



Agenda Item	Action	Page	Time
Committee Meetings			7:30-8:30
1) ADMINISTRATION		3	9:00
a) Call to Order			
b) Welcome and Introductions			
c) Approve Agenda: Cecilia Gardener	Action	1	
d) November 2 Meeting Minutes: Cecilia Gardener	Action	5	
2) COMMITTEE REPORT		7	9:10
a) Executive Committee: Stan Finkelstein	verbal		
b) Communication Committee: Kathryn Gardow		9	
c) Policy Committee: Don Montfort		13	
d) TA Committee: Steve Stuart		31	
3) CONTRACTING		33	9:40
a) Drinking Water State Revolving Fund			
a. Hideaway Mobile Home Park: Steve Dunk	Action	35	
b. Knights of Columbus: Bruce Lund	Action	37	
c. Webster Hill Water Association: Myra Baldini/Isaac Huang	Action	handout	
4) DRINKING WATER STATE REVOLVING FUND		41	10:15
Public hearing on loan fee for program year 2013 loan program	Action	43	
5) FINANCING OPPORTUNITIES			10:30
a) 2014 Public Works Trust Fund Construction Loan List Update: John LaRocque	verbal		
b) PWTF Pre-Construction Program Recommended List: Terry Dale	Action	handout	
6) ETHICS TRAINING			10:50
Ethics Training: Melanie deLeon, Executive Director, Executive Ethics Board	presentation		
7) INFORMATION AND OTHER ITEMS			12:00
SW Academy Update	verbal		

Note: Anticipated time of Adjournment is 12:00 p.m.

NEXT MEETING SCHEDULED: January 16, 2013, at 9:00 a.m. – Department of Commerce, 1011 Plum Street SE Olympia, WA 98504-2525. Contact the Public Works Board at (360) 725-3151 for further information.

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TAB 1

Administration

Placeholder for the 11/2/2012 Meeting
Minutes.

TAB 2

Committee Report

PWB Communications Committee Notes

November 2, 2013

7:30-8:45

Attendees:

Board Members

Kathryn Gardow

Ed Hildreth

Scott Hutsell

Staff

Rodney Orr

Matt Ojennus

Cecilia Gardner

Cindy Chavez

The October 4th meeting notes, Communication Committee Charter and Agenda for November 2, 2012 meeting were approved.

The 4 pager Communications document was reviewed. Several changes were proposed: Title Page – Adding “Jobs Bill” to the title and moving the logo to make room for “26 Year Historic Impacts” graph (currently on back page). Page 2: Adding a third column for Board’s Nov. Meeting decision. Page 3: under 2014 Loan List : Project Selection, condense this section leaving off # projects that were withdrawn, not recommended and insert section on PWAA history and the new methodology used for project selection. Also, add something regarding where the revenues come from. Back Page: Under History of Success change this chart to a Bar Graph. If room allows insert a picture of one of the projects. Possibly putting a generic picture on the individual projects page for Legislature

It was decided to discuss the Web Site Template before the Social Media Policy. Board members reviewed the power point presentation that Rodney Orr provided. The Board asked Rodney to change “How to” to “How to Apply” and “Show Me” to “Tell Me About” and to move Media Center to “Tell Me About”. Technical Assistance will be added to the main tabs where Media Center is currently. Rodney will make the changes and bring back a sample for the committee to review.

The Social Media Policy was reviewed. Rodney Orr explained how RSS, Twitter and Facebook can be connected so the same post can appear in all 3 media sites. Ed Hildreth commented that for his city the attorney had issues on social media in that if enough council members commented on a Facebook site that this could be considered a public meeting. Rodney Orr will check to see if the comment field is turned off so this would not be a problem. Kathryn Gardow mentioned that the Board could “share” the

post so that news for PWB Board could go out to more citizens. Rodney will be attending a session the Governor’s Office is putting on regarding social media policies. It was decided that the committee will wait until after that meeting before deciding what needs to be in the PWB Social Media Policy.

The committee reviewed the Draft Work Plan. There was a question regarding the TA marketing flyer. Staff will bring more information at the December meeting.

Cindy Chavez provided an update to the business cards. They have been ordered and should be available at the December meeting.

KEY	
→	Item needs follow-up action
<u>Name</u>	Person responsible for the assignment

→

4-Pager Communication document

Staff needs to update the 4-pager per changes requested by the committee. **Cecilia**

Draft Work Plan

→ The committee wanted more information regarding the TA Marketing flyer listed in the Draft Work Plan. **Cindy/Cecilia follow up with John and report back**

Social Media

→ Social Media Policy needs to be brought back to the committee after staff attends the Governor’s Media Policy meeting. **Rodney** → Matt O. suggested that the joint meeting with CERB/TIB/etc. would be a good time to rollout the board’s social media strategy.

→ Staff needs to create individual legislator lists to add as an insert as a separate paper for legislators we are visiting. Personalize for legislators they are visiting. **Dawn**

→ Cindy will email all communications material to the committee. Send out a summary to the committee of today's meeting and to-do's. **Cindy**

Web Site

Rodney will bring to the next meeting more details about web site development.

