



US 395 interchange in Kennewick WA - 2006, 2011, 2015. Growth made possible, in part, through Public Works Board financing.



PUBLIC WORKS BOARD

Fiscal Year 2019 (July 1, 2018 - June 30, 2019)

Emergency and Pre-construction Loans

September 2019

Report to Legislature

Scott Hutsell, Public Works Board Chair



WASHINGTON STATE
PUBLIC WORKS BOARD

PO Box 42525
OLYMPIA, WA 98504-2525

On behalf of the Public Works Board and in accordance with RCW 43.155.070(6), I am pleased to submit the 2019 Legislative Report on Board activities in the 2019 fiscal year. In fiscal year 2019, the Board funded 15 pre-construction projects totaling approximately \$7.8 million from the bond proceeds appropriated to the Board. These pre-construction loans efficiently move the projects forward that will build the Washington of tomorrow. Additionally, the Board was able to fund one emergency construction loan totaling \$245,000. The resources obligated in fiscal year 2019 don't begin to touch the demand at the local level.

In recent years, the Board has been all too aware of the state's extraordinarily difficult financial condition. However, the state's economy is thriving with [revenue forecasts](#) indicating nearly \$385 million in additional revenue in the 2017-19 and 2019-21 Biennia. In a thriving economy, infrastructure is a required and necessary investment to maintain economic growth. The infrastructure needs of our communities have grown in proportion with our state's income, employment, and population growth. Additionally, the system as whole is aging and in need of repair, replacement, and expansion.

Sweeping funds from the Public Works Assistance Account – more than \$3 billion since the 2005-07 Biennium – is a detriment to our state's intended direction, and a disservice to the local governments whose taxes were dedicated to local infrastructure. The Board and our county, city, and special district partners are committed to the task to again retain existing loan repayments and dedicated tax revenues. We are hopeful that local revenues dedicated to local infrastructure will no longer be needed to support education, and may return to serve their intended purpose. A stable Public Works Board will provide the consistent, affordable, and user-friendly funds local governments have relied upon for the last 34 years.

The funds, as awarded in fiscal year 2019, will support 16 critical infrastructure projects - projects that will protect the health and safety of the public, ensure the state's environmental health is maintained, and promote economic growth and stability. The Board's \$7.8 million will leverage more than \$73 million over the next five years constructing and planning for these projects. These funds will generate living wage jobs and strengthen local communities.

Please contact Connie Rivera, Public Works Board Program Director and Tribal Liaison, if you have any questions or concerns. Connie can be reached at connie.rivera@commerce.wa.gov or by phone at 360-725-3088.

Sincerely,

A handwritten signature in blue ink that reads "Scott M. Hutsell".

Scott Hutsell,
Public Works Board Chair

Public Works Board—Fiscal Year 2019 Report

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Public Works Board Members

General Public Representatives

Board Chair, The Honorable Scott Hutsell, Lincoln County Commissioner

Vice Chair, JC Baldwin, Port of Chelan County Commissioner

Senator Mary Margaret Haugen

Senator Lisa Wellman

City Representatives

The Honorable Dr. Jeralee Anderson, City of Redmond Council Member

The Honorable KC Kuykendall, City of Waitsburg Council Member

Mark R. Dorsey, PE, City of Port Orchard, Public Works Director

County Representatives

Erik Martin, PE, Lewis County Public Works Director

Vacant

Vacant

Public Utility District Representative

Mark Scott, Pend Oreille Public Utility District No. 1, Water System Manager

Sewer and Water District Representatives

The Honorable Pam Carter, Valley View Sewer District Commissioner

Diane Pottinger, PE, North City Water District Manager

Public Works Board Staff



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INFRASTRUCTURE IS FUNDAMENTAL

Connie Rivera

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Report prepared by Public Works Board Staff

This report is available in alternate format upon request at 360.725.2744

Administrative services provided by:



Department of Commerce

Director of Commerce, Dr. Lisa Brown

Year in Review

Staffing

The Department of Commerce, the administrative arm of the Board, continues to evolve to meet the ever-changing needs of communities statewide. Within Commerce's Local Government Division is the Boards Unit. The Boards Unit is comprised of the dedicated staff for the Public Works Board, the Community Economic Revitalization Board, and the Small Communities Initiative. This has enabled staff to optimize operations as the functions that support independent policy boards are similar.

