

# HOUSE BILL REPORT

## HB 2838

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### As Reported by House Committee On: Capital Budget

**Title:** An act relating to publicly owned industrial wastewater treatment facilities.

**Brief Description:** Concerning publicly owned industrial wastewater treatment facilities.

**Sponsors:** Representatives Dent, Wylie, Nealey and Chandler.

**Brief History:**

**Committee Activity:**

Capital Budget: 1/30/18, 2/2/18 [DP].

**Brief Summary of Bill**

- Authorizes Water Pollution Control Revolving Fund loans for publicly owned industrial wastewater treatment facilities that reduce the burden on a municipal treatment facility.

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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass. Signed by 16 members: Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Dye, Eslick, Kraft, Macri, Morris, Riccelli, Ryu, Sells, Steele, Stonier and Walsh.

**Minority Report:** Without recommendation. Signed by 1 member: Representative MacEwen.

**Staff:** Melissa Palmer (786-7388).

**Background:**

Wastewater Treatment Facilities.

Wastewater treatment facilities are facilities or systems for the control, collection, storage, treatment, disposal, or recycling of wastewater. Wastewater includes sanitary sewage, storm

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water, residential, commercial, industrial, and agricultural wastes that cause water quality degradation due to concentrations of pollutants.

Water Pollution Control Financing.

The Water Pollution Control Revolving Fund Loan program was established by Congress under the federal Clean Water Act. Known also as the Clean Water State Revolving Fund (CWSRF) program, it is managed by the Department of Ecology (DOE). The CWSRF program provides low-interest loans to cities, counties, and special purpose districts including ports, federally recognized Indian tribes, and other public bodies, to plan, design, construct, and improve water pollution control facilities, such as wastewater treatment plants, sewers, and storm water control projects. The CWSRF program receives funding primarily from four sources: loan repayments; an annual capitalization grant from the Environmental Protection Agency; a required 20 percent state match to the federal grant; and interest earnings on State Treasury investments.

State and federal laws do not specifically prohibit funding of industrial wastewater treatment facilities. However, under DOE rules, wastewater pollution control facilities that are solely industrial are ineligible for CWSRF loans. As reflected in rule, the DOE policy is to focus on providing low-interest loans and grants to systems that primarily address residential need.

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**Summary of Bill:**

The DOE may make loans to publicly owned industrial wastewater treatment facilities that reduce the burden on a municipal wastewater facility.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) There are five publicly owned industrial treatment systems in the state. It would be hugely beneficial for these entities to be able to borrow money through the DOE program. The language in the legislation has been vetted, and this idea has been before the Legislature a few times. The City of Quincy has invested millions in its project. The city will be able to pursue other funding sources after completion of the feasibility study. The city has evaluated and pursued other funding sources such as the Public Works Assistance Account or federal funds. This bill would allow the CWSRF to be a funding option. Entities that serve both a municipal and industrial need should be eligible. The Pasco treatment facility supports the city's growth, especially in the agricultural processing industry. It creates permanent, full-time jobs. The City of Pasco cannot support further expansion due to

the limited capacity of its existing facility. The City of Moses Lake has one of the largest air fields in the work. The port has invested in infrastructure. To accommodate new business expansion, the systems must be in place. The industrial wastewater treatment facilities have worked with the DOE, but the DOE did not feel like they had the authority to make the change regarding eligibility.

(Opposed) None.

**Persons Testifying:** Bruce Beckett, Port of Moses Lake; Michael Morales, City of Pasco; and Scott Cave, City of Quincy.

**Persons Signed In To Testify But Not Testifying:** None.