March 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

**Recognition of Board Member** — Chair Scott Hutsell recognized outgoing Board Member, KC Kukendall, Councilmember for the City of Waitsburg. KC has served the Board for 5 years and has been on the Executive Committee for nearly that long. Chair Hutsell and the Board thanked KC for his service and contributions to the Board.

**Emergency Loan Request** — Staff member Kari Sample introduced an Emergency Loan Request from the City of Olympia for repair of both water and sewer mains that were damaged when a tree fell across a pedestrian bridge that crosses a creek. Since the application was finalized after the board packet was sent out, the information was distributed at the meeting. The City of Olympia has stopped the spill and received emergency approvals for SEPA, Shoreline, and Hydraulic Project Approval. Unlike the construction loan program, this emergency program has an award limit of $1,000,000 with funds available on a first come, first served basis until the emergency funds for the biennium are exhausted. Therefore the City’s request of $1,000,000 from our Emergency Fund Program was very significant given there was only $1,640,800 remaining in the fund. These considerations sparked a significant debate amongst board members, including whether or not the City had considered alternative funding options and whether the entire project cost qualified as a true emergency. It was extremely helpful that Eric Christensen, Water Resources Officer for the City of Olympia, who had been listening to the meeting via the phone showed up at the meeting to answer many of the Board’s questions. In the end, this in-person visit provided much needed information and led to Board approval of the Emergency Loan request.

**Executive Director’s report** — ED Karin Berholtz introduced to the Board our newest staff member Ellen Hatleberg who was recently hired as Board Liaison. The Board also congratulated Board Staff Kari Sample on obtaining her Bachelor of Arts Degree in Business Management. This was a true accomplishment on top of her fulltime work with the loan program. Karin is also proposing making changes to committee structures, and this conversation will continue over the coming months. She also explained that the Board’s budget requests for the 2021-2023 biennium will need to be turned in by June. By the time the meeting ended the first two of the PWB’s Regional Trainings had been canceled due to COVID-19. By the time this report was finalized, all of the 2020 Regional Trainings have been canceled.

**Broadband Update** — Broadband Program Director Shelley Westall commented on the applications so far received for the program’s Feasibility and Outreach Grants. She also spoke about last month’s tours including a visit to the Port of Whitman and the statewide Broadband Planning Assessment Survey. Just like with the other six lines of infrastructure addressed by the Public Works Board, there is a huge need for Broadband, much more than the funding currently available
Department of Commerce Update — Assistant Director Mark Barkley discussed the timing of the implementation of the budgets after they are approved by the legislature and then signed by the Governor.

Lobbying Report — Board lobbyists Mara Machulsky and Jim Rowland reported on their recent meetings with Legislators. With the legislature’s cutoff date of March 6 for bills to pass out of the opposite house and March 12 scheduled for adjournment, SB 6693 (restoring revenue from the real estate excise tax to the Public Works Assistance Account) it did not appear likely to make it to the Governor’s desk this session. We now know that it did not. The House Capital Budget Committee held a work session on the bill February 20 (see attached video link from 53:40 to 1:41:00 end of the House Capitol Budget Committee). Bill sponsors, Mark Mullet, Lisa Wellman, Judy Warnick, Steve Hobbs, and Derek Stanford, know this bill will face an uphill battle the next legislative session. We will need to help get the message out to all of our associations so that they can schedule visits and tours with legislators this summer and fall. There was been some talk about dipping into the Rainy Day Fund, currently $4 billion, but it was not a likely solution for our infrastructure needs and was not used for that this session.

Budget 101 — Board staff gave a joint presentation titled Budget 101 in order to give all Board members a common understanding of the Board’s funding. It began with a depiction of the state’s biennial budget process followed by a recap of the historic changes to the Public Works Assistance Account, how draws and loan repayments can affect the fund balances, and the staff operating budget and Board budget. This information then led to an explanation of the “predictive model” that we often hear about. Board members were presented with assumptions that need to be taken into consideration when estimating the funds that will be available for loans. Information on the Statewide Broadband Account, both the operating and capital budgets, was presented along with the note that a funding mechanism has not been identified to fund these programs going forward. The Board is currently working towards requests for $250 million for construction, preconstruction and emergency loans (what we call the traditional programs), additional $25 million for Broadband, a yet to be determined amount for SYNC, and increases to the operating budget sufficient to cover operating costs associated with the expanded programs.

MRSC Survey on Public Works Infrastructure — MRSC staff member Judy Isaac explained that CPARB (Capital Projects Advisory Review Board) and the Department of Enterprise Services have partnered with MRSC to produce a public works contracting study as ordered by the legislature last session in ESHB5418. In the very near future MRSC expects to begin a survey of local governments on the barriers they face in public works contracting and potential improvements to the current process. The information collected will be included in the final report to the legislature. Stay tuned, and please consider participating when you receive this survey.