Webinars

→ Need to add this to the next meeting agenda. At the October meeting Rodney suggested that the Board consider whether they want to have webinars available as an option that clients, the public, etc. can participate in. Kathryn expressed a preference to test the webinar technology on a limited basis with board members/staff prior to making it a public option. Cindy suggested we try it as a committee meeting first. **Rodney** will produce handouts and instructions/training for the committee so we can try it.

Attendees: Don Montfort, Jerry Cummins, Tom Fitzsimmons, JC Baldwin
Staff: Ann Campbell, Dawn Eychaner, Isaac Huang

Action items:

Review/Revise Agenda

No changes to the agenda as presented.

Review/Revise PWB Policy Bill and approve to move to full Board

Staff presented stakeholder comments which resulted from a meeting held on 10/23/12 to gather input on the draft legislation. The following substantive issues were identified by stakeholders and staff as needing further review by the policy committee and board:

1. Ports as an eligible applicant – Members discussed adding Public Ports (Ports) as eligible entities for funding. The following issues were discussed:
 - a. Ports as economic development engines as opposed to being basic infrastructure providers
 - b. Ports as partners with existing eligible entities
 - c. Ports' credit worthiness assisting an eligible entity with credit challenges

Outcomes: Do not include Ports as an eligible entity; do encourage Ports to partner with existing eligible entities for funding opportunities to access the Public Works Assistance Account

2. Authority to refinance – Members discussed language in Section 4, item (912) which modifies the existing language to allow for the refinancing of federal loans. The following issues were discussed:
 - a. USDA sought modification to the precise language as making funding available will not directly impact the acquisition of federal funding;
 - b. Lack of job creation due to re-financing existing loan projects

Outcomes: Committee chair to provide draft language to staff based on discussions with USDA; Committee to bring forth discussion to Board

3. Clarification on Traditional and Non-Traditional – Members discussed the meaning and timing of the inclusion of non-traditional systems when funding:
 - a. The timing of when adding non-traditional systems to the eligibility pool is unclear: Calendar year 2014 for the loan list year 2016
 - b. The bill fails to include Pre-Construction and Energy funding programs for the non-traditional systems. It is not clear why these two programs are not extended to the non-traditional systems.

Outcomes: Include Pre-Construction and Energy loan programs to the funding programs available to non-traditional systems. The non-traditional systems will be enacted starting August 1, 2014 for loan list year 2016.

Review/Revise/Adopt Committee Charter

This agenda item has been tabled for review at the December 2012 committee meeting.

Public Works By-Laws

This agenda item has been tabled for review at the December 2012 committee meeting.



Companion bills Z-0079.2 and Z-0086.2 modernize the Board’s authorizing statute, 43.155 RCW, improving the way in which the Board serves local governments. Traditionally, the Board has financed infrastructure construction for water, sanitary sewer, storm water, solid waste/recycling, roadways, and bridge systems. The Board is steadfastly committed to this core mission while expanding financing opportunities to include other locally-owned infrastructure systems. Significant aspects of the legislation include:

- Reinstates the highly successful Water System Acquisition and Rehabilitation Program (WSARP).
- Articulates state policy priorities for infrastructure investment.
- Modernizes the Board’s project selection criteria.
- Advances Growth Management Act (GMA) compliance opportunities by requiring jurisdiction compliance at the time of contract execution, rather than at the time of application.
- Authorizes the Board to finance projects in “non-traditional” systems, including rail spurs, broadband, energy, public buildings, criminal justice facilities, and other capital facilities owned and operated by local governments beginning in 2014.
 - Projects in non-traditional systems will only be financed after eligible projects in traditional systems have been approved.
- Agency request legislation from the Department of Commerce.

Contact

John LaRocque, Executive Director, Public Works Board
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john.larocque@commerce.wa.gov

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0079.2/13 2nd draft

ATTY/TYPIST: AI:lel

BRIEF DESCRIPTION: Concerning the public works board.

1 AN ACT Relating to the public works board; amending RCW 43.155.010,
2 43.155.020, 43.155.030, 43.155.050, and 43.155.070; adding new sections
3 to chapter 43.155 RCW; and repealing RCW 43.155.040, 43.155.060,
4 43.155.065, 43.155.068, 43.155.075, 43.155.110, and 43.155.120.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 43.155.010 and 1996 c 168 s 1 are each amended to read
7 as follows:

8 ~~(1) The legislature finds that ((there exists in the state of~~
9 ~~Washington over four billion dollars worth of critical projects for the~~
10 ~~planning, acquisition, construction, repair, replacement,~~
11 ~~rehabilitation, or improvement of streets and roads, bridges, water~~
12 ~~systems, and storm and sanitary sewage systems. The December, 1983~~
13 ~~Washington state public works report prepared by the planning and~~
14 ~~community affairs agency documented that local governments expect to be~~
15 ~~capable of financing over two billion dollars worth of the costs of~~
16 ~~those critical projects but will not be able to fund nearly half of the~~
17 ~~documented needs.~~

18 ~~The legislature further finds that Washington's local governments~~
19 ~~have unmet financial needs for solid waste disposal, including~~

1 ~~recycling, and encourages the board to make an equitable geographic~~
2 ~~distribution of the funds))~~ while local governments are responsible for
3 creating, developing, managing, financing, operating, and maintaining
4 local infrastructure systems, state priority policy objectives are
5 served by investing financial and technical resources in these local
6 systems. A significant backlog of projects to build, repair, and
7 improve local public infrastructure systems exists. The state intends
8 to strategically invest resources to address this backlog and to
9 promote the following priority policy objectives:

10 (a) Preservation, enhancement, or achievement of public health and
11 safety;

12 (b) Protection of the state's environment;

13 (c) Promotion of economic development;

14 (d) Encouragement of well-managed local infrastructure systems;

15 (e) Encouragement of the acquisition and use of federal funds to
16 finance local infrastructure projects;

17 (f) Sustaining the state's infrastructure assistance capacity; and

18 (g) Responding to state and federal regulatory requirements.

