January 2020 Public Works Board Meeting Recap

*PWB — Washington’s resource for sustainable infrastructure*

*A regular update provided by PWB members Pam Carter and Diane Pottinger*

**Ashley Probart, Executive Director, Transportation Improvement Board** – Board Chair Scott Hutsell opened the meeting and welcomed Transportation Improvement Board Executive Director Ashley Probart who shared some information about TIB and the impacts I-976 is expected to have on its infrastructure grants. For every dollar spent on a TIB project, another $1.67 of local funding sources is used for matches resulting in a 66% increase in the value of a project. Since many projects are already under contract and won’t be affected by any funding cuts, the full impact of I-976 on transportation in the state will not be immediately apparent. Cuts in transportation funding will likely result in more demands on the state’s resources in this and the coming legislatures.

**Emergency Loan Request** – Staff member Jason Freeze introduced an emergency loan request from the City of Moxee for a repair of a water well. Since the application was finalized after the board packet was sent out, the information was distributed at the meeting. This high production well experienced an unexpected, complete failure in October. Moxee will be unable to meet its high spring/summer water demand unless a new well is completed. They secured a Department of Health $500,000 emergency grant and need an emergency loan to fully fund the project. The Board considered the $2,362,000 remaining in the set-aside for Emergency Loans in the current biennium and unanimously approved the request. They also discussed requesting additional emergency funding as this is the third emergency loan request in the past four months, and it is just 6 months into the biennium ending in June 2021.

**Governor’s efforts to enhance diversity, equity and inclusion** – Governor Inslee has long worked to embrace workforce diversity, equity and inclusion in his cabinet. Most recently, his [2020 supplemental budget proposal](https://www.governor.wa.gov/budget) includes investments that enhance diversity, equity and inclusion efforts in government, schools, and communities. To help prepare the Board for understanding how this can impact the PWB, Ernie Rasmussen, Tribal Liaison for Department of Commerce, presented information on tribal interests, values, and goals. The Board meeting ended with a wide-ranging discussion on this same topic (pages 31-43).

**State Treasurer, Duane Davidson, shares programs at the Treasurer’s office** – Washington State Treasurer, Duane Davidson, along with several staff members, acquainted the Board with some of his office’s programs.
During the course of the discussion, he clearly articulated his support for our program: “The only real way the Public Works Assistance Account would be protected from predictable legislative sweeping is with a constitutional amendment blocking such actions by the Legislature. The Public Works Assistance Account was created to help local governments fund important infrastructure development. We should let it do what it was designed to do, and the Legislature should resist the temptation to sweep its funds.”

Board members expressed their appreciation for his support and wished Senator Mary Margaret Haugen was in attendance to hear this comment. The following programs were highlighted:

**Washington Fund Directory** – Have you ever wondered if there was funding available for a project? The Treasurer’s office has a website with over 135 programs to help groups find funding resources for a variety of projects. They demonstrated how a click on “Environmental, Water & Energy”, “Housing, Infrastructure, & Economic Development”, or “Emergency Management” would lead to program lists that included Public Works Board loans and grants.

**Local Government Investment Pool (LGIP)** – Organizations acting as their own treasurers can use this investment pool, with excellent rates and low fees, for their short-term (less than 2-year) investment needs. Some local governments have also contracted with the State Treasurer’s Office to manage longer term investments through their new Separately Managed Account (SMA) program.

**Local Option Capital Asset Lending (LOCAL) Program** – The Treasurer’s office offers another way for smaller governments to finance equipment and/or real estate projects by bundling these needs together and taking them to market. This allows these smaller units to take advantage of the program’s excellent bond rating as well as lower fees and expenses. However, the program is only available to local governments with the ability to levy property taxes.

The Board members asked many questions about these programs, some of which they were unfamiliar with. They were also reminded of the presentation that made by Alderwood Water and Wastewater District General Manager Jeff Clarke back in January 2017 when he talked about research on Joint Municipal Utilities Service Agreements (JMUSA – see page 11 for summary of discussion.)

**Broadband Update** – Broadband Program Director Shelley Westall commented on the program’s busy schedule over the previous month. Because of time required for the rulemaking process, it was likely that no broadband construction funding will be awarded before June. Russ Elliott, the new head of the Washington State Broadband Office, was in attendance to discuss what he has been working on since his appointment by the Governor last October. He still needs to write a state broadband policy and to seat an advisory committee. With our state’s great need for broadband service and expansion, he emphasized the importance of securing all possible federal funding not only to make local money stretch farther but also to preserve parts of the spectrum for public use.

**Department of Commerce Update** – Assistant Director Mark Barkley related the high level of activity at the department, much of it in the housing arena, especially as it relates to homelessness. He noted they are getting geared up for the legislative session especially as they
prepared more than 1000 local government fiscal notes last session. They have also been busy hiring new employees to achieve full staffing which would almost double the FTEs since 2014. After a tenure of more than 30 years, long-time Department of Commerce employee Bruce Lund, formerly with the PWB, will be retiring later in 2020. Everyone agreed that it will be hard to replace that level of historical knowledge.

**Lobbying Report and Plan for the 2020 Legislative Session** – The Board complemented staff for their work on the PWB’s 2019 Reference Guide which Board lobbyists Mara Machulsky and Jim Rowland will be sharing as they visit legislators this session. The Board discussed the lobbying efforts for this legislative session, the weekly phone meeting of the Executive Committee, and the PWB lobbying day on February 6. Board members able to participate on February 6 were asked to let Mara and Karin know so that they can schedule folks appropriately that day. Karin and Mara are also working on a one-page hand out for legislators.

As the Board had just received its third emergency loan request in the last four months, it considered and approved asking the Legislature for an additional $5 million to be used for emergency loans for the remainder of the biennium. Given the lack of adequate infrastructure funding available in recent years, the Board expects to be seeing an increase in funding requests. The graph on page 24 of PWB’s 2019 Reference Guide clearly shows that over 50% of the 2019 PWB Construction Loan requests were for projects to address systems that have failed or soon will be failing. The table on pages 63 to 65 show that nearly all the qualified applications, with minimum scores of 65, could have been funded, had not $160 million this biennium been transferred from the Public Works Assistance Account (PWAA) into the Education Legacy Account. Perhaps we could request the State Treasurer to help show how the PWAA funds could make a sizable dent in our local infrastructure needs if the legislators would only let us use the fund the way it was intended to be used?