



Washington State
Public Works Board

Public Works Board's Construction Loan Cycle

Frequently Asked Questions

August 2016



Washington State
Public Works Board

Today's Agenda

Projects

Application

Process

Funding

Projects



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Overview:

- Location
- Sections
- Selection





Projects

Highlights

- \$100 million available.
- \$10 million maximum loan amount per applicant per biennium.
- 1.66% interest rate for loan terms between 5 and 20 years.
- 0.83% interest rate for loan terms less than 5 years.
- No loan fees.
- *Reduced rates and longer terms for distressed communities.*
- Applications available at www.pwb.wa.gov
- Application materials due **6PM, August 18, 2016**

System Eligibility

- Storm Water
- Solid Waste
- Recycling Facilities
- Roads
- Streets
- Bridges
- Water*
- Sewer**

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Drinking Water SRF
360-236-3153
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**ECY Contact:

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Clean Water SRF
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Projects

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System Eligibility – Drinking Water

Source: <http://www.doh.wa.gov/Portals/1/Documents/Pubs/331-196.pdf>

- What is driving the project?
 - DWSRF cannot fund projects where the primary focus is growth
 - DWSRF cannot fund projects with fire protection as the primary focus

Projects that are NOT eligible for the DWSRF program:

- Future population growth and water system expansion are the primary focus.
- Solely for preconstruction activities or studies or assessments.*
- Point of use treatment devices for community systems and most non-community systems.
- Acquisition, construction, or rehabilitation of dams or raw water reservoirs.
- Fire protection is the primary focus.

**The Public Works Board Construction loan program can pay for these projects so long as there is a construction element.*



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System Eligibility – Sanitary Sewer

Source: <https://fortress.wa.gov/ecy/publications/documents/1610024.pdf>

What is driving the project?

Generally speaking, projects or project components are ineligible for the CWSRF program because they *do not have a direct water quality benefit and/or are prohibited by:*

- *Statute; or*
- *Federal appropriation; or*
- *Administrative rules.*

Page 33 in the Funding Guidelines State Fiscal Year 2018 Water Quality Financial Assistance identifies some of the projects or their components that are ineligible for funding.



Location



Washington State Public Works Board

www.pwb.wa.gov/financial-assistance/construction

Where to send:

PO Box 42525

1011 Plum St,

Olympia WA 98504-2525

Receptionist Phone: 360-725-4000



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Public Works Board • Financial Assistance • Resource Center • Project Detail • Contact Us

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Public Works Board

Infrastructure is Fundamental

The Public Works Trust Fund Needs Your Help!

Please submit your application for funding, to demonstrate to the legislature that State infrastructure financing is essential.

There is a potential for nearly \$100 million in construction loans available.

If we are unable to show the need for these resources, they could be re-directed to other State priorities.

New, easier applications are available July 1 on our website: www.pwb.wa.gov.

APPLICATIONS DUE AUGUST 18, 2016, 6:00 PM PST

[Application Guidelines](#)

[2017 BRIDGES Construction Loan Application Form](#)

[2017 DRINKING WATER Construction Loan Application Form](#)

[2017 ROADS AND STREET Construction Loan Application Form](#)

[2017 SANITARY SEWER Construction Loan Application Form](#)

[2017 SOLID WASTE RECYCLING Construction Loan Application Form](#)

[2017 STORM WATER Construction Loan Application Form](#)



Sections

Overview:

Three Sections:

1. General
 - “Who” section
 - “What” section
2. Financial / System Management
3. Problem / Solution

Financial and System Management

Captures basic overview of:

- Financial health of the community:
 - Affordability Index – cost to households
 - Debt Service Coverage Ratio – cost to community
 - Identify how the community manages its finances to ensure long term sustainability and viability
- Management of system:
 - Asset management?
 - Informing the decision makers?
 - What’s the difference between an Emergency Response Plan and a Disaster Resiliency Plan?



Sections

Overview:

Three Sections:

1. General
 - “Who” section
 - “What” section
2. Financial / System Management
3. Readiness to Proceed?
Problem / Solution

Readiness to Proceed?

- Engineer selected?
- Site control?
- Historic and cultural consultation underway?

Problem / Solution

- System-specific technical condition and status
- What problem is this project solving?
- Clarifying questions
- How does this project fix the problem?
 - Are all issues resolved?
 - Lowest cost solution?
- Anything more to add?



Selection

Selection Process

- A. Application deadline –
August 18, 2016; 6PM
- B. Threshold review –
 - Signed?
 - REET? (Cities/Counties)
 - Drinking water/Sanitary Sewer Project?
- C. Rating and ranking –
 - Preliminary ranking
- D. Board review –
 - Clarifying questions/direction
 - *Final ranking* – October 2016

Board review:

- September 2016, the preliminary rated and ranked list of applications is presented to the Board:
 - Funding demand is identified.
 - Outliers are identified and addressed if necessary.
 - Balancing factors are identified.
 - Staff directed to pursue clarifying information or other directives as assigned.
- October 2016, the Board reviews the compiled information, balancing factors, and any other information angles. The result:

A numerically ranked recommended funding list!

Funding



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Overview:

- Rates
- \$10M Limits





Funding

Three Specifics:

- Numerically ranked funding recommendation.
- Interest rate setting using specific methods.
- Encourage resiliency, self-sufficiency, and capacity building.