19 (2) It is the policy of the state of Washington to encourage self-
20 reliance by local governments in meeting their public works needs and
21 to assist in the financing of critical public works projects by
22 ((making loans, financing guarantees,)) providing financial and
23 technical assistance ((available)) to local governments for these
24 projects.

25 **Sec. 2.** RCW 43.155.020 and 2009 c 565 s 33 are each amended to
26 read as follows:

27 Unless the context clearly requires otherwise, the definitions in
28 this section shall apply throughout this chapter.

29 (1) "Board" means the public works board created in RCW 43.155.030.

30 (2) "Capital facility plan" means a capital facility plan required
31 by the growth management act under chapter 36.70A RCW or, for local
32 governments not fully planning under the growth management act, a plan
33 required by a regulating state agency or the public works board.

34 (3) "Construction" means construction of public works projects as
35 defined within this chapter.

36 (4) "Department" means the department of commerce.

1 ~~((4) "Financing guarantees" means the pledge of money in the~~
2 ~~public works assistance account, or money to be received by the public~~
3 ~~works assistance account, to the repayment of all or a portion of the~~
4 ~~principal of or interest on obligations issued by local governments to~~
5 ~~finance public works projects.))~~

6 (5) "Director" means the director of the department.

7 (6) "Emergency" means a construction project in a traditional
8 system made necessary by a natural disaster or an immediate and
9 emergent threat to the public health and safety due to unforeseen or
10 unavoidable circumstances as evidenced by a local government
11 declaration.

12 (7) "Financial assistance" means loans unless otherwise specified
13 in this chapter or by the legislature.

14 (8) "Local government((s))" means ((cities)) a city, town((s)),
15 ((counties)) county, special purpose district((s)), and any other
16 municipal corporation((s)) or quasi-municipal corporation((s)) in the
17 state, excluding school districts and port districts, authorized by law
18 to fund public works.

19 ~~((6))~~ (9) "Nontraditional system" means telecommunications,
20 energy, flood levees, public buildings and facilities, rail, criminal
21 justice facilities, and parks and recreation facilities.

22 (10) "Planning project" means the process through which a
23 jurisdiction creates and adopts a capital facilities plan, a
24 comprehensive system plan, or equivalent.

25 (11) "Policy objectives" means state priorities that guide the
26 investment of public works assistance account funds as enumerated in
27 this chapter.

28 (12) "Preconstruction" means activities including, but not limited
29 to, project planning, design, engineering, bid document preparation,
30 environmental studies, right-of-way acquisition, and other preliminary
31 phases of construction projects as determined by the public works
32 board.

33 (13) "Public works project" means a project ((of a local government
34 for)) listed in a capital facilities plan or equivalent that results in
35 the planning, acquisition, construction, repair, reconstruction,
36 replacement, rehabilitation, or improvement of ((streets and roads,
37 bridges, water systems, or storm and sanitary sewage systems and solid
38 waste facilities, including recycling facilities. A planning project

1 may include the compilation of biological, hydrological, or other data
2 on a county, drainage basin, or region necessary to develop a base of
3 information for a capital facility plan)) a traditional system,
4 excluding rolling stock.

5 ((7) "Solid waste or recycling project" means remedial actions
6 necessary to bring abandoned or closed landfills into compliance with
7 regulatory requirements and the repair, restoration, and replacement of
8 existing solid waste transfer, recycling facilities, and landfill
9 projects limited to the opening of landfill cells that are in existing
10 and permitted landfills.

11 (8)) (14) "Technical assistance" means training and other services
12 provided to local governments to:

13 (a) ((Help such local governments plan, apply, and qualify for
14 loans and financing guarantees from the board, and (b) help local
15 governments improve their ability to plan for, finance, acquire,
16 construct, repair, replace, rehabilitate, and maintain public
17 facilities)) Improve their ability to plan for, finance, acquire,
18 construct, reconstruct, and maintain infrastructure systems; and/or

19 (b) Improve their technical, financial, and/or managerial capacity
20 to operate their infrastructure systems in a manner consistent with
21 federal and state requirements and ensure long-term sustainability of
22 the systems.

23 (15) "Traditional system" means a drinking water system, sanitary
24 sewer system, storm water system, solid waste or recycling system,
25 bridge, or roadway.

26 **Sec. 3.** RCW 43.155.030 and 1999 c 153 s 58 are each amended to
27 read as follows:

28 (1) The public works board is hereby created.

