
HOUSE BILL 3136

State of Washington 61st Legislature 2010 Regular Session

By Representatives Dunshee, Simpson, and Ormsby

Read first time 01/27/10. Referred to Committee on Capital Budget.

1 AN ACT Relating to funding criteria for publically owned
2 nonindustrial water pollution control facilities; and amending RCW
3 90.50A.030 and 90.48.110.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 90.50A.030 and 2007 c 341 s 38 are each amended to
6 read as follows:

7 The department shall use the moneys in the water pollution control
8 revolving fund to provide financial assistance as provided in the water
9 quality act of 1987 and as provided in RCW 90.50A.040:

10 (1) To make loans, on the condition that:

11 (a) Such loans are made at or below market interest rates,
12 including interest free loans, at terms not to exceed twenty years;

13 (b) Annual principal and interest payments will commence not later
14 than one year after completion of any project and all loans will be
15 fully amortized not later then twenty years after project completion;

16 (c) The recipient of a loan will establish a dedicated source of
17 revenue for repayment of loans; (~~and~~)

18 (d) The fund will be credited with all payments of principal and
19 interest on all loans; and

1 (e) The loans will be used in accordance with federal clean water
2 state revolving fund appropriations allowances and restrictions.

3 (2) Loans may be made for the following purposes:

4 (a) To public bodies for the construction or replacement of water
5 pollution control facilities as defined in section 212 of the federal
6 water quality act of 1987;

7 (b) For the implementation of a management program established
8 under section 319 of the federal water quality act of 1987 relating to
9 the management of nonpoint sources of pollution, subject to the
10 requirements of that act; and

11 (c) For development and implementation of a conservation and
12 management plan under section 320 of the federal water quality act of
13 1987 relating to the national estuary program, subject to the
14 requirements of that act.

15 (3) The department may also use the moneys in the fund for the
16 following purposes:

17 (a) To buy or refinance the water pollution control facilities'
18 debt obligations of public bodies at or below market rates, if such
19 debt was incurred after March 7, 1985;

20 (b) To guarantee, or purchase insurance for, public body
21 obligations for water pollution control facility construction or
22 replacement or activities if the guarantee or insurance would improve
23 credit market access or reduce interest rates, or to provide loans to
24 a public body for this purpose;

25 (c) As a source of revenue or security for the payment of principal
26 and interest on revenue or general obligation bonds issued by the state
27 if the proceeds of the sale of such bonds will be deposited in the
28 fund;

29 (d) To earn interest on fund accounts; and

30 (e) To pay the expenses of the department in administering the
31 water pollution control revolving fund according to administrative
32 reserves authorized by federal and state law.

33 (4) The department shall present a biennial progress report on the
34 use of moneys from the account to the appropriate committees of the
35 legislature. The report shall consist of a list of each recipient,
36 project description, and amount of the grant, loan, or both.

37 (5) The department may not use the moneys in the water pollution
38 control revolving fund for grants.

1 (6) The department shall give preference to projects that:

2 (a) Increase protection and improvement of water quality and public
3 health;

4 (b) Cost the residential ratepayers a higher amount to finance
5 without state assistance than other projects cost;

6 (c) Require action under federal and state permits and compliance
7 orders, including projects with a history of noncompliance;

8 (d) Are ready to proceed with planning, design, or construction;

9 (e) Are cost-effective based on an analysis of alternatives,
10 including regionalization;

11 (f) Are a Puget Sound partner, as defined in RCW 90.71.010, except
12 that entities that are not eligible to be a Puget Sound partner due to
13 geographic location, composition, exclusion from the scope of the
14 action agenda developed by the Puget Sound partnership under RCW
15 90.71.310, or for any other reason shall not be given less preferential
16 treatment than Puget Sound partners;

17 (g) Are referenced in the action agenda developed by the Puget
18 Sound partnership under RCW 90.71.310;

19 (h) Are located in evergreen communities recognized under RCW
20 35.105.030, except that entities not eligible for designation as an
21 evergreen community shall not be given less preferential treatment than
22 an evergreen community;