Interest rate setting

Non-Distressed Community Rates:			
Regular Term		Interest Rate	
<5 Years or less		0.83%	
5 to 20 Years		1.66%	
Distressed Community Rates:			
Rate	Term	Rate Based Systems:	Non-Rate Based Systems:
		Affordability index is between the following:	Debt service capacity ratio is between the following:
1.00%	+5 years	2.0% to 2.5%	1.26% to 1.49%
.80%	+10 years	2.6% or higher	1.25% or less

\$10 M Limitation



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Maximum loan amount: \$10 million per jurisdiction

What happens if a jurisdiction asks for more than \$10M in loans for multiple projects?

- Board staff will review every application.
- All applications passing threshold review will be scored and present to the Board for funding consideration.
- Jurisdictions with projects asking for more than \$10M, which are recommended for funding, will be asked to determine how they would like to reduce the amount?
 - *Divide funding between multiple applications?*
 - *Withdraw an application?*
 - *Other?*

Wrap Up



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Overview:

- Summary
- Who to Contact
- Thank you!

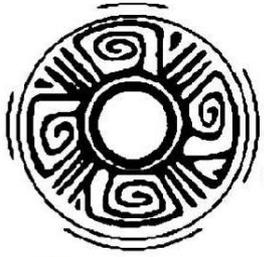


Wrap Up

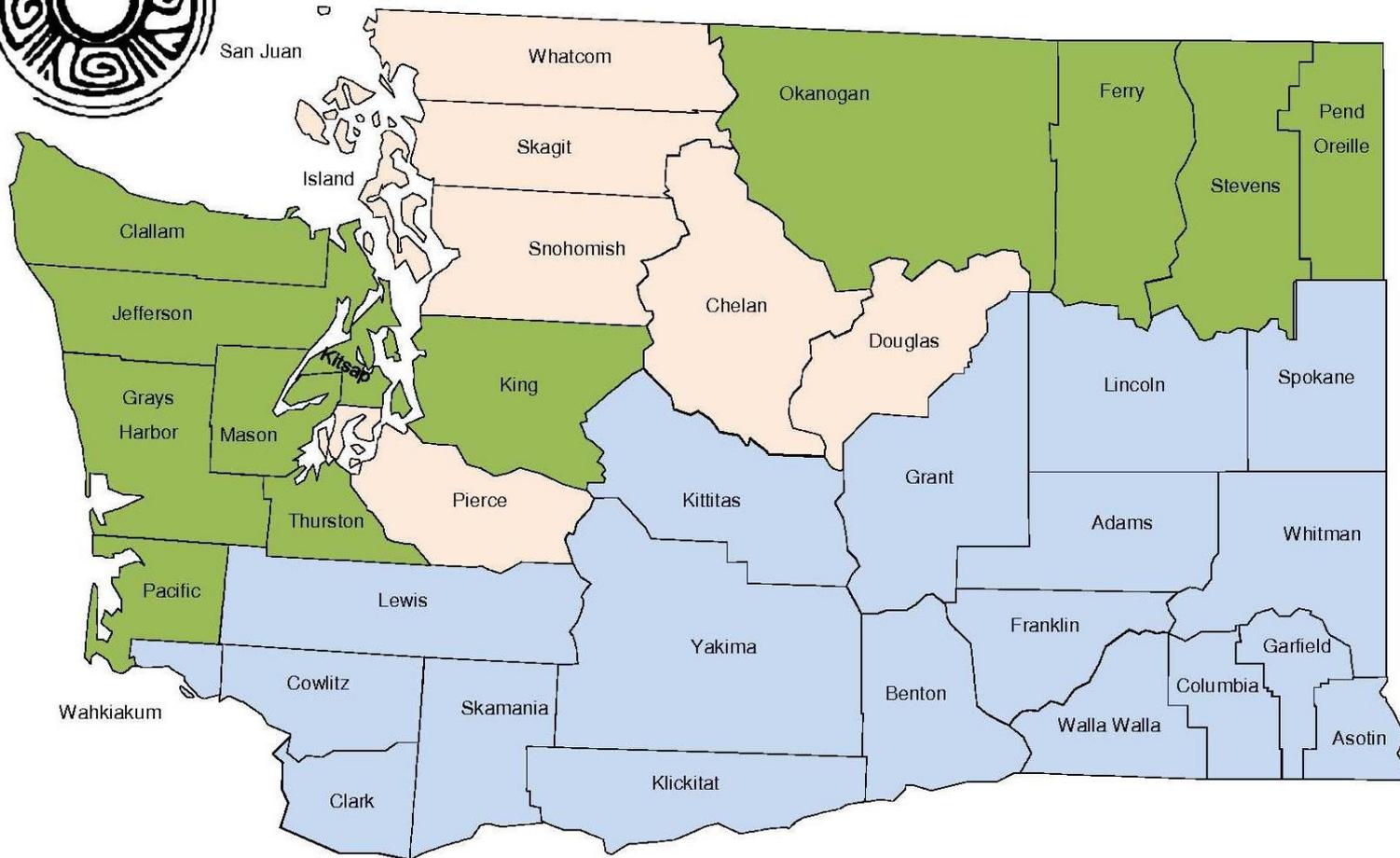


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- Applications, guidelines, and fact sheets are on the Board's website: www.pwb.wa.gov
- Maximum loan amount is \$10 million;
- Maximum interest rate is 1.66%;
- Application materials are due on August 18, 2016, at 6PM!
(or postmarked by that date)



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Washington State Public Works Board

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