29 (2) The board shall be composed of thirteen members appointed by
30 the governor for terms of four years(~~(, except that five members~~
31 ~~initially shall be appointed for terms of two years)).~~ The board shall
32 include: (a) Three members, including two (~~(of whom shall be))~~ elected
33 officials and one (~~(shall be a public works manager))~~ official working
34 in public works or a related field, appointed from a list of (~~(at least~~
35 ~~six))~~ persons nominated by the association of Washington cities or its
36 successor; (b) three members, including two (~~(of whom shall be))~~
37 elected officials and one (~~(shall be a public works manager))~~ official

1 working in public works or a related field, appointed from a list of
2 ~~((at least six))~~ persons nominated by the Washington state association
3 of counties or its successor; (c) ~~((three members appointed from a list~~
4 ~~of at least six persons nominated jointly by the Washington public~~
5 ~~utility districts association and a state association of water sewer~~
6 ~~districts, or their successors))~~ one member appointed from a list of
7 persons nominated by the Washington public utility districts
8 association or its successor; (d) two members appointed from a list of
9 persons nominated by the Washington association of sewer and water
10 districts or its successor; and ~~((d))~~ (e) four members appointed from
11 the general public. In appointing the four general public members, the
12 governor shall endeavor to balance the geographical composition of the
13 board and to include members with special expertise in relevant fields
14 ~~((such as public finance, architecture and civil engineering, and~~
15 ~~public works construction))~~. The governor shall appoint one of the
16 general public members of the board as chair. The term of the chair
17 shall coincide with the term of the governor.

18 (3) ~~((Staff support to the board shall be provided by the~~
19 ~~department.~~

20 ~~(4))~~ Members of the board shall receive no compensation but shall
21 be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060.

22 ~~((5))~~ (4) If a vacancy on the board occurs by death, resignation,
23 or otherwise, the governor shall fill the vacant position for the
24 unexpired term. Each vacancy in a position appointed from lists
25 provided by the associations under subsection (2) of this section shall
26 be filled from a list of ~~((at least three))~~ persons nominated by the
27 relevant association or associations. Any members of the board~~((~~
28 ~~appointive or otherwise,))~~ may be removed by the governor for cause in
29 accordance with RCW 43.06.070 and 43.06.080.

30 NEW SECTION. Sec. 4. A new section is added to chapter 43.155 RCW
31 to read as follows:

- 32 (1) In order to assist local governments, the board:
- 33 (a) Must manage the public works assistance account in such a way
 - 34 as to ensure its sustainability;
 - 35 (b) Must execute contracts or otherwise financially obligate funds
 - 36 from the public works assistance account for projects approved for
 - 37 funding by the board;

1 (c) May approve projects in traditional systems for financial
2 assistance under the following programs:

3 (i) Construction;

4 (ii) Preconstruction;

5 (iii) Capital facilities planning;

6 (iv) Emergency;

7 (v) Energy or water efficiency;

8 (vi) Water system acquisition and rehabilitation as created by RCW
9 70.119A.190; and

10 (vii) Any other program authorized by the legislature;

11 (d) Beginning August 1, 2014, may approve projects in
12 nontraditional systems for financial assistance under the following
13 programs only after all eligible public works projects in traditional
14 systems have been approved for funding:

15 (i) Construction;

16 (ii) Emergency;

17 (iii) Energy or water efficiency; and

18 (iv) Preconstruction;

19 (e) Must, before November 1st of each year, develop and submit to
20 the appropriate fiscal committees of the senate and house of
21 representatives a list of qualified public works projects in
22 traditional systems which have been evaluated by the board and are
23 recommended for funding by the legislature;

24 (f) May, beginning November 1, 2014, and subsequently before
25 November 1st of each year, develop and submit to the appropriate fiscal
26 committees of the senate and house of representatives a list of
27 qualified public works projects in nontraditional systems which have
28 been evaluated by the board and are recommended for funding by the
29 legislature;

30 (g) May not sign contracts or otherwise financially obligate funds
31 from the public works assistance account before the legislature has
32 appropriated funds for a specific list of public works projects. The
33 legislature may remove projects from the lists recommended by the
34 board;

35 (h) May provide grants for water system acquisition and
36 rehabilitation projects;

37 (i) May require such terms and conditions and may charge such rates
38 of interest on its loans as it deems necessary or convenient to carry

1 out the purposes of this chapter. Money received from local
2 governments in repayment of loans made under this section must be paid
3 into the public works assistance account for uses consistent with this
4 chapter;

5 (j) May not refinance existing debt or financial obligations of
6 local governments, except for short-term debt associated with
7 construction projects approved by the board or other cases as defined
8 in rule by the board;

9 (k) Must provide technical assistance as defined in RCW 43.155.020.

10 (2) Subsection (1)(e) and (f) of this section do not apply to
11 financial assistance provided through the preconstruction, capital
12 facilities planning, emergency, energy or water efficiency programs,
13 water system acquisition and rehabilitation, or any other programs
14 authorized by the legislature.

15 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.155 RCW
16 to read as follows:

17 (1) The board may, beginning in June 2015 and every four years
18 thereafter, provide the governor and appropriate committees of the
19 legislature with a comprehensive assessment of local infrastructure
20 needs and potential resources within the state to meet those needs.