As Commerce evolves, so does the Board. In 2019, a long-time staffer, who had been with us since the Board's creation, departed to enjoy a well-earned retirement. Additionally, the Board has filled three vacant staff positions this year, bringing new perspectives and enthusiasm to the staff team.

Sync Update

In the 2017 Legislative session, [ESHB 1677](#) amended RCW 43.155 and added section 150. This legislation authorized the Board to form an interagency multi-jurisdictional system improvement team. This team is known as [Sync](#) and coordinates with state and local agencies, clients, stakeholders, legislators, and industry experts to develop a more efficient and effective process of financing infrastructure.

Per the legislation, the Sync Core Team is comprised the Board, and the departments of Health, Commerce, and Ecology. Their initial focus was on water infrastructure. While this remains a primary system, the focus has broadened to include transportation systems.

As Sync's effort has expanded, so has the number of tactical and strategic partners. The many systems of infrastructure finance each have their own challenges, requiring unique solutions. We foresee Sync as an effort that will live beyond its mandated three years, that will be an ongoing

source for efficiency and state collaboration.

[Sync's legislative report](#) outlines their process, their discoveries, challenges, and opportunities, and the system improvements implemented in their first year. The Sync Core Team and its partners continue to develop and adopt process improvements across key programmatic areas. Sync will be submitting their year two legislative report in December 2019.

Sync Initiative's Board Impact

1. The Sync Core Team distributed the Introductory Value Planning Guide for public comment at the Infrastructure Assistance Coordinating Council (IACC) conference in October 2018. After refinement, it was utilized as a guiding document during the Board's regional trainings in April and May of 2019.
2. The Board, the Department of Health, and the Rural Community Assistance Corporation collaborated to conduct a regionalization pilot project in Lincoln County. The project was to assist jurisdictions in the region in creating efficiency and system reliability through systemic interconnectedness. The project also developed a process framework that could be replicated in other regions across the state.
3. The Board continues to offer loan cycles aligned with Sync agency funding windows, and to use applications that reflect common questions found on fellow Sync agency applications.



Sync Core Team presenting at the 2018 IACC Conference

Year in Review

Regional Training

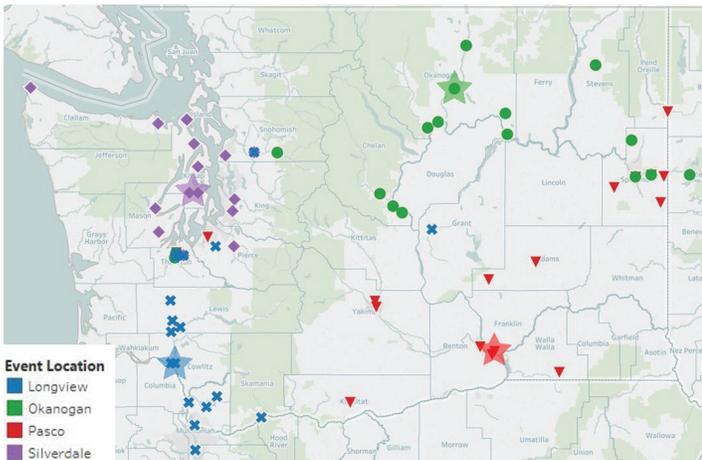
Since 2016, the Board has sponsored regional training events across the state. These events bring technical assistance and training to local jurisdictions, and is part of the Board's dedication to the success of the state's infrastructure system.

In April and May of 2019, the Board presented four free trainings across the state. These interactive trainings mixed concept presentation and group practice to guide participants through effective infrastructure system management. Participants learned how asset management and value planning work together to create projects that fit their community. Local presenters also provided overviews of their asset management programs and application of value planning.

Additionally, staff from eight state agencies, one federal agency, and one non-profit conducted a funding panel to discuss how their programs can help meet community infrastructure needs.

The trainings were held in Silverdale, Longview, Pasco, and Okanogan. Between the four trainings:

- 95 community representatives attended.
- 24 of 39 Washington counties were represented.
- 46 attendees received water/wastewater CEUs.
- 41 city staff attended.
- 20 water/sewer district staff attended.
- 10 public utility district staff attended.
- 8 county staff participated.



Workplace locations for regional training participants.



Working on asset management
Silverdale - April 16, 2019



Working on value planning
Pasco - April 24, 2019



Value planning group exercise
Longview - May 7, 2019



The City of Deer Park presents local value planning
Okanogan - May 16, 2019

Public Works Board Program Overview

Pre-Construction Loan Program

Since 1985, the Board has been authorized by state statute ([RCW 43.155](#)), to make low interest loans to counties, cities, and special purpose districts. These loans are for projects that repair, replace, or create domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste and recycling facilities, and bridges.