23 (i) Have established programs to mitigate nonpoint pollution of the
24 surface or subterranean water sought to be protected by the water
25 pollution control facility;

26 (j) Are recommended by the Puget Sound partnership, created in RCW
27 90.71.210, or any other board, council, commission, or group
28 established by the legislature or a state agency to study water
29 pollution control issues in the state; and

30 (k) Have adopted and are implementing: (i) A sewer use ordinance
31 and equitable sewer user charge system or (ii) a stormwater ordinance
32 meeting permit requirements and stormwater fee system, whichever is
33 applicable.

34 **Sec. 2.** RCW 90.48.110 and 2007 c 343 s 13 are each amended to read
35 as follows:

36 (1)(a) Except under subsection (2) of this section, all engineering
37 reports, plans, and specifications for the construction of new sewerage

1 systems, sewage treatment or disposal plants or systems, or for
2 improvements or extensions to existing sewerage systems or sewage
3 treatment or disposal plants, and the proposed method of future
4 operation and maintenance of said facility or facilities, shall be
5 submitted to and be approved by the department, before construction
6 thereof may begin. No approval shall be given until the department is
7 satisfied that said plans and specifications and the methods of
8 operation and maintenance submitted are adequate to protect the quality
9 of the state's waters as provided for in this chapter. Approval under
10 this chapter is not required for large on-site sewage systems permitted
11 by the department of health under chapter 70.118B RCW or for on-site
12 sewage systems regulated by local health jurisdictions under rules of
13 the state board of health.

14 (b) The department shall require, through the development of rules,
15 that plans established in this subsection include the following
16 elements:

17 (i) Reviews and updates of sewer plans on a six-year cycle,
18 including asset management and financial planning;

19 (ii) An equitable sewer user charge system for residential,
20 commercial, and industrial users to cover all financial obligation of
21 the planned community sewer utility;

22 (iii) Connection fees for new connections to a sewer system that
23 reflect a fair share cost of infrastructure from which new connections
24 will benefit;

25 (iv) A capital wastewater facilities reserve fund dedicated to
26 paying for wastewater infrastructure and equipment replacement; and

27 (v) A sewer use ordinance that restricts certain connections and
28 wastes to protect a local government's investment and enhance the
29 wastewater treatment's process stability and effluent quality. At a
30 minimum, the ordinance must:

31 (A) Require new sewers and connections to be properly designed and
32 constructed;

33 (B) Require a provision with a timeline and proximity in which
34 existing and future residences must connect to the sewer system;

35 (C) Prohibit inflow sources into the sewer system; and

36 (D) Prohibit introduction of toxic or hazardous wastes into the
37 sewer system in an amount or concentration that endangers the public's

1 safety or the physical integrity of the system which may cause
2 violations of the national pollutant discharge elimination system
3 permit or state waste discharge permit.

4 (2) To promote efficiency in service delivery and intergovernmental
5 cooperation in protecting the quality of the state's waters, the
6 department may delegate the authority for review and approval of
7 engineering reports, plans, and specifications for the construction of
8 new sewerage systems, sewage treatment or disposal plants or systems,
9 or for improvements or extensions to existing sewerage system or sewage
10 treatment or disposal plants, and the proposed method of future
11 operations and maintenance of said facility or facilities and
12 industrial pretreatment systems, to local units of government
13 requesting such delegation and meeting criteria established by the
14 department.

15 (3) For any new or revised general sewer plan submitted for review
16 under this section, the department shall review and either approve,
17 conditionally approve, reject, or request amendments within ninety days
18 of the receipt of the submission of the plan. The department may
19 extend this ninety-day time limitation for new submittals by up to an
20 additional ninety days if insufficient time exists to adequately review
21 the general sewer plan. For rejections of plans or extensions of the
22 timeline, the department shall provide in writing to the local
23 government entity the reason for such action. In addition, the
24 governing body of the local government entity and the department may
25 mutually agree to an extension of the deadlines contained in this
26 section.

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