21 (2) The board must:

22 (a) Establish and maintain direct collaborative relations with
23 governmental, private, and other financing organizations, advocate
24 groups, and other stakeholders associated with infrastructure
25 financing;

26 (b) Provide direct information and advice to the governor and
27 appropriate committees of the legislature on matters related to local
28 government infrastructure financing; and

29 (c) At the direction of the governor, provide information and
30 advocacy at the national level on matters related to local government
31 infrastructure financing.

32 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.155 RCW
33 to read as follows:

34 The board must:

35 (1) Consistent with the guidelines issued by the office of

1 financial management and in consultation with the department, prepare
2 biennial operating and capital budgets and, as needed, update these
3 budgets during the biennium;

4 (2) Accept or reject any gifts, grants, or loans of funds,
5 property, or financial or other aid in any form from any other source
6 on any terms and conditions that are not in conflict with this chapter;

7 (3) Adopt rules under chapter 34.05 RCW as necessary to carry out
8 the purposes of this chapter; and

9 (4) Do and perform all acts and things necessary or convenient to
10 carry out the powers expressly granted or implied under this chapter.

11 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.155 RCW
12 to read as follows:

13 (1) The department must:

14 (a) In collaboration with the board, and in accordance with the
15 board's operating budget, provide staff to the board necessary to
16 efficiently and effectively carry out the duties of this chapter; and

17 (b) Submit the board's operating and capital budgets in accordance
18 with guidelines set by the office of financial management.

19 (2) The director must:

20 (a) Be accountable to the board for operating and capital
21 expenditures from the account; and

22 (b) Represent the interests and concerns of the board as a member
23 of the governor's executive cabinet.

24 **Sec. 8.** RCW 43.155.050 and 2012 2nd sp.s. c 2 s 6004 are each
25 amended to read as follows:

26 (1) The public works assistance account is hereby established in
27 the state treasury. Money may be placed in the public works assistance
28 account from the proceeds of bonds when authorized by the legislature
29 or from any other lawful source. Money in the public works assistance
30 account shall be used ~~((to make loans and to give financial guarantees~~
31 ~~to local governments for public works projects. Moneys in the account~~
32 ~~may also be appropriated to provide for state match requirements under~~
33 ~~federal law for projects and activities conducted and financed by the~~
34 ~~board under the drinking water assistance account))~~ for purposes as
35 authorized by this chapter.

1 (2) A minimum of eighty-five percent of the biennial capital budget
2 appropriation to the public works board from this account shall be
3 obligated for construction loans. Not more than fifteen percent of the
4 biennial capital budget appropriation to the public works board from
5 this account may be ~~((expended or))~~ obligated for ~~((preconstruction~~
6 ~~loans, emergency loans, or loans for capital facility planning under~~
7 ~~this chapter; of this amount, not more than ten percent of the biennial~~
8 ~~capital budget appropriation may be expended for emergency loans and~~
9 ~~not more than one percent of the biennial capital budget appropriation~~
10 ~~may be expended for capital facility planning loans))~~ programs other
11 than construction loans. Within this fifteen percent, state match for
12 federal programs or funds for other state programs may be obligated.
13 ~~((During the 2011-2013 fiscal biennium, the legislature may transfer~~
14 ~~from the public works assistance account to the general fund, the water~~
15 ~~pollution control revolving account, and the drinking water assistance~~
16 ~~account such amounts as reflect the excess fund balance of the account.~~
17 ~~During the 2011-2013 fiscal biennium, the legislature may appropriate~~
18 ~~moneys from the account for economic development, innovation, and~~
19 ~~export grants, including brownfields; main street improvement grants;~~
20 ~~and the loan program consolidation board.))~~

21 **Sec. 9.** RCW 43.155.070 and 2012 c 196 s 9 are each amended to read
22 as follows:

23 (1) To qualify for ~~((loans or pledges))~~ financial assistance under
24 this chapter the board must determine that a local government meets all
25 of the following conditions:

26 (a) The city or county must be imposing a tax under chapter 82.46
27 RCW at a rate of at least one-quarter of one percent;

28 (b) The local government must have developed a capital facility
29 plan; and

30 (c) The local government must be using all local revenue sources
31 which are reasonably available for funding public works, taking into
32 consideration local employment and economic factors.

33 (2) Except where necessary to address a public health need or
34 substantial environmental degradation, a county, city, or town planning
35 under RCW 36.70A.040 ~~((must have))~~ may not receive financial assistance
36 under this chapter unless it has adopted a comprehensive plan,
37 including a capital facilities plan element, and development

1 regulations as required by RCW 36.70A.040. This subsection does not
2 require any county, city, or town planning under RCW 36.70A.040 to
3 adopt a comprehensive plan or development regulations before requesting
4 or receiving (~~(a loan or loan guarantee)~~) financial assistance under
5 this chapter if such request is made before the expiration of the time
6 periods specified in RCW 36.70A.040. A county, city, or town planning
7 under RCW 36.70A.040 which has not adopted a comprehensive plan and
8 development regulations within the time periods specified in RCW
9 36.70A.040 is not prohibited from receiving (~~(a loan or loan~~
10 ~~guarantee)~~) financial assistance under this chapter if the
11 comprehensive plan and development regulations are adopted as required
12 by RCW 36.70A.040 before (~~(submitting a request for a loan or loan~~
13 ~~guarantee)~~) executing a contractual agreement for financial assistance
14 with the board.