RCW 43.155 was modified by [ESHB 1677](#) to meet state policy objectives:

1. Efficient use of state resources;
2. Preservation and enhancement of health and safety;
3. Abatement of pollution and protection of the environment;
4. Creation of new, family-wage jobs, and avoidance of shifting existing jobs from one Washington state community to another;
5. Fostering economic development consistent with chapter [36.70A RCW](#);
6. Efficiency in delivery of goods and services and transportation; and
7. Reduction of the overall cost of public infrastructure.

To best meet the needs of local governments, Public Works Board staff surveyed selected local government officials throughout the state and presented program options to the Board. In August 1995, the Board adopted program policies and determined that the following pre-construction types of activities would be eligible for funding:

- Design and engineering
- Bid-Document preparation
- Environmental studies
- Right-of-way acquisition

There was \$14 million set aside for 2018 Pre-Construction Loan applications (on-line submittal through ZoomGrants). Award is based on a competitive process. There is a maximum \$1 million dollar award limit per jurisdiction per biennium. The loan term is 5 years, including 2 years for completion. The interest rate is determined prior to each application cycle (currently range between 0.42% and 0.84%).

- Clients meeting the severe hardship criteria may receive 20% loan forgiveness, when they have completed the scope of work in the Pre-Construction loan.
- Clients qualifying and accepting loan forgiveness may have a 2-year loan repayment deferral.
- Clients may convert from a 5-year to a 20-year term prior to their first principal payment. The client must have secured 30% of the project's construction funding to qualify. Since this policy was adopted, three jurisdictions have taken advantage of this opportunity.

There were two Pre-Construction application cycles in FY19. These cycles were completed in August and October.

Emergency Loan Program

Since 1988, state statute ([RCW 43.155](#)) has authorized the Board to loan emergency funding, to counties, cities, and special purpose districts to repair, replace, or create domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste and recycling facilities, and bridges.

There is a maximum \$5,000,000 set-aside for Emergency Loan applications (on-line submittal through ZoomGrants). This is an "open cycle" on a first come, first serve basis until funds are exhausted.

The Emergency Loan program is for construction activities that repair, replace, and/or reconstruct a

Public Works Board Program Overview

facility that will restore essential services.

Eligible projects are a public works project made necessary by a natural disaster, or an immediate and emergent threat to the public health and safety due to unforeseen or unavoidable circumstances.

Emergency Loan terms for FY19 are:

- \$1,000,000 per jurisdiction per biennium
- Local match: not required
- Interest Rate Range: 0.84% to 1.69%
- Loan Term: 20 years or the life of the improvement, whichever is less.

Threshold Requirements

The following are threshold requirements are necessary to qualify for funding under the Pre-Construction and Emergency Loan programs. **Failure to meet all threshold requirements will disqualify an application.**

Capital Facilities plan Standards

(Counties and Cities Not Planning Under GMA)

Jurisdictions not planning under the GMA (Growth Management Act) must have adopted a Capital Facilities Plan (CFP) for all systems they own on or before the application deadline. The following standards are the minimum requirements for a CFP as established by the Board.

- a. Inventory major system components, show locations and capabilities, and assess the overall capital needs for the specific system involved;
- b. Forecast future needs for the capital facilities, show location, and capabilities of expanded or new capital facilities;
- c. Identify, prioritize and coordinate major capital improvement projects over a six-year period;
- d. Estimate capital project costs and identify financing alternatives for each project identified. Transportation projects and funding must be

consistent with locally-established service standards;

- e. Must be updated on a regular basis. The Board recommendation is at least once every two years. In no case will a plan over six years old be accepted;
- f. Must be consistent with the comprehensive plans of neighboring jurisdictions;
- g. Must have provided opportunity for early and continuous public participation; and
- h. Must be consistent with, and is an element of, the comprehensive plan formally adopted by the governing body of the local jurisdiction.

For letter "f" above, the Board will give special interpretation to special purpose districts. Special purpose districts need to show consistency with the Comprehensive Land Use Plan of the counties and/or cities in which they provide services.

Compliance with Executive Order 05-05 *Archaeological & Cultural Resources*

In order to protect the rich cultural heritage of Washington State, Governor Gregoire signed [Governor's Executive Order 05-05](#) (GEO 05-05). All projects awarded state capital funds must have consultation conducted with the Department of Archaeology & Historic Preservation and any Federally recognized Indian tribes that may have cultural/historic interest or concerns in the project's vicinity.

