

June 7, 2017

Daniel Thompson
Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

RE: Comments to Ecology's proposed rulemaking for uses of the Water Pollution Control Revolving Fund (Chapter 173-98 WAC) and Centennial Clean Water Fund (Chapter 173-96A WAC)

Mr. Thompson,

We are contacting you as a coalition of the five publicly-owned industrial wastewater treatment facilities in Washington State to submit the following comments to the proposed rule that was published by the Department of Ecology (Ecology) on April 19, 2017. We are the City of Quincy, City of Pasco, City of Vancouver, Port of Moses Lake and Port of Sunnyside.

These communities have all invested in wastewater treatment facilities to enable job creation and economic growth outside of the Puget Sound region. Historically, publicly owned industrial wastewater treatment facilities have been ineligible for funding programs such as the Water Pollution Control Revolving Fund (CWSRF) and the Centennial Clean Water Fund (CCWF) unless they can demonstrate that the project directly benefits residential taxpayers.

At the July 21, 2016 Financial Assistance Council (FAC) meeting, Ecology presented their specific rulemaking recommendations including expanding the eligibility for these funding programs to publicly-owned industrial facilities. This suggestion was considered and rejected by only 12 FAC members, representing a meager 38.7% of the membership, and with limited Ecology support staff (6 out of 14) at their October 6, 2016 meeting. Nonetheless, the final rule can make this important change, which will benefit the state in meeting water quality objectives, and assisting in job creation outside of Puget Sound.

In recent years, local infrastructure funding has become less reliable and increasingly uncertain. Since 2009, dedicated infrastructure accounts like the Public Works Trust Fund, which were created to provide loans for community infrastructure projects, have been routinely swept, except in 2012, to resolve budget shortfalls. During the 2017 legislative session, the legislature proposes funding the Public Works Board's project list for the first time in five years, but continues to debate diversion of the Funds' revenue streams for future years. The inconsistency of water infrastructure funding during the past decade has led to project delays, reconsideration of financing options, redesign, reductions and postponements at the local level.

Should publicly-owned industrial facilities become eligible to apply for CWSRF and the CCWF grants, they would also become more competitive in applying for federal funds, a critical investment requirement and component of some projects. The U.S. Environmental Protection

Agency (EPA) announced the availability of approximately \$1 billion in credit assistance for water infrastructure projects under the new Water Infrastructure Finance and Innovation Act (WIFIA) program. Unfortunately, eligibility for these federal funds is strongly dependent upon a jurisdiction first being eligible for state level grant funds. In 2016, Ecology acknowledged that publicly-owned industrial wastewater treatment facilities are not prohibited from federal sources of funding provided to the state in support of these two water pollution control accounts.

Consequently, we were encouraged when the agency recommended that publicly-owned industrials become eligible for these funds last year, and we strongly urge it to move forward with its initial recommendation to change the proposed rule and allow these five jurisdictions to compete for the state's largest and most reliable sources of wastewater infrastructure funding. The change will assist the state in meeting its water quality goals, and assist in retaining and growing economic activity outside of Puget Sound.

We appreciate the opportunity to provide public comment on the proposed rule and welcome your further engagement on this matter.

Sincerely,



Jim Hemberry
Mayor, City of Quincy

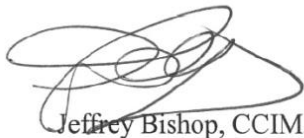


Matt Watkins
Mayor, City of Pasco



Tim Leavitt,
Mayor, City of Vancouver

Jay Hester,
Executive Director, Port of Sunnyside



Jeffrey Bishop, CCIM, RPA, FMA
Executive Director
Port of Moses Lake

cc: Sen. Judy Warnick
Sen. Jim Honeyford
Sen. Annette Cleveland
Sen. Maureen Walsh
Rep. Matt Manweller

Municipal coalition comment letter to Daniel Thompson

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Rep. Tom Dent

Rep. Bruce Chandler

Rep. David Taylor

Rep. Sharon Wylie

Rep. Monica Jurado Stonier

Rep. Terry Nealey

Rep. Bill Jenkin