15 (3) In considering awarding (~~(loans)~~) financial assistance for
16 public facilities to special districts requesting funding for a
17 proposed facility located in a county, city, or town planning under RCW
18 36.70A.040, the board must consider whether the county, city, or town
19 planning under RCW 36.70A.040 in whose planning jurisdiction the
20 proposed facility is located has adopted a comprehensive plan and
21 development regulations as required by RCW 36.70A.040.

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

29 (a) ~~Whether the local government receiving assistance has~~
30 ~~experienced severe fiscal distress resulting from natural disaster or~~
31 ~~emergency public works needs;~~

32 (b) ~~Except as otherwise conditioned by RCW 43.155.110, whether the~~
33 ~~entity receiving assistance is a Puget Sound partner, as defined in RCW~~
34 ~~90.71.010;~~

35 (c) ~~Whether the project is referenced in the action agenda~~
36 ~~developed by the Puget Sound partnership under RCW 90.71.310;~~

37 (d) ~~Whether the project is critical in nature and would affect the~~
38 ~~health and safety of a great number of citizens;~~

1 ~~(e) Whether the applicant's permitting process has been certified~~
2 ~~as streamlined by the office of regulatory assistance;~~

3 ~~(f) Whether the applicant has developed and adhered to guidelines~~
4 ~~regarding its permitting process for those applying for development~~
5 ~~permits consistent with section 1(2), chapter 231, Laws of 2007;~~

6 ~~(g) The cost of the project compared to the size of the local~~
7 ~~government and amount of loan money available;~~

8 ~~(h) The number of communities served by or funding the project;~~

9 ~~(i) Whether the project is located in an area of high unemployment,~~
10 ~~compared to the average state unemployment;~~

11 ~~(j) Whether the project is the acquisition, expansion, improvement,~~
12 ~~or renovation by a local government of a public water system that is in~~
13 ~~violation of health and safety standards, including the cost of~~
14 ~~extending existing service to such a system;~~

15 ~~(k) Except as otherwise conditioned by RCW 43.155.120, and~~
16 ~~effective one calendar year following the development of model~~
17 ~~evergreen community management plans and ordinances under RCW~~
18 ~~35.105.050, whether the entity receiving assistance has been~~
19 ~~recognized, and what gradation of recognition was received, in the~~
20 ~~evergreen community recognition program created in RCW 35.105.030;~~

21 ~~(l) The relative benefit of the project to the community,~~
22 ~~considering the present level of economic activity in the community and~~
23 ~~the existing local capacity to increase local economic activity in~~
24 ~~communities that have low economic growth; and~~

25 ~~(m) Other criteria that the board considers advisable.~~

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

31 ~~(6) Before November 1st of each even-numbered year, the board must~~
32 ~~develop and submit to the appropriate fiscal committees of the senate~~
33 ~~and house of representatives a description of the loans made under RCW~~
34 ~~43.155.065, 43.155.068, and subsection (9) of this section during the~~
35 ~~preceding fiscal year and a prioritized list of projects which are~~
36 ~~recommended for funding by the legislature, including one copy to the~~
37 ~~staff of each of the committees. The list must include, but not be~~
38 ~~limited to, a description of each project and recommended financing,~~

1 the terms and conditions of the loan or financial guarantee, the local
2 government jurisdiction and unemployment rate, demonstration of the
3 jurisdiction's critical need for the project and documentation of local
4 funds being used to finance the public works project. The list must
5 also include measures of fiscal capacity for each jurisdiction
6 recommended for financial assistance, compared to authorized limits and
7 state averages, including local government sales taxes; real estate
8 excise taxes; property taxes; and charges for or taxes on sewerage,
9 water, garbage, and other utilities.

10 (7) The board may not sign contracts or otherwise financially
11 obligate funds from the public works assistance account before the
12 legislature has appropriated funds for a specific list of public works
13 projects. The legislature may remove projects from the list
14 recommended by the board. The legislature may not change the order of
15 the priorities recommended for funding by the board.

16 (8) Subsection (7) of this section does not apply to loans made
17 under RCW 43.155.065, 43.155.068, and subsection (9) of this section.

18 (9) Loans made for the purpose of capital facilities plans are
19 exempted from subsection (7) of this section.

20 (10) To qualify for loans or pledges for solid waste or recycling
21 facilities under this chapter, a city or county must demonstrate that
22 the solid waste or recycling facility is consistent with and necessary
23 to implement the comprehensive solid waste management plan adopted by
24 the city or county under chapter 70.95 RCW.

25 (11) After January 1, 2010, any project designed to address the
26 effects of storm water or wastewater on Puget Sound may be funded under
27 this section only if the project is not in conflict with the action
28 agenda developed by the Puget Sound partnership under RCW 90.71.310.))
29 When awarding financial assistance, the board must consider:

30 (a) Whether the entity receiving assistance is a Puget Sound
31 partner, as defined in RCW 90.71.010. Entities that are not eligible
32 to be a Puget Sound partner due to geographic location, composition,
33 exclusion from the scope of the action agenda developed by the Puget
34 Sound partnership under RCW 90.71.310, or for any other reason, may not
35 be given less preferential treatment than Puget Sound partners; and

36 (b) Whether the project is referenced in the action agenda
37 developed by the Puget Sound partnership under RCW 90.71.310.

