

***Reclaimed Water Use
Long-Term Funding Subtask Force
Department of Ecology, Lacey
November 13, 2007
9:00 a.m.-12:30 p.m.***

Meeting Summary

Attendees

Tom Lienesch, King County
Karla Fowler, LOTT Alliance
Mike Dixel, Department of Health
Hal Schlomann, WA Association Water & Sewer Districts
John Kounts, WA PUD Association
Bruce Rawls, Spokane County
Gary Chandler, Association of Washington Business

Ecology

Steve Carley, Subtask Force Chair
Dan Filip, Water Quality
Shawna Beers, Water Quality
Kathy Cupps, Reclaimed Water Lead
Jim McCauley, Reclaimed Water

Facilitator

Angie Thomson, EnviroIssues

Background and Agenda Review

Steve Carley

- Review of Funding Chapters 3 & 9 of the Legislative Report
- Legislative Directed Infrastructure Study Committee Briefing
- Further Discussion Needed and Subtask Force Future

Steve reported on the status of the Funding Subtask Force chapter of the report. The purpose of the review is to ensure that it captures all relevant messages from the meetings. Items briefly discussed to emphasize in the report include:

- Existing funding programs are overstretched.
- There is a need for holistic planning to meet water needs and include reclaimed water.
- Bonds have an overall debt limit and there needs to be a new source.
- Interest-bearing loans provide perpetual funding sources to offer low or no interest loans to smaller communities.
- Biennial budget cycles create a challenge for prioritizing future projects and current needs.

Review of Funding Chapters 3 & 9 of the Legislative Report

Dan Filip (PowerPoint)

Dan Filip described the contents of the draft funding chapters and answered questions from the subtask force. The group determined additional items to include or emphasize.

Discussion points around these ideas included:

- The need to emphasize that current funding options are inadequate and should address wastewater treatment needs as well as those for water reclamation facilities.
- The need to clarify the funding amounts recommended by specifying how they were derived. Funding proposed is based on upcoming projects in planning and design stage and revenue funding sources being looked at. The ramp-up is based on needs, tangible to revenue sources suggested and needs survey.
- The Department of Revenue report was done by request from the subtask force.
- Recommended revenue sources are viable options discussed by the subtask force.
- FY 2008 Reclaimed Water Grants Program
 - Draft offer list expected by the end of November.
 - Two-week public comment period will come after draft list.
 - Final offer list released early January 2008.
- The mechanics of the recommended reclaimed water funding program were left up to Ecology staff at the request of the subtask force.
- Tribal entities were recognized as possible eligible applicants for funding. Although they are considered sovereign nations and Ecology does not regulate tribal waters (regulated under EPA), they would need to meet the same Washington state standards as other eligible applicants if included in criteria.
 - State agencies and institutions of higher learning must get funding from the Capital Budget and are not considered eligible. This program is focused on local governments.
- “Readiness to proceed” is defined within the report. Entities must be ready to use the reclaimed water now. It cannot happen down the road. Some entities may face a barrier in “ready” status due to lack of guaranteed funding to get to that stage.
- Clarify construction items eligible for grants or loans. Grant money for specific project components and loan money for others. Reclaimed water is considered “after treatment” and there needs to be a clear definition of what that entails.
 - Distribution, storage, pumps, scalping plant are important parts of the reclaimed water process to consider for funding.
 - Will grants keep the program sustainable? Should some components be partially grant eligible?
 - A member suggested running an economic model with grants and loans. Perform a sensitivity analysis to determine the effects of different percentage loans offered. Find out what it would take to get programs running.

- The legislature determined the grant program for high priority areas, a deciding factor on grant money decisions.
- Clarify eligibility where there is a combination of wastewater and reclaimed water.
 - Pay up to 20% of the project if there is a combination.
 - Treatment–loan eligible and distribution–grant eligible.
 - Scalping plant–no solids processing.
- Identify commercial/industrial vs. residential user
 - Determine how a reclaimed water/distribution project will be classified.
 - Defer decision to Ecology–resolved through the scoring process.
- The loan programs proposed are designed to maintain perpetuity over the long-term, keeping in mind the needs of hardship communities.
- Define how high priority areas are determined–geographical or hydrological analyses.
- Consideration of water rights is included in the application and scoring process.

Legislative Directed Infrastructure Study Committee

There was not enough time to address this topic.

Further Discussion Needed and Future of Subtask Force

There was not enough time to address this topic.

Adjourn 12:30

“This is mission impossible.”—Hal Schlomann