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## HOUSE BILL 1557

63rd Legislature

2013 Regular Session

By Representatives Chandler and Takko

State of Washington

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Read first time 01/30/13. Referred to Committee on Capital Budget.

- 1 AN ACT Relating to publicly owned industrial wastewater treatment
- 2 facilities; and amending RCW 70.146.070 and 90.50A.030.
- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 70.146.070 and 2008 c 299 s 26 are each amended to read as follows:
- 6 (1) When making grants or loans for water pollution control 7 facilities, the department shall consider the following:
  - (a) The protection of water quality and public health;
- 9 (b) The cost to residential ratepayers if they had to finance water 10 pollution control facilities without state assistance;
- 11 (c) Actions required under federal and state permits and compliance 12 orders;
- 13 (d) The level of local fiscal effort by residential ratepayers 14 since 1972 in financing water pollution control facilities;
- (e) Except as otherwise conditioned by RCW 70.146.110, whether the entity receiving assistance is a Puget Sound partner, as defined in RCW 90.71.010;
- 18 (f) Whether the project is referenced in the action agenda 19 developed by the Puget Sound partnership under RCW 90.71.310;

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(g) Except as otherwise provided in RCW 70.146.120, and effective one calendar year following the development and statewide availability of model evergreen community management plans and ordinances under RCW 35.105.050, whether the project is sponsored by an entity that has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030;

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- (h) The extent to which the applicant county or city, or if the applicant is another public body, the extent to which the county or city in which the applicant public body is located, has established programs to mitigate nonpoint pollution of the surface or subterranean water sought to be protected by the water pollution control facility named in the application for state assistance; and
- (i) The recommendations of the Puget Sound partnership, created in RCW 90.71.210, and any other board, council, commission, or group established by the legislature or a state agency to study water pollution control issues in the state.
- (2) Except where necessary to address a public health need or substantial environmental degradation, a county, city, or town planning under RCW 36.70A.040 may not receive a grant or loan for water pollution control facilities unless it has adopted a comprehensive plan, including a capital facilities plan element, and development regulations as required by RCW 36.70A.040. This subsection does not require any county, city, or town planning under RCW 36.70A.040 to adopt a comprehensive plan or development regulations before requesting or receiving a grant or loan under this chapter if such request is made before the expiration of the time periods specified in RCW 36.70A.040. A county, city, or town planning under RCW 36.70A.040 which has not adopted a comprehensive plan and development regulations within the time periods specified in RCW 36.70A.040 is not prohibited from receiving a grant or loan under this chapter if the comprehensive plan and development regulations are adopted as required by RCW 36.70A.040 before submitting a request for a grant or loan.
- (3) Whenever the department is considering awarding grants or loans for public facilities to special districts requesting funding for a proposed facility located in a county, city, or town planning under RCW 36.70A.040, it shall consider whether the county, city, or town planning under RCW 36.70A.040 in whose planning jurisdiction the

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proposed facility is located has adopted a comprehensive plan and development regulations as required by RCW 36.70A.040.

- (4) When making loans for water pollution control facilities, the department may provide loans to publicly owned industrial wastewater treatment facilities that relieve a city of the burden of processing industrial wastewater.
- (5) After January 1, 2010, any project designed to address the effects of water pollution on Puget Sound may be funded under this chapter only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.
- **Sec. 2.** RCW 90.50A.030 and 2007 c 341 s 38 are each amended to read as follows:

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

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

- (a) Such loans are made at or below market interest rates, including interest free loans, at terms not to exceed twenty years;
- (b) Annual principal and interest payments will commence not later than one year after completion of any project and all loans will be fully amortized not later then twenty years after project completion;
- (c) The recipient of a loan will establish a dedicated source of revenue for repayment of loans; and
  - (d) The fund will be credited with all payments of principal and interest on all loans.
    - (2) Loans may be made for the following purposes:
  - (a) To public bodies for the construction or replacement of water pollution control facilities as defined in section 212 of the federal water quality act of 1987;
  - (b) For the implementation of a management program established under section 319 of the federal water quality act of 1987 relating to the management of nonpoint sources of pollution, subject to the requirements of that act; ((and))
- (c) For development and implementation of a conservation and management plan under section 320 of the federal water quality act of 1987 relating to the national estuary program, subject to the requirements of that act; and

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- (d) For the planning, design, and construction of publicly owned wastewater treatment facilities, including publicly owned industrial wastewater treatment facilities that relieve a city of the burden of processing industrial wastewater.
  - (3) The department may also use the moneys in the fund for the following purposes:
  - (a) To buy or refinance the water pollution control facilities' debt obligations of public bodies at or below market rates, if such debt was incurred after March 7, 1985;
  - (b) To guarantee, or purchase insurance for, public body obligations for water pollution control facility construction or replacement or activities if the guarantee or insurance would improve credit market access or reduce interest rates, or to provide loans to a public body for this purpose;
  - (c) As a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the state if the proceeds of the sale of such bonds will be deposited in the fund;
    - (d) To earn interest on fund accounts; and
  - (e) To pay the expenses of the department in administering the water pollution control revolving fund according to administrative reserves authorized by federal and state law.
  - (4) The department shall present a biennial progress report on the use of moneys from the account to the appropriate committees of the legislature. The report shall consist of a list of each recipient, project description, and amount of the grant, loan, or both.
- 27 (5) The department may not use the moneys in the water pollution 28 control revolving fund for grants.

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