1 NEW SECTION. **Sec. 10.** A new section is added to chapter 43.155
2 RCW to read as follows:

3 The intent of the project selection process is to promote state
4 policy objectives as identified in this chapter and to maximize the
5 value of projects financed under this chapter. Some or all of the
6 following criteria in any order may be used by the board to prioritize
7 projects for recommendation for funding by the legislature:

8 (1) Achieving balanced distribution of funds by geography, system
9 type, and jurisdiction type;

10 (2) Whether the project would affect the health and safety of a
11 large percentage of the affected community's population;

12 (3) Whether the project consolidates or regionalizes systems;

13 (4) Whether the project is located in an area of high unemployment,
14 compared to the average state unemployment;

15 (5) Whether the system is being well-managed in the present and for
16 long-term sustainability;

17 (6) Whether the project promotes the sustainable use of resources
18 and environmental quality;

19 (7) Whether the project is ready to proceed; and

20 (8) Other criteria that the board considers necessary to achieve
21 the purposes of this chapter.

22 NEW SECTION. **Sec. 11.** The following acts or parts of acts are
23 each repealed:

24 (1) RCW 43.155.040 (General powers of the board) and 1985 c 446 s
25 10;

26 (2) RCW 43.155.060 (Public works financing powers--Competitive bids
27 on projects) and 1988 c 93 s 2 & 1985 c 446 s 11;

28 (3) RCW 43.155.065 (Emergency public works projects) and 2001 c 131
29 s 3, 1990 c 133 s 7, & 1988 c 93 s 1;

30 (4) RCW 43.155.068 (Loans for preconstruction activities) and 2001
31 c 131 s 4 & 1995 c 363 s 2;

32 (5) RCW 43.155.075 (Loans for public works projects--Statement of
33 environmental benefits--Development of outcome-focused performance
34 measures) and 2001 c 227 s 10;

35 (6) RCW 43.155.110 (Puget Sound partners) and 2007 c 341 s 25; and

1 (7) RCW 43.155.120 (Administering funds--Preference to an evergreen
2 community) and 2008 c 299 s 30.

--- END ---

Public Works Board

Technical Assistance Committee Meeting Notes

November 2, 2012

In Attendance:

- Stan Finkelstein – Board Chair
- Steve Stuart – TA Committee Chair, Board Member
- Frank Abart – Board Member
- Bubba Scott – Board Member
- Darwin Smith – Board Member Larry Waters – Board Member
- John LaRocque – Executive Director, Public Works Board (PWB)
- Myra Baldini – PWB Staff
- Steve Dunk – PWB Staff
- Lynn Kohn – PWB Staff
- Bruce Lund – PWB Staff
- Jacki Skaught – PWB Staff
- Chris Gagnon – PWB Staff

Notes

Item:	Next Steps:
<p>October 4th meeting notes:</p> <ul style="list-style-type: none"> • Approved (motion by Frank/Larry) 	
<p>Overview of Board’s Current TA Services: Bruce gave the committee an overview of current services. The committee had the following ideas:</p> <ul style="list-style-type: none"> • John – reiterated Stan’s direction that staff assist jurisdictions in sustainability and local capacity. Need to enhance staff’s mgmt. skills in fields of expertise. Staff would like to present trainings at conferences, with the expertise the Board members have to offer. • Steve S. – staff have been redirected by the Legislature on administering new programs; they are not as accessible as they used to be. How do we get the Legislature to understand the value of TA? • Darwin – a key area is long range planning; understanding what comp. planning means, for both elected officials, public works directors, and clerks. Look at planning documents to determine level of need. Noted that small organizations currently do provide training (ERWOW, etc.) • Larry – previously trained homeowners associations for those that were interested. John noted that DOH already has this in place. Jurisdictions need a risk assessment, creative design, operations/management. A risk assessment would determine whether a comp. plan is in place, if the jurisdiction has audit findings. Need a baseline assessment, and to approach both electeds and staff to ensure buy-in. • Bubba – for smaller jurisdictions, trainings for both city councils and management would be beneficial. Many times elected officials and operators are one and the same. 	<p>Staff bring a proposal to TA Committee in December</p>

<ul style="list-style-type: none"> • Stan – a baseline assessment could help determine a jurisdiction’s needs (do they have a public works department? An engineer? etc.) Need to educate electeds and staff to identify need and a realistic timeline. • Frank – IACC approach and use of scholarships is very helpful for jurisdictions. Need to focus on long-term planning. More interest will be generated in securing funding once the planning is in place. 	
<p>Update on Southwest Academy:</p> <ul style="list-style-type: none"> • Gibbs & Olson will sponsor lunches • Lynn updated the Committee on the agenda, speakers, etc. 	<p>Lynn will send invitation to PWB members to market.</p>
<p>Committee Charter:</p> <ul style="list-style-type: none"> • Tabled 	<p>Staff bring a work plan proposal to TA Committee in December</p>
<p>Next Meeting:</p> <ul style="list-style-type: none"> • In the morning, time to be decided, prior to December board meeting 	

