Reclaimed Water: Financing should not be your barrier.

David Dunn PE
Water Quality Program
2018 Conference:
October 23, 24, 25, 2018
Wenatchee, WA
infrafunding.wa.gov

Infrastructure Assistance Coordinating Council
Funding Reclaimed Water
So you have a project?

• Does it have regulatory approval?
• Is it technically feasible?
• Is your elected body supportive?
• Is the public on board?
• Is it financially sustainable?
• Is it cost effective?
State Revolving Fund

- Low interest Loan Program
- Federally capitalized fund
- Loans to fund water quality projects.
- Repayments and interest revolve
- Managed at the state level
- Financing for cost effective solutions
Washington’s Water Quality Funding
Funding All Dimensions Of Water Quality

Beginning to End
- Comprehensive sewer planning
- Feasibility studies
- Site-specific facility planning
- Value engineering
- Design
- Construction
- Construction Management

Tiny to Large
- I/I correction
- Treatment works

All “Waters of the State”
- Surface Water
- Ground Water
- Ocean
- Estuaries

Simple to Complex
- Septic and LOSS
- Natural Systems
- Mechanical Treatment
- Reclaimed Water
Integrated Water Quality Funding Program

- **Fund Sources:** Revolving Fund, Centennial, Section 319, Stormwater
- **Assistance Type:** Grants, Loans, Hardship
- **Project Type:** Wastewater, Non-Point, Stormwater, On-Site Sewage

Integrated Application & Rating Process

Combined Funding Offer List
EAGL On-Line Portal

• Ecology Administration of Grants and Loans
  – Application
  – Agreement Development
  – Reimbursement
  – Progress Reporting
SFY19 Funding Cycle

Fiscal Year 2019 Annual Water Quality Funding Cycle Process Steps

- Agreement Closeout
- Agreement/Project Management: 1-5 years
- Agreement Development: July 2018-January 2019*
- Issue Final Funding List and Funding Letters: June 29, 2018*
- Public Comment Period: January 19-February 19, 2018*
- Issue Draft Funding List: January 19, 2018*
- Application Evaluation, Rating, and Ranking: October 17-December 26, 2017*
- Application Submittal: August 14-October 16, 2017
- Applicant Workshops:
  - August 16, 2017-Spokane
  - August 17, 2017-Ellensburg
  - August 23, 2017-Lacey
  - August 24, 2017-Lynnwood

- State Legislature Session: January-April 2018*
  (2018 Supplemental Budget)
- Governor’s Proposed Budget: December 2017*
  (2018 Supplemental Budget)

* Estimated Dates
SFY19 CWSRF Standard Interest Rates

Based on market rate (MR) for tax exempt municipal bonds

<table>
<thead>
<tr>
<th>Loan Term</th>
<th>Interest Rate</th>
<th>(Percentage of MR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 year loans</td>
<td>2.6%</td>
<td>(80%)</td>
</tr>
<tr>
<td>20 year loans</td>
<td>2.0%</td>
<td>(60%)</td>
</tr>
<tr>
<td>5 year loans</td>
<td>1.0%</td>
<td>(30%)</td>
</tr>
<tr>
<td>Watershed activities</td>
<td>30 year = 2.0% (60% of MR)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>20 year = 1.3% (40% of MR)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 year = 0.7% (20% of MR)</td>
<td></td>
</tr>
</tbody>
</table>
Caveat Emptor

• The SRF carries federal conditions
  – State public works procurement rules
  – Comply with conditions of SERP and Cross cutters
  – Applicant must be in compliance with the Growth Management Act (GMA) before finalizing agreement.
  – Federal Davis-Bacon wage law
  – Federal Disadvantaged Business Enterprise
  – Federal Equal Employment Opportunity
  – Federal Debarment and Transparency requirements
  – Investment Grade Efficiency Audit
  – American Iron and Steel requirements
  – Asset Management requirements
How about an example?
Ocean Discharge?
LOTT Alliance

- Lacey, Olympia, Tumwater, Thurston County (LOTT)
  - Each partner owns collection system.
  - LOTT provides regional treatment.
  - 1976 - Alliance formed
  - 1990 - Full denitrification
  - 2005 - Total Inorganic Nitrogen Limits
    - 3 mg/L, 288 lbs/day (monthly average)
Reclaimed Water at LOTT

- Reclaimed Water Plant
- Satellite Reclaimed Water Plant
- Infiltration Basins
- Distribution System
- Storage Reservoir
LOTT reclaimed water storage reservoir
View from the 14th fairway
How did the SRF help?

• The Martin Way satellite reclaimed water plant
  – $30 M loan, 2005

• Reclaimed Water Transmission Main
  – $1.0 M loan, $1.0 M grant, 2010

• Reclaimed Water Storage Reservoir
  – $4.3 M loan, 2012
If you are in Washington

Department of Ecology
SRF loans

David Dunn
david.dunn@ecy.wa.gov
(360)407-6503
If you are in Idaho

Idaho DEQ
SRF loans

Tim Wendland

tim.wendland@deq.idaho.gov
(208) 373-0439
If you are in Oregon

Oregon DEQ
SRF loans

Anita Yap
yap.anita@deq.state.or.us
(503) 229-6896
If you are in Oregon

Oregon Water Resources Department
Feasibility Studies

Becky Williams
Becky.S.Williams@oregon.gov
Time for Questions