3.
- Attended Lincoln County EDC board meeting on August 27 regarding income surveys for Lincoln County cities and towns.

Next quarter

- Cathi will convene/facilitate future 'Maximizing Resources' meetings, as needed. Next scheduled meeting is December 1.
- IACC Conference October 20-22 in Wenatchee.
- Jon will attend Lincoln County Mayors meeting on October 16 regarding income surveys for Lincoln County cities and towns.