TAB 3

Contracting



Date: November 20, 2012
To: Public Works Board
From: Steve Dunk
Subject: **DWSRF Loan Hideaway Mobile Home Park**

Background

A non-municipal DWSRF contract was executed 9/30/2008 between the PWB and owner of the Hideaway Mobile Home Park (MHP) Tony Nakata. The purpose of the contract was to connect the MHP to Spokane County Water due to ongoing health issues with the water system. The amount of the contract was \$101,000. The SERP and Section 106 processes were completed and construction commenced approximately 5/2009. The client invoiced \$90,900 drawing down to the final 10% of the available funds. Approximately 11/2011 Commerce was notified that the client was not able to make the initial payment on his DWSRF loan. Numerous attempts to contact the client were made regarding the status of the contract and he was largely unresponsive.

On 8/22/2012, Commerce became aware that Tony Nakata had filed for bankruptcy status. The Hideaway Mobile Home Park (HMHP) is listed as an asset in the bankruptcy proceedings as the property on Cheatham Road in Spokane. The client has approximately \$2.3 million in debt and has approximately \$1.3 million in assets. Tom Justus, Regional Engineer for Dept. of Health, confirmed that there was a public health benefit to the HMHP when it was connected to the City of Spokane water system.

Results

Continental Contractors (C.C) completed the water system for the Hideaway Mobile Home Park. C.C. invoiced HMHP a total of \$111,238.30 of which they received \$71,780.69. C.C. hired an attorney who established a lien on the HMHP property for the remaining \$39,457.61 plus attorney fees.

Foreclosure of the property was pursued and completed by a second attorney in September of 2012. Velocity Commercial Capital was appointed as the “receiver” and is currently managing the HMHP property.

The City of Spokane is collecting water fees from the HMHP. Steve Burns with the City of Spokane has confirmed that the City has no mechanisms in place, and does not intend to create a method, in which to payback the debt owed by HMHP.

Staff Recommendation

Forward the Hideaway Mobile Home Park DWSRF loan to the Assistant Attorney General to follow-up on the acquired contacts to either recapture the outstanding debt to the State or determine the proper procedure to resolve the existing DWSRF contract.



DATE: November 19, 2012
 TO: Public Works Board
 FROM: Bruce Lund, CAU Managing Director
 SUBJECT: Project Completion Extension Requests

STAFF RECOMMENDATION

Staff recommends extending the contract project completion dates as follows:

Program	Client	Contract No.	Project	Loan/Grant Amount	Available to Draw	Original Closeout Date	Current Closeout Date	Proposed Closeout Date
DWSRF.	Knights of Columbus Inter-Council Association	DP09-952-023	Water System Source of Supply & Distribution System	\$499,950	\$141,036.88	6/18/12	11/30/12	2/28/13
Reason for Extension Request: Additional time is needed for well alarm system delivery and installation. Project is 97% complete.								

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.

Placeholder for Webster Hill Water Association

TAB 4

**Drinking Water State
Revolving Fund**



DATE: December 4, 2012
TO: Public Works Board
FROM: Janea Eddy, Board Liaison
SUBJECT: Public Hearing Concerning WAC 246-296-060
Establishing loan fee, loan fee account, and loan fee uses for the Drinking
Water State Revolving Fund Program

BACKGROUND

The Public Works Board is required by WAC 246-296-060 to review and establish a loan fee for all DWSRF loans on an annual basis. This public hearing is to comply with this rule.

WAC 246-296-060

Establishing loan fee, loan fee account, and loan fee uses

The board shall establish the terms of a loan fee and assess the fee to each project loan. The loan fee amount is to be established on an annual basis to ensure adequate funding is available to maintain administration of the DWSRF in perpetuity. The loan fee is eligible to be covered by the loan. The amount of the loan fee shall be published in the annual application package. Loan fees shall be deposited into and retained in a dedicated loan fee account and shall only be used for program administration activities unless the board and DOH jointly determine that the loan fee account balance exceeds program administration needs, then a portion of or all of the funds may be transferred to the project loan account to be used for project loans. Information on the loan fee account, including the current fee and account balance, shall be included in the intended use plan. The board and DOH are responsible for jointly determining the amount of the loan fee account funds to be used for current and future program administration.

A public hearing will be held on:

Tuesday, December 4, 2012

10:15 a.m. – 10:30 a.m. at the

Department of Commerce

1011 Plum Street SE

Olympia, WA 98504 (360)725-3151

The Board is proposing to maintain the loan fee at the current rate of one (1%) percent:

A one (1%) percent loan fee will be charged for all DWSRF loans. The loan fee will be incorporated into the loan and is retained by the state when the first loan draw is made. The loan fee is non-refundable.

Public comment on the proposed loan fee for the DWSRF program will be taken at the time and location listed above, or if you have written comments, or questions regarding this topic, contact:

Public Works Board

PO Box 42525

Olympia, WA 98504-2525

(360)725-3150

TAB 5

Financing Opportunities

Placeholder for Pre-Construction Funding List

TAB 6

Ethics Review

TAB 7

**Information and
Other Items**