However, if the project, through federal involvement, will be subject to Section 106 of the National Historic Preservation Act, that approval may satisfy the GEO 05-05 process. The GEO 05-05 process must be completed prior to the start of construction (includes pre-construction loans).

Public Works Board Program Overview

Greenhouse Gas Policy

[RCW 70.235.070](#) requires the Board to consider, when awarding loan funds, whether the client has adopted policies to reduce greenhouse gas emissions (GHG) and whether the project proposed for funding is consistent with Washington's limits on GHGs, goals to reduce vehicle miles traveled, and applicable federal emissions reduction standards.

The Board identifies a Greenhouse Gas policy as a specific policy adopted by the client whereby they identify the policies (broadly or narrowly) by which they will reduce consumption of energy including, but not limited to, the reduction of GHGs.

Growth Management Act Compliance

Clients planning under GMA must have adopted the Comprehensive Plan and Development Regulations prior to contract execution. They must not have any Findings of Non-Compliance or have any Invalidation Orders pending. Compliance will be verified by Board staff.

GMA Exception

Counties, cities, and towns planning under the GMA that are not in compliance with the Act may request an exception to this requirement when the project is necessary to address a public health need or a substantial environmental degradation issue. To qualify for the exception, the jurisdiction must have a letter from the appropriate agency stating that the exception has been granted. The letter must be postmarked prior to the Pre-Construction or Emergency Loan contract offer.

Real Estate Excise Tax (REET)

For counties, cities, and towns, the client must impose the one-quarter of one-percent REET as allowed by [RCW 82.46.010\(2\)](#) at the time of application.

Special Purpose District Consistency with Local Comprehensive Land Use Plans

Capital Improvement Plans of special purpose districts must show consistency with the Comprehensive Land Use Plans of the local jurisdiction in which they reside.

Sanitary Sewer Projects

Side Service Sewer Connections

Jurisdictions must adopt an ordinance or resolution declaring such repair and/or replacement that will enhance conservation or create a more efficient use of sanitary sewer systems. Also, the jurisdiction must have a mechanism in place to meet the charge back provisions of [RCW 35.67.360](#). The ordinance or resolution must be in place prior to contract execution. The ordinance must be related specifically to the area affected by the awarded project. A copy of the ordinance or resolution must accompany the loan contract.

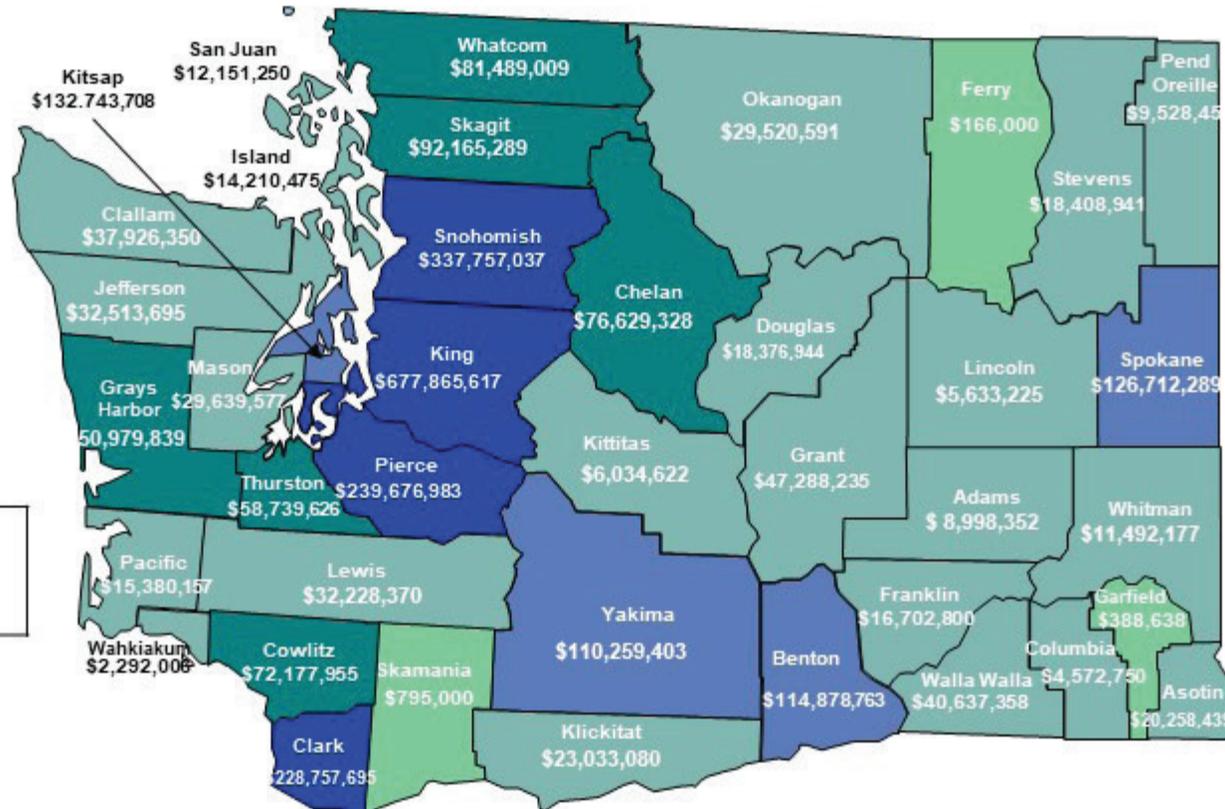
Puget Sound Partnership

Board selection criteria is in line with the Partnership, and projects are presented to the Partnership for their review. This process avoids any conflicts with the Puget Sound Partnership's Action Agenda. The Board will continue this process now that the Legislature has modified our funding approval process.



WASHINGTON STATE
PUBLIC WORKS BOARD
INFRASTRUCTURE IS FUNDAMENTAL

PWAA Loans 1986 – 2019 for \$2.8 billion*



Please contact us for more information:

Connie Rivera
Program Director
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The Public Works Board (Board) is authorized by state statute ([RCW 43.155](#)), to loan money (Public Works Assistance Account- PWAA) to counties, cities, and special purpose districts to repair, replace, or create domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste and recycling facilities, and bridges.

*County totals vary year to year due to de-obligations and award withdrawal due to non-compliance.

FY 2019 Loan Summaries

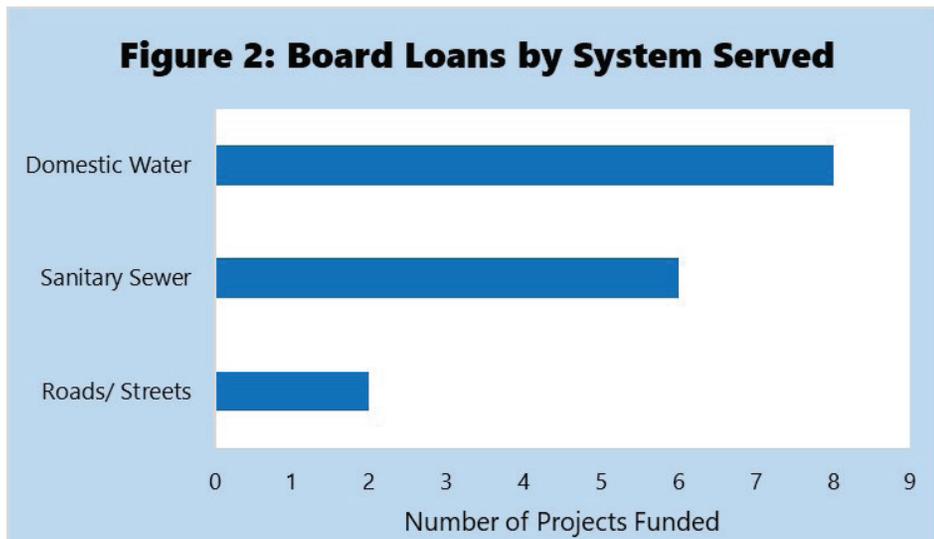
Figure 1: Loan Activity by Program

Loan Program	Applicants	Amount Requested	Amount Obligated	Amount Unfunded or De-Obligated **
Pre-construction	20	\$12,775,314	\$7,775,314	\$5,000,000
Emergency*	1	\$245,000	\$245,000	\$0
Total	21	\$13,020,314	\$8,020,314	\$5,000,000

*The Board has received several Emergency Loan inquiries regarding aging pipes or lack of maintenance. These do not qualify to meet the emergency definition. Eligible projects are a public works project made necessary by a natural disaster, or an immediate and emergent threat to the public health and safety due to unforeseen or unavoidable circumstances.

**Pre-Construction loans were de-obligated due to GMA noncompliance, jurisdiction declined the loan, or recipient secured other financing during capital budget delay.

Figure 2: Board Loans by System Served



In fiscal year 2019 (FY19), the Board awarded \$8 million in Pre-Construction and Emergency Loans and Emergency Loans to 16 communities (Figure 1). Each application reviewed and awarded met the Board's threshold criteria outlined in 43.155.070 RCW.

Together, the \$8 million in Board loans leveraged more than \$73 million in state, federal, and local infrastructure investments. In FY19, \$3,354,496 was disbursed from the PWAA to previously awarded project loans.

Figure 2 presents FY19 loans by project type. The majority of projects focused on water-related infrastructure.

The level of loan repayments that deposited into the PWAA during FY19 was \$102,837,172.

In the next ten years, the anticipated level of loan repayments due for outstanding loans is \$636,977,879 (Figure 3). Repayment years are based on when the loan repayment is due, rather than an estimate of how many will pay early, or pay more than required.

Repayment calculations are based on draws to date and are not an estimate of how much will be drawn in the next five years. Rather, calculations represent the amount of loan repayments the PWAA would receive within a standard repayment schedule.

Figure 3: Estimated Loan Repayment FY20 to FY28

Fiscal Year	Estimated Loan Repayment
FY 20	\$99,394,906
FY 21	\$93,641,946
FY 22	\$86,114,765
FY 23	\$76,061,795
FY 24	\$68,079,788
FY 25	\$59,560,849
FY 26	\$49,227,423
FY 27	\$41,878,798
FY 28	\$36,357,607
FY 29	\$26,660,002
Total Loan Repayment	\$636,977,879

FY 2019 Loan Summaries

The figures, right, present the interest rates for FY19 Emergency loans (Figure 4) and FY19 Pre-Construction loans (Figure 5). The basis by which Board staff computed interest rates for FY19 loans reflects ESHB 1677, and relies on the average daily market rate for the period 30 to 60 days prior to the loan cycle. In calendar year 2019, interest rates across all terms and loan programs varied between 0.42% and 1.69%.

Determination of an applicant’s distressed status is dependent on the system type—rate-based or non-rate-based. Rate-based projects must consider the impact on rate payers, and the affordability index (AI) is the metric used. For non-rate-based projects, debt service coverage ratio (DSCR) indicates a jurisdiction’s ability to assume new debt.

Figure 4: Loan Term Greater Than 5 Years (FY19)

Designation	August	October
	Rate-Based (AI) Non-Rate-Based (DSCR)	Rate-Based (AI) Non-Rate-Based (DSCR)
Regular rate	1.69%	1.68%
Distressed	1.35%	1.34%
Severely distressed	0.84%	0.84%

Figure 5: Loan Term 5 Years or Less (FY19)

Designation	August	October
	Rate-Based (AI) Non-Rate-Based (DSCR)	Rate-Based (AI) Non-Rate-Based (DSCR)
Regular rate	0.84%	0.84%
Distressed	0.68%	0.67%
Severely distressed	0.42%	0.42%

FY 2019 Pre-Construction Loan Awards

FY 2019 Pre-construction Loan Awards

The Board received \$14 million for Pre-Construction Loans in the 2018 legislative session. In fiscal year 2019, Pre-Construction cycles completed in August and October resulted in a total award of \$7,775,314 to 15 applicants. These projects will leverage an additional \$73,497,349. This report presents Pre-Construction Loans awarded in fiscal year 2019 only.

PWB Pre-Construction Loan Awards FY19 - August

Total Score (100)	Applicant	Project Name	Description	Loan Request	Total Project Cost	Interest Rate	County	Leg Dist.(s)	System Type
81	Dayton, City of	Wastewater Treatment Plant Land Acquisition	Acquisition of approximately 250 acres. For siting the new treatment facilities to include plant and storage lagoons, an irrigation system for the land treatment disposal of the lagoon effluent, an effluent pumping station, an operations building.	\$1,000,000	\$12,918,000	0.68%	Columbia	16	Sanitary Sewer
81	Deer Park, City of	Sixth St. Drinking Water Reservoir Replacement	Design a 600,000-gallon elevated tank on concrete or steel pedestal, and overflow drainage facility to an approved discharge. Plans for demolition of the existing and failing steel standpipe reservoir.	\$325,000	\$325,000	0.84%	Spokane	7	Domestic Water
77	Rosalia, Town of	Water System Improvements	Design a backup power to the two well sources and booster pump station, replacing water line from the reservoir, and rehabilitation of the lower zone 300,000 gallon concrete reservoir.	\$71,300	\$71,300	0.84%	Whitman	9	Domestic Water

FY 2019 Pre-Construction Loan Awards

PWB Pre-Construction Loan Awards FY19 - August

Total Score (100)	Applicant	Project Name	Description	Loan Request	Total Project Cost	Interest Rate	County	Leg Dist.(s)	System Type
75	King County Water District #111	Well 6 Rehabilitation	Design the replacement of Well #6, well house, pump, piping, electrical and structural improvements to the treatment building.	\$180,000	\$180,000	0.84%	King	33	Domestic Water
75	Pasco, City of	Process Water Reuse Facility Imp. Expansion	Design to upgrade the existing system with new plant processes to increase capacity to allow for expansion and for a wider variety of crops to be land applied without exceeding nutrient loading limitations.	\$1,000,000	\$4,681,032	0.84%	Franklin	9	Sanitary Sewer
73	Rock Island, City of	Water System Improvements	Design to construct a new pressure zone, a booster station, conveyance piping, water reservoir and extending the city water main.	\$213,000	\$2,631,000	0.84%	Douglas	12	Domestic Water
70	King County Water District #49	575 Zone Reservoir and Booster Pump Station	Design additional storage and related conveyance facilities to ensure adequate peak demand, fire protection and standby storage.	\$1,000,000	\$10,359,000	0.84%	King	34	Domestic Water
68	Camas, City of	SR500 (/Everett St.) & Lake Rd Intersection	Right-of-Way acquisition and Intersection improvement design.	\$1,000,000	\$7,379,000	0.84%	Clark	18	Road/ Streets
67	Waitsburg, City of	Waterline Upgrades	Design for the undersized water mainline on Taggart Rd, Hwy 12 to Dewitt Rd and installation of new water mainline connection.	\$90,000	\$950,000	0.84%	Walla Walla	16	Domestic Water

FY 2019 Pre-Construction Loan Awards

PWB Pre-Construction Awards FY19 - August

Total Score (100)	Applicant	Project Name	Description	Loan Request	Total Project Cost	Interest Rate	County	Leg Dist.(s)	System Type
66	CleElum, City of	Downtown Revitalization	Redesign First St, previously a state hwy, with wide travel lanes, wide parking lanes, and deteriorated sidewalks.	\$533,240	\$1,677,720	0.84%	Kittitas	13	Roads/ Streets
Total Pre-Construction Award - August				\$5,430,540	\$41,172,052				

FY 2019 Pre-Construction Loan Awards

PWB Pre-Construction Loan Awards FY19 - October

Total Score (100)	Applicant	Project Name	Description	Loan Request	Total Project Cost	Interest Rate	County	Leg Dist.(s)	System Type
88	North Bend, City of	North Bend WWTP Priority Improvements	Design of Phase 2 High Priority Improvements to the Waste Water Treatment Facility.	\$999,774	\$999,774	0.84%	King	5	Sanitary Sewer
84	Palouse, City of	Water System Improvements Design	Design for a water system improvements project, which includes a new water storage reservoir and distribution system improvements.	\$250,000	\$2,681,000	0.84%	Whitman	9	Domestic Water
83	King County	West Point Primary Sedimentation Area Roof Structure	Primary Sedimentation Area Roof Structure design.	\$1,000,000	\$36,324,837	0.84%	King	36	Sanitary Sewer
77	Cusick, Town of	Comprehensive Collection System Evaluation	To start on a comprehensive wastewater study to align with timing constraints and the award of the Department of Ecology loan (July 2019). To start on the collection system portion of the study, to perform flow testing, infiltration/inflow testing, future wastewater flows, and lift station evaluations.	\$40,000	\$40,000	0.84%	Pend Oreille	7	Sanitary Sewer
74	Cathlamet, Town of	Columbia St. Water Line Imp.	Design and prepare bid documents for the installation of approximately 1,700 lineal feet of 8-inch water main within the existing right-of-way between Columbia Strand Olive Rd and then along an easement from Olive Rd to Island View Ln.	\$55,000	\$55,000	0.84%	Wahkiakum	19	Domestic Water
Total Pre-Construction Award - October				\$2,344,774	\$40,100,611				

FY 2019 Unfunded Pre-Construction Loans

FY 2019 Unfunded Applications and Withdrawn Pre-Construction Loans

The Public Works Board received 20 applications for Pre-Construction Loans during two application cycles in fiscal year 2019. In August, three applicants scored below threshold and were not awarded funds. In October, two of the applicants who scored below threshold in August reapplied. One, King County's West Point project, scored above threshold as was awarded funds. Additionally in the October cycle, Kittitas County's transfer station project scored above threshold and was awarded funds, but the award had to be withdrawn due to non-compliance with GMA.

PWB Pre-Construction Unfunded Projects FY 19 - August

Total Score (100)	Applicant	Project Name	Reason	Loan Request	Total Project Cost	County	Leg Dist.(s)	System Type
63	King County	West Point Primary Sedimentation Area Roof Structure	Score below threshold	\$1,000,000	\$36,324,837	King	36	Sanitary Sewer
63	King County	Fall City Wastewater Management System	Score below threshold	\$1,000,000	\$18,400,000	King	5	Sanitary Sewer
60	Kent, City of	S. 228th St Union Pacific Railroad Grade Separation	Score below threshold	\$1,000,000	\$24,095,000	King	33	Bridges
Total				\$3,000,000	\$78,819,837			

PWB Pre-Construction Unfunded Projects FY19 - October

Total Score (100)	Applicant	Project Name	Reason	Loan Request	Total Project Cost	County	Leg Dist.(s)	System Type
69	Kittitas County	Ellensburg Transfer Station Design	Withdrew award, not compliant with GMA as of 01/02/19	\$1,000,000	\$14,434,618	Kittitas	13	Solid Waste/ Recycling
63	King County	Fall City Wastewater Management System	Score below threshold	\$1,000,000	\$18,400,000	King	5	Sanitary Sewer
Total				\$2,000,000	\$32,834,618			

FY 2019 Emergency Loan Summaries

FY 2019 Emergency Loan Awards

In fiscal year 2019, the Board received multiple inquiries about financing projects with an Emergency Loan; however, only one project qualified under statute. The Emergency Loan program is for construction activities that repair, replace, and/or reconstruct a facility that will restore essential services. Eligible projects are a public works project made necessary by a natural disaster, or an immediate and emergent threat to the public health and safety due to unforeseen or unavoidable circumstances. For qualifying projects, the speed at which funds can be distributed makes the Public Works Board Emergency Loan Program unique in state financing (see Figure 6).

The story of Terrace Heights Sewer District's Emergency Loan

While everyone in the infrastructure industry prefers projects that are intentional and scheduled, the reality is sometimes very different. For Terrace Heights Sewer District, August 29, 2018 was the day when the system dictated the plan. This was the day that a steel sanitary sewer pipe running under a bridge crossing was discovered to be leaking into the Roza Irrigation District canal.

The Roza Irrigation District canal provides irrigation water to orchards and farms throughout the Yakima and Lower Yakima Valleys. Orchardists were advised not to pick fruit that was watered from the canal due to this event.

The District received an Emergency Loan to create a permanent solution. "I cannot express enough how valuable the PWTF was for the District in getting this project done," said Jeff Alderson, the Terrace Heights Sewer District general manager.

Leak Discovered	8/29/18
Application submitted to PWB for emergency financing	9/24/18
PWB approves funding	10/5/18
Contract emailed for signature	10/22/18
Contract fully executed	11/22/18
Project completed	4/17/19

PWB Emergency Loan Awards FY19

Total Score (100)	Applicant	Project Name	Description	Loan Request	Total Project Cost	Interest Rate	County	Leg Dist.(s)	System Type
N/A	Terrace Heights Sewer District	Terrace Heights Drive Bridge Sewer Main Replacements	Replace approximately 185 LF of sanitary sewer pipe, manholes and appurtenances, to include a bridge crossing.	\$245,000	\$245,000	1.69%	Yakima	15	Sanitary Sewer
Total Pre-Construction Award - October				\$245,000	\$245,000				

Terrace Heights Sewer District Emergency Loan Project



*Terrace Heights Sewer District
Damaged pipe discovered 8/29/18*



*Terrace Heights Sewer District
Connecting the new pipe.*



*Terrace Heights Sewer District
Preparing the site*



*Terrace Heights Sewer District
New pipe installed under the bridge*



*Terrace Heights Sewer District
Installing the new pipe*



Senator Honeyford visits the site of Terrace Heights Sewer District's completed PWB Emergency